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JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION IN RELATION TO THE INTERNAL RESTRUCTURING OF ASSETS

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF ASSETS

THE ASSETS TRANSFER

On 21 July 2023, Ocean Homeplus (a wholly-owned subsidiary of Sino-Ocean Service and a 67.57%-owned subsidiary of Sino-Ocean Group) (on behalf of each relevant member of the Ocean Homeplus Group) and SOG China (a wholly-owned subsidiary of Sino-Ocean Group) (on behalf of each relevant Sino-Ocean Connected Person) entered into the Assets Transfer Framework Agreements, pursuant to which the Ocean Homeplus Group has conditionally agreed to acquire, and the Sino-Ocean Connected Persons have conditionally agreed to sell, the Target Assets at an aggregate consideration of RMB626,350,000, among which the consideration for the Parking Spaces Transfer and the Commercial Properties Transfer is RMB473,920,000 and RMB152,430,000, respectively.

The Target Assets comprise (i) 4,961 parking spaces and (ii) 168 commercial properties (with a total gross floor area of approximately 12,901 sq.m. in aggregate), all of which are located in the PRC.

The consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be offset against the Receivables in its entirety, and thus no separate cash payment will be made by the Ocean Homeplus Group to the Sino-Ocean Connected Persons for the purpose of the Assets Transfer.

LISTING RULES IMPLICATIONS

Sino-Ocean Group

As the Assets Transfer is in substance an internal restructuring of assets of the SOGH Group which would result in a net disposal of approximately 32.43% interest in the Target Assets by Sino-Ocean Group, the impact of the Assets Transfer would be considered on a net disposal basis.

Sino-Ocean Group Holding Limited

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

Stock Code : 03377

Sino-Ocean Service Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 06677

As one or more of the applicable percentage ratios in respect of the net disposal of interest in the Target Assets pursuant to the Assets Transfer exceed(s) 5% but are all less than 25%, the Assets Transfer constitutes a discloseable transaction of Sino-Ocean Group under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Sino-Ocean Service

SOG China is a wholly-owned subsidiary of Sino-Ocean Group, a controlling shareholder of Sino-Ocean Service, and thus a connected person of Sino-Ocean Service. Accordingly, the Assets Transfer constitutes a connected transaction of Sino-Ocean Service under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Assets Transfer under the Assets Transfer Framework Agreements in aggregate exceed(s) 5%, the Assets Transfer is subject to the reporting, announcement, circular and the SOSH Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as one or more of the applicable percentage ratios in respect of the Assets Transfer under the Assets Transfer Framework Agreements in aggregate exceed(s) 25% but are all less than 100%, the Assets Transfer constitutes a major transaction of Sino-Ocean Service under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Sino-Ocean Service will convene the SOSH EGM for the SOSH Independent Shareholders to consider and, if thought fit, approve the Assets Transfer Framework Agreements and the transactions as contemplated thereunder. To the best knowledge, information and belief of the SOSH Directors having made all reasonable enquiries, save for Shine Wind and its associates, none of the other shareholders of Sino-Ocean Service has a material interest in the transactions as contemplated under the Assets Transfer Framework Agreements and is required to abstain from voting on the relevant resolution(s) at the SOSH EGM.

The SOSH Independent Board Committee has been established to advise the SOSH Independent Shareholders on the Assets Transfer Framework Agreements and the transactions as contemplated thereunder, and to advise the SOSH Independent Shareholders on how to vote at the SOSH EGM.

Red Sun Capital Limited has been appointed as the SOSH Independent Financial Adviser to advise and make recommendations to the SOSH Independent Board Committee and the SOSH Independent Shareholders on the Assets Transfer Framework Agreements and the transactions as contemplated thereunder, and as to voting at the SOSH EGM so far as the SOSH Independent Shareholders are concerned.

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A circular containing, among other things, (i) further details of the Assets Transfer Framework Agreements and the transactions as contemplated thereunder; (ii) a letter of recommendation from the SOSH Independent Board Committee to the SOSH Independent Shareholders; (iii) a letter of advice from the SOSH Independent Financial Adviser to the SOSH Independent Board Committee and the SOSH Independent Shareholders; (iv) the valuation report of the Target Assets; and (v) other information as required under the Listing Rules, together with a notice of the SOSH EGM and the proxy form, is expected to be despatched to the shareholders of Sino-Ocean Service on or around 31 August 2023 (which is more than 15 business days after the publication of this joint announcement) as additional time is required to finalise the contents of the circular.

