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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino-Ocean Group Holding Limited, you should at once hand this circular to the purchaser or other transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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遠洋集團

**PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME,
CONDITIONAL GRANT OF SHARE OPTIONS UNDER THE NEW
SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of Sino-Ocean Group Holding Limited to be held at Workshop 1, 3rd Floor, EAST Beijing, No. 22 Jiuxianqiao Road, Chaoyang District, Beijing, PRC, on Saturday, 30 December 2017 at 10 a.m. is set out on pages 20 to 21 of this circular.

A form of proxy for use at the EGM is enclosed to this circular and is also published on the website of the Stock Exchange. If you intend to appoint a proxy to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

13 December 2017

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“2007 Share Option Scheme”	the share option scheme adopted by shareholders’ written resolutions of the Company dated 3 September 2007;
“Adoption Date”	being the date of adoption of the New Share Option Scheme by resolution of the Shareholders at the EGM;
“Advisory Committee”	an advisory committee of the Company to lead communications with the Trustee on behalf of the individual designated Participants, which will initially comprise Mr. Han Xiaojing, Mr. Suen Man Tak and Mr. Wang Zhifeng, who are independent non-executive Directors and not Participants under the Conditional Grant;
“Articles of Association”	the articles of association of the Company, as amended and adopted from time to time;
“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“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;
“Conditional Grant”	the proposed conditional grant of 756,000,000 share options to subscribe for an aggregate of 756,000,000 Shares under the New Share Option Scheme to the Trustee (to be held on trust for Mr. Li Ming, Mr. Wen Haicheng, Mr. Li Hongbo (each being an executive Director) and 47 other designated individual Participants), subject to the Shareholders’ approval at the EGM;
“Conditions”	the conditions stated in paragraph 3 of the Letter from the Board in this circular;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“core connected person”	has the meaning ascribed to it under the Listing Rules;

DEFINITIONS

“Date of Conditional Grant”	11 December 2017, being the date on which the Conditional Grant under the New Share Option Scheme was conditionally approved by the Board;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve the adoption of the New Share Option Scheme and the proposed conditional grant of share options under the New Share Option Scheme, the notice of which is set out on pages 20 to 21 of this circular;
“Grantee”	any Participant who accepts an offer in accordance with the terms of the New Share Option Scheme;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars;
“Latest Practicable Date”	8 December 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix to this circular;

DEFINITIONS

“Participants”	participants of the New Share Option Scheme as determined by the Board from time to time, including any permanent employees (i.e. who have signed employment contracts with the Company for one year or more) of the members of the Group, including without limitation, any directors, president, vice presidents and assistant presidents of our Company, heads of functional departments at our Company’s head office (general managers, deputy general managers and assistant general managers of such departments), senior managers (at or above the level of assistant general manager), key employees, and talents with certain special skills of subsidiaries or companies in which our Company holds 25% or more interests, and persons who have made significant contribution to the development of such companies, trustees appointed under any employee share/share option incentive scheme or in relation to the share options under the New Share Option Scheme, and such other persons as the Board determines to have contributed or will contribute to the development of the Company;
“Share(s)”	ordinary share(s) with no nominal value of the Company;
“Shareholder(s)”	the holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	price per Share at which a Grantee may subscribe for Shares upon exercise of an option under the New Share Option Scheme;
“substantial shareholder”	shall have the meaning ascribed to it under the Listing Rules;
“Trustee”	TMF Trust (HK) Limited, being the trustee appointed by the Company to administer certain share options to be granted under the New Share Option Scheme from time to time; and
“%”	per cent.

LETTER FROM THE BOARD



遠洋集團

Executive Directors:

Mr. Li Ming (*Chairman*)
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

Registered office:

Suite 601, One Pacific Place
88 Queensway
Hong Kong

Principal place of business:

31-33 Floor, Block A
Ocean International Center
56 Dongsihuanzhonglu
Chaoyang District, Beijing
PRC

13 December 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR ADOPTION OF NEW SHARE OPTION SCHEME,
CONDITIONAL GRANT OF SHARE OPTIONS UNDER THE NEW
SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information on the resolution regarding the proposed adoption of the New Share Option Scheme and the Conditional Grant to be proposed at the EGM as set out the notice of EGM.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

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2. ADOPTION OF THE NEW SHARE OPTION SCHEME

The 2007 Share Option Scheme had a term of 10 years and had expired in September 2017. In view of the expiry of the 2007 Share Option Scheme, the Board proposes to recommend to the Shareholders to approve the adoption of the New Share Option Scheme. The New Share Option Scheme will become effective after all the Conditions as referred to under the paragraph headed “Conditions precedent of the New Share Option Scheme” below have been fulfilled.

