

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SINO-OCEAN GROUP HOLDING LIMITED

遠洋集團控股有限公司

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

(Stock code: 03377)

SINO-OCEAN LAND TREASURE FINANCE I LIMITED

遠洋地產寶財I有限公司

SINO-OCEAN LAND TREASURE FINANCE II LIMITED

遠洋地產寶財II有限公司

SINO-OCEAN LAND TREASURE III LIMITED

遠洋地產寶財III有限公司

SINO-OCEAN LAND TREASURE IV LIMITED

遠洋地產寶財IV有限公司

(incorporated in the British Virgin Islands with limited liability)

(the "Issuers")

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

INSIDE INFORMATION SUSPENSION OF TRADING IN OFFSHORE USD SECURITIES

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).

BACKGROUND

Starting from the second half of 2021, the real estate sector in China has experienced significant changes and real estate developers have been confronted with unprecedented challenges with regard to liquidity and funding. Under these circumstances, the Group has responded in a proactive manner by continuously adopting measures, such as accelerating sales and cash collection, making progress with asset disposals and strictly controlling costs and expenses, in an effort to repay the debts. Since 2023, in the circumstances where the industry sales and financing environment have not been notably improved, the Group has experienced a rapid decline in contracted sales and increased uncertainty in asset disposals and has continuously faced limitations in various financing activities. In response to mounting liquidity pressures, the Group has been in active dialogues with its creditors and endeavoured to proactively manage its liabilities, including but not limited to conducting the consent solicitations in respect of the

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

2024 Notes, 2027 Notes and 2029 Notes (as defined hereinafter). Despite these efforts, the Group's liquidity is still expected to be confronted with continuous challenges in the short-to-medium term.

HOLISTIC DEBT MANAGEMENT

Against the above backdrop, the Group believes the optimal path forward is a holistic restructuring of its offshore debts — one that ensures fair and equitable treatment to its creditors, provides a sustainable capital structure, and establishes a runway for the Group to stabilise its operations. To this end and in view of its tight liquidity position, after careful consideration by the Group, payments under all of its offshore debts (including the offshore USD securities as mentioned below) will be suspended until the holistic restructuring and/or extension solution(s) are implemented. The Group will continue to proactively negotiate with the relevant stakeholders of the Group, including banks, noteholders and financial institutions, to extend the maturity of and/or restructure the relevant offshore debts.

The Company is fully committed to formulating a viable holistic restructuring of its offshore debts in accordance with the following guiding principles:

- (1) equitable treatment to all creditors by respecting their existing legal standing and inter-creditor legal priorities in repayment; and
- (2) achieving a long-term, sustainable capital structure to de-risk business operations and unlock value for all stakeholders.

OFFSHORE USD SECURITIES

In order to facilitate the aforementioned holistic debt management, the Group will suspend payments under all of the offshore debts, including the following offshore USD securities guaranteed by the Company:

	Issuer	Securities	ISIN	Debt Stock Code
(1)	Sino-Ocean Land Treasure Finance I Limited 遠洋地產寶財I有限公司	6.000% guaranteed notes due 2024 (the " 2024 Notes ")	XS1090864528	5782
(2)	Sino-Ocean Land Treasure Finance II Limited 遠洋地產寶財II有限公司	5.95% guaranteed notes due 2027 (the " 2027 Notes ")	XS1163722587	5869
(3)	Sino-Ocean Land Treasure III Limited 遠洋地產寶財III有限公司	Perpetual subordinated guaranteed capital securities	XS1677024579	5276
(4)	Sino-Ocean Land Treasure IV Limited 遠洋地產寶財IV有限公司	4.75% guaranteed notes due 2029 (the " 2029 Notes ")	XS2034822564	5623
(5)	Sino-Ocean Land Treasure IV Limited 遠洋地產寶財IV有限公司	4.75% guaranteed notes due 2030	XS2098034452	40115

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

	Issuer	Securities	ISIN	Debt Stock Code
(6)	Sino-Ocean Land Treasure IV Limited 遠洋地產寶財IV有限公司	3.25% guaranteed green notes due 2026	XS2293578832	40670
(7)	Sino-Ocean Land Treasure IV Limited 遠洋地產寶財IV有限公司	2.70% guaranteed green notes due 2025	XS2354271251	40760
(8)	Sino-Ocean Land Treasure IV Limited 遠洋地產寶財IV有限公司	3.80% credit enhanced green notes due 2025	XS2432500309	5202

Failure to make payments when due under the above offshore USD securities may lead to creditors demanding acceleration of payment.

Due to suspension of payments under the above offshore USD securities and at the request of the Issuers, the trading in the above offshore USD securities on The Stock Exchange of Hong Kong Limited will be suspended with effect from 9:00 a.m. on 15 September 2023 until further notice(s).

ENSURING DELIVERIES AND STABLE OPERATIONS

At this stage, the Group is working relentlessly to ensure delivery of completed properties pursuant to pre-sale arrangements entered into by the Group and the continuation of its business operations. Further information on the Company's operating performance is set out in the announcement of the Company dated 11 September 2023.

The Group will concentrate all necessary resources to ensure delivery of current projects, to accelerate the sale of properties under development and completed properties and to stabilize its business operations to protect the interests of the home buyers, the Group's partners and all stakeholders. Furthermore, the Group is in the process of implementing stringent cost reduction and efficiency enhancement measures with an aim to enhance operational efficiencies.

APPOINTMENT OF ADVISORS

The Company has appointed Houlihan Lokey (China) Limited as its financial advisor and Sidley Austin as its legal advisor to assist the Group in assessing and formulating an optimal solution for its existing capital structure and liquidity challenges. The Company and its advisors will strive to uphold the principles of fairness and equitability, and proactively communicate with all creditors on potential solutions as and when appropriate.

The Group attaches great importance to this restructuring exercise and its ongoing relationship with its creditors. In this regard, the Group respectfully requests that creditors allow the Group some time to resolve the current liquidity issue and work with its advisors to formulate a plan. The Group looks forward to working with all stakeholders to achieve a consensual, holistic restructuring solution.

Offshore creditors of the Company may contact its financial advisor:

Houlihan Lokey (China) Limited

Address : Suites 506–508, One International Finance Centre,
1 Harbour View Street, Central,
Hong Kong

Tel : +852 3551 2300

Email : Sino-Ocean@HL.com

The board of directors and the management of the Company will closely monitor the development of the aforesaid issues, continually assess the potential impact of these events on the business development and financial conditions of the Group, and make further announcement in due course in respect of any material update.

The implementation of any holistic solution to the offshore debt issue will be subject to many factors beyond the control of the Company. As there is no assurance that any holistic solution will be successfully implemented, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time; and (ii) advised to consider the relevant risks and exercise caution when dealing in the securities of the Company. When in doubt, shareholders of the Company, holders of debt securities of the Group and potential investors are advised to seek professional advice from professional or financial advisors.

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

Hong Kong, 15 September 2023

As at the date of this announcement, the board of directors of the Company 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.

As at the date of this announcement, the board of directors of each of Sino-Ocean Land Treasure Finance I Limited, Sino-Ocean Land Treasure Finance II Limited and Sino-Ocean Land Treasure III Limited comprises Mr. LI Ming, Mr. YANG Leyu and Ms. LIU Cheuk Kei, Chloe.

As at the date of this announcement, the board of directors of Sino-Ocean Land Treasure IV Limited comprises Mr. LI Ming, Mr. SUM Pui Ying and Ms. LIU Cheuk Kei, Chloe.

Sino-Ocean Group Holding Limited

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

Stock Code : 03377