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## JOINT ANNOUNCEMENT

### DISCLOSEABLE TRANSACTIONS IN RELATION TO A PROPERTY PROJECT IN THE PRC

### CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF PARKING SPACES IN THE PRC

#### THE TRANSACTIONS

On 29 May 2023, SOG China (a wholly-owned subsidiary of Sino-Ocean Group), PM Co (a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of Sino-Ocean Group) and the Purchaser entered into the Cooperation Agreement in respect of, among others, (1) the assignment of the Right of First Refusal by SOG China to the Purchaser whereby SOG China shall designate the Purchaser as the entity exercising the Right of First Refusal to purchase the entire equity and debt interests in the Project Company from the Fund Manager (on behalf of the Fund); (2) the disposal of the Parking Spaces by PM Co to the Purchaser (through disposal of the Parking Spaces to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase); and (3) the transfer of the right of use in the Civil Air Defence Works by SOG China Beijing Chaoyang Branch to the Purchaser (through transfer of the right of use in the Civil Air Defence Works to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase).

The Project Company is principally engaged in investment holding and is the owner of the Property, being a shopping centre located in Beijing, the PRC known as Ocean We-Life Plaza (Beijing)\* (遠洋未來廣場(北京)). As at the date of this joint announcement, the Project Company is accounted for as a joint venture of Sino-Ocean Group in the consolidated financial statements of the SOGH Group. Upon completion of the ROFR Assignment and the Project Company Sale and Purchase, the SOGH Group will cease to have any interest in the Project Company, and the Project Company will cease to be accounted for as a joint venture of Sino-Ocean Group in the consolidated financial statements of the SOGH Group.

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

## **LISTING RULES IMPLICATIONS**

### **Sino-Ocean Group**

As one or more of the applicable percentage ratios in respect of the Transactions exceed(s) 5% but are all less than 25%, the Transactions constitute discloseable transactions of Sino-Ocean Group under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Sino-Ocean Service**

The disposal of the Parking Spaces by PM Co to the Purchaser will be carried out through the disposal of the Parking Spaces by PM Co to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase. Although the Project Company will be wholly-owned by the Purchaser upon completion of the ROFR Assignment and the Project Company Sale and Purchase, as at the date of this joint announcement, the Project Company is wholly-owned by the Fund, in which all the units are held by the ABS, and associates of Sino-Ocean Group (a controlling shareholder of Sino-Ocean Service) are holders of the Subordinated Class Securities under the ABS. Accordingly, the Project Company is considered to be an associate of Sino-Ocean Group and thus a connected person of Sino-Ocean Service as at the date of the Cooperation Agreement, and for prudence sake, the Parking Spaces Disposal is treated as 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 Parking Spaces Disposal exceed(s) 0.1% but are all less than 5%, the Parking Spaces Disposal is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE TRANSACTIONS**

On 29 May 2023, SOG China (a wholly-owned subsidiary of Sino-Ocean Group), PM Co (a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of Sino-Ocean Group) and the Purchaser entered into the Cooperation Agreement in respect of, among others, (1) the assignment of the Right of First Refusal by SOG China to the Purchaser whereby SOG China shall designate the Purchaser as the entity exercising the Right of First Refusal to purchase the entire equity and debt interests in the Project Company from the Fund Manager (on behalf of the Fund); (2) the disposal of the Parking Spaces by PM Co to the Purchaser (through disposal of the Parking Spaces to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase); and (3) the transfer of the right of use in the Civil Air Defence Works by SOG China Beijing Chaoyang Branch to the Purchaser (through transfer of the right of use in the Civil Air Defence Works to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase).

The principal terms of the Cooperation Agreement are set out below.

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## THE COOPERATION AGREEMENT

### Date

29 May 2023

### Parties

- (1) SOG China, a wholly-owned subsidiary of Sino-Ocean Group;
- (2) PM Co, a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of Sino-Ocean Group; and
- (3) the Purchaser.

### Subject matter

Pursuant to the Cooperation Agreement, among others,

- (i) SOG China agreed to assign the Right of First Refusal to the Purchaser by way of designating the Purchaser as the entity exercising the Right of First Refusal to purchase the entire equity and debt interests in the Project Company from the Fund Manager (on behalf of the Fund) and procure the Fund Manager, the Project Company and other relevant parties (if applicable) to cooperate with the Purchaser in completing the Project Company Sale and Purchase;
- (ii) PM Co agreed to transfer the Parking Spaces to the Project Company upon the completion of the Project Company Sale and Purchase; and
- (iii) SOG China agreed to procure SOG China Beijing Chaoyang Branch to transfer the right of use in the Civil Air Defence Works to the Project Company within two years after the date of completion of the Project Company Sale and Purchase and to lease the right of use in the Civil Air Defence Works to the Project Company for a term of 20 years upon the completion of the Project Company Sale and Purchase (subject to early termination upon the transfer of the right of use).