As at the Latest Practicable Date, the Company had granted 668,270,000 share options to subscribe for the Shares under the 2007 Share Option Scheme, 248,750,172 of which had lapsed. There were 247,148,000 outstanding share options under the 2007 Share Option Scheme and no further share options were granted under the 2007 Share Option Scheme after the 2007 Share Option Scheme expired in September 2017.

As at the Latest Practicable Date, there were a total of 7,560,926,657 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other schemes (if any) will be 756,092,665 Shares, representing 10% of the total number of Shares in issue. The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

3. CONDITIONS PRECEDENT OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall take effect subject to the following Conditions:

- (a) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders in general meeting and authorising the Directors to grant options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any share options granted under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of share options granted under the New Share Option Scheme.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the share options granted under the New Share Option Scheme.

4. VALUE OF THE OPTIONS

The Directors consider that it is not appropriate to state the value of all share options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date, because the calculation of the value of the share options is based on a number of

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variables such as the exercise price, exercisable period, interest rate, expected volatility and other relevant variables. As no share options have been granted under the New Share Option Scheme as at the Latest Practicable Date, certain variables were not available for calculating the value of the share options. The Directors believe that any calculation of the value of the share options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the Shareholders.

5. PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

A summary of the principal terms of the New Share Option Scheme is set out in the Appendix to this circular. The terms of the New Share Option Scheme are generally in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

A copy of the rules of the New Share Option Scheme is available for inspection at the Company's registered office at Suite 601, One Pacific Place, 88 Queensway, Hong Kong at normal business hours from the date of this circular up to and including the date of the EGM, which is a period of not less than 14 days before the date of the EGM.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in any trustee of the New Share Option Scheme.

Based on the information provided by the Trustee, the Trustee is a member of the TMF Group, being a multinational professional service firm headquartered in Amsterdam, the Netherlands, providing accounting, tax, human resources and payroll services to businesses operating on an international scale.

The Company confirms that, to the best of its knowledge, information and belief, having made all reasonable enquiries, the Trustee is independent from the Company and its connected persons.

6. CONDITIONAL GRANT OF SHARE OPTIONS UNDER THE NEW SHARE OPTION SCHEME

To facilitate the administration of the share options under the New Share Option Scheme, the Company has appointed the Trustee on 11 December 2017 to assist in administering the share options and the underlying Shares to be issued and allotted under the New Share Option Scheme for the benefit of the Participants.

The Trustee will hold the share options on behalf of the designated individual Participants. After the share options have become vested, the Trustee will continue to hold such share options until the Advisory Committee, based on the instructions from the relevant individual, instructs the Trustee to exercise such share options and either to (a) procure the issue of the underlying shares by the Company to such individual, or (b) procure the issue of the underlying shares by the Company to the Trustee

LETTER FROM THE BOARD

or its nominee (as legal owner of the underlying shares) with a view to selling such shares on the market as soon as reasonably practicable at such price (or price range) as determined by such individual and returning the net proceeds to such individual (as beneficial owner of the underlying shares), in each case based on the instructions from such individual to the Advisory Committee.

As of the Latest Practicable Date, the Company has considered and approved Mr. Li Ming, Mr. Wen Haicheng and Mr. Li Hongbo (each being an executive Director) and 47 other individuals as designated individual Participants who will be entitled to such share options and the number of share options allocated to each of such named individual. These individuals comprise mid-to-senior level management of the Group having a consistent track record of good performance, and who are important and will continue to contribute to the growth and development of the Group in the future. Details of the entitlements to share options granted to the Trustees are set out as follows:

Name	Position in/relationship with the Company	Number of share options allocated	Representing percentage of total number of Shares in issue
Mr. Li Ming	Chairman and Executive Director	378,000,000	4.9994%
Mr. Wen Haicheng	Executive Director	7,560,000	0.1000%
Mr. Li Hongbo	Executive Director	7,560,000	0.1000%
47 individuals	Mid-to-senior level management of the Group	362,880,000	4.7994%
Total		<u>756,000,000</u>	<u>9.9988%</u>

As resolved by the Board of the Company, the exercise price for these share options is determined in accordance with Rule 17.03(9) of the Listing Rules, namely the higher of the closing price on the Date of Conditional Grant and the average closing price for the five business days immediately preceding the date of Conditional Grant, and the vesting conditions that apply to these share options will be the same as those conditions stated in the paragraph headed “Principal terms of the Conditional Grant” below.