THE ASSETS TRANSFER

On 21 July 2023, Ocean Homeplus (a wholly-owned subsidiary of Sino-Ocean Service and a 67.57%-owned subsidiary of Sino-Ocean Group) (on behalf of each relevant member of the Ocean Homeplus Group) and SOG China (a wholly-owned subsidiary of Sino-Ocean Group) (on behalf of each relevant Sino-Ocean Connected Person) entered into the Assets Transfer Framework Agreements, pursuant to which the Ocean Homeplus Group has conditionally agreed to acquire, and the Sino-Ocean Connected Persons have conditionally agreed to sell, the Target Assets at an aggregate consideration of RMB626,350,000, among which the consideration for the Parking Spaces Transfer and the Commercial Properties Transfer is RMB473,920,000 and RMB152,430,000, respectively.

The principal terms of the Assets Transfer Framework Agreements are substantially the same, details of which are set out below.

THE ASSETS TRANSFER FRAMEWORK AGREEMENTS

Date

21 July 2023

Parties

- (1) Ocean Homeplus (a wholly-owned subsidiary of Sino-Ocean Service and a 67.57%-owned subsidiary of Sino-Ocean Group) (on behalf of each relevant member of the Ocean Homeplus Group); and
- (2) SOG China (a wholly-owned subsidiary of Sino-Ocean Group) (on behalf of each relevant Sino-Ocean Connected Person).

Subject matter

The Ocean Homeplus Group has conditionally agreed to acquire, and the Sino-Ocean Connected Persons have conditionally agreed to sell, (i) 4,961 parking spaces which are located in the PRC pursuant to the Parking Spaces Transfer Framework Agreement, and (ii) 168 commercial properties (with a total gross floor area of approximately 12,901 sq.m. in aggregate) which are located in the PRC pursuant to the Commercial Properties Transfer Framework Agreement.

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For further details of the Target Assets, please refer to the section headed “INFORMATION ON THE TARGET ASSETS” in this joint announcement.

The acquisition of the Target Assets will be carried out by way of (i) (with respect to the target parking spaces where the direct transfer of property ownership right is not available under PRC laws and regulations) an assignment of the right of use, including the right to occupy, use, benefit from and dispose of the parking spaces; or (ii) (with respect to the target commercial properties) a direct transfer of the property ownership right.

In the PRC, trading in parking spaces can be carried out by the assignment of right of use in the parking spaces where the direct transfer of property ownership right is not available under PRC laws and regulations, for example, existing PRC policies currently only allow the assignment of right of use in some non-air raid shelter parking spaces instead of transfer of property ownership right. If the procedures to transfer property ownership right in the target parking spaces directly can be completed in the future (for example, due to any relaxation of the existing PRC policies), the Sino-Ocean Connected Persons shall actively cooperate with the Ocean Homeplus Group to carry out the transfer of property ownership right in such target parking spaces.

Each of the Assets Transfer Framework Agreements is a framework agreement which contains the principles, mechanisms and terms and conditions upon which the parties thereto are to carry out the Parking Spaces Transfer and the Commercial Properties Transfer respectively. Following the signing of the Assets Transfer Framework Agreements, (i) each vendor (being a Sino-Ocean Connected Person) and the respective purchaser (being a member of the Ocean Homeplus Group) shall separately enter into an asset transfer agreement or a right of use transfer agreement (as the case may be) and relevant ancillary documents (collectively, the “**Underlying Transaction Agreements**”) for the purpose of (a) registration of transfer of property ownership right or (b) effecting the assignment of the right of use in the Target Asset(s); and (ii) Ocean Homeplus and SOG China shall, and SOG China shall procure its relevant subsidiary to, enter into a settlement agreement (the “**Settlement Agreement**”) in the form satisfactory to Ocean Homeplus, pursuant to which the consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be offset against the Receivables in its entirety.

Consideration and payment terms

The aggregate consideration for the Assets Transfer is RMB626,350,000, among which the consideration for the Parking Spaces Transfer and the Commercial Properties Transfer is RMB473,920,000 and RMB152,430,000, respectively. It was agreed by Ocean Homeplus and SOG China under the Assets Transfer Framework Agreements that the consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be offset against the Receivables in its entirety, and thus no separate cash payment will be made by the Ocean Homeplus Group to the Sino-Ocean Connected Persons for the purpose of the Assets Transfer. The consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be settled and offset against the Receivables in its entirety (pursuant to which the Receivables will be settled in full) at the time when the delivery of all of the Target Assets has been completed.

