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遠洋集團

**(1) INVESTMENT IN A PROPERTY DEVELOPMENT COMPANY —
VERY SUBSTANTIAL ACQUISITION**

(2) GRANT OF CALL OPTIONS — POSSIBLE MAJOR TRANSACTIONS

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INVESTMENT IN THE TARGET COMPANY

On 18 December 2020, the Subsidiaries and the JV Partner were notified of their successful joint bidding for a 99.79% equity interest in the Target Company.

LISTING RULES IMPLICATIONS

(1) Very substantial acquisition — Investment in the Target Company by the Subsidiaries

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subsidiaries' portion of the Contribution exceeds 100%, the Investment constitutes a very substantial acquisition for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(2) Possible major transaction — Grant of the First Call Option with respect to 14.895% of equity interest in the Target Company

The First Call Option is exercisable at the discretion of the JV Partner with the exercise price to be determined based on the then prevailing valuation of the Target Company by independent valuers at the time of exercise of the First Call Option. As the monetary value of the exercise price is not known at the time of grant of the First Call Option, the grant of the First Call Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules.

The grant of the First Call Option is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(3) Possible major transaction — Grant of the Second Call Option with respect to 50% interest in INDIGO 1 Holding Company

Pursuant to Rule 14.74 of the Listing Rules, as the exercise of the Second Call Option is not at the Company's discretion, the grant of the Second Call Option will be classified as if it had been exercised.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Second Call Option exceeds 25% and less than 75%, the grant of the Second Call Option constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INVESTMENT IN THE TARGET COMPANY

On 18 December 2020, the Subsidiaries and the JV Partner were notified of their successful joint bidding in the Public Listing-for-sale held by the Beijing Rural Area Equity Exchange for an investment in a 99.79% equity interest in the Target Company.

BACKGROUND TO AND PRINCIPAL TERMS OF THE PUBLIC LISTING-FOR-SALE

(1) Background

According to the documents for the Public Listing-for-sale, prior to the Investment, the Target Company has a registered capital of RMB10 million, which was contributed by the Existing Shareholder. The principal asset of the Target Company is the land use rights of the Land.

(2) General terms of the bidding

According to the documents for the Public Listing-for-sale, the Target Company intended to increase its registered capital from RMB10 million to RMB9.5 billion. The proceeds would be used to repay a portion of the outstanding loans owed by the

Target Company. The successful bidder, as shareholder of the Target Company, shall also provide shareholders' loan to repay the remaining portion of such outstanding loans owed by the Target Company.

The Property to be constructed on the Land will have an aboveground gross floor area of no more than 400,500 square meters, out of which approximately 380,500 square meters shall be owned by the Target Company and 20,000 square meters (the "**Retained Property**") will be retained and owned by the Existing Shareholder on behalf of the Jiangtai Authority. The successful bidder will not be responsible for any of the expenses or costs incurred for the development of the Retained Property. Upon completion of the development, it is intended that the Retained Property will be managed by the Target Company or the property management company to be selected and appointed by the successful bidder.

(3) Guarantee

The Company has given the Existing Shareholder and the Target Company a guarantee of the performance by the Subsidiaries of their respective obligations under the Investment including the capital contribution and the provision of (or cause to be provided) shareholder's loans.

THE PRINCIPAL TERMS OF THE INVESTMENT

(1) The Capital Increase Agreement

Capital Contribution

Set out below is a table showing the amount of capital contributions to be made by the Subsidiaries and the JV Partner to the Target Company and the shareholding structure in the Target Company upon completion of their capital contribution.

	As at the date of this announcement		Upon completion of the capital contribution	
	Registered capital of the Target Company (RMB)	%	Registered capital of the Target Company (RMB)	%
the First Subsidiary	—	—	3,325,000,000	35.00%
the Second Subsidiary	—	—	2,829,729,200	29.79%
Subtotal	—	—	6,154,729,200	64.79%
the JV Partner	—	—	3,325,000,000	35.00%
the Existing Shareholder	10,000,000	100%	20,270,800	0.21%
Total	<u>10,000,000</u>	<u>100%</u>	<u>9,500,000,000</u>	<u>100%</u>

The capital contributions shall be made in the following manner:

- (i) the Subsidiaries will make at least 30% of their capital contributions within 30 days of the date of the Capital Increase Agreement;
- (ii) the JV Partner will make at least 30% of its capital contributions within 30 days of the completion of the registration of the JV Partner and the Subsidiaries as shareholders of the Target Company; and
- (iii) the remainder of the capital contributions will be made on the earlier of (a) 180th day of registration of the JV Partner and the Subsidiaries as shareholders of the Target Company; and (b) 19 May 2021.

