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RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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Reference is made to the announcement of the Company dated 27 March 2019 in relation to, among others, the Existing Framework Agreement entered into between the Company and China Life. The Existing Framework Agreement is due to expire on 31 December 2021. On 16 December 2021 (after trading hours of the Stock Exchange), the Company and China Life entered into the New Framework Agreement, pursuant to which China Life may, based on its investments needs, subscribe for financial products to be issued by the Group.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Life is a substantial shareholder of the Company which holds approximately 29.59% of the total issued share capital of the Company and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the New Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Subscription by China Life of financial products of the Group pursuant to the New Framework Agreement constitute financial assistance to be received by the Group from China Life. Pursuant to Rule 14A.90 of the Listing Rules, subscription of financial products that are not secured by assets of the Group and are conducted on normal commercial terms are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On the other hand, as one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the annual caps for the subscription by China Life of financial products that are to be secured by assets of the Group pursuant to the New Framework Agreement exceed 0.1% but are less than 5%, the entering into of the New Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will further comply with applicable Listing Rules requirements should any individual transaction under the New Framework Agreement involve subscription of financial products that are convertible into securities of the Company or any of its subsidiaries or otherwise triggers additional Listing Rules requirements.

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THE NEW FRAMEWORK AGREEMENT

Date

16 December 2021

Parties

- (1) The Company; and
- (2) China Life.

Subject Matter

Pursuant to the New Framework Agreement, China Life may, based on its investments needs, subscribe for financial products to be issued by the Group.

The financial products which may be issued by the Group includes the following:

- (a) U.S. dollar bonds, dim sum bonds, senior perpetual bonds, subordinated perpetual bonds, convertible bonds, structured financing products, etc. that are publicly or non-publicly issued outside the PRC;
- (b) corporate bonds (including renewable corporate bonds), medium-term notes (including perpetual medium-term notes), structured products (including asset-backed securities such as asset-backed securities (ABS), asset-backed notes (ABN), commercial mortgage-backed securities (CMBS), commercial mortgage-backed notes (CMBN), etc.) that are publicly or non-publicly issued on PRC domestic exchanges, the National Association of Financial Market Institutional Investors or as reviewed and approved by the National Development and Reform Commission;
- (c) trust products that are issued in or outside the PRC; and
- (d) insurance debt schemes products.

Market-based pricing principles shall be applied when determining the pricing for the transactions under the New Framework Agreement, which shall be determined based on normal commercial terms at the prevailing market prices or market rates of similar transactions carried out by the Company with Independent Third Parties. In general, the rate of return for financial products that are publicly issued in or outside the PRC would normally be determined based on the yield of the domestic and foreign treasury bonds for the corresponding term, taking into account various factors, including but not limited to the prevailing market conditions and the level of new issuance of comparable companies, and to be determined through

book-building process. For financial products that are non-publicly issued in or outside the PRC, the pricing level would normally be determined based on that of publicly issued products and the principles of fairness and compliance with applicable laws, rules and regulations, taking into account various conditions and degree of difficulty in the issuance.

Individual agreements

The entering into of the New Framework Agreement does not create any definite obligation on either party to carry out the transactions. The Group and China Life shall enter into individual agreements in respect of the transactions under the New Framework Agreement to agree on details and specific terms of individual transactions in accordance with the terms and conditions of New Framework Agreement.

Term

The New Framework Agreement shall be of a period commencing from 1 January 2022 to 31 December 2024.

Proposed annual caps and historical transaction amount

In accordance with the terms of the New Framework Agreement, the subscription amount (including transaction amount and any related expenses) by China Life during the term of the New Framework Agreement shall be capped at RMB15,000,000,000 or equivalent currencies, and the annual caps in respect of the subscription amount by China Life for transactions contemplated under the New Framework Agreement are RMB5,000,000,000 or equivalent currencies per annum for each of the years ending 31 December 2022, 2023 and 2024, of which the subscription amount of:

- (1) credit products and unsecured products shall not exceed RMB3,500,000,000 or equivalent currencies per annum; and
- (2) various types of perpetual loan that are issued in or outside the PRC, whether publicly or non-publicly issued, shall not exceed RMB1,500,000,000 or equivalent currencies per annum.

The above annual caps were determined between the parties taking into account, among other things, the development trends of the financial market as well as the Group and the annual caps under Existing Framework Agreement.

Furthermore, taking into account the types of financial products issued by the Group in the past and the amount involved, the Group expects that the transaction amounts for subscription by China Life of financial products that are to be secured by assets of the Group under the New Framework Agreement shall not be more than RMB540,000,000 or equivalent currencies per annum for each of the years ending 31 December 2022, 2023 and 2024. However, the aforementioned annual cap might vary in future taking into account the prevailing circumstances. If the total transaction amount for subscription of financial products by China Life that are to be secured by the assets of the Group under the New Framework Agreement may or is expected to exceed the aforementioned annual cap, the Company will re-comply with the applicable reporting, announcement and/or independent shareholders' approval requirements in accordance with Chapter 14A of the Listing Rules.

