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INSIDE INFORMATION

INFORMATION UPDATE ON 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), Rule 37.47A 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).

Reference is made to the announcements of the Company dated 18 July 2023, 25 July 2023, 26 July 2023 and 30 July 2023 respectively in relation to the Corporate Bonds (collectively, the "**Announcements**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board hereby informs the Shareholders, holders of debt securities of the Group and potential investors of the following updates on the Corporate Bonds:

VOTING RESULTS OF THE MEETINGS OF THE HOLDERS OF THE CORPORATE BONDS

As disclosed in the announcements of the Company dated 25 July 2023 and 30 July 2023 respectively, the Meeting of the Holders of the Corporate Bonds was convened by SOG China during the period from 9:00 a.m. on 27 July 2023 to 2:00 p.m. on 1 August 2023, and the voting results in respect of the resolutions proposed at the Meeting of the Holders of the Corporate Bonds were as follows:

Resolutions [#]		Results (Approximate percentage)		
		For	Against	Abstain
(1)	Amending the rules of the meetings of the holders of the Corporate Bonds	28.1063%	48.9452%	22.9485%

Resolutions [#]		Results (Approximate percentage)		
		For	Against	Abstain
(2)	Adjusting the arrangement for the repayment of principal and interest of the Corporate Bonds and the provision of credit enhancement measures, and adding the terms of a grace period for the repayment of principal and interest of the Corporate Bonds	23.3343%	53.7172%	22.9485%
(3)	Demanding SOG China to fully repay the principal and interest of the Corporate Bonds on schedule	53.7222%	6.2026%	40.0752%

Note [#]: Full text of resolutions (1) to (3) is set out in the announcement of the Company dated 25 July 2023.

As less than 50% of the votes was cast in favour of each of the resolutions (1) and (2) set out above, each of the resolutions (1) and (2) was not passed. As more than 50% of the votes was cast in favour of the resolution (3) above, the resolution (3) was passed.

As disclosed in the announcement of the Company dated 30 July 2023, the Second Meeting of the Holders of the Corporate Bonds was convened by SOG China during the period from 9:00 a.m. on 31 July 2023 to 2:00 p.m. on 1 August 2023. It was further announced by SOG China on 1 August 2023 that the voting deadline for the Second Meeting of the Holders of the Corporate Bonds was extended from 2:00 p.m. on 1 August 2023 to 9:00 p.m. on 1 August 2023. The final voting results in respect of the resolutions proposed at the Second Meeting of the Holders of the Corporate Bonds were as follows:

Resolutions [#]		Results (Approximate percentage)		
		For	Against	Abstain
(1)	Exemption of deadline for the notice of the Second Meeting of the Holders of the Corporate Bonds and the submission of provisional proposal, and vote-monitoring related procedures	51.7173%	28.4808%	19.8019%
(2)	Adding the terms of a grace period for the repayment of principal of the Corporate Bonds	50.3098%	29.8883%	19.8019%

Note [#]: Full text of resolutions (1) and (2) is set out in the announcement of the Company dated 30 July 2023.

As more than 50% of the votes was cast in favour of each of the resolutions (1) and (2) set out above, each of the resolutions (1) and (2) was passed.

RELEVANT WORK ARRANGEMENTS DURING THE GRACE PERIOD

As of the date of this announcement, SOG China has repaid the full amount of the accrued interest of the Corporate Bonds for the period from 2 August 2022 to 1 August 2023 and has not yet repaid the principal. In respect of the resolution of “Demanding SOG China to fully repay the principal and interest of the Corporate Bonds on schedule” approved by the holders of the Corporate Bonds at the Meeting of the Holders of the Corporate Bonds, as SOG China is currently facing liquidity difficulties, it is not able to repay the principal on 2 August 2023. SOG China expresses sincere apologies to investors and undertakes that it will not evade and revoke debts and will actively seek various means to properly mitigate the debt issues.

As the real estate industry was still in the process of recovery, the external environment remained subject to insufficient demand for housing. At the same time, as affected by the internal property launch schedules of SOG China, SOG China has recently been subject to enormous pressure in operating cash flow. On the basis of last year’s low level, there was further significant year-on-year decline in sales for the year. For the six months ended 30 June 2023, the Company recorded sales of RMB35.7 billion, representing a year-on-year decrease of 17%, with the rate of year-on-year decline increasing month by month. As a result of the year-on-year decline in sales, cash receipts continued to decrease, and coupled with serious limitations on the use of funds and material uncertainty in asset disposal, SOG China was subject to insufficient liquidity on a temporary basis and the book amount unrestricted monetary cash fell short of the amount of the principal of the Corporate Bonds.