The retention of the 0.21% equity interest is not for commercial business purpose but for the Jiangtai Authority to perform its governmental function in respect of the development of the Land and for the benefit of the indigenous residents of Jiangtai Township, which can be evidenced by the fact that (i) the only supervisor of the Target Company will be appointed by the Existing Shareholder; (ii) the Existing Shareholder is not entitled to appoint any directors to the board of the Target Company; and (iii) the Existing Shareholder will not have any actual influence at the shareholder's level given its insignificant shareholding in the Target Company.

(2) The Shareholders Agreement and the MOU

Total Contribution

The Contribution for the Investment shall be RMB23,000,000,000.

The Contribution comprises (i) capital contribution of RMB9,500,000,000; (ii) Shareholders' Loan of RMB2,600,000,000; and (iii) Additional Funding of RMB10,900,000,000.

The pro-rated capital contribution of the Existing Shareholder in the amount of RMB10,270,800 will be contributed by the Subsidiaries. The request for contribution of the Existing Shareholder's portion is a term of the documents for the Public Listing-for-sale and the arrangement for the contribution to be made by the Subsidiaries was agreed after arm's length discussion with the JV Partner having considered the overall benefits of the Investment and the relatively insignificant amount of such contribution compared to the size of the Investment. The Company is of the view that such contribution is fair and reasonable and in the interest of the Company and Shareholders as a whole.

The Subsidiaries' total contribution will be approximately RMB6,165,000,000, RMB1,684,540,000 and RMB7,085,000,000 for the capital contribution, Shareholders' Loan and the Additional Funding, respectively.

Financing of the Target Company

Shareholders of the Target Company will provide initial shareholders' loan of not more than RMB2,600,000,000 (the "**Shareholders' Loan**") to the Target Company in the amount pro-rated to their respective equity holdings in the Target Company. The Subsidiaries' portion of the Shareholders' Loan will amount to RMB1,684,540,000. The intended interest rate of the Shareholders' Loan will be 6.5% per annum.

In addition to the capital contribution and the provision of the Shareholders' Loan, based on the current development plan for the Property, it is currently estimated that an additional amount of approximately RMB10,900,000,000 (the "**Additional Funding**"), which represents the total Contribution less the registered capital of the Target Company upon completion of the capital contribution and the amount of the Shareholders' Loan, will be required by the Target Company as future development costs and working capital.

It is intended that the Target Company will obtain the Additional Funding primarily by third-party financing. The Subsidiaries and the JV Partner agreed to provide credit enhancement (if required by the lender) with respect to the loans of the Target Company pro-rated to their respective equity holdings in the Target Company.

In the event that the Target Company is not able to borrow sufficient funds from third-party lenders in respect of the Additional Funding, it is intended that the JV Partner and the Subsidiaries shall provide further capital contribution or (preferably) additional shareholder's loan to the Target Company pro-rated to their respective equity holdings in the Target Company. The Subsidiaries' portion of the Additional Funding will be approximately RMB7,085,000,000.

Management of the Target Company

The Target Company shall comprise eight directors. The Subsidiaries together may appoint four directors and the JV Partner may also appoint four directors. A resolution at a board meeting of the Target Company shall be passed by no less than six directors. The supervisor of the Target Company will be appointed by the Existing Shareholder.

A resolution at a general meeting of the Target Company shall be passed by shareholders holding not less than two-thirds of the total voting rights in the Target Company.

The First Call Option with respect to a 14.895% equity interest in the Target Company

For so long as the Target Company is owned as to 64.79%, 35% and 0.21% by the Subsidiaries, the JV Partner and the Existing Shareholder, respectively, the JV Partner has a right to require the Subsidiaries to transfer a 14.895% equity interest in the

Target Company and the corresponding Shareholders' Loan to the JV Partner (the "**First Call Option**") such that the Subsidiaries and JV Partner would hold equal shareholding of 49.895% in the Target Company.

The First Call Option may only be exercised upon commencement of the fourth year of the operational phase of the Property provided that the total rental income from the Property for the immediate 12 calendar months preceding the time of exercise of the First Call Option is higher than the total rental income of any other consecutive 12 calendar months period of the Property during the operation phase.

