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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 inside information announcements of the Company dated 18 July 2023, 25 July 2023, 26 July 2023, 30 July 2023 and 2 August 2023, respectively (the "**Announcements**") relating to the Corporate Bonds issued by SOG China, a wholly-owned subsidiary of the Company. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise defined.

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

CONVENING OF THE THIRD MEETING OF THE HOLDERS OF THE CORPORATE BONDS

SOG China published a notice of the third meeting of the holders of the Corporate Bonds and a notice of supplementary resolutions on 14 August 2023 and 22 August 2023 respectively, whereby the third online meeting of the holders of the Corporate Bonds (the "**Third Meeting of the Holders of the Corporate Bonds**") will be convened by SOG China during the period from 28 August 2023 to 30 August 2023 for the purpose of considering matters as detailed below:

(1) Amending the rules of the meetings of the holders of the Corporate Bonds

According to the Prospectus for Public Offering of the Corporate Bonds and the rules for the meetings of the holders of the Corporate Bonds, a notice of a meeting of the holders of the Corporate Bonds shall be given at least 10 working days prior to the convening of a meeting to all holders of the Corporate Bonds and the relevant attendees.

In order to protect the interests of the holders of the Corporate Bonds, and optimise the process of convening the meetings of the holders of the Corporate Bonds, and having taken into consideration the actual situation of SOG China, the covenants on the issuance of notice of a meeting 10 working days prior to the convening of a meeting and the relevant legal liabilities are proposed to be amended as: a notice of a meeting of the holders of the Corporate Bonds shall be given at least 3 working days prior to the convening of a meeting to all holders of the Corporate Bonds and the relevant attendees.

(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

While SOG China has endeavoured to raise funds and improve its operations with its best effort to ensure payment of principal and interest for the Corporate Bonds, significant improvements to its liquidity could not be achieved in the short term. Based on SOG China's current estimates on its cash flow configuration, SOG China does not expect it will be able to settle the principal amount of the Corporate Bonds in full within the 30-day grace period and the following plan represents the maximum extent of SOG China's ability to settle payment. In order to prudently push forward the repayment of principal and interest of the Corporate Bonds, the consent of the holders of the Corporate Bonds is sought to further adjust the arrangement for the repayment of principal and interest of the Corporate Bonds in the following manners, whilst SOG China undertakes to add the credit enhancement and protection measures in respect of the repayment of the Corporate Bonds as set out below:

- (i) As to the repayment of principal of the Corporate Bonds, the balance of which amounts to RMB2 billion as at the date of this announcement:

In accordance with the covenants on the repayment date of the Corporate Bonds as specified in the Prospectus for Public Offering of the Corporate Bonds, the repayment date of the Corporate Bonds is 2 August 2023. In case of statutory holidays or rest days, it will be postponed to the first trading day thereafter; no additional interest will be accrued on each interest payment.

SOG China convened the Second Meeting of the Holders of the Corporate Bonds from 31 July 2023 to 1 August 2023, at which it was agreed that a grace period of 30 consecutive calendar days to the date of repayment of the principal of the Corporate Bonds during its term be granted, i.e. the repayment date for the principal of the Corporate Bonds was extended to 1 September 2023.

If approved at the Third Meeting of the Holders of the Corporate Bonds by vote, the principal repayment period of the Corporate Bonds will be adjusted to twelve months from 2 August 2023 (the "**Repayment Date Adjustment Period**"). The current coupon rate of the Corporate Bonds will remain unchanged during the Repayment Date Adjustment Period (bearing interest at 4.0% per annum). SOG China will repay the principal of the Corporate Bonds during the Repayment Date Adjustment Period after the date of passing the resolutions in accordance with the following arrangements:

- (a) 10% of the principal (i.e. RMB200 million) to be repaid on 2 September 2023;

- (b) 5% of the principal (i.e. RMB100 million) to be repaid on the second day of each of the months in October, November and December 2023 and February and May 2024, i.e. a total of 25% of the principal (i.e. RMB500 million) will be repaid accordingly; and
- (c) the remaining 65% of the principal (i.e. RMB1.3 billion) to be repaid on 2 August 2024.

The above dates are referred to as the “**Repayment Date(s)**”. In case of statutory holidays or rest days, it will be postponed to the first trading day thereafter, and no additional interest will be accrued on the interest payment during the postponed period.

- (ii) As to the repayment of interest of the Corporate Bonds:

In accordance with the covenants on the interest accrual period and interest payment dates as specified in the Prospectus for Public Offering of the Corporate Bonds, the interest accrual period for the Corporate Bonds is from 2 August 2018 to 1 August 2023, and the interest payment date for the Corporate Bonds is 2 August of each year during the interest accrual period. In case of statutory holidays, it will be postponed to the first trading day thereafter.