The consideration for the Assets Transfer was determined after arm’s length negotiations between the parties to the Assets Transfer Framework Agreements with reference to, among others, (i) the valuation of the Target Assets as at 31 May 2023 in the aggregate amount of RMB894,910,000 (among which the valuation of the target parking spaces under the Parking Spaces Transfer and the target commercial properties under the Commercial Properties Transfer

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as at 31 May 2023 is RMB677,120,000 and RMB217,790,000, respectively), conducted by an independent valuer in the PRC using market comparison method; (ii) the prevailing market prices for the property projects of which the Target Assets form part; (iii) the prevailing market prices for the comparable assets in the proximity; (iv) the prevailing property market conditions; and (v) the bulk purchase arrangement, with a discount of approximately 30% having been applied to the valuation of the Target Assets for the aggregate amount payable for the Assets Transfer as agreed by the parties on arm's length basis.

Conditions Precedent

Conditions Precedent include:

- (a) completion of legal due diligence on the Target Assets by the Ocean Homeplus Group with the results thereof being satisfactory to the Ocean Homeplus Group;
- (b) all representations, warranties and undertakings made by the Sino-Ocean Connected Persons to the Ocean Homeplus Group under the Assets Transfer Framework Agreements, the Underlying Transaction Agreements and the Settlement Agreement being true, accurate and complete;
- (c) the Underlying Transaction Agreements and the Settlement Agreement having been signed by the relevant parties and taken effect and remaining in full force;
- (d) all necessary internal authorisations and approvals in relation to the Assets Transfer having been obtained by the Ocean Homeplus Group, including the approval by the SOSH Independent Shareholders as required under the Listing Rules;
- (e) all necessary internal authorisations and approvals in relation to the Assets Transfer having been obtained by the Sino-Ocean Connected Persons;
- (f) if applicable, all necessary governmental and regulatory approvals in relation to the Assets Transfer having been obtained; and
- (g) with respect to the Target Assets the property ownership right of which is to be transferred and where the transfer of the property ownership right is registrable under the relevant local policies, all application materials required for the registration of transfer of the property ownership right in the Target Assets by the relevant vendors to the relevant purchasers having been prepared and signed by the relevant parties (as required), such that the Ocean Homeplus Group could proceed to apply for the registration of transfer of the property ownership rights to the relevant authorities on its own accord.

The Conditions Precedent as set out in sub-paragraphs (c) to (f) above are not waivable, and the Conditions Precedent as set out in sub-paragraphs (a) to (b) and (g) above are waivable by the Ocean Homeplus Group.

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The parties shall use all reasonable endeavours to procure the above Conditions Precedent be fulfilled on or before 31 December 2023 (or such later date to be agreed between the parties to the Assets Transfer Framework Agreements in writing). In any event that any of the Conditions Precedent is not fulfilled (or waived, if applicable) by such date due to any reason attributable to any party to the Assets Transfer Framework Agreements, the non-defaulting party shall have the right to terminate the Assets Transfer Framework Agreements unilaterally.

Delivery and completion

The Target Assets shall be delivered by the relevant vendors to the relevant purchasers on the date on which all of the Conditions Precedent have been fulfilled (or waived, if applicable).

With respect to the Target Assets the property ownership right is to be transferred and where the transfer of the property ownership right is registrable under the relevant local policies, the application materials with respect to the registration of transfer of property ownership right in such Target Assets by the relevant vendors to the relevant purchasers shall be submitted to the relevant authorities within 30 business days from the date on which all of the Conditions Precedent have been fulfilled (or waived, if applicable), and the procedures in respect of the registration of transfer of property ownership right in such Target Assets by the relevant vendors to the relevant purchasers shall be completed within 30 days of the submission, and receipt by the relevant authorities, of the respective application materials.