The consideration for the transfer of the 14.895% equity interest in the Target Company will be determined with reference to the average of the valuations of the Target Company by two independent valuers each appointed by the Subsidiaries and JV Partner.

Lock up of equity interest in the Target Company

During the Lock-up Period, neither the JV Partner or the Subsidiaries may transfer any equity interest in the Target Company (other than an intra-group transfer or transfer of any equity interest subject to the right of last refusal as explained in "*Possible introduction of a third-party investor*" below) without the unanimous approval of the remaining shareholders of the Target Company.

Possible introduction of a third-party investor

The Subsidiaries will use their best endeavours to identify and procure third-party investor approved by both the Subsidiaries and the JV Partner (the "**Investor**") to invest in the Target Company.

Should the Investor be identified, the Subsidiaries may decide to transfer to the Investor a 29.79% equity interest in the Target Company and the corresponding Shareholders' Loan such that the Subsidiaries and the JV Partner would hold equal shareholding of 35.0% in the Target Company.

Should the Company proceed with the above disposal, it will comply with the applicable Listing Rules requirements.

Provided that the JV Partner has not exercised the First Call Option, the JV Partner is also entitled to a right of last refusal such that it may reject the introduction of the Investor and/or require the Subsidiaries to transfer a 14.895% equity interest in the Target Company to the JV Partner.

(3) The INDIGO 1 Options Agreement

(i) *The Second Call Option*

If the Subsidiaries default in their respective payment obligations to the capital contribution and the Shareholders' Loan, Swire China may require Sino-Ocean China to transfer to Swire China 50% interest in INDIGO 1 Holding Company, representing its entire interest in INDIGO 1 Holding Company (the "**Second Call Option**").

No premium is payable by Swire China for the grant of the Second Call Option. The exercise price of the Second Call Option is RMB2,700,000,000.

The exercise price was determined after arm's length negotiation between Sino-Ocean China and Swire China with reference to the implied valuation of INDIGO 1 Holding Company of approximately RMB5,400 million, which was determined with reference to an independent valuation of INDIGO 1 of approximately RMB6,900 million in December 2020 adjusted with certain assets and liabilities of INDIGO 1 Holding Company.

If the Subsidiaries default in their payment obligations and Swire China exercises the Second Call Option, then the exercise price will be settled as follows:

- (a) if the default amount equals the exercise price, then no amount will be payable by Swire China upon such exercise;
- (b) if the default amount is less than the exercise price, the amount payable by Swire China will be the difference between the exercise price and the default amount; or
- (c) if the default amount exceeds the exercise price, Sino-Ocean China shall pay Swire China the amount of such excess and no amount will be payable by the Swire China upon such exercise.

Under scenarios (a) to (c) above, the Subsidiaries' interest in the Target Company will remain as the percentage set out in the table under the section headed "THE PRINCIPAL TERMS OF THE INVESTMENT — (1) The Capital Increase Agreement".

Under scenario (b), that is if the default amount is less than the exercise price, the remaining proceeds will be applied towards general working capital of the Company.

Under scenario (c), Swire China will have a claim against Sino-Ocean China for breach of contract.

(ii) *The Reciprocal Call Option*

The grant of the Second Call Option is reciprocated by the grant of a call option in its 50% interest in INDIGO 1 Holding Company held by Swire China to Sino-Ocean China, such that if the JV Partner defaults in the performance of its obligations to the capital contribution and the Shareholders' Loan, Sino-Ocean China may require Swire China to sell 50% interest in INDIGO 1 Holding Company, representing its entire interest in INDIGO 1 Holding Company, to Sino-Ocean China (the "**Reciprocal Call Option**").

No premium is payable for the grant of the Reciprocal Call Option. The exercise price of the Reciprocal Call Option is the same as the Second Call Option of RMB2,700,000,000. The settlement of the exercise price is also based on the same principles as the Second Call Option.

(4) The Retained Property Agreement

The Retained Property will be located at the 9th floor, 10th floor to 14th floor of a commercial block under land parcel Lot-628. It will be developed for green offices (綠隔產業(辦公)).

Within 30 days of completion of final inspection of the Retained Property, the Existing Shareholder will apply to the relevant authority for the transfer of the title to the Retained Property.