Subject to the New Share Option Scheme becoming effective and conditional upon the approval by the Shareholders, the Board proposed that 756,000,000 share options under the New Share Option Scheme be granted to the Trustee, representing approximately 9.9988% of the total number of Shares in issue as at the Latest Practicable Date.

As stated above, the purpose of adopting the New Share Option Scheme and appointing the Trustee and granting the share options to it are to facilitate the administration of the share options under the New Share Option Scheme, which is part of the Company’s commitment to attract, retain and incentivize employees and other individuals for their long term commitment and contribution to the development by aligning their interests with financial performance of the Company. The Directors also considered that the grant of share options to Mr. Li Ming, Mr. Wen Haicheng, Mr. Li Hongbo (each being an executive Director) and 47 other individuals (and all such share options will be held

LETTER FROM THE BOARD

by the Trustee on their respective behalf) gives recognition for their contributions to the development of the Group and provides them incentives to align their interests with the financial performance of the Company. Accordingly, the Board believes that the Conditional Grant is in the interests of the Company and the Shareholders as a whole.

The Company confirms that, to the best of its knowledge, information and belief having made all reasonable enquiries, none of the 47 designated individual Participants is a Director, chief executive or substantial shareholder of the Company, or an associate of any of them.

Principal terms of the Conditional Grant

Date of Conditional Grant:	11 December 2017
Number of options:	756,000,000
Exercise price of the options:	HK\$4.98 per Share, being not less the higher of (i) the closing price of HK\$4.98 per Share as stated in the daily quotations sheet by the Stock Exchange on the Date of Conditional Grant; and (ii) the average closing of HK\$4.94 per Share as stated in the daily quotations sheet by the Stock Exchange for the five business days immediately preceding the Date of Conditional Grant.
Validity period of the options:	5 years
Vesting conditions:	The vesting of the options are subject to either of the following terms: <ul style="list-style-type: none">(a) 50% of the options will be vested if there is an increase of 30% or more in contracted sales for the first half of 2018 as compared to the historical period acceptable to the Board or its designated committee and 100% of the options will be vested if there is an increase of 30% or more in contracted sales for the full year of 2018 as compared to the historical period acceptable to the Board or its designated committee; or(b) 100% of the options will be vested if there is an increase of 30% or more in the audited profit attributable to owners of the Company (before deduction of expenses related to share options granted to directors and employees) for any of the full financial years of 2017 or 2018 or 2019 as compared to the historical period acceptable to the Board or its designated committee.

If the vesting conditions are not met before expiry of the validity period of the share options, the share options will automatically lapse.

During the 12-month period preceding the Date of Conditional Grant, 2,000,000 share options were granted to each of Mr. Wen Haicheng and Mr. Li Hongbo under the 2007 Share Option Scheme

LETTER FROM THE BOARD

and Mr. Li Ming has not been granted any share options under the 2007 Share Option Scheme. Save for the fact that the exercise of all share options to be granted to the Trustee and the proposed grant of share options (as part of the Conditional Grant) to Mr. Li Ming will result in the Shares to be issued upon exercise of all share options to be granted to him being more than 1% of the Shares in issue in any 12-month period, during the 12-month period preceding the Date of the Conditional Grant, no share options have been granted to the Trustee or other Participants which would result in the Shares issued or to be issued upon the exercise of such share options exceeding the percentage prescribed under Rule 17.03(4) of the Listing Rules.

The Shares to be allotted and issued upon the exercise of the share options will be subject to the Articles of Association and will rank *pari passu* among themselves and with the fully-paid Shares in issue as from the date of allotment, including voting rights, entitlement to dividends, transfer and other rights. The share options themselves, however, do not carry any right to voting, dividend, transfer or other rights prior to their being exercised and the underlying Shares being issued.