Arrangement in relation to certain Target Assets where their land use rights are subject to existing charges

With respect to certain target parking spaces (being a total of 727 parking spaces, representing approximately 15% of the total number of target parking spaces, "**Restricted Target Assets**") under the Parking Spaces Transfer where their land use rights are subject to existing charges, SOG China shall, and shall procure the relevant Sino-Ocean Connected Persons holding the Restricted Target Assets to, use the best commercial endeavours to promptly release such charges to avoid any impact on the resale of such Restricted Target Assets by the Ocean Homeplus Group. Any taxation and expenses arising from such release of charges shall be borne by the relevant Sino-Ocean Connected Persons.

In the event of the exercise of rights over the existing charges over the Restricted Target Assets by the relevant creditors resulting from any payment default on the part of the relevant Sino-Ocean Connected Persons, which in turn leads to the Ocean Homeplus Group not being able to possess, benefit from or dispose of the Restricted Target Assets, the Ocean Homeplus Group has the right to request the Sino-Ocean Connected Persons to replace the Restricted Target Assets with other parking spaces or alternate assets of identical value and to the satisfaction of the Ocean Homeplus Group, and any costs or taxation incurred therefrom shall be borne by SOG China. Further, SOG China shall fully indemnify the Ocean Homeplus Group of any losses arising from the exercise of rights over the existing charges over the Restricted Target Assets by the relevant creditors.

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INFORMATION ON THE TARGET ASSETS

The Target Assets comprise (i) 4,961 parking spaces located at the Beijing Region, the Bohai Rim Region and the Eastern Region in the PRC, and (ii) 168 commercial properties located at the Bohai Rim Region and the Western Region in the PRC (with a total gross floor area of approximately 12,901 sq.m. in aggregate). The property ownership right and/or right of use (as the case may be) of the Target Assets are held by the Sino-Ocean Connected Persons.

During the two years ended 31 December 2021 and 2022, the relevant financial information in relation to the Target Assets is as follows:

	For the year ended 31 December 2021 (unaudited) (RMB'000)	For the year ended 31 December 2022 (unaudited) (RMB'000)
Gross rental income		
Target parking spaces under the Parking Spaces Transfer	46	—
Target commercial properties under the Commercial Properties Transfer	<u>33</u>	<u>429</u>
Total (i.e. all Target Assets)	<u><u>79</u></u>	<u><u>429</u></u>
Net profit before taxation		
Target parking spaces under the Parking Spaces Transfer	46	—
Target commercial properties under the Commercial Properties Transfer	<u>33</u>	<u>429</u>
Total (i.e. all Target Assets)	<u><u>79</u></u>	<u><u>429</u></u>
Net profit after taxation		
Target parking spaces under the Parking Spaces Transfer	35	—
Target commercial properties under the Commercial Properties Transfer	<u>25</u>	<u>322</u>
Total (i.e. all Target Assets)	<u><u>60</u></u>	<u><u>322</u></u>

As at 30 June 2023, the book value of the Target Assets was approximately RMB608,626,000, among which the book value of the target parking spaces under the Parking Spaces Transfer and the target commercial properties under the Commercial Properties Transfer was approximately RMB466,188,000 and RMB142,438,000, respectively.

As the Target Assets form part of the property projects developed by the SOGH Group, no original acquisition cost for the Target Assets is available.

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FINANCIAL EFFECT OF THE ASSETS TRANSFER ON THE SOGH GROUP AND USE OF PROCEEDS

Subject to the review and final audit by the auditor of Sino-Ocean Group, as the Assets Transfer is in substance an internal restructuring of assets of the SOGH Group, it is expected that the SOGH Group will not record any gain or loss in relation to the Assets Transfer.

As the consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be offset against the Receivables in its entirety and no separate cash payment will be made by the Ocean Homeplus Group to the Sino-Ocean Connected Persons for the purpose of the Assets Transfer, there will not be any sales proceeds arising from the Assets Transfer.

REASONS FOR AND BENEFITS OF THE ASSETS TRANSFER

Sino-Ocean Group

The Assets Transfer is in substance an internal restructuring of assets of the SOGH Group which allows the SOGH Group (for the avoidance of doubt, excluding the SOSH Group) to effectively refine its inventory structure. As further elaborated below, it is also believed that through the internal restructuring of the Target Assets to the SOSH Group, the value of the Target Assets could be promoted and the ultimate sales return to the SOGH Group and its shareholders with respect to the Target Assets could be enhanced by leveraging on the SOSH Group's professional property and community asset management capabilities and utilising the SOSH Group's cumulative market information.