No transaction involving the subscription by China Life of financial products that are secured by assets of the Group was incurred during each of the years ended 31 December 2019 and 2020, and the nine months ended 30 September 2021.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW FRAMEWORK AGREEMENT

China Life is the largest Shareholder. Building on the capital relationship between the Company and China Life, the parties has been cooperating and creating synergies in different areas of business. The entering into of the New Framework Agreement will continue to provide the parties with flexibility to carry out transactions contemplated thereunder within the capital market window should both parties consider appropriate. The transactions under the New Framework Agreement would enhance the synergy between the Company and China Life in the capital market, allowing China Life to enrich its investments portfolio with the view of obtaining better investment returns on one hand, and enhancing the debt profile of the Company and thereby improving its capability for sustainable development on the other hand should appropriate opportunities arise. The entering into of the New Framework Agreement also represents the continuing financial cooperation with China Life and further strengthens the synergetic effect between the Company and China Life.

The Directors (including the independent non-executive Directors but excluding Ms. HUANG Xiumei, Mr. HOU Jun and Mr. ZHAN Zhong, being Directors nominated by China Life, who have abstained from voting) are of the view that the terms of the New Framework Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL FOR THE CONTINUING CONNECTED TRANSACTIONS

The Group has adopted the following internal control procedures to ensure that the transactions with China Life under the New Framework Agreement will be conducted on normal commercial terms going forward:

- (i) in the offer or sale of the same batch of financial products, the Group will offer the same pricing terms to all subscribers (including both connected persons and Independent Third Parties) and no preferential terms shall be provided to subscribers that are connected person of the Company; and
- (ii) the Group has adopted internal guidelines in respect of conducting different types of financial products transactions, as well as internal procedures and systems for approval and supervision of such transactions, and will regularly monitor such transactions to ensure that they will be carried out in accordance with the pricing principles as set out in the New Framework Agreement.

Accordingly, the Directors (including the independent non-executive Directors but excluding Ms. HUANG Xiumei, Mr. HOU Jun and Mr. ZHAN Zhong, being Directors nominated by China Life, who have abstained from voting) consider that the above internal control mechanism of the Company is effective to ensure that the transactions contemplated under the New Framework Agreement will be conducted on normal commercial terms and in accordance with the pricing policy of the Group and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE GROUP

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 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 Group's core businesses include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, along with synergic businesses in real estate financing, senior living service, logistics real estate and internet data center, etc.

INFORMATION ON CHINA LIFE

China Life is a joint stock limited liability company incorporated under the laws of the PRC and is a substantial shareholder of the Company which holds approximately 29.59% of the total issued share capital of the Company as at the date of this announcement. China Life is one of the leading life insurance companies in the PRC. It offers personal insurance businesses, including life insurance, health insurance and accident insurance businesses, reinsurance relating to the above insurance businesses, use of funds permitted by applicable PRC laws and regulations or the State Council of the PRC, as well as all types of personal insurance services, consulting business and agency business, sale of securities investment funds, and other businesses permitted by the China Banking and Insurance Regulatory Commission.

IMPLICATIONS UNDER THE LISTING RULES

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Subscription by China Life of financial products of the Group pursuant to the New Framework Agreement constitutes financial assistance to be received by the Group from China Life. Pursuant to Rule 14A.90 of the Listing Rules, subscription of financial products that are not secured by assets of the Group and are conducted on normal commercial terms are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. On the other hand, as one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the annual caps for the subscription by China Life of financial products that to be are secured by assets of the Group pursuant to the New Framework Agreement exceed 0.1% but are less than 5%, the entering into of the New Framework Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will further comply with applicable Listing Rules requirements should any individual transaction under the New Framework Agreement involve subscription of financial products that are convertible into securities of the Company or any of its subsidiaries or otherwise triggers additional Listing Rules requirements.

Ms. HUANG Xiumei, Mr. HOU Jun and Mr. ZHAN Zhong, being Directors nominated by China Life, have abstained from voting on the relevant Board resolution approving the New Framework Agreement and the relevant annual caps. Save as aforementioned, none of the other Directors has a material interest in the New Framework Agreement and no other Director has abstained from voting on the relevant resolution.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this announcement shall have the meanings as follows:

“Board”	the board of Directors
“China Life”	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company incorporated under the laws of the PRC and listed on The New York Stock Exchange, the Stock Exchange and The Shanghai Stock Exchange respectively, being a substantial shareholder of the Company; and where the context requires, any reference to China Life shall include China Life and/or its subsidiaries and branch offices
“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 person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Framework Agreement”	the financial products transactions framework agreement (金融產品交易框架協議) dated 27 March 2019 and entered into between the Company and China Life, details of which are set out in the announcement of the Company dated 27 March 2019
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Framework Agreement”	the financial products transactions framework agreement (金融產品交易框架協議) dated 16 December 2021 and entered into between the Company and China Life
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“U.S.”	United States of America
“%”	per cent.

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

Hong Kong, 16 December 2021

As at the date of this announcement, the Board comprises Mr. LI Ming, Mr. WANG Honghui and Mr. CUI Hongjie as executive Directors; Ms. HUANG Xiumei, Mr. ZHAO Peng, Mr. HOU Jun, Mr. CHEN Ziyang and Mr. ZHAN Zhong 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.