The Project Company is principally engaged in investment holding and is the owner of the Property, being a shopping centre located in Beijing, the PRC known as Ocean We-Life Plaza (Beijing)\* (遠洋未來廣場(北京)). Further information on the Project Company, the Property, the Parking Spaces and the ancillary facilities is set out in the section headed "INFORMATION ON THE PROJECT COMPANY, THE PROPERTY, THE PARKING SPACES AND ANCILLARY FACILITIES" in this joint announcement.

### Consideration and payment terms, conditions precedent and completion

The aggregate consideration for the Transactions is RMB359,170,615.68 (subject to Completion Adjustment), of which RMB348,835,615.68 (subject to Completion Adjustment) is the consideration for the Right of First Refusal and RMB10,335,000 is the consideration for the Parking Spaces. No separate consideration has been designated to the lease or transfer of the right of use in the Civil Air Defence Works.

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The consideration for the Transactions will be settled by the earnest money paid to SOG China by the Purchaser for the purpose of the Transactions, the balance of which amounts to RMB400 million as at the date of this joint announcement (the “**Earnest Money**”). Any remaining amount of the Earnest Money shall be refunded to the Purchaser by SOG China within ten business days from the date of the last payment for the Transactions.

For the avoidance of doubt, the consideration for the Project Company Sale and Purchase in the aggregate amount of RMB1,604 million will be paid by the Purchaser to the Fund Manager (on behalf of the Fund) and will not be received by the SOGH Group.

#### *ROFR Assignment*

The consideration for the Right of First Refusal, in the initial amount of RMB348,835,615.68, shall be subject to completion adjustment (“**Completion Adjustment**”, which is expected to be not more than RMB20,000,000) on a dollar-for-dollar basis with reference to the difference between the audited net asset value of the Project Company as at 31 December 2022 (in the amount of approximately RMB570,840,000) and the audited net asset value of the Project Company as at the date of completion of the Project Company Sale and Purchase, and shall be payable by the Purchaser in three instalments in the following manners:

- (i) the first instalment, in the amount of RMB279,068,492.54 (representing approximately 80% of the consideration), shall be payable to SOG China within seven business days from the date of fulfilment (or waiver by the Purchaser in part or in full) of all of the First ROFR Payment Conditions;
- (ii) the second instalment, in the amount of RMB34,883,561.57 plus or minus any Completion Adjustment, shall be payable to SOG China within seven business days from the date of issuance of the audit report for the financial position of the Project Company for the period from 31 December 2022 to the date of completion of the Project Company Sale and Purchase and on the condition that all of the Second ROFR Payment Conditions are fulfilled (or waived by the Purchaser in part or in full); and
- (iii) the third instalment, in the amount of RMB34,883,561.57, shall be payable to SOG China within seven business days from the date of fulfilment (or waiver by the Purchaser in part or in full) of all of the Third ROFR Payment Conditions.

The consideration for the Right of First Refusal was determined between the SOGH Group and the Purchaser after arm’s length negotiations with reference to a number of factors including, among other things, the audited assets and liabilities of the Project Company as at 31 December 2022, the valuation of the Property as at 30 June 2022 in the amount of RMB1,609 million conducted by an independent valuer in the PRC and the consideration for the Project Company Sale and Purchase to be received by the Fund.

The First ROFR Payment Conditions include:

- (1) all necessary authorisations and approvals in relation to the ROFR Assignment having been obtained by SOG China and the Purchaser;
- (2) a right of first refusal exercise agreement in agreed form under the Cooperation Agreement having been signed between SOG China and the Purchaser before the date of completion of the Project Company Sale and Purchase;

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- (3) all representations and warranties as well as undertakings made by SOG China to the Purchaser under the right of first refusal exercise agreement being true, accurate and complete;
- (4) SOG China having assisted the Purchaser in the completion of the Project Company Sale and Purchase;
- (5) the registration of release of mortgage on the Property with the relevant authority having been completed;
- (6) an agreement terminating the engagement of SOG China Beijing Chaoyang Branch in providing operation management services to the Project Company having been signed by the relevant parties and delivered to the Purchaser;
- (7) an agreement terminating the engagement of PM Co in providing property management services to the Property and ancillary facilities having been signed by the relevant parties and delivered to the Purchaser;
- (8) employment agreements between the Project Company and all of its employees having been terminated and no disputes having resulted therefrom; and
- (9) SOG China having cooperated with the Fund Manager and the Purchaser in completing the delivery of the Property and ancillary facilities.

