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遠洋集團

ISSUE OF US\$600,000,000 4.75% GUARANTEED NOTES DUE 2029

Reference is made to the announcement of the Company dated 29 July 2019 in relation to the proposed issue of the Notes. The Board is pleased to announce that on 29 July 2019, the Company, together with the Issuer, entered into the Subscription Agreement with the Joint Lead Managers in connection with the issue of the Notes in the principal amount of US\$600,000,000.

The estimated net proceeds of the issue of the Notes, after deducting any discount, fees, commissions and expenses payable in connection with the issue of the Notes, is approximately US\$588,342,000. The Group intends to use the net proceeds to primarily repay the existing indebtedness of the Group in accordance with applicable laws and regulations.

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THE SUBSCRIPTION AGREEMENT

Date	29 July 2019
Parties	the Issuer as the issuer; the Company as the guarantor; and the Joint Lead Managers as the joint lead managers.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Joint Lead Managers is an independent third party and is not a connected person of the Company.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act and subject to certain exceptions, may not be offered or sold within the United States. The Notes and the Guarantee are being offered and sold only outside of the United States in offshore transactions in accordance with Regulation S under the U.S. Securities Act. The Notes are expected to be unconditionally and irrevocably guaranteed by the Company. None of the Notes will be offered to the public in Hong Kong.

Principal Terms

Notes Offered

Subject to the closing conditions, the Issuer will issue the Notes in the principal amount of US\$600,000,000 which will mature on 5 August 2029, unless earlier redeemed, or purchased and cancelled, pursuant to the terms thereof.

Offering Price

The offering price of the Notes will be 98.554% of the principal amount of the Notes.

Interest

The Notes will bear interest at the rate of 4.75% per annum, payable semi-annually in arrear on 5 February and 5 August of each year.

Status of the Notes

The Notes constitute (subject to the terms and conditions of the Notes) direct, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to the terms and conditions of the Notes, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Status of the Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to the terms and conditions of the Notes, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Events of Default

The events of default under the Notes include, among others:

- (i) the Issuer and the Guarantor each fail to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest;
- (ii) the Issuer or the Guarantor fails to perform or comply with any one or more of their other obligations in the Notes or the Trust Deed or under the Guarantee which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor by the Trustee;
- (iii) (a) any other present or future indebtedness of the Issuer or the Guarantor or any of their respective subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (c) the Issuer or the Guarantor or any of their respective subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that no event described in this sub-paragraph (iii) shall constitute an event of default unless the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this sub-paragraph (iii) have occurred equals or exceeds US\$25,000,000 or its equivalent;
- (iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, the Guarantor or any of the Guarantor's principal subsidiaries and is not discharged or stayed within 45 days;
- (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any of the Guarantor's principal subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

- (vi) the Issuer, the Guarantor or any of the Guarantor's principal subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium (which expression shall not include any deferral of principal originally contemplated and made in accordance with the terms of any loan or other debt-related agreement) is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any of the Guarantor's principal subsidiaries;
- (vii) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor or any of the Guarantor's principal subsidiaries, or the Issuer, the Guarantor or of the Guarantor's principal subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for specific exceptions;
- (viii) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of the Guarantor's principal subsidiaries;
- (ix) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable and (c) to make the Notes and the Trust Deed admissible in evidence in the Hong Kong courts is not taken, fulfilled or done;
- (x) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Notes or the Trust Deed or the Guarantee;
- (xi) the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Guarantor;
- (xii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of sub-paragraphs (i) to (xi) above; or
- (xiii) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

Final Redemption

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 5 August 2029.

Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' notice to the Trustee, the principal agent and the holders of the Notes, at their principal amount together with any interest accrued to (but excluding) the relevant redemption date, at any time in the event of certain changes affecting taxes of certain jurisdictions, as further described in the terms and conditions of the Notes.

Redemption for Put Event

At any time following the occurrence of any of the following events, accompanied with a downgrade in the ratings of the Guarantor within six months (subject to certain conditions), the holder of any Notes shall have the right, at such holder's option, to require the Issuer to redeem all, and not some only, of that holder's Notes on the relevant put event redemption date at 101% of their principal amount, together with accrued interest up to (but excluding) the relevant put event redemption date:

- (i) China Life and its wholly-owned subsidiaries together cease to be the single largest shareholder of the Guarantor; or
- (ii) China Life and its wholly-owned subsidiaries together cease to have a nominee director on the board of directors of the Guarantor.

Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days' notice to the Trustee and the principal agent in writing and to the holders, the Issuer may (i) at any time prior to 5 May 2029, redeem the Notes, in whole but not in part, at a make whole price as of, together with accrued and unpaid interest, if any, to (but excluding), the redemption date specified in the option redemption notice; and (ii) at any time from or after 5 May 2029, redeem the Notes, in whole but not in part, at 100% of their principal amount, together with accrued and unpaid interest, if any, to (but excluding), the redemption date specified in the option redemption notice.

INFORMATION OF THE GROUP AND USE OF PROCEEDS

The Group is a leading large-scale national property developer with developments in key economic regions in the PRC, including the Beijing-Tianjin-Hebei Region, the Yangtze River Delta Region, the Yangtze Mid-stream Region, the Pearl River Delta Region and the Chengdu-Chongqing Region. It focuses on mid- to high-end residential property development, investment and operation of offices, complexes and retail space, property services, senior living, logistics properties, long-term rental apartments, real estate funds, equity investments, asset management and overseas investments.

The estimated net proceeds of the issue of the Notes, after deducting any discount, fees, commissions and expenses payable in connection with the issue of the Notes, is approximately US\$588,342,000. The Group intends to use the net proceeds to primarily repay the existing indebtedness of the Group in accordance with applicable laws and regulations.

LISTING AND RATINGS

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Notes by way of debt securities to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made under that ordinance) only. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Issuer, the Company or the Notes.

The Notes are expected to be rated “Baa3” by Moody’s Investors Service, Inc. and “BBB-” by Fitch Ratings Ltd. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Barclays”	Barclays Bank PLC, one of the joint lead managers and joint bookrunners in respect of the issue of the Notes
“Board”	the board of Directors
“BOC International”	BOCI Asia Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Notes
“China CITIC Bank International”	China CITIC Bank International Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Notes
“China International Capital Corporation”	China International Capital Corporation Hong Kong Securities Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Notes
“China Life”	China Life Insurance Company Limited (中國人壽保險股份有限公司), a joint stock limited liability company established under the laws of the PRC, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 02628), being a substantial shareholder of the Company
“Company” or “Guarantor”	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)
“connected person(s)”	has the meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange
“DBS Bank Ltd.”	DBS Bank Ltd. (a company incorporated in Singapore with limited liability), one of the joint lead managers and joint bookrunners in respect of the issue of the Notes
“Director(s)”	the director(s) of the Company

“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C., one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Notes
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee unconditionally and irrevocably provided by the Company in respect of the Notes
“Haitong International”	Haitong International Securities Company Limited, one of the joint lead managers and joint bookrunners in respect of the issue of the Notes
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the issue of the Notes
“Issuer”	Sino-Ocean Land Treasure IV Limited (遠洋地產寶財IV有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Joint Lead Managers”	HSBC, Goldman Sachs (Asia) L.L.C., China CITIC Bank International, UBS, China International Capital Corporation, BOC International, Barclays, DBS Bank Ltd. and Haitong International
“Notes”	the US\$ denominated guaranteed notes due 5 August 2029 in the principal amount of US\$600,000,000 to be issued by the Issuer and guaranteed by the Company
“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 announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 29 July 2019 and entered into among the Issuer, the Company and the Joint Lead Managers in relation to the Notes
“Trust Deed”	the trust deed (as amended and supplemented from time to time) to be dated on or about 5 August 2019 and to be made between the Issuer, the Company and the Trustee as trustee for the holders of the Notes
“Trustee”	The Bank of New York Mellon, London Branch

“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time
“UBS”	UBS AG Hong Kong Branch, incorporated in Switzerland with limited liability, one of the joint lead managers and joint bookrunners in respect of the issue of the Notes
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
Sino-Ocean Group Holding Limited
SUM Pui Ying
Executive Director

Hong Kong, 30 July 2019

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

Executive Directors:

Mr. LI Ming
Mr. WEN Haicheng
Mr. SUM Pui Ying

Non-executive Directors:

Mr. ZHAO Lijun
Mr. FU Fei
Mr. FANG Jun
Ms. LI Liling

Independent non-executive Directors:

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