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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)

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

UPDATE ON HOLISTIC DEBT MANAGEMENT

References are made to the announcements dated 15 September 2023 and 12 October 2023 made by Sino-Ocean Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in relation to, among others, the proposed holistic debt restructuring of the Group (the “**Announcements**”).

UPDATE ON HOLISTIC DEBT MANAGEMENT

The Group has continued to actively and diligently work with its financial advisor and legal advisor to assess its current financial and operational conditions with a view to formulating a solution that respects the rights of all stakeholders and provides a sustainable capital structure, and establishes a runway for the Group to stabilise its operations.

The Group will continue to engage in discussions with its creditors and other stakeholders and work with its advisors on the preparation work to facilitate the formulation of a practicable restructuring proposal for the Group’s offshore debts.

OVERVIEW OF THE FINANCIAL SITUATION OF THE GROUP

As set out in the interim report of the Company for the six months ended 30 June 2023 (the “**2023 Interim Report**”), as at 30 June 2023, the Group had unaudited total borrowings of approximately RMB91,916 million.

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The borrowings of the Group mainly comprised offshore and onshore borrowings. As set out in the 2023 Interim Report, as at 30 June 2023, approximately 57% of the Group's total borrowings (i.e. approximately RMB52,509 million (unaudited)) were denominated in RMB, which represent the Group's onshore borrowings in mainland China, and the remaining approximately 43% of the Group's total borrowings (i.e. approximately RMB39,407 million (unaudited)) were denominated in other currencies such as HKD and USD, which represent the Group's offshore borrowings.

Further details of the indebtedness situation of the Group as at 30 June 2023 are set out in the 2023 Interim Report which was published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company on 14 September 2023.

As set out in the Announcements, in order to facilitate the holistic debt restructuring, except for payments which would facilitate or be incidental to the debt restructuring having regard to the rights and priorities of the relevant creditors, the Group would suspend payments under its offshore debts.

As at the date of this announcement, the Group has received demand letters, acceleration notices and other legal letters with respect to certain of its offshore debts and before completion of the Group's holistic debt restructuring, the Group may continue to receive similar letters and notices from its creditors.

OFFSHORE USD-DENOMINATED SECURITIES

As at the date of this announcement, the Group has received (i) a demand letter with respect to, among others, the payment of outstanding accrued interests under the 6.000% guaranteed notes due 2024 (the "**2024 Notes**") issued by Sino-Ocean Land Treasure Finance I Limited 遠洋地產寶財I有限公司, the 5.95% guaranteed notes due 2027 (the "**2027 Notes**") issued by Sino-Ocean Land Treasure Finance II Limited 遠洋地產寶財II有限公司 and the 4.75% guaranteed notes due 2029 (the "**2029 Notes**") issued by Sino-Ocean Land Treasure IV Limited 遠洋地產寶財IV有限公司 ("**Sino-Ocean Land Treasure IV**") from the trustee of the aforementioned securities, and (ii) a notice of event of default in relation to the 2.70% guaranteed green notes due 2025 issued by Sino-Ocean Land Treasure IV, the 3.25% guaranteed green notes due 2026 issued by Sino-Ocean Land Treasure IV and the 4.75% guaranteed notes due 2030 issued by Sino-Ocean Land Treasure IV from the trustee of the aforementioned securities as a result of the non-payment of interests under the 2024 Notes, the 2027 Notes and the 2029 Notes.

At the request of the relevant issuers of the offshore USD securities, the trading in the offshore USD securities on the Stock Exchange has been suspended with effect from 9:00 a.m. on 15 September 2023 until further notice(s).

UPDATE ON BUSINESS DEVELOPMENT

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 7 November 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.

As at the date of this announcement, the Group continues to maintain normal business operations.

GENERAL

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and/or other applicable laws and regulations.

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, 10 November 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.