The Second ROFR Payment Conditions include:

- (1) the fulfilment (or waiver by the Purchaser in part or in full) of all of the First ROFR Payment Conditions; and
- (2) an agreement terminating the engagement of PM Co in providing property management services to the common areas and common facilities of the Property and the adjacent business building having been signed by the relevant parties.

The Third ROFR Payment Conditions include:

- (1) the fulfilment (or waiver by the Purchaser in part or in full) of all of the Second ROFR Payment Conditions; and
- (2) SOG China having cooperated with the Purchaser and its designated property management services company in completing the handover of the property management of the common buildings at which the Property is situated and having facilitated the completion of the following matters:
  - (a) all property management services related fees having been settled between PM Co on one part and the Project Company and the owner of the adjacent business building on the other part and no disputes having resulted therefrom; and
  - (b) the actual handover of the property management services areas by PM Co to the property management services company designated by the Purchaser.

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### *Parking Spaces Disposal*

The consideration for the Parking Spaces in the amount of RMB10,335,000 shall be payable by the Purchaser to PM Co within three business days from the date of fulfilment (or waiver by the Purchaser in part or in full) of all of the Parking Spaces Payment Conditions, which shall be settled by SOG China on behalf of the Purchaser by utilising the respective amount of the Earnest Money.

The consideration for the Parking Spaces was determined between the SOSH Group and the Purchaser after arm's length negotiations with reference to a number of factors including, among other things, the valuation of the Parking Spaces as at 30 April 2023 in the amount of RMB10,330,000 conducted by an independent valuer in the PRC and the prevailing market prices for the comparable parking spaces in the vicinity of the Property.

The Parking Spaces Payment Conditions include:

- (1) the industrial and commercial registration of the Purchaser as 100% shareholder of the Project Company having been completed;
- (2) a parking spaces transfer agreement and a memorandum in relation to the Parking Spaces Disposal in agreed form under the Cooperation Agreement having been signed among PM Co, the Project Company and the Purchaser before the date of completion of the Project Company Sale and Purchase; and
- (3) all application materials required for the registration of transfer of ownership of the Parking Spaces by PM Co to the Project Company having been preliminarily reviewed by the relevant authority and signed by the parties (as required).

The application materials with respect to the registration of transfer of ownership of the Parking Spaces by PM Co to the Project Company shall be submitted to the relevant authority within three business days from the date of payment of the consideration for the Parking Spaces and the procedures in respect of the registration of transfer of ownership of the Parking Spaces by PM Co to the Project Company shall be completed within 30 days of the submission of the respective application materials.

### *Civil Air Defence Works Transfer*

As the right of use in the Civil Air Defence Works, as ancillary facilities of the Property, is considered to be an integral part of the Property and no separate book value thereof is available, no separate consideration has been designated to the lease or transfer of the right of use in the Civil Air Defence Works.

All procedures in respect of the change of owner of the right of use in the Civil Air Defence Works from SOG China Beijing Chaoyang Branch to the Project Company shall be completed within two years after the date of completion of the Project Company Sale and Purchase.

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## INFORMATION ON THE PROJECT COMPANY, THE PROPERTY, THE PARKING SPACES AND ANCILLARY FACILITIES

### Project Company and Property

The Project Company is a company established under the laws of the PRC with limited liability. It is principally engaged in investment holding and is the owner of the Property, being a shopping centre located in Beijing, the PRC known as Ocean We-Life Plaza (Beijing)\* (遠洋未來廣場(北京)) with a total land area of approximately 35,887 sq.m. and a total gross floor area and a total leasable area of approximately 62,398 sq.m. and 31,223 sq.m., respectively.

As at the date of this joint announcement, the Project Company is wholly-owned by the Fund, in which all the units are held by the ABS. The Fund is a private fund established by the Fund Manager pursuant to the applicable laws in the PRC. The ABS is an asset-backed special scheme established and managed by the ABS Manager to securitise the underlying properties (comprising the Property) by issuing to its holders asset-backed securities, which are divided into (i) the Senior Classes Securities, which are held by public shareholders and account for 90% of the total issuance, and (ii) the Subordinated Class Securities, which are held by associates of Sino-Ocean Group and account for 10% of the total issuance. The asset-backed securities are listed on The Shanghai Stock Exchange. Upon completion of the ROFR Assignment and the Project Company Sale and Purchase, the Project Company will be wholly-owned by the Purchaser.