While the Subsidiaries or the JV Partner will not be responsible for any of the expenses or costs incurred for the development of the Retained Property. Upon completion of the development, the Retained Property will be leased by and managed by the Target Company or the property management company to be selected and appointed by the successful bidder.

As at the date of this announcement, the First Subsidiary has deposited RMB250 million to an escrow account as the security deposit for the Retained Property in favour of the Existing Shareholder. The deposit will be refunded to the First Subsidiary upon registration of transfer of the title to the Retained Property or when a mutually agreed alternative asset is pledged to the Existing Shareholder (subject to compliance with the Listing Rules).

INFORMATION OF THE TARGET COMPANY

The principal asset of the Target Company is the land use rights of the Land.

The Land is currently vacant with land levelling works being carried out on it. Under the land grant contracts, the proposed use of the Land is for greenbelt development (綠隔產業用地), including commercial, office, underground parking and underground storage uses.

Upon completion of the Investment, the Target Company will be accounted for as a joint venture of the Company in the consolidated financial statements of the Group.

The net deficit value of the Target Company as at 31 December 2019 was approximately RMB41,925,000.

The net profit/(loss) before and after tax of the Target Company for the two financial years ended 31 December 2019 was as follows:

	Year Ended 31 December	
	2018 <i>(RMB'000)</i>	2019 <i>(RMB'000)</i>
Net (loss)/profit before tax	(1,138)	253
Net (loss)/profit after tax	(1,138)	253

INFORMATION OF THE INDIGO 1 HOLDING COMPANY

INDIGO 1 Holding Company is indirectly held by each of Swire China and Sino-Ocean China as to 50%.

It is principally engaged in property investment.

The principal asset of INDIGO 1 Holding Company comprises INDIGO 1.

It is accounted as a joint venture of the Company in the consolidated financial statements of the Group.

If the Second Call Option is exercised, it is estimated that the Company will recognise in its consolidated income statement an unaudited gain before tax of approximately RMB511 million. The actual gain or loss will be subject to audit and calculated as at the time of exercise of the Second Call Option.

The net asset value of INDIGO 1 Holding Company as at 31 December 2019 was approximately RMB1,465,372,000.

The net profit before and after tax of INDIGO 1 Holding Company for the two financial years ended 31 December 2019 was as follows:

	Year Ended 31 December	
	2018 <i>(RMB'000)</i>	2019 <i>(RMB'000)</i>
Net profit before tax	107,889	110,410
Net profit after tax	107,889	103,558

INFORMATION OF THE PARTIES

(1) The Subsidiaries and the Group

Each of the Subsidiaries is a wholly-owned subsidiary of the Company principally engaged in investment holding.

The Company is a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding.

The Group is a leading large-scale national property developer with developments in rapidly growing Chinese cities and metropolitan regions, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region, the Western Region, and in other regions. Its business scope covers residential and integrated development, property development and operation, business collaboration and customer services.

(2) The Existing Shareholder

As at the date of the MOU, the entire equity interest in the Target Company is wholly owned by the Existing Shareholder. The Existing Shareholder is indirectly and wholly owned by the Jiangtai Township Government (將台鄉政府), in the Chaoyang Prefecture (朝陽區) of Beijing.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, each of the Existing Shareholder and its ultimate beneficial owners is not a connected person of the Company (as defined under Listing Rules).

(3) The JV Partner

The JV Partner is an investment holding company wholly owned by Swire Properties.

Swire Properties is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange. The principal activities of Swire Properties and its subsidiaries are: (i) property investment, that is the development, leasing and management of commercial, retail and some residential properties; (ii) property trading, that is the development and construction of properties, principally residential apartments, for sale; and (iii) investment in and operation of hotels.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, other than being a joint venture partner of certain projects of the Group, each of the JV Partner and its ultimate beneficial owners is not a connected person (as defined under Listing Rules) of the Company.

REASONS AND BENEFITS

The Group is optimistic about, and is active in, exploring opportunities to broaden its investment in the property development market in the PRC. Riding on the Group's past experience in the real estate projects, the Board believes that the Investment is a rewarding business opportunity and will contribute considerable cash flow and profits for the Group.

The Property is located adjacent to an urban complex named INDIGO ("**INDIGO 1**") comprising a shopping mall, a Grade-A office tower and a hotel located in Beijing. The Company and the ultimate beneficial owner of the JV Partner each owns a 50% interest in the company which owns, develops and operates INDIGO 1.