Notwithstanding the temporary insufficient liquidity, SOG China’s assets were sufficient to cover all interest-bearing debts and SOG China’s production and operation was carried on in a normal manner. As at the end of 2022, SOG China’s total assets and total liabilities amounted to RMB227.6 billion and RMB180.3 billion, respectively. Interest-bearing debts (including long-term/short-term borrowings, bonds payable and bills payable) amounted to RMB59.7 billion in aggregate. Analysed by loan type, SOG China’s credit bonds, bank loans and other interest-bearing debts amounted to RMB28.3 billion, RMB18.6 billion and RMB12.8 billion, respectively. Analysed by maturity, interest-bearing debts with a total amount of RMB22.0 billion were due within one year and RMB37.7 billion had a maturity of over one year.

Besides, the holders of the Corporate Bonds considered and approved the resolution of agreeing with the provision of the Grace Period of 30 consecutive calendar days following the date of repayment of the principal of the Corporate Bonds during its term at the Second Meeting of the Holders of the Corporate Bonds. SOG China will grasp the Grace Period window, strictly comply with the relevant covenants contained in the Prospectus for Public Offering of the Corporate Bonds, continue to implement relevant debts repayment protection measures, and suspend the implementation of capital expenditure projects such as major external investments and mergers and acquisitions. It will also reduce or suspend the payment of salaries and bonuses to directors and senior management, and will not transfer the principal responsible persons.

SOG China will continue to evaluate and optimise the repayment plan for the principal of the Corporate Bonds and communicate with investors, and strive to reach an agreement with investors through effective measures as soon as possible. SOG China will continue to make active efforts in all aspects of operation and management, and accelerate cash collection through promotion of the launch of property projects and making efforts in facilitating sales via various channels; expedite the disposal of assets, including (among others) the revitalisation of investment property projects in first- and second-tier core cities; further actively promote the

implementation of financing projects such as development loans; enhance the fee management and strengthen the control in expenditures in an effort to repay its debts, striving to maximise the satisfaction of the rights and interests of the investors within the scope of its ability.

At the same time, SOG China will strictly comply with the provisions and requirements of the relevant laws and regulations, conscientiously fulfil the information disclosure obligations, and safeguard and maintain the legitimate rights and interests of investors.

SUBSEQUENT TRANSFER ARRANGEMENT IN RESPECT OF THE CORPORATE BONDS

In accordance with the relevant provisions under the “Notice on Matters Pertaining to the Provision of Transfer and Settlement Services for Designated Bonds During the Listing Period” (《關於為上市期間特定債券提供轉讓結算服務有關事項的通知》) published by The Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited, trading of the Corporate Bonds shall be suspended from the commencement of the trading hours of The Shanghai Stock Exchange on 2 August 2023, and transfer of the Corporate Bonds will be conducted in accordance with the relevant provisions under the aforementioned notice commencing from 7 August 2023.

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

As mentioned in the announcement of the Company dated 30 July 2023, although the Grace Period was approved by the holders of the Corporate Bonds at the Second Meeting of the Holders of the Corporate Bonds, if SOG China fails to make full repayment of the principal and accrued interest of the Corporate Bonds on or before 1 September 2023 (i.e. taking into account the Grace Period as approved by the holders of the Corporate Bonds at the Second Meeting of the Holders of the Corporate Bonds), it is expected that there will still be an event of default in respect of the Corporate Bonds upon the expiry of the Grace Period on 1 September 2023, which may result in demand by the holders of the Corporate Bonds for immediate repayment of the principal and accrued interest. If any event of default as set out above occurs for the Corporate Bonds, it will constitute one of the Cross-default Events for each of the Notes 5782, Notes 5869, Notes 5623, Notes 40115, Notes 40670 and Notes 40760, and as a result, an event of default is expected to occur for each of the Notes 5782, Notes 5869, Notes 5623, Notes 40115, Notes 40670 and Notes 40760 on the date of the event of default of the Corporate Bonds. It is also expected that an event of default or an event of non-payment might eventually occur for each of the Securities 5276 and Notes 5202. Cross-default events or other events of default or non-payment provisions under other indebtedness of the Group might also be triggered as a result.

As the Grace Period was approved by the holders of the Corporate Bonds at the Second Meeting of the Holders of the Corporate Bonds and SOG China had repaid the full amount of the accrued interest of the Corporate Bonds for the period from 2 August 2022 to 1 August 2023, no event of default (including any cross default or otherwise) is expected to occur at the end of 2 August 2023 under any of the Debts as at the date of this announcement. If SOG China can make full repayment of the principal and accrued interest of the Corporate Bonds on or before 1 September 2023, no event of default (including any cross default or otherwise) is expected to occur upon the expiry of the Grace Period on 1 September 2023 under any of the Debts as at the date of this announcement.

Further announcement(s) will be made by the Company as and when required in accordance with the relevant rules and regulations.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

Shareholders, holders of debt securities of the Group and potential investors are advised (i) not to rely solely on the information contained in this announcement and (ii) 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, 2 August 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.