The grant of the share options to Mr. Li Ming, Mr. Wen Haicheng and Mr. Li Hongbo (whose share options will be held by the Trustee on trust on their behalf) has been approved by the independent non-executive Directors.

Conditions of the Conditional Grant

The Conditional Grant is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the proposed adoption of the New Share Option Scheme at the EGM; and
- (b) the Shareholders passing an ordinary resolution to approve the Conditional Grant at the EGM.

7. LISTING RULES IMPLICATIONS

The New Share Option Scheme constitutes a share option scheme pursuant to Chapter 17 of the Listing Rules. Pursuant to Rule 17.03(4) of the Listing Rules, as at the Date of Conditional Grant, given that the Conditional Grant of 756,000,000 share options to the Trustee will result in the Shares to be issued upon exercise of all share options to be granted to the Trustee being more than 1% of the Shares in issue in any 12-month period, the Conditional Grant of 756,000,000 share options to the Trustee shall be subject to approval by the Shareholders at the EGM. In addition, the proposed grant of share options (as part of the Conditional Grant) to Mr. Li Ming will result in the Shares to be issued upon exercise of all share options to be granted to him being more than 1% of the Shares in issue in any 12-month period. Accordingly, such grant shall also be subject to approval by the Shareholders at the EGM. As at the Latest Practicable Date, the Trustee did not hold any Shares, while Mr. Li Ming has interest in 167,792,378 Shares and 21,800,000 share options outstanding under the 2007 share option Scheme.

LETTER FROM THE BOARD

8. BOOK CLOSURE FOR EGM ATTENDANCE

In order to ascertain the right to attend the EGM, the register of members of the Company will be closed from Thursday, 28 December 2017 to Saturday, 30 December 2017 (both days inclusive) during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to be entitled to attend the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 27 December 2017.

9. THE EGM

A notice convening the EGM to be held on Saturday, 30 December 2017 at 10 a.m. at Workshop 1, 3rd Floor, EAST Beijing, No. 22 Jiuxianqiao Road, Chaoyang District, Beijing, PRC is set out on pages 20 to 21 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM should you so wish.

10. VOTING AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

In the case of an equality of votes on a poll, the chairman shall, subject to the Articles of Association, be entitled to casting vote in addition to any other vote he may have.

11. RECOMMENDATION

The Directors (including independent non-executive Directors) consider that the adoption of the New Share Option Scheme and the Conditional Grant are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including independent non-executive Directors) recommend that all Shareholders should vote in favour of the ordinary resolutions to be proposed at the EGM approving the adoption of the New Share Option Scheme and the Conditional Grant.

LETTER FROM THE BOARD

The percentage of total number of Shares in issue held by Mr. Li Ming, Mr. Wen Haicheng, Mr. Li Hongbo and their respective associates are 1.88%, 0.02% and 0.003%, respectively. Mr. Li Ming, Mr. Wen Haicheng, Mr. Li Hongbo have abstained from voting in favour of the resolution relating to the Conditional Grant at the board meeting approving the adoption of the New Share Option Scheme and the Conditional Grant. In addition, Mr. Li Ming, Mr. Wen Haicheng, Mr. Li Hongbo and their respective associates shall also abstain from voting in favour of resolutions 2 and 3 relating to the Conditional Grant at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the ordinary resolutions to be proposed at the EGM approving the adoption of the New Share Option Scheme.

12. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company and its subsidiaries. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
Sino-Ocean Group Holding Limited
Chung Kai Cheong
Company Secretary

APPENDIX

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the New Share Option Scheme:

1. Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide an incentive for employees and directors of our Group to work with commitment towards enhancing the value of our Company and the Shares for the benefit of our Shareholders and to compensate employees of our Group for their contribution based on their individual performance and that of our Company.

2. Participants of the New Share Option Scheme and the basis of determining the eligibility of the participants

The Board may from time to time grant options to Participants, including any permanent employees (i.e. who have signed employment contracts with the Company for one year or more) of the members of the Group, including without limitation, any directors, president, vice presidents and assistant presidents of our Company, heads of functional departments at our Company's head office (general managers, deputy general managers and assistant general managers of such departments), senior managers (at or above the level of assistant general manager), key employees, and talents with certain special skills of subsidiaries or companies in which our Company holds 25% or more interests, and persons who have made significant contribution to the development of such companies, trustees appointed under any employee share/share option incentive scheme or in relation to the share options under the New Share Option Scheme, and such other persons as the Board determines to have contributed or will contribute to the development of the Company.