In addition, as the consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be offset against the Receivables in its entirety, the Assets Transfer offers an opportunity for the SOGH Group (for the avoidance of doubt, excluding the SOSH Group) to repay the Receivables in full by way of asset settlement (instead of cash settlement) which would not have any adverse impact on its cash flow and liquidity.

Taking into consideration of the aforesaid, the SOGH Directors are of the view that the terms of the Assets Transfer Framework Agreements and the transactions as contemplated thereunder are fair and reasonable and in the interests of Sino-Ocean Group and its shareholders as a whole.

Sino-Ocean Service

The SOSH Group is a comprehensive property management service provider with extensive geographic coverage in the PRC and is primarily engaged in the provision of, among others, a variety of value-added services to property owners and residents of the properties under its management as well as non-property owners. The SOSH Group is committed to further expanding its business scale and diversifying the service offerings.

With respect to the Parking Spaces Transfer, the parking spaces trading business segment did not only complement the SOSH Group's principal businesses, but was also proven to be economically viable and profitable given its high gross profit margin in the past few years, with increasing contribution to the SOSH Group's revenue. Besides, in view of the combined impact of significant growth in car ownership and relatively low vehicle-to-parking space ratios in the PRC in recent years, the parking spaces trading market in the PRC is considered to have room for development potential. Through the Parking Spaces Transfer and subsequent resale of the target parking spaces to property owners and residents of the properties under its management, the

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SOSH Group would be able to capture the business opportunities arising from the parking spaces trading market to broaden the income base of the SOSH Group, thereby bringing about more considerable return to the shareholders of Sino-Ocean Service. The expansion of the scale of the parking spaces trading business segment would also facilitate the establishment of a more diverse community value-added business structure and is hence in line with the SOSH Group's business strategies to continue to provide and develop diversified and differentiated high-quality value-added services.

In respect of the Commercial Properties Transfer, Sino-Ocean Service has established a commercial asset management platform which engages in the provision of commercial operational services since the second half of 2021 and has been continuously gaining insight into the PRC consumer market and doing judgements on future trends. Retail assets (i.e. the target assets under the Commercial Properties Transfer), in light of their proximity to residential areas, serve as important venues for the residents of properties in the community to purchase necessary consumer goods. In comparison with bulk assets such as shopping malls and office buildings, retail assets are subject to relatively lower capital threshold and have relatively higher mobility and market demand and hence would be more suitable for the customer groups served by the SOSH Group as property management services provider. Through the Commercial Properties Transfer and subsequent resale of such retail assets as an extension of and a complement to its offering of traditional property management services, it would not only diversify the service offerings of the SOSH Group in property brokerage business segment, but also enable the SOSH Group to further address the lifestyle and daily needs of end-users of the property projects under its management and hence deepen the business development on community value-added services.

In terms of selection of the Target Assets, the SOSH Group has adopted a prudent and highly-selective approach with strict selection criteria (including but not limited to the location, title and ownership and the marketability) and conducted comprehensive legal due diligence on the Target Assets in order to ensure the saleability and the status of the title and ownership rights or rights of use of the Target Assets, maximise the potential return from the resale of the Target Assets and lower the risk of holding unsold and vacant assets. As advised by the PRC legal adviser of Sino-Ocean Service, the results of the legal due diligence show that the title and ownership rights or rights of use (as the case may be) with respect to the Target Assets are unambiguous and there exist no disputes arising therefrom. The Target Assets also form part of property projects with excellent accessibility, good local reputation and satisfactory level of resident occupancy rate. In view of the quality and long-term development prospects of the Target Assets, the SOSH Group is confident that the Target Assets could be resold at a considerable return. In addition, as the relevant property projects comprising the Target Assets are, or are expected to be, under the management of the SOSH Group, the SOSH Group is in a good position to promote the value of the Target Assets by leveraging on its professional property and community asset management capabilities and facilitate the resale of the Target Assets by utilising the cumulative market information (including the requirements of potential purchasers) and sales strategies of the projects under management. The management of the SOSH Group will also periodically review and refine the strategies in relation to the resale of the Target Assets in inventory taking into account the prevailing market conditions, with a view to boosting the sales volume and maximising the sales return.

