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INSIDE INFORMATION

RISK WARNING REGARDING AND SUSPENSION OF TRADING OF CORPORATE BONDS OF A SUBSIDIARY

(Stock code: 03377)

(Debt stock codes: 5782, 5869, 5276, 5623, 40115, 40670, 40760, 5202)

This announcement is made by Sino-Ocean Group Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) and Rule 37.47B(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 (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND INFORMATION OF THE CORPORATE BONDS

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**"), holders of debt securities of the Group and potential investors certain risks regarding the corporate bonds (the "**Corporate Bonds**"), which is listed on the Shanghai Stock Exchange (security code: 143666), issued by Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司) ("**SOG China**"), a wholly-owned subsidiary of the Company.

The Corporate Bonds was issued by SOG China on 2 August 2018 with a total principal amount of RMB2 billion and a maturity of 5 years. As of the date of this announcement, the balance of the Corporate Bonds is RMB2 billion and the current coupon rate is 4.0%. The Corporate Bonds has the coupon rate adjustment option for the issuer and the put option for the bondholders. The repayment date of the Corporate Bonds is 2 August 2023. In case of statutory holidays or rest days, the repayment date shall be postponed to the next trading day, and no additional interest shall be accrued for each interest repayment.

RISK WARNING REGARDING REPAYMENT OF PRINCIPAL AND INTEREST OF THE CORPORATE BONDS

Since 2022, the sales of SOG China have declined and the access to financing channels has tightened. In order to ensure the orderly delivery of projects in various regions, boost the production and operation of SOG China and maintain reasonable liquidity, SOG China has taken a number of countermeasures to ensure delivery of properties and settlement of debts in open market, including but not limited to increasing sales investment, accelerating cash collection, disposing of assets and streamlining production costs.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

In the first half of 2023, the Company achieved an overall contracted sales of RMB35.66 billion and delivered a total of 16,000 residential units. As of the date of this announcement, SOG China has repaid all debt financing products in the open market on schedule. SOG China has continued to adopt a number of countermeasures, however, affected by factors such as not-as-expected improvement in sales and refinancing, SOG China experienced a temporary lack of liquidity. As of the date of this announcement, the unrestricted monetary funds in the account of SOG China is unable to cover the principal and interest of the Corporate Bonds. Although SOG China is still actively raising funds, it is relatively difficult to effectively improve its liquidity in the short term. As a result, there is significant uncertainty as to the repayment of the principal and interest of the Corporate Bonds.

SOG China attaches great importance to the risk mitigation of debts. SOG China is making every effort to continue to raise funds and further strengthen liquidity management by (among others) accelerating the progress of asset disposal and cash collection. At the same time, SOG China will maintain communication with holders of the Corporate Bonds, hold a meeting of holders of the Corporate Bonds, negotiate a diversified debt resolution plan, and protect and safeguard the legitimate rights and interests of its investors.

As the repayment of the relevant principal and interest has not been finalized, there is uncertainty as to the timely collection of the principal and interest in full by the investors of the Corporate Bonds. Upon the implementation of the specific repayment plan for the principal and interest of the Corporate Bonds, SOG China will issue a supplementary resolution or announce the progress of the relevant situation as and when required under the relevant rules and regulations. Further announcement(s) will be made by the Company as and when required in accordance with the relevant rules and regulations.

SUSPENSION OF TRADING OF THE CORPORATE BONDS

As SOG China intends to negotiate with the holders of the Corporate Bonds regarding the adjustment of repayment but there are still uncertainties as to the repayment adjustment plan, in order to safeguard the interests of bondholders, the trading of the Corporate Bonds has been suspended since the commencement of the trading hours of the Shanghai Stock Exchange on 18 July 2023 upon application to the Shanghai Stock Exchange in accordance with the relevant rules and regulations.

During the suspension period of the Corporate Bonds, SOG China will perform its information disclosure obligations in accordance with the requirements of the relevant laws and regulations. Upon confirmation of the relevant matters, SOG China will make an announcement and apply for resumption of trading of the Corporate Bonds in a timely manner. Further announcement(s) will be made by the Company as and when required in accordance with the relevant rules and regulations.

Further information of the Corporate Bonds is published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

Shareholders, holders of debt securities of the Group and potential investors are advised to exercise caution when dealing in the securities of the Company. When in doubt, Shareholders, holders of debt securities of the Group and potential investors are advised to seek professional advice from professional or financial advisers.

By order of the Board
Sino-Ocean Group Holding Limited
SUM Pui Ying
Company Secretary

Hong Kong, 18 July 2023

As at the date of this announcement, the Board comprises Mr. LI Ming, Mr. WANG Honghui, Mr. CUI Hongjie and Ms. CHAI Juan as executive directors; Mr. ZHAO Peng, Mr. ZHANG Zhongdang, Mr. YU Zhiqiang and Mr. SUN Jinfeng as non-executive directors; and Mr. HAN Xiaojing, Mr. JIN Qingjun, Mr. LYU Hongbin, Mr. LIU Jingwei and Mr. JIANG Qi as independent non-executive directors.