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遠洋集團

CONNECTED TRANSACTION FORMATION OF JOINT VENTURE IN THE PRC

The Board is pleased to announce that, on 10 May 2018, the Transferee (an indirect wholly-owned subsidiary of the Company) and the Transferor (an indirect wholly-owned subsidiary of Anbang, a substantial Shareholder) entered into the Equity Transfer Agreement, pursuant to which the Transferee has agreed to acquire, and the Transferor has agreed to dispose of, the Target Interest.

As at the date of this announcement, the Transferor is an indirect wholly-owned subsidiary of Anbang. Anbang is a substantial Shareholder which holds approximately 29.7% of the total issued share capital of the Company and therefore a connected person of the Company.

As one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 0.1% but are less than 5%, the Acquisition constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that, on 10 May 2018, the Transferee (an indirect wholly-owned subsidiary of the Company) and the Transferor (an indirect wholly-owned subsidiary of Anbang, a substantial Shareholder) entered into the Equity Transfer Agreement, pursuant to which the Transferee has agreed to acquire, and the Transferor has agreed to dispose of, the Target Interest.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are as follows:

Date: 10 May 2018

Parties: (a) the Transferee, as the transferee
(b) the Transferor, as the transferor

Subject matter: The Transferee agreed to acquire, and the Transferor agreed to dispose of, the Target Interest, being 50% of the equity interest in the Target Company.

Within 30 business days from the date on which the Equity Transfer Agreement is signed, the Parties shall cooperate proactively to complete the registration and filing procedures with the relevant administrative authority for industry and commerce in relation to the transfer of the Target Interest, and the changes of the shareholders, the articles of association, the directors, the supervisors and the general manager of the Target Company.

Registered capital and capital contribution: As at the date of this announcement, the registered capital of the Target Company is RMB200 million.

Upon completion of the Acquisition, the respective amount of capital contribution and the proportion of capital contribution of the Parties shall be as follows:

	Committed capital contribution <i>(RMB' million)</i>	Actual capital contribution <i>(RMB' million)</i>	Percentage of capital contribution <i>(%)</i>
Transferor	100	0	50
Transferee	<u>100</u>	<u>0</u>	<u>50</u>
Total	<u>200</u>	<u>0</u>	<u>100</u>

Within 30 business days from the date on which all the registration and filing procedures with the relevant administrative authority for industry and commerce for the Acquisition pursuant to the Equity Transfer Agreement have been completed, each of the Parties shall contribute the amount of RMB25 million to the registered capital of the Target Company according to their respective shareholding percentage in the Target Company, amounting to RMB50 million of the registered capital of the Target Company in total.

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Consideration: The consideration for the Acquisition pursuant to the Equity Transfer Agreement is RMB0.

Board composition and management structure: Upon completion of the Acquisition, the board of directors of the Target Company shall comprise four directors. Each of the Transferor and the Transferee shall be entitled to nominate two directors of the Target Company respectively. The chairman of the board of directors of the Target Company shall be a director nominated by the Transferor and the vice chairman of the board of directors of the Target Company shall be a director nominated by the Transferee. The general manager of the Target Company shall be a person nominated by the Transferee.

The Target Company shall have two supervisors and no supervisory committee of the Target Company will be formed. Each of the Transferor and the Transferee shall be entitled to nominate a supervisor of the Target Company respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The Company will establish a strategic cooperation relationship with Anbang, and actively promote cooperation between the Group and Anbang and its subsidiaries in their respective areas of strengths depending on the needs of business development, covering (among other things) five major areas including real estate development business, strategic investment business, real estate financing business, insurance business and pension business. The Company shall make further announcement according to the Listing Rules when needed if further transactions under the strategic cooperation arise.

The Directors believe that the Company has a strong complementarity with Anbang in respect of business model and resource utilization. The strategic cooperation is beneficial to bring about synergies between both parties, and rapid development of the main property development business and non-property development business of the Company. The entering of the Equity Transfer Agreement is a concrete measure of cooperation between both parties in the field of real estate development business, which can deepen the cooperation between the Group and Anbang by leveraging the real estate resources of Anbang. The Group would provide development and management services. The efforts put in such business cooperation on, among other things, project development and management will effectively enhance the sustainability and competitiveness of the Group.

The consideration for the Acquisition was determined after arm's length negotiations between the Transferee and the Transferor taking into account the fact that no capital contribution has been made to the Target Company.

The total amount of the capital contribution to be made by the Parties of RMB200 million represents the amount of the registered capital of the Target Company upon its establishment, of which RMB50 million in total will be made as initial capital contribution by the Parties according to the Equity Transfer Agreement to fund the working capital requirements of the Target Company.