3. Status of the New Share Option Scheme

(a) *Conditions of the New Share Option Scheme*

The New Share Option Scheme shall take effect subject to the fulfillment of the Conditions.

(b) *Life of the New Share Option Scheme*

The New Share Option Scheme shall be valid and effective for 10 years from the Adoption Date on which the last of the Conditions is fulfilled (unless the New Share Option Scheme is terminated early in accordance with the provisions of the scheme), after which time no further option will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects.

4. Grant of options

(a) *Making of offer*

An offer of the grant of an option shall be made to a Participant by letter ("**Offer Letter**") signed by the Company Secretary. The offer shall remain open for acceptance for a period of 21 days from the date on which it is made. Subject to the terms of the Offer Letter, there shall be no general performance target for the vesting or exercise of options.

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(b) *Acceptance of an offer*

An option shall be deemed to have been granted to (subject to certain restrictions in the New Share Option Scheme), and accepted by, the Grantee and to have taken effect upon the issue of an option certificate after the duplicate letter comprising acceptance of the option duly signed by the Grantee together with a remittance in favor of our Company of HK\$1 by way of consideration for the grant of the option shall have been received by our Company on or before the last day for acceptance set out in paragraph 4(a) above or by such other date as our Company may agree depending on actual circumstances. The remittance is not in any circumstances refundable.

(c) *Restrictions on time of grant*

No grant of options shall be made after a price sensitive event in relation to the securities of our Company has occurred or a price sensitive matter in relation to the securities of our Company has been the subject of a decision, until the price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period of one month immediately preceding the earlier of:

- (1) the date of the Board meeting as shall have been notified to the Stock Exchange for the approval of our Company's results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules or quarterly or other interim period (whether or not required under the Listing Rules), and ending the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

(d) *Grant to connected persons*

Any grant of options to a connected person must be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is also a Grantee of the options).

(e) *Grants to substantial shareholders and independent non-executive Directors*

Without prejudice to paragraph 4(d) above, any grant of options to a substantial shareholder or an independent non-executive Director of our Company or any of their respective associates must be approved by the Shareholders in general meeting if the Shares issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12 month period up to and including the proposed date of such grant:

- (i) would represent in aggregate more than 0.1 per cent of the Shares then in issue; and

APPENDIX

- (ii) the aggregate value of those options by reference to the closing price of the Shares at the date of each grant is in excess of HK\$5,000,000.

(f) ***Proceedings in general meeting to approve the grant of option***

At the general meeting to approve the proposed conditional grant of options under paragraph (e), the Grantee, the associates and all core connected persons of our Company must abstain from voting unless intending to vote against the proposed conditional grant. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

5. **Subscription price**

The Subscription Price shall, subject to any adjustment pursuant to paragraph 7 below, be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the option is offered;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which the option is offered; and
- (iii) the nominal value of the Shares (if any).

6. **Maximum number of Shares available for subscription**

(a) ***Scheme Mandate***

Subject to sub-paragraphs 6(b) and 6(c) below, the maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of our Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as of the Adoption Date ("**Scheme Mandate**"). For the purpose of calculating the Scheme Mandate, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted.

(b) ***Renewal of Scheme Mandate***

Our Company may seek approval by our Shareholders in general meeting for renewing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under the New Share Option Scheme and any other schemes of our Company under the Scheme Mandate as renewed must not exceed 10% of the total number of Shares in issue as of the date of Shareholders' approval. Options previously granted under the New Share Option Scheme and any other share option schemes of our Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted for the purpose of calculating the limit as renewed.

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For the purpose of seeking the approval of the Shareholders under this sub-paragraph 6(b), a circular containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to the Shareholders.

(c) ***Grant of options beyond Scheme Mandate***

Our Company may seek separate approval by our Shareholders in general meeting for granting options beyond the Scheme Mandate provided that the options in excess of the Scheme Mandate are granted only to Participants who are specifically identified before such approval is sought.