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As for the consideration for the Assets Transfer, the SOSH Group was able to bargain a discount of approximately 30% to the valuation of the Target Assets for the aggregate amount payable for the Assets Transfer, thereby maximising the potential gain from the resale of the Target Assets and hence the contribution to the SOSH Group's revenue. With respect to the Parking Spaces Transfer in particular, assuming that the target parking spaces are resold at the valuation price, it is expected that the profits generated by the resale of the target parking spaces would potentially outweigh the profits generated by the existing business model of exclusive parking spaces sales agency services, under which at least 20% of the selling price of relevant parking spaces is expected to be generated as the exclusive sales agency fees receivable by the SOSH Group. Therefore, it is believed that the Parking Spaces Transfer would not only expedite the expansion of the scale of the parking spaces trading business segment of the SOSH Group and the diversification of the value-added service offerings, but also further enhance its overall profitability and revenue contribution to the SOSH Group.

In addition, the consideration for the Assets Transfer payable by the Ocean Homeplus Group shall be offset against the Receivables in its entirety, and thus no separate cash payment will be made by the Ocean Homeplus Group to the Sino-Ocean Connected Persons for the purpose of the Assets Transfer. Accordingly, the Assets Transfer will not have any impact on the SOSH Group's cash flow and liquidity.

Taking into consideration of the aforesaid, the SOSH Directors (excluding (i) the independent non-executive directors whose views will be set forth in the circular after taking into account the recommendation of the SOSH Independent Financial Adviser; and (ii) the Abstained SOSH Directors) are of the view that the terms of the Assets Transfer Framework Agreements and the transactions as contemplated thereunder, which were determined after arm's length negotiations between the parties thereto, are on normal commercial terms, and are fair and reasonable, and although the entering into of the Assets Transfer Framework Agreements was not made in the ordinary and usual course of business of the SOSH Group, it is in the interests of Sino-Ocean Service and its shareholders as a whole.

To the best of the SOSH Directors' knowledge, information and belief having made all reasonable enquiries, none of the SOSH Directors was in any way materially interested in the Assets Transfer. Nevertheless, the Abstained SOSH Directors have abstained from voting on the board resolutions approving the Assets Transfer by virtue of their directorship and/or senior positions in Sino-Ocean Group and/or its associates (other than the SOSH Group).

INFORMATION ON SINO-OCEAN GROUP, THE SOGH GROUP AND SOG CHINA

Sino-Ocean Group, a controlling shareholder of Sino-Ocean Service, is principally engaged in investment holding. The SOGH Group is a leading large-scale property developer with developments in key economic regions in the PRC, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region and the Western Region. The core businesses of the SOGH Group are development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate, real estate financing, etc.

SOG China is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sino-Ocean Group. It is principally engaged in investment holding.

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INFORMATION ON SINO-OCEAN SERVICE, THE SOSH GROUP AND OCEAN HOMEPLUS

Sino-Ocean Service, a 67.57%-owned subsidiary of Sino-Ocean Group, is an investment holding company and the SOSH Group is a comprehensive property management service provider with extensive geographic coverage in the PRC. The SOSH Group's property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). The SOSH Group also provides commercial operational services to shopping malls and office buildings, including pre-opening management services and operation management services. In addition to property management and commercial operational services, the SOSH Group provides a variety of community value-added services to property owners and residents of the properties under its management, including community asset value-added services, community living services and property brokerage services, and value-added services to non-property owners, including pre-delivery services, consultancy services and property engineering services to property developers and other property management companies.

Ocean Homeplus is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sino-Ocean Service and a 67.57%-owned subsidiary of Sino-Ocean Group. It is principally engaged in property management business in the PRC.

LISTING RULES IMPLICATIONS

Sino-Ocean Group

As the Assets Transfer is in substance an internal restructuring of assets of the SOGH Group which would result in a net disposal of approximately 32.43% interest in the Target Assets by Sino-Ocean Group, the impact of the Assets Transfer would be considered on a net disposal basis.

As one or more of the applicable percentage ratios in respect of the net disposal of interest in the Target Assets pursuant to the Assets Transfer exceed(s) 5% but are all less than 25%, the Assets Transfer constitutes a discloseable transaction of Sino-Ocean Group under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Sino-Ocean Service