The capital contribution to be made by the Transferee will be funded by the internal resources of the Group.

The Target Company was established as a wholly-owned subsidiary of the Transferor in December 2016, and hence, there was no original acquisition cost of the Target Interest to the Transferor. However, the Transferor principally committed to pay the outstanding registered capital of the Target Company in aggregate of RMB200 million.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE TRANSFEEE

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 key economic regions in the PRC, including Beijing-Tianjin-Hebei Region, Yangtze River Delta Region, Yangtze Mid-stream Region, Pearl River Delta Region, Chengdu-Chongqing Region and other major core cities. It focuses on mid-to-high end residential development, development, investment and operation of urban complexes and office buildings, property management services, pension industry, logistic properties, long-term rental apartment, real estate funds, equity investments, asset management and overseas investments.

The Transferee is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of real estate development.

INFORMATION OF THE TRANSFEROR

The Transferor is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Anbang, a substantial Shareholder. It is principally engaged in the business of real estate development, real estate consulting, engineering survey and design, property management, project investment, asset management, and decoration.

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INFORMATION OF THE TARGET COMPANY

The Target Company was established under the laws of the PRC with limited liability. As at the date of this announcement, the Transferor holds the entire equity interest in the Target Company which in turn holds the entire equity interest in Beijing Bangbang Commercial Property Company Limited* (北京邦邦商業地產有限公司). The Target Company and its subsidiary are principally engaged in real estate development, sales and rental of commercial properties, property management and engineering survey and design. The Target Company and its subsidiary have not commenced business since their respective dates of incorporation.

Financial information of the Target Company

Based on the unaudited consolidated financial statements of the Target Company prepared in accordance with PRC GAAP, the financial information of the Target Company for the period from 14 December 2016 (being the date of establishment of the Target Company) to 31 December 2016 and for the year ended 31 December 2017 was approximately as follows:

	For the period from 14 December 2016 to 31 December 2016 <i>(unaudited)</i>	For the year ended 31 December 2017 <i>(unaudited)</i>
Profit/(Loss) before taxation	0	0
Profit/(Loss) after taxation	0	0
		As at 31 March 2018 <i>(unaudited)</i>
Net asset		0

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Transferor is an indirect wholly-owned subsidiary of Anbang. Anbang is a substantial Shareholder which holds approximately 29.7% of the total issued share capital of the Company and therefore a connected person of the Company.

As one or more applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition exceed 0.1% but are less than 5%, the Acquisition constitutes a connected transaction of the Company which is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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Mr. Yao Dafeng, Ms. Shangguan Qing and Mr. Wang Yeyi, all being Directors nominated by Anbang, the substantial Shareholder, have abstained from voting on the relevant Board resolution approving the Equity Transfer Agreement pursuant to the articles of association of the Company. Save as aforementioned, none of the other Directors has a material interest in the Equity Transfer Agreement and hence 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:

“Acquisition”	the acquisition of the Target Interest by the Transferee from the Transferor pursuant to the Equity Transfer Agreement
“Anbang”	Anbang Insurance Group Co., Ltd., a substantial Shareholder
“Board”	board of Directors
“Company”	Sino-Ocean Group Holding Limited, 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)
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 10 May 2018 entered into between the Transferee and the Transferor in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Transferee and the Transferor
“PRC”	the People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	generally accepted accounting principles in 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
“Target Company”	Beijing Bangbang Zhiye Company Limited* (北京邦邦置業有限公司), a company established under the laws of the PRC

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Stock Code : 03377

“Target Interest”	50% of the equity interest in the Target Company and all ancillary interests and shareholders’ obligations
“Transferee”	Sino-Ocean Land Limited (遠洋地產有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Transferor”	Beijing Anbang Hexie Zhiye Company Limited* (北京安邦和諧置業有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of Anbang
“%”	per cent

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

Hong Kong, 10 May 2018

As at the date of this announcement, the Directors comprise:

Executive directors:

Mr. LI Ming
Mr. LI Hu
Mr. WANG Yeyi
Mr. SUM Pui Ying
Mr. WEN Haicheng
Mr. LI Hongbo

Non-executive directors:

Mr. ZHAO Lijun
Mr. YAO Dafeng
Mr. FANG Jun
Ms. SHANGGUAN Qing

Independent non-executive directors:

Mr. HAN Xiaojing
Mr. SUEN Man Tak
Mr. WANG Zhifeng
Mr. JIN Qingjun
Ms. LAM Sin Lai Judy

* *for identification purposes only*

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