To the best of the knowledge, information and belief of the SOGH Directors and the SOSH Directors having made all reasonable enquiries, the Fund Manager, the ABS Manager and their ultimate beneficial owners are third parties independent of Sino-Ocean Group, Sino-Ocean Service and their respective connected persons.

The Project Company is accounted for as a joint venture of Sino-Ocean Group in the consolidated financial statements of the SOGH Group as at the date of this joint announcement. Upon completion of the ROFR Assignment and the Project Company Sale and Purchase, the SOGH Group will cease to have any interest in the Project Company, and the Project Company will cease to be accounted for as a joint venture of Sino-Ocean Group in the consolidated financial statements of the SOGH Group.

Set out below is the financial information of the Project Company prepared in accordance with the PRC Accounting Standards for Business Enterprises:

	<b>For the year ended 31 December 2021 (audited) RMB'000</b>	<b>For the year ended 31 December 2022 (audited) RMB'000</b>
Net loss before taxation	3,046	5,985
Net loss after taxation	3,046	5,985

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As at 30 April 2023, the unaudited net asset value of the Project Company was approximately RMB578,288,000 and the book value of the Right of First Refusal was approximately RMB38,000,000.

### **Parking Spaces**

The Parking Spaces comprise 53 parking spaces situated at the Property with a total gross floor area of approximately 2,580 sq.m., of which PM Co has been the registered owner for more than 12 months.

During the two years ended 31 December 2021 and 2022, (a) the gross rental income attributable to the Parking Spaces amounted to approximately RMB354,000 and RMB223,000, respectively; (b) the net profit before taxation attributable to the Parking Spaces amounted to approximately RMB351,000 and RMB221,000, respectively; and (c) the net profit after taxation attributable to the Parking Spaces amounted to approximately RMB263,000 and RMB166,000, respectively.

As at 30 April 2023, the book value of the Parking Spaces was approximately RMB4,932,000.

### **Civil Air Defence Works**

The Civil Air Defence Works comprise the civil air defence works and their ancillary facilities with respect to the Property with a total gross floor area of 16,691 sq.m.

As the right of use in the Civil Air Defence Works, as ancillary facilities of the Property, is considered to be an integral part of the Property, no separate book value for the right of use in the Civil Air Defence Works is available.

## **FINANCIAL EFFECT OF THE TRANSACTIONS AND USE OF PROCEEDS**

### **Sino-Ocean Group**

In respect of the SOGH Group, upon completion of the ROFR Assignment and the Project Company Sale and Purchase, the SOGH Group will cease to have any interest in the Project Company, and the Project Company will cease to be accounted for as a joint venture of Sino-Ocean Group in the consolidated financial statements of the SOGH Group.

It is estimated that the SOGH Group will recognise a net gain before tax of approximately RMB316,163,000 for the Transactions, which is calculated with reference to the aggregate consideration for the Transactions and the book value of the Right of First Refusal and the Parking Spaces as at 30 April 2023.

The actual amount of gain or loss to be recorded by the SOGH Group will be subject to the review and final audit by the auditor of Sino-Ocean Group.

The SOGH Group intends to use the sale proceeds from the ROFR Assignment to replenish its working capital.

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## **Sino-Ocean Service**

In respect of the SOSH Group, it is estimated that the SOSH Group will recognise a net gain before tax of approximately RMB5,163,000 for the Parking Spaces Disposal, which is calculated with reference to the consideration for the Parking Spaces and the book value of the Parking Spaces as at 30 April 2023.

The actual amount of gain or loss to be recorded by the SOSH Group will be subject to the review and final audit by the auditor of Sino-Ocean Service.

The SOSH Group intends to use the sale proceeds from the Parking Spaces Disposal as its general working capital.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

### **Sino-Ocean Group**

The Transactions allow the SOGH Group to crystallise the value and its investment towards the development of the Property at a considerable profit. The positive cash flow generated from the Transactions will also replenish the working capital of the SOGH Group. A net gain before tax of approximately RMB316,163,000 (subject to audit) is also expected to be recognised from the Transactions, thereby increasing the return for shareholders of Sino-Ocean Group.

