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Sinic Holdings (Group) Company Limited

新力控股（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2103 and Debt Stock Code: 40557 and 40413)

**US\$250,000,000 9.5% SENIOR UNSECURED NOTES DUE 2021
(STOCK CODE: 40413)**

**US\$250,000,000 8.5% SENIOR UNSECURED NOTES DUE 2022
(STOCK CODE: 40557)**

INSIDE INFORMATION – FURTHER UPDATE AND CONTINUED HALT IN TRADING

This announcement is made by Sinic Holdings (Group) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09, 13.19, 37.47, 37.47A, 37.47B and 37.47E(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to (i) the announcement issued by the Company on 20 September 2021 in respect of trading halt in the Shares and the debt securities of the Company with effect from 3:38 p.m. on the same day and (ii) the announcement issued by the Company on 30 September 2021 (the “**September 2021 Announcement**”) in respect of certain inside information of the Group and the continued halt in trading in the Shares and the debt securities of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Terms used in this announcement shall have the same respective meanings as those defined in the September 2021 Announcement unless otherwise stated.

The board of directors of the Company (the “**Board**”) would like to provide further updates on the financial position of the Group as further set out in this announcement.

UPDATE ON THE LIQUIDITY ISSUE AND OVERDUE PAYMENTS

As stated in the September 2021 Announcement, certain subsidiaries of the Company had certain Overdue Payments. The Company continue to engage in active discussion with the relevant lenders with a view to reaching mutually agreeable repayment arrangements, and the relevant lenders have not accelerated their facilities or taken any other enforcement action as at the date of this announcement.

UPDATE ON THE CONSEQUENTIAL ACTION BY AN OFFSHORE CREDITOR

As at the date of this announcement, notwithstanding the appointment of the Receivers, the business operations of the onshore subsidiaries of the Company (which are held through the relevant offshore subsidiaries subject to receivership) remain stable and are largely unaffected by the enforcement action that has been taken by the Creditor, including the appointment of the receivers over the shares of certain offshore subsidiaries of the Company (the “**Receivership Subsidiaries**”). While such enforcement action may have a material adverse effect on the Group’s business, prospects, financial condition and results of operations, it remains uncertain as at the date of this announcement what is the likely outcome of such enforcement action on the relevant onshore subsidiaries and the Group taken as a whole.

As stated in the September 2021 Announcement, the Company (and its advisers) have entered into a dialogue with the Creditor, the Receivers and the newly appointed directors of the relevant offshore subsidiaries of the Company to seek to stabilize the situation in order to facilitate the implementation of a value preserving consensual solution to the current financial challenges faced by the Group.

As at the date of this announcement, such dialogue remains ongoing. The Company continues to strive to find and implement a solution to the current financial challenges faced by the Group which is agreeable to the Creditor, the Receivers and all other relevant stakeholders.

The Company will update the market on any material development of the said enforcement action and the said dialogue in due course.

UPDATE ON THE POSSIBLE IMPACT OF THE OVERDUE PAYMENTS ON OTHER FINANCING ARRANGEMENTS

As stated in the September 2021 Announcement, the Overdue Payments and/or the enforcement action by the Creditor set out therein has led to and/or may lead to technical defaults under certain other existing material financing arrangements of the Group, as a result of which the relevant creditors have (or may have) the right to demand payment of the indebtedness and/or take action pursuant to the terms of their financing arrangements.

In addition to the US\$75 million secured facility granted to the Company under the Facility Agreement (the “**Secured Facility**”) (referred to in the September 2021 Announcement) which is guaranteed by certain offshore subsidiaries and secured by security over the shares of such

subsidiaries, as at the date of this announcement and so far as the Board is aware, the aggregate principal amount of the Group's liabilities under its material offshore financing arrangements is US\$1,005 million (the "**Other Offshore Financing Arrangements**"), which include the following public bonds:

1. US\$250 million 9.5% Senior Unsecured Notes due 2021 issued by the Company and guaranteed by the Receivership Subsidiaries listed on the Stock Exchange (ISIN: XS2240047881, Stock Code: 40413) (the "**2021 Bonds**");
2. US\$250 million 8.5% Senior Unsecured Notes due 2022 issued by the Company and guaranteed by the Receivership Subsidiaries listed on the Stock Exchange (ISIN: XS2281324389, Stock Code: 40557) (the "**January 2022 Bonds**"); and
3. US\$210 million 10.5% Senior Unsecured Notes due 2022 issued by the Company and guaranteed by the Receivership Subsidiaries listed on the Singapore Exchange Limited (ISIN: XS2184848831, Common Code: 218484883) (the "**June 2022 Bonds**" and together with the 2021 Bonds and the January 2022 Bonds, the "**Public Bonds**").