For the purpose of seeking the approval of our Shareholders under this sub-paragraph 6(c), our Company must send a circular to our Shareholders containing a generic description of the specified Grantees who may be granted such options, the number and terms of the options to be granted, the purpose of granting such options to the Grantees with an explanation as to how the terms of options serve such purpose and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules.

(d) ***Maximum number of Shares issued pursuant to options***

Notwithstanding anything to the contrary in the New Share Option Scheme, the maximum limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes of our Company must not exceed such number of Shares as shall represent 30% of the shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

Shares issued or transferred pursuant to options or other rights granted upon assumption of, or in substitution for, outstanding awards previously granted by a company or other entity acquired by our Company or with which our Company combines shall not count against the limits in this sub-paragraph (6)(d).

(e) ***Grantee's maximum holding***

Unless approved by Shareholders in general meeting in the manner prescribed in the Listing Rules, the Board shall not grant options to any Grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that Grantee on exercise of his options during any 12 month period exceeding 1% of the total Shares then in issue.

Where any further grant of options to a Grantee, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options granted and to be granted to such Grantee (including exercised, cancelled and outstanding options) in

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any 12 month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Grantee and his close associates (or his associates if the Grantee is a connected person) abstaining from voting.

Our Company must send a circular to our Shareholders and the circular must disclose the identity of the Grantee, the number and terms of the options to be granted and options previously granted to such Grantee and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of the options to be granted to such Participant must be fixed before the Shareholders' approval. The date of the meeting of the Board for proposing such further grant of option should be taken as the date of grant for the purpose of calculating the Subscription Price.

(f) *Adjustment*

The number of Shares subject to the options and to the New Share Option Scheme may be adjusted in such manner as our Company's independent financial adviser or auditors (acting as experts and not as arbitrators) shall certify in writing to the Board to be in their opinion fair and reasonable in accordance with sub-paragraph 7(b) below.

7. **Reorganization of capital structure**

(a) *Adjustment of options*

In the event of any alteration in the capital structure of the ordinary shares of our Company, whether by way of rights issue, bonus issue, consolidation, subdivision or other special arrangements in relation to the distribution of ordinary shares of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party), or which may have a significant impact on the share price of the Company, the Board shall have the right to make adjustments to the number of share options and/or the mechanism for the exercise of the share options.

(b) *Auditor's certificate*

On any capital reorganization other than a capitalization issue, the auditors or an independent financial adviser shall certify in writing to the Board that the adjustments made by the Board pursuant to sub-paragraph 7(a) above are in their opinion fair and reasonable.

8. **Cancellation of options**

Subject to the consent from the relevant Grantee, the Board may at its discretion cancel options previously granted to and yet to be exercised by a Grantee for the purpose of re-issuing new options to that Grantee provided that there are sufficient available unissued options under the Scheme Mandate as renewed from time to time (excluding such cancelled options) in accordance with the terms of this Scheme.

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9. Assignment of options

An option is personal to the Grantee and shall not be transferable or assignable. No Grantee shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt to do so (except that the option may be transmitted on the death of the Grantee in accordance to the will of the Grantee or the applicable law in Hong Kong).

10. Options attached to the Shares

The Shares to be allotted upon exercise of an option will be subject to all the provisions of Articles of Association and will rank *pari passu* with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of our Company (the “**Registration Date**”). Accordingly the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the Registration Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which is before the Registration Date.

A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee or his nominee as the holder of the Share on the register of members of our Company.

Unless otherwise regulated by applicable law, a Grantee, or a transferee of a Grantee, shall have no rights as a Shareholder with respect to any Shares covered by an option before such person exercises the option.

11. Exercise of options

(a) *General*

Subject to the terms of the New Share Option Scheme, once the option is vested pursuant to this sub-paragraph 11(a), an option may be exercised by the Grantee (or his or her legal personal representatives) at any time during the period of 5 years commencing on the date on which the option is offered (the “**Option Period**”).

(b) *Rights on the happening of a change of control event*

In the event of a change of control of the Company happening (including but not limited to the liquidation or restructuring of the Company, or a take-over offer being triggered for the acquisition of Shares in the Company), all options to the extent not yet vested shall become vested immediately and may be exercised within a period of 36 months from the date of change of control or the termination of the New Share Option Scheme, whichever is earlier PROVIDED that the Grantee shall have held the options for more than 6 months prior to the date of the change of control event.