SOG China is a wholly-owned subsidiary of Sino-Ocean Group, a controlling shareholder of Sino-Ocean Service, and thus a connected person of Sino-Ocean Service. Accordingly, the Assets Transfer constitutes a connected transaction of Sino-Ocean Service under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Assets Transfer under the Assets Transfer Framework Agreements in aggregate exceed(s) 5%, the Assets Transfer is subject to the reporting, announcement, circular and the SOSH Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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Further, as one or more of the applicable percentage ratios in respect of the Assets Transfer under the Assets Transfer Framework Agreements in aggregate exceed(s) 25% but are all less than 100%, the Assets Transfer constitutes a major transaction of Sino-Ocean Service under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Sino-Ocean Service will convene the SOSH EGM for the SOSH Independent Shareholders to consider and, if thought fit, approve the Assets Transfer Framework Agreements and the transactions as contemplated thereunder. To the best knowledge, information and belief of the SOSH Directors having made all reasonable enquiries, save for Shine Wind and its associates, none of the other shareholders of Sino-Ocean Service has a material interest in the transactions as contemplated under the Assets Transfer Framework Agreements and is required to abstain from voting on the relevant resolution(s) at the SOSH EGM.

The SOSH Independent Board Committee has been established to advise the SOSH Independent Shareholders on the Assets Transfer Framework Agreements and the transactions as contemplated thereunder, and to advise the SOSH Independent Shareholders on how to vote at the SOSH EGM.

Red Sun Capital Limited has been appointed as the SOSH Independent Financial Adviser to advise and make recommendations to the SOSH Independent Board Committee and the SOSH Independent Shareholders on the Assets Transfer Framework Agreements and the transactions as contemplated thereunder, and as to voting at the SOSH EGM so far as the SOSH Independent Shareholders are concerned.

A circular containing, among other things, (i) further details of the Assets Transfer Framework Agreements and the transactions as contemplated thereunder; (ii) a letter of recommendation from the SOSH Independent Board Committee to the SOSH Independent Shareholders; (iii) a letter of advice from the SOSH Independent Financial Adviser to the SOSH Independent Board Committee and the SOSH Independent Shareholders; (iv) the valuation report of the Target Assets; and (v) other information as required under the Listing Rules, together with a notice of the SOSH EGM and the proxy form, is expected to be despatched to the shareholders of Sino-Ocean Service on or around 31 August 2023 (which is more than 15 business days after the publication of this joint announcement) as additional time is required to finalise the contents of the circular.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Abstained SOSH Directors”	Mr. Cui Hongjie and Mr. Zhu Xiaoxing, each being a non-executive director of Sino-Ocean Service
“Assets Transfer”	collectively, the Parking Spaces Transfer and the Commercial Properties Transfer
“Assets Transfer Framework Agreements”	collectively, the Parking Spaces Transfer Framework Agreement and the Commercial Properties Transfer Framework Agreement

Sino-Ocean Group Holding Limited

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

Stock Code : 03377

Sino-Ocean Service Holding Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 06677

“Commercial Properties Transfer”	the acquisition by the Ocean Homeplus Group of certain commercial properties from the Sino-Ocean Connected Persons pursuant to the Commercial Properties Transfer Framework Agreement
“Commercial Properties Transfer Framework Agreement”	the commercial properties transfer framework agreement dated 21 July 2023 entered into by Ocean Homeplus (on behalf of each relevant member of the Ocean Homeplus Group) and SOG China (on behalf of each relevant Sino-Ocean Connected Person) in relation to the Commercial Properties Transfer
“Conditions Precedent”	the conditions precedent to the completion of the Assets Transfer
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ocean Homeplus”	Ocean Homeplus Property Service Corporation Limited* (遠洋億家物業服務股份有限公司), a company established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of Sino-Ocean Service and a 67.57%-owned subsidiary of Sino-Ocean Group
“Ocean Homeplus Group”	Ocean Homeplus and its subsidiaries
“Parking Spaces Transfer”	the acquisition by the Ocean Homeplus Group of certain parking spaces from the Sino-Ocean Connected Persons pursuant to the Parking Spaces Transfer Framework Agreement
“Parking Spaces Transfer Framework Agreement”	the parking spaces transfer framework agreement dated 21 July 2023 entered into by Ocean Homeplus (on behalf of each relevant member of the Ocean Homeplus Group) and SOG China (on behalf of each relevant Sino-Ocean Connected Person) in relation to the Parking Spaces Transfer
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan for the purpose of this joint announcement
“Receivables”	the refundable deposit receivables, which arose from payments of various refundable deposits for potential investments made by the SOSH Group to a related party (being a member of the SOGH Group) during the year ended 31 December 2022, due from the SOGH Group (for the avoidance of doubt, excluding the SOSH Group) to the SOSH Group, the balance of which amounts to RMB626,350,000 as at the date of this joint announcement, background and details of which are set out in note 23 to the consolidated financial statements of the SOSH Group in the annual report of Sino-Ocean Service for the year ended 31 December 2022, and such refundable deposit receivables will be settled in full upon completion of the Assets Transfer

