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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)

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)

(Stock code: 03377)

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

SIGNIFICANT PROGRESS OF OFFSHORE DEBT RESTRUCTURING (1) ENTRY INTO RSA; AND (2) INVITING OTHER CREDITORS TO ACCEDE TO RSA

This announcement is made by the Company pursuant to Rule 13.09(2)(a), Rule 37.47B(a) and Rule 37.47D of 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 of the Company dated 15 September 2023, 12 October 2023, 10 November 2023, 8 February 2024, 30 April 2024 and 28 June 2024 in relation to, among others, the proposed holistic debt restructuring of the Group.

I. UPDATE ON THE OFFSHORE DEBT RESTRUCTURING

The Group would like to provide an update to the market on the significant progress made regarding the restructuring of its relevant offshore debts.

1. Significant Progress of the Restructuring

Over the past few months, the Company, certain In-Scope Creditors, together with their respective advisors, have been engaged in constructive dialogue towards a consensual restructuring of the Group's relevant offshore indebtedness.

The contemplated Restructuring is intended to (1) maximize recoveries for the In-Scope Creditors while providing fair and equitable treatment to all; and (2) establish a long-term and sustainable capital structure for the Company.

The Company is pleased to announce a holistic debt management proposal, the principal terms of which have been agreed by members of the CoCom representing around 50% in aggregate principal amount of the Class A Debt. Members of the CoCom either have entered into the RSA or are going through internal procedures to obtain the relevant approvals to execute the RSA.

The support shown by the CoCom represents a significant milestone for the Company in its exploration of a holistic solution to its offshore debt and the Company would like to express its gratitude to the CoCom and its advisors for their continuing support and engagement in the ongoing process.

Broad-based support is required to facilitate a successful Restructuring, which provides fair and equitable treatment to all In-scope Creditors by respecting their existing legal standing and inter-creditor legal priorities in repayment. The Company sincerely invites the remaining creditors, including the holders of the Existing Notes, to consider the terms of the restructuring proposal and support the implementation of the restructuring proposal by acceding to the RSA as soon as possible. A restructuring will provide higher recoveries to all classes of creditors vis-à-vis under alternative scenarios. Consent fees will be provided to Participating Creditors who have acceded to the RSA before the relevant deadlines, upon completion of the Restructuring and subject to the terms of the RSA. Further details of the consent fees are set out in the section headed "**3. The RSA — Early Consent Fee or Base Consent Fee**" below.

2. Key Features of the Restructuring

Scope and Implementation

The scope of the Restructuring covers the Existing Debt Instruments, comprising the Existing Syndicated Loans, the Existing Bilateral Loan and the Existing Notes, with an aggregate outstanding principal amount of approximately US\$5,636 million. The Company may, at its election, (i) exclude any debt listed above from the scope and (ii) include any additional debt into the scope.

The Restructuring is envisaged to be effectuated via a