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12. Lapse of options

An option whether vested or unvested shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) any of the following occurs to the Grantee:
 - (a) that he has been guilty of misconduct; or
 - (b) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; or
 - (c) that he has been convicted of a criminal offence involving his integrity or honesty; or
 - (d) any misconduct based on the sole and absolute option of our Company; or
 - (e) that he has committed a material wrongdoing;

and a resolution of the Board or the board of directors of the relevant subsidiary of our Company to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this subparagraph 12(ii) above shall be conclusive;

- (iii) the date on which the Grantee commits a breach of paragraph 9 above.

13. Amendment of the New Share Option Scheme

(a) *Amendments requiring Board approval*

Any amendment to the New Share Option Scheme other than those set out in subparagraphs 13(b) and 13(c) below must be approved by the majority of the Board of our Company. However, any amendment, suspension or termination of the New Share Option Scheme shall not alter or adversely affect the rights and obligations of the Grantees without their consent.

(b) *Amendments requiring shareholder approval*

The following matters require the prior sanction of a resolution of the Shareholders in general meeting:

- (i) assignment of options;
- (ii) restrictions on the scope of eligibility for the grant of options;
- (iii) limits on the number of options that may be granted;

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- (iv) limitation on the exercise of the option;
 - (v) rights of option holders while the business of the Company is suspended;
 - (vi) adjustment to the exercise price of the options;
 - (vii) duration for vesting period (or such other stipulated duration), or the duration of the New Share Option Scheme; and
 - (viii) any modification to the rules of the New Share Option Scheme which are to the significant advantage of the Grantees.
- (c) Amendments requiring the approval of the Stock Exchange

Any amendment to the terms and conditions of the New Share Option Scheme which shall first be approved by the Stock Exchange shall take effect only after such approval has been obtained.

14. Termination

Our Company may at any time terminate the operation of the New Share Option Scheme by resolution of the Board or resolution of the Shareholders in general meeting (where applicable) and in such event no further options will be offered but the provisions of the New Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. All options granted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the New Share Option Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



遠洋集團

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Sino-Ocean Group Holding Limited (the “**Company**”) will be held at Workshop 1, 3rd Floor, EAST Beijing, No. 22 Jiuxianqiao Road, Chaoyang District, Beijing, PRC on Saturday, 30 December 2017 at 10 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. “**THAT** the rules of the proposed share option scheme (the “**New Share Option Scheme**”) of the Company (a copy of which has been produced to the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification) be and are hereby approved and any director or the company secretary of the Company be and are hereby authorised to execute such documents and take such actions as they deem appropriate to implement and give effect to such scheme and the directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the Shares pursuant to the exercise of any option granted thereunder.”
2. “**THAT** subject to and conditional upon the passing of resolution 1 above and resolution 3 below, the grant of 756,000,000 share options under the New Share Option Scheme to the Trustee (as defined in the circular of the Company dated 13 December 2017) on behalf of Mr. Li Ming, Mr. Wen Haicheng, Mr. Li Hongbo and 47 other designated individual Participants (as defined in the circular of the Company dated 13 December 2017) be and is hereby approved.”
3. “**THAT** subject to and conditional upon the passing of resolutions 1 and 2 above, the grant of 378,000,000 share options under the New Share Option Scheme (as part of the share options granted to the Trustee and which shall be held by the Trustee on behalf of Mr. Li Ming as described in resolution 2 above) be and is hereby approved.”

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

Hong Kong, 13 December 2017

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (a) The register of members of the Company will be closed from Thursday, 28 December 2017 to Saturday, 30 December 2017 (both dates inclusive), during which period no transfer of shares in the Company can be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 27 December 2017.
- (b) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting.
- (c) As at the date of this notice, the Board comprises of six executive Directors, namely, Mr. Li Ming, Mr. Li Hu, Mr. Wang Yeyi, Mr. Sum Pui Ying, Mr. Wen Haicheng and Mr. Li Hongbo; four non-executive Directors, namely, Mr. Zhao Lijun, Mr. Yao Dafeng, Mr. Fang Jun and Ms. Shangguan Qing; and five independent non-executive Directors, namely, Mr. Han Xiaojing, Mr. Suen Man Tak, Mr. Wang Zhifeng, Mr. Jin Qingjun and Ms. Lam Sin Lai Judy.