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“Restricted Target Assets”	has the meaning ascribed thereto under the section headed “The Assets Transfer Framework Agreements — Arrangement in relation to certain Target Assets where their land use rights are subject to existing charges” in this joint announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Agreement”	has the meaning ascribed thereto under the section headed “The Assets Transfer Framework Agreements — Subject matter” in this joint announcement
“Shine Wind”	Shine Wind Development Limited (耀勝發展有限公司), a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Sino-Ocean Group and a controlling shareholder of Sino-Ocean Service
“Sino-Ocean Connected Persons”	SOG China and its subsidiaries, and singly a “Sino-Ocean Connected Person”
“Sino-Ocean Group”	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377), which is a controlling shareholder of Sino-Ocean Service
“Sino-Ocean Service”	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677), which is a 67.57%-owned subsidiary of Sino-Ocean Group
“SOG China”	Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sino-Ocean Group
“SOGH Board”	the board of SOGH Directors
“SOGH Director(s)”	the director(s) of Sino-Ocean Group
“SOGH Group”	Sino-Ocean Group and its subsidiaries
“SOSH Board”	the board of SOSH Directors
“SOSH Director(s)”	the director(s) of Sino-Ocean Service
“SOSH EGM”	the extraordinary general meeting of Sino-Ocean Service to be convened for the SOSH Independent Shareholders to consider and, if thought fit, approve the Assets Transfer Framework Agreements and the transactions as contemplated thereunder

Sino-Ocean Group Holding Limited

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Stock Code : 03377

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“SOSH Group”	Sino-Ocean Service and its subsidiaries
“SOSH Independent Board Committee”	an independent board committee of the SOSH Board, comprising all the independent non-executive directors of Sino-Ocean Service, namely Dr. Guo Jie, Mr. Ho Chi Kin Sammy and Mr. Leung Wai Hung, established for the purpose of advising the SOSH Independent Shareholders in respect of the Assets Transfer Framework Agreements and the transactions as contemplated thereunder
“SOSH Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong), being the independent financial adviser to the SOSH Independent Board Committee and the SOSH Independent Shareholders in respect of the Assets Transfer Framework Agreements and the transactions as contemplated thereunder
“SOSH Independent Shareholders”	the shareholders of Sino-Ocean Service other than Shine Wind and its associates
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	collectively, (i) 4,961 parking spaces under the Parking Spaces Transfer Framework Agreement and (ii) 168 commercial properties under the Commercial Properties Transfer Framework Agreement, and singly a “Target Asset”
“Underlying Transaction Agreements”	has the meaning ascribed thereto under the section headed “The Assets Transfer Framework Agreements — Subject matter” in this joint announcement
“%”	per cent

In this joint announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)”, “controlling shareholder(s)”, “percentage ratio(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

By order of the board of directors of
Sino-Ocean Group Holding Limited
SUM Pui Ying
Company Secretary

By order of the board of directors of
Sino-Ocean Service Holding Limited
YANG Deyong
Joint Chairman

Hong Kong, 21 July 2023

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Sino-Ocean Service Holding Limited
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Stock Code : 06677

As at the date of this joint announcement, the SOGH Board comprises Mr. LI Ming, Mr. WANG Honghui, Mr. CUI Hongjie and Ms. CHAI Juan as executive directors; Mr. ZHAO Peng, Mr. ZHANG Zhongdang, Mr. YU Zhiqiang and Mr. SUN Jinfeng as non-executive directors; and Mr. HAN Xiaojing, Mr. JIN Qingjun, Mr. LYU Hongbin, Mr. LIU Jingwei and Mr. JIANG Qi as independent non-executive directors.

As at the date of this joint announcement, the SOSH Board comprises Mr. Yang Deyong and Ms. Zhu Geying as executive directors; Mr. Cui Hongjie and Mr. Zhu Xiaoxing as non-executive directors; and Dr. Guo Jie, Mr. Ho Chi Kin Sammy and Mr. Leung Wai Hung as independent non-executive directors.

* *For identification purposes only*

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