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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: 5869, 5276, 5623, 40115, 40670, 40760, 5202)**

## **UPDATE ON BUSINESS DEVELOPMENT**

This announcement is made by Sino-Ocean Group Holding Limited (the “**Company**”) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Sino-Ocean Group Holding Limited

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

Stock Code : 03377

References are made to the announcements (the “**Announcements**”) of the Company dated 18 July 2024, 22 August 2024, 10 September 2024, 22 September 2024, 24 September 2024 and 15 October 2024 in relation to the Restructuring and certain updates on the latest business development of the Group. Unless otherwise defined, capitalized terms used in this announcement have the same meanings defined in the Announcements.

Set out below are further updates on the latest business development of the Group.

### **(a) Overview of the Group**

The core businesses of the Group include development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate and real estate fund, etc., forming a unique advantage in the field of asset-light agent construction.

The Group’s business operations are primarily based in the PRC, where the majority of the Group’s assets, being property development projects, are located. The Group currently owns around 260<sup>1</sup> projects in different stages of development in various Chinese cities and metropolitan regions.

### **(b) Offshore Debt Overview**

As set out in the interim report of the Company for the six months ended 30 June 2024, as at 30 June 2024, the Group’s unaudited total indebtedness was RMB181.35 billion, of which (a) current liabilities amounted to approximately RMB139.64 billion and (b) non-current liabilities amounted to approximately RMB41.71 billion.

As set out in the Announcements, the Group’s financial liabilities subject to the Restructuring (i.e. the Existing Debt Instruments) are in an aggregate outstanding principal amount of approximately USD5,636 million.

The Group has incurred further offshore debt which is not within the scope of the Restructuring (the “**Out-of-Scope Offshore Debt**”) as the creditors thereof benefit from different security packages, collateral, and/or guarantees, and as such, the Out-of-Scope Offshore Debt is not intended to be compromised under the Restructuring. The Company and Group are in the process of undergoing separate negotiations and/or agreeing amendments and settlement terms with these creditors bilaterally.

### **(c) Projected Cash Flow**

As set out in the Announcements, based on the Business Plan that is prepared on the assumption that the Restructuring takes effect and the Group continues to operate on a going concern basis and presents the Group’s projected annual cash inflows and outflows during the forecast period from January 2024 to December 2034 (the “**Forecast Period**”), the Company expects to generate approximately USD2.8 billion in cash during the Forecast Period to repay the New Loan and New Notes.

<sup>1</sup>. Project ownership is via a combination of direct ownership by the Group’s subsidiaries and also via joint ventures and associates.

Under the Business Plan, the Group has onshore and offshore operations, which include its core real estate development business segment and other non-real estate development business segments.

The Group's onshore business segments mainly include: (i) property development business (the "**Property Development Segment**"), (ii) commercial properties and offices business (the "**Commercial Real Estate Segment**"), and (iii) other business segments ("**Other Onshore Business Segments**"), details of each are as follows:

- The Property Development Segment under the Business Plan provides forecasts for real estate development projects ("**Property Development Projects**"), which is the Group's main business segment.
- The Commercial Real Estate Segment consists of self-held commercial properties that are not ancillary to any Property Development Projects. It is estimated that the Group will dispose of part of existing projects during the Forecast Period, while certain projects are assumed to remain undisposed and to continue their operations after the Forecast Period. Other Onshore Business Segments consist of, among others, (i) the construction service segment, (ii) onshore financial and equity investments, (iii) Sino-Ocean Data Centre (data centre business under the Group), and (iv) Sino-Ocean Senior Living Service (senior care services business under the Group).

The Group's offshore business segment includes the management of fund assets, investments in publicly listed companies, investments in privately held companies, and development, operation and management of real assets.

## **CAUTION**

While the Company is of the view that the Business Plan is reflective of the current market environment and industry characteristics, and is aligned with the Company's actual situation, it should be noted that the information contained in this announcement regarding the Group's projected cash flow and other financial information is based on an assessment by the management of the Company with reference to the information currently available to it, which has not been audited by the Company's auditors. In addition, any projections set out in this announcement do not constitute any forecast or estimate of the Group's profit of any relevant period which are determined and affected by other factors. Holders of securities and potential investors of the Company are advised to treat this information with caution as the actual cash flows of the Group at the relevant time may be different from what is disclosed in this announcement. Any information relating to the profit of the Group will be announced by the Company in accordance with the applicable requirements under the Listing Rules.

**Holders of the Company's securities and potential investors of the Company are reminded not to rely solely on the information contained in this announcement and to exercise caution when dealing in the securities of the Company. When in doubt, they are advised to seek professional advice from their own professional or financial advisors.**

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

Hong Kong, 16 October 2024

*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. LYU Hongbin, Mr. LIU Jingwei, Mr. JIANG Qi and Mr. CHEN Guogang 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, Sino-Ocean Land Treasure III Limited and Sino-Ocean Land Treasure IV Limited comprises Mr. LI Ming and Mr. YANG Leyu.*