SOG China has repaid the accrued interest of the Corporate Bonds for the period from 2 August 2022 to 1 August 2023 in one lump sum on 2 August 2023.

If approved at the Third Meeting of the Holders of the Corporate Bonds by vote, the interest payment dates of the Corporate Bonds will be 2 September 2023, 2 October 2023, 2 November 2023, 2 December 2023, 2 February 2024, 2 May 2024 and 2 August 2024. The current coupon rate of the Corporate Bonds during the Repayment Date Adjustment Period remains unchanged (bearing interest at 4.0% per annum), and the additional interest is still accrued on the basis of the then balance of the principal amount of the Corporate Bonds to be settled.

Specifically, as for the interest incurred on the Corporate Bonds for the period from 2 August 2023 to 1 August 2024, SOG China will pay on each Repayment Date (i.e. 2 September 2023, 2 October 2023, 2 November 2023, 2 December 2023, 2 February 2024, 2 May 2024 and 2 August 2024) the interest incurred from 2 August 2023 to such Repayment Date on the principal of the Corporate Bonds repayable on such Repayment Date. In case of statutory holidays or rest days, it will be postponed to the first working day thereafter, and no additional interest will be accrued on the interest payment during the postponed period.

- (iii) Adding credit enhancement and protection measures for the Corporate Bonds:

If approved at the Third Meeting of the Holders of the Corporate Bonds, SOG China will provide a pledge guarantee for the Corporate Bonds with the revenue rights attached to 50% equity interest in Beijing Yuanxin Real Estate Development Co., Ltd.* (北京遠新房地產開發有限公司) (“**Beijing Yuanxin**”) and sign legally valid credit enhancement document(s) and contract(s) by 31 October 2023 (inclusive). The aforesaid credit enhancement measures shall apply to the aggregate of (among others) the sum of all unsettled principal and interest and default payment (if applicable) under the

Corporate Bonds and the scope of the guarantee shall cover the principal and interest under the Corporate Bonds payable by SOG China as well as default interest, indemnity, default payment, handling charge, damages and all costs incidental to the realisation of rights over the debts and the guarantee arising from the default (if any) of and payable by SOG China. The term of guarantee shall last until the date on which the payment obligations of SOG China under the Corporate Bonds are settled in full or the date on which the rights over the pledge under the pledge guarantee contract have been realised in full by the holders of the Corporate Bonds.

Beijing Yuanxin was a company established on 3 June 2014 under the laws of the PRC with limited liability. It has a registered capital of RMB100 million and a paid-up capital of RMB100 million. Beijing Yuanxin is principally engaged in real estate development and operation, construction engineering prospecting and construction engineering design. It is mainly responsible for the construction, development and operation of Beijing Grand Canal Place, an international commercial complex project located in Tongzhou District in Beijing, the PRC.

If the aforesaid resolutions on adjusting the arrangement for the repayment of principal and interest of the Corporate Bonds and the provision of credit enhancement measures are considered and approved at the Third Meeting of the Holders of the Corporate Bonds, such resolutions will be legally binding on all holders of the Corporate Bonds from the date of consideration and approval of such resolutions, and the arrangement for the repayment of principal and interest of the Corporate Bonds will be adjusted accordingly with the addition of the credit enhancement and protection measures, whilst the relevant covenants in the relevant public offering documents, such as the Prospectus for Public Offering of the Corporate Bonds, will no longer be applicable. Such adjustment of repayment plan of the Corporate Bonds does not constitute an event of default under the Corporate Bonds.

(iv) Adding the terms of a grace period for the repayment of principal and interest of the Corporate Bonds:

In view of the current operating conditions of SOG China and in order to prudently push forward the repayment of principal and interest of the Corporate Bonds, the consent of the holders of the Corporate Bonds is sought for a grace period of 15 consecutive calendar days to be granted to the dates of repayment of the principal and interest of the Corporate Bonds during its term.

If SOG China makes full repayment of the principal and interest payable of the Corporate Bonds or obtains relevant waiver(s) from meeting(s) of the holders of the Corporate Bonds within 15 consecutive calendar days from the dates of repayment of the principal and interest during the term of the Corporate Bonds (the “**Grace Period**”), it will not constitute a default on the part of SOG China in respect of the Corporate Bonds. For the avoidance of doubt, SOG China will not be deemed to be in default before the expiry of the Grace Period, no default interest will be imposed during the Grace Period, no default payment, overdue interest, default interest or other payment will be otherwise set up or incurred, and interest will continue to be payable at the coupon rate of the Corporate Bonds.

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

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

The matters to be considered at the Third Meeting of the Holders of the Corporate Bonds will be subject to the approval by the holders of the Corporate Bonds. 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, 22 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.

* *For identification purposes only*