The development plan of the Property is expected to comprise shopping complex, office buildings and a hotel. The shopping complex will bring more variety of shops and restaurants to customers and more spaces for events, enhance the shopping and overall visiting experience of customers, escalate the number of patrons, and ultimately increase the rental income. The office buildings to be built together with that in INDIGO 1 could form a dedicated and famous commercial rim for medium to mega size multinational corporation for their use and expansion and bring stable income to the Group. The hotel to be built is ancillary to the shopping complex and offices and in turn create synergy among themselves.

The Group is pleased to have the opportunity to cooperate with the JV Partner on the Investment after the success of INDIGO 1. Given the JV Partner's vast experience in the development and management of commercial, retail and residential properties, the Group is confident that the Group will benefit from its design, development, operation, and project management capabilities with respect to the Property.

The terms of the Agreements were arrived at after arm's length negotiations between the parties thereto.

The Contribution was determined with reference to the following factors as a whole:

- (i) an independent valuation of the portion of the Land owned by the Target Company as at 30 November 2020 of approximately RMB11.38 billion;
- (ii) the current development plan for the Property by the Subsidiaries and the JV Partner; and
- (iii) the reasons and benefits of the Investment set out in the section headed "REASONS AND BENEFITS" above.

The Company intends to fund its commitment to the Contribution with internal resources and/or third-party financing. Having considered the foregoing, the Board is of the view that the terms of the Agreements are on normal commercial terms, fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

(1) Very substantial acquisition — Investment in the Target Company by the Subsidiaries

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subsidiaries' portion of the Contribution exceeds 100%, the Investment constitutes a very substantial acquisition for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(2) Possible major transaction — Grant of the First Call Option with respect to 14.895% equity interest in the Target Company

The First Call Option is exercisable at the discretion of the JV Partner with the exercise price to be determined based on the then prevailing valuation of the Target Company at the time of exercise of the First Call Option. As the monetary value of the exercise price is not known at the time of grant of the First Call Option, the grant of the First Call Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules.

The grant of the First Call Option is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the First Call Option is exercised, then the Company will publish an announcement in relation to the exercise of the First Call Option including disclosing the consideration of the transfer.

(3) Possible major transaction — Grant of the Second Call Option with respect to 50% of equity interest in INDIGO 1 Holding Company

Pursuant to Rule 14.74 of the Listing Rules, as the exercise of the Second Call Option is not at the Company's discretion, the grant of the Second Call Option will be classified as if it had been exercised.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Second Call Option exceeds 25% and less than 75%, the grant of the Second Call Option constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the Second Call Option is exercised, then the Company will publish an announcement in relation to the exercise of the Second Call Option.

(4) Waivers from strict compliance with 14.34(2), Rule 14.40 and Rule 14.49 of the Listing Rules

The Company has applied and the Stock Exchange has granted the following waivers from strict compliance with:

- (i) Rule 14.34(2) with respect to the publication of an announcement as soon as practicable upon entering into the Agreements (including the grant of the First Call Option and the Second Call Option) and submission of the bid for the Public Listing-for-sale; and
- (ii) Rules 14.40 and 14.49 with respect to entering into the Agreements (including the grant of the First Call Option and the Second Call Option) and submission of the bid for the Public Listing-for-sale be conditional upon the Shareholders' approval.

The waivers were granted on the following basis.

(1) Practical difficulties in complying with Rule 14.34(2), Rule 14.40 and Rule 14.49

Compliance with Rule 14.34(2) of the Listing Rules would require the Company to publish an announcement at the time when the Agreements were entered into and when the bid is made. Announcing the terms of the Investment before the Subsidiaries and the JV Partner were confirmed to be successful would undermine the competitiveness of their bid as potential competitors would have access to such public information.

Compliance with Rule 14.49 and Rule 14.40 would require the Company to make the bid, the entering into of the Agreements (including the grant of the First Call Option and the Second Call Option) conditional upon the Shareholders' approval.

The Company is not able to comply with Rule 14.49 and Rule 14.40 because the MOU and the INDIGO 1 Options Agreement will have to be entered into before submitting the bid and the bid that the Subsidiaries and the JV Partner submit has to be unconditional. Upon securing the bid at the Public Listing-for-sale, they are obliged to proceed with the Investment on an unconditional basis. The Company will not, at that time, be able to seek the approval of the Shareholders which is required under Rule 14.49 and Rule 14.40.