Having considered the above, the SOGH Directors are of the view that the terms of the Cooperation Agreement 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 Parking Spaces Disposal allows the SOSH Group to recoup its fund injection towards the Parking Spaces so as to redeploy its resources towards other investments or business of the SOSH Group and allows the SOSH Group to better allocate its resources among other investments and/or business. A net gain before tax of approximately RMB5,163,000 (subject to audit) is also expected to be recognised from the Parking Spaces Disposal, thereby increasing the return for shareholders of Sino-Ocean Service.

Having considered the above, the SOSH Directors (including all the independent non-executive directors but excluding the Abstained SOSH Directors) are of the view that the terms of the Cooperation Agreement and the Parking Spaces Disposal 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 the Parking Spaces Disposal was made in the ordinary and usual course of business of the SOSH Group and 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 Parking Spaces Disposal. Nevertheless, the Abstained SOSH Directors have abstained from voting on the board resolutions of Sino-Ocean Service approving the Parking Spaces Disposal by virtue of their directorship and/or senior positions in Sino-Ocean Group and/or its associates (other than the SOSH Group).

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## **INFORMATION ON SINO-OCEAN GROUP, SOGH GROUP, SOG CHINA AND SOG CHINA BEIJING CHAOYANG BRANCH**

Sino-Ocean Group 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.

SOG China Beijing Chaoyang Branch is a branch office company of SOG China established under the laws of the PRC with limited liability. It is principally engaged in investment holding.

## **INFORMATION ON SINO-OCEAN SERVICE, SOSH GROUP AND PM CO**

Sino-Ocean Service, a non wholly-owned subsidiary of Sino-Ocean Group, is principally engaged in investment holding. 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.

PM Co is a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sino-Ocean Service. PM Co is principally engaged in property management business in the PRC.

## **INFORMATION ON THE PURCHASER**

To the best of the knowledge, information and belief of the SOGH Directors and the SOSH Directors having made all reasonable enquiries, the Purchaser is a company established under the laws of the PRC with limited liability and is principally engaged in architectural engineering design, residential home decoration design and other internet home decoration services. The Purchaser is a wholly-owned subsidiary of Easyhome New Retail Group Corporation Limited (居然之家新零售集團股份有限公司), the shares of which are listed on The Shenzhen Stock Exchange (Stock Code: 000785). Easyhome New Retail Group Corporation Limited is a large commercial chain group company principally engaged in interior design and decoration, furniture and building materials sales and intelligent logistics.

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To the best of the knowledge, information and belief of the SOGH Directors and the SOSH Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of Sino-Ocean Group, Sino-Ocean Service and their respective connected persons.

## **LISTING RULES IMPLICATIONS**

### **Sino-Ocean Group**

As one or more of the applicable percentage ratios in respect of the Transactions exceed(s) 5% but are all less than 25%, the Transactions constitute discloseable transactions of Sino-Ocean Group under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Sino-Ocean Service**

The disposal of the Parking Spaces by PM Co to the Purchaser will be carried out through the disposal of the Parking Spaces by PM Co to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase. Although the Project Company will be wholly-owned by the Purchaser upon completion of the ROFR Assignment and the Project Company Sale and Purchase, as at the date of this joint announcement, the Project Company is wholly-owned by the Fund, in which all the units are held by the ABS, and associates of Sino-Ocean Group (a controlling shareholder of Sino-Ocean Service) are holders of the Subordinated Class Securities under the ABS. Accordingly, the Project Company is considered to be an associate of Sino-Ocean Group and thus a connected person of Sino-Ocean Service as at the date of the Cooperation Agreement, and for prudence sake, the Parking Spaces Disposal is treated as 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 Parking Spaces Disposal exceed(s) 0.1% but are all less than 5%, the Parking Spaces Disposal is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“ABS”	the asset-backed special scheme managed by the ABS Manager to securitise certain properties (comprising the Property) by issuing the asset-backed securities to its holders
“ABS Manager”	First Seafront Asset Management Co., Ltd.* (前海開源資產管理有限公司), a company established under the laws of the PRC with limited liability and the manager of the ABS
“Abstained SOSH Directors”	Mr. CUI Hongjie and Mr. ZHU Xiaoxing, each being a non-executive director of Sino-Ocean Service
“Civil Air Defence Works”	the civil air defence works and their ancillary facilities with respect to the Property