As at the date of this announcement, the Board is currently ascertaining further details of (i) the material onshore financing arrangements (other than those relating to the Overdue Payments) which may be in technical default and/or subject to actions of the relevant creditors and (ii) any other arrangements under which other liabilities may arise for the Group. The Company will update the market in due course.

Meanwhile, the Overdue Payments and the acceleration and enforcement action by the Creditor detailed in the September 2021 Announcement has triggered technical defaults under the Other Offshore Financing Arrangements (including but not limited to the Public Bonds). As a result, the Other Offshore Financing Arrangements may become immediately due and payable if the relevant creditors choose to accelerate in accordance with the terms of the Other Offshore Financing Arrangements (including but not limited to the terms and conditions of the Public Bonds). All of the Other Offshore Financing Arrangements and the Secured Facility rank pari passu as against the Company.

Further, the terms and conditions of the 2021 Bonds provide that the payment and the last interest payment will fall due on 18 October 2021 (the "**Maturity Date**"). Having given careful consideration to its liquidity, the Company currently anticipates that it will not have enough financial resources to make payments of the principal and the last instalment of interest on the 2021 Bonds on the Maturity Date and as such, such payments are not expected to be made on the Maturity Date. As such, the Company is currently of the view that an event of default under the terms and conditions of the 2021 Bonds will likely occur. As a result of the expected non-payment at the Maturity Date and the cross-defaults triggered under the January 2022 Bonds and the June 2022 Bonds, all of the Public Bonds may also become immediately due and payable if the holders choose to accelerate in accordance with the terms and conditions of the Public Bonds.

The Company will seek to proactively communicate with the relevant creditors of the Other Offshore Financing Arrangements (including but not limited to the Public Bonds) in connection with proposals for the remediation of the Group's defaults. Save as described in the September 2021 Announcement, as at the date of this announcement, the Group has not received any notice from any creditors (including such creditors under the Other Offshore Financing Arrangements) in respect of any enforcement action relating to or any action to accelerate the Other Offshore Financing Arrangements (including the Public Bonds).

DELISTING OF THE 2021 BONDS

Notice is also given that as the 2021 Bonds will mature on the Maturity Date, the 2021 Bonds will be delisted from the Stock Exchange on the Maturity Date. After withdrawal of listing on the Stock Exchange, bondholders requiring further information in relation to the 2021 Bonds may contact the Company at Suites 1016–1019, 10/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong or ir@xinlizard.com.

UPDATE ON THE IMPLEMENTATION OF MEASURES TO EASE THE LIQUIDITY ISSUE

As stated in the September 2021 Announcement, the Company has engaged legal adviser and financial adviser to assess the Group's capital structure, evaluate the liquidity of the Group and explore all feasible remediation solutions, which include (but not limited to) reaching an optimal solution for all creditors and other stakeholders (including those creditors under the Secured Facility and the Other Offshore Financing Arrangements), accelerating the development of the Group's projects and disposing of the Group's projects. As at the date of this announcement, such assessment is ongoing and no concrete solution has been formulated. The Company is working closely with its legal adviser and financial adviser on such assessment (including providing all such documents and information as are necessary for the legal adviser and financial adviser to conduct their assessment and/or provide their advice).

The Company will closely monitor the situation and update the market as appropriate on material developments.

CONTINUED HALT IN TRADING

At the request of the Company, trading of the Shares and the debt securities of the Company on the Stock Exchange has been halted with effect from 3:38 p.m. on 20 September 2021. Trading of the Shares and the debt securities of the Company on the Stock Exchange will remain halted until further notice.

Shareholders of the Company and other investors should note that it is uncertain whether the Group could successfully implement the measures to ease the liquidity issues as mentioned in this announcement. Shareholders of the Company and other investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
Sinic Holdings (Group) Company Limited
ZHANG Yuanlin
Chairman

Hong Kong, 11 October 2021

As at the date of this announcement, the board of the Company comprises Mr. ZHANG Yuanlin and Ms. TU Jing as executive directors, and Mr. TAM Chi Choi, Mr. AU YEUNG Po Fung and Mr. LIU Xin as independent non-executive directors.