(2) The investment of the Target Company is in substance a QPA

The Jiangtai Authority (i.e. a township government) is a governmental body pursuant to Articles 30, 95 and 105 of the PRC constitution. The bidding process is similar to a typical listing-for-sale of land in the PRC that qualifies as for a QPA. It is fairly structured and established, and bidders have no discretion to change pre-established terms. All the conditions under Rule 14.33A(2) is satisfied.

(3) *Confirmations from the Shareholders holding more than 50% of the voting rights of the Company*

The Company has obtained confirmation from shareholders of the Company, which together hold more than 50% of the voting rights of the Company, approving the Investment and the joint venture arrangements before submission of the joint bid by the Subsidiaries and the JV Partner.

(4) *Preservation of information rights*

Notwithstanding the grant of the waivers referred to above, the Company will carry out the following measures to ensure that the information rights of the Shareholders are protected:

- The Company will disclose in the circular to the Shareholders the principal terms of the Investment, the First Call Option, the Second Call Option, a valuation report of the Land and a valuation of INDIGO I.
- The Company will convene a shareholders' meeting so as to provide the forum and opportunity for the Shareholders to ask questions and express their comments in connection with the Investment, the First Call Option and the Second Call Option.

GENERAL

A circular containing, among other things, further details about the Investment (including the First Call Option and the Second Call Option) will be despatched to the Shareholders for information purposes.

As the Company expects that it will require more time to collect and collate the information to be included in the circular, it is currently expected that the circular will be despatched to the Shareholders on or before 24 February 2021.

DEFINITIONS

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

"Additional Funding" has the meaning ascribed to it under the section headed **"THE PRINCIPAL TERMS OF THE INVESTMENT — (2) The Shareholders Agreement and the MOU"** of this announcement

“Agreements”	the documentation to formalise the arrangement with respect to the Investment as described in the section headed “THE PRINCIPAL TERMS OF THE INVESTMENT” of this announcement, including (i) the MOU; (ii) the Shareholders’ Agreement; (iii) the Capital Increase Agreement; (iv) the INDIGO 1 Options Agreement; and (v) the Retained Property Agreement
“Beijing Rural Area Equity Exchange”	Beijing Rural Area Equity Exchange* (北京農村產權交易所), an indirect subsidiary of Beijing Capital Group Co., Ltd, which in turn is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing
“Board”	the board of directors of the Company
“Capital Increase Agreement”	the capital increase agreement for the Investment dated 18 December 2020 entered into between the Existing Shareholder, the Subsidiaries, the JV Partner and the Target Company
“Company”	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)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Contribution”	RMB23,000,000,000, being the contribution including capital contribution of RMB9,500,000,000, Shareholders’ Loan of RMB2,600,000,000 and Additional Funding of RMB10,900,000,000; the Subsidiaries’ contribution will be RMB6,165,000,000, RMB1,684,540,000 and RMB7,085,000,000 for the capital contribution, Shareholders’ Loan and the Additional Funding, respectively; the JV Partner’s contribution will be RMB3,325,000,000, RMB910,000,000 and RMB3,815,000,000 for the capital contribution, Shareholders’ Loan and Additional Funding, respectively; and the Existing Shareholder’s contribution will be RMB10,000,000 and RMB5,460,000 for the capital contribution and Shareholders’ Loan, respectively
“Directors”	the directors of the Company

“Existing Shareholder”	Beijing Xingtai Hongxin Asset Management Co., Ltd.* (北京星泰泓信資產管理有限公司), a collective enterprise established in the PRC with limited liability, indirectly and wholly owned by the Jiangtai Township Government
“First Call Option”	has the meaning ascribed to it under the section headed “THE PRINCIPAL TERMS OF THE INVESTMENT — (2) The Shareholders Agreement and the MOU” of this announcement
“First Subsidiary”	Beijing Yingyu Enterprise Management Consulting Co., Ltd.* (北京穎煜企業管理諮詢有限公司), a company established under the laws of the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	has the meaning ascribed to it under the section headed “THE TERMS OF THE INVESTMENT — (2) The Shareholders Agreement and the MOU” of this announcement
“Investment”	the investment in a 99.79% interest in the Target Company jointly by the Subsidiaries and the JV Partner
“INDIGO 1 Options Agreement”	the agreement dated 15 December 2020 entered into between, among others, Swire China and Sino-Ocean China in relation to the Second Call Option and the Reciprocal Call Option
“INDIGO 1 Holding Company”	Beijing Linlian Real Estate Company Limited (北京麟聯置業有限公司), a company established in the PRC
“Jiangtai Authority”	People’s Government of Jiangtai Township, Chaoyang District, Beijing (北京市朝陽區將台鄉人民政府)
“JV Partner”	Shiny Harbour Limited, a wholly-owned subsidiary of Swire Properties incorporated in Hong Kong with limited liability