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“Civil Air Defence Works Transfer”	the transfer of the right of use in the Civil Air Defence Works by SOG China Beijing Chaoyang Branch to the Purchaser (through transfer of the right of use in the Civil Air Defence Works to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase)
“Completion Adjustment”	has the meaning ascribed thereto in the section headed “THE COOPERATION AGREEMENT — Consideration and payment terms, conditions precedent and completion — ROFR Assignment” in this joint announcement
“Cooperation Agreement”	the cooperation agreement dated 29 May 2023 and entered into between SOG China, PM Co and the Purchaser in relation to, amongst others, the Transactions
“Earnest Money”	has the meaning ascribed thereto in the section headed “THE COOPERATION AGREEMENT — Consideration and payment terms, conditions precedent and completion” in this joint announcement
“First ROFR Payment Conditions”	the conditions precedent to the payment of the first instalment of the consideration for the ROFR Assignment
“Fund”	GSUM-Sino-Ocean Group No.1 Private Investment Fund* (中聯前源 — 遠洋集團一號私募投資基金)
“Fund Manager”	GSUM Real Estate Fund Management Co., Ltd.* (中聯前源不動產基金管理有限公司), a company established under the laws of the PRC with limited liability and the manager of the Fund
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parking Spaces”	collectively, 53 parking spaces located at the Property
“Parking Spaces Disposal”	the disposal of the Parking Spaces by PM Co to the Purchaser (through disposal of the Parking Spaces to the Project Company upon completion of the ROFR Assignment and the Project Company Sale and Purchase)
“Parking Spaces Payment Conditions”	the conditions precedent to the payment of consideration for the Parking Spaces Disposal
“PM Co”	Zhongyuan Hotel Property Management Co., Ltd.* (中遠酒店物業管理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sino-Ocean Service and a non wholly-owned subsidiary of Sino-Ocean Group

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

“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
“Project Company”	Beijing Rui Hong Commercial Management Co., Ltd.* (北京睿鴻商業管理有限公司), a company established under the laws of the PRC with limited liability
“Project Company Sale and Purchase”	the sale of the entire equity and debt interests in the Project Company by the Fund Manager (on behalf of the Fund) to the Purchaser as designated by SOG China
“Property”	Ocean We-Life Plaza (Beijing)* (遠洋未來廣場(北京)) which is situated at Block 1, No.73, North 4th Ring East Road, Chaoyang District, Beijing, PRC
“Purchaser”	Beijing Easyhome Furniture Franchise Co., Ltd. (北京居然之家家居連鎖有限公司), a company established under the laws of the PRC with limited liability
“Right of First Refusal”	the right of first refusal with respect to all or part of the equity and debt interests in the Project Company under the preferential rights agreement dated 13 December 2018 and entered into among, among others, SOG China, the ABS Manager and the Fund Manager
“RMB”	Renminbi, the lawful currency of the PRC
“ROFR Assignment”	the assignment of the Right of First Refusal by SOG China to the Purchaser
“Second ROFR Payment Conditions”	the conditions precedent to the payment of the second instalment of the consideration for the ROFR Assignment
“Senior Classes Securities”	senior classes, namely Senior Class A1 and Senior Class A2, of the asset-backed securities issued under the ABS
“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, 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, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677), which is a non wholly-owned subsidiary of Sino-Ocean Group

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Stock Code : 06677

“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
“SOG China Beijing Chaoyang Branch”	Beijing Chaoyang Branch of Sino-Ocean Holding Group (China) Limited* (遠洋控股集團(中國)有限公司北京朝陽分公司), a branch office company of SOG China established under the laws of the PRC with limited liability
“SOGH Director(s)”	director(s) of Sino-Ocean Group
“SOGH Group”	Sino-Ocean Group and its subsidiaries (including the SOSH Group)
“SOSH Director(s)”	director(s) of Sino-Ocean Service
“SOSH Group”	Sino-Ocean Service and its subsidiaries
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordinated Class Securities”	subordinated class of the asset-backed securities issued under the ABS
“Third ROFR Payment Conditions”	the conditions precedent to the payment of the third instalment of the consideration for the ROFR Assignment
“Transactions”	collectively, the ROFR Assignment, the Parking Spaces Disposal and the Civil Air Defence Works Transfer
“%”	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, 29 May 2023

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*As at the date of this joint announcement, the board of directors of Sino-Ocean Group 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. JIN Qingjun, Ms. LAM Sin Lai Judy and Mr. LYU Hongbin as independent non-executive directors.*

*As at the date of this joint announcement, the board of directors of Sino-Ocean Service 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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