“Land”	the two parcels of land (namely, Lot 627 and Lot 628 under the land grant contracts dated 9 July 2020 entered into between the Target Company and the Beijing Municipal Commission (北京市規劃和自然資源委員會)) of 34,000 square meters and 44,298.68 square meters respectively located at Tuofangying Village, Jiangtai Township, Chaoyang Prefecture, Beijing (北京朝陽區將台鄉駝房營村)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	the period from the date of the Shareholders’ Agreement to the date of completion of the development of the Property
“MOU”	the legally binding memorandum of understanding dated 15 December 2020 entered into between Swire China and Sino-Ocean China
“PRC”	the People’s Republic of China
“Property”	the property intended to be constructed on the Land
“Public Listing-for-sale”	the public listing-for-sale for a 99.79% interest in the Target Company conducted on the Beijing Rural Area Equity Exchange, which was held between 20 November 2020 and 17 December 2020 (both days inclusive).
“QPA”	Qualified Property Acquisition as defined in Rule 14.04(10C) of the Listing Rules
“Reciprocal Call Option”	has the meaning ascribed to it under the section headed “THE PRINCIPAL TERMS OF THE INVESTMENT — (3) The INDIGO 1 Options Agreement” of this announcement
“Retained Property”	has the meaning ascribed to it under the section headed “BACKGROUND TO AND PRINCIPAL TERMS OF THE PUBLIC LISTING-FOR-SALE — (2) General terms of the bidding” of this announcement
“Retained Property Agreement”	the agreement dated 18 December 2020 entered into between Jiangtai Authority, Beijing Chaoyang Jiangtai Township Agriculture, Industry and Commerce General Office Division* (北京市朝陽將台鄉農工商總公司), the Existing Shareholder, the First Subsidiary, the Second Subsidiary, the JV Partner and the Target Company with respect to the Retained Property

“RMB”	Renminbi, the lawful currency of PRC
“Second Call Option”	has the meaning ascribed to it under the section headed “THE PRINCIPAL TERMS OF THE INVESTMENT — (3) The INDIGO 1 Options Agreement” of this announcement
“Second Subsidiary”	Tianjin Yigangtong Enterprise Management Co., Ltd.* (天津頤港通企業管理有限公司), a company established under the laws of the PRC with limited liability
“Shareholders Agreement”	the shareholders’ agreement dated 18 December 2020 entered into between the JV Partner, the Subsidiaries and the Existing Shareholder
“Shareholders’ Loan”	has the meaning ascribed to it under the section headed “THE PRINCIPAL TERMS OF THE INVESTMENT — (2) The Shareholders Agreement and the MOU” of this announcement
“Shareholder(s)”	shareholder(s) of the Company
“Sino-Ocean China”	Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司), a wholly-owned subsidiary of the Company established in the PRC with limited liability
“Subsidiaries”	the First Subsidiary and the Second Subsidiary
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swire China”	Swire Properties China Holdings Limited (太古地產中國控股有限公司), a wholly-owned subsidiary of Swire Properties incorporated in the British Virgin Islands with limited liability, the principal activity of which is investment holding
“Swire Properties”	Swire Properties Limited 太古地產有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange

“Target Company” Beijing Xingtaitonggang Properties Company Limited* 北京星泰通港置業有限公司, a company established in the PRC with limited liability

“%” percentage.

By order of the Board
Sino-Ocean Group Holding Limited
CHUNG Kai Cheong
Company Secretary

Hong Kong, 18 December 2020

As at the date of this announcement, the Board of the Company comprises Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie as executive directors; Mr. ZHAO Peng, Mr. FU Fei, Mr. HOU Jun and Ms. LI Liling as non-executive directors; and Mr. HAN Xiaojing, Mr. SUEN Man Tak, Mr. WANG Zhifeng, Mr. JIN Qingjun and Ms. LAM Sin Lai Judy as independent non-executive directors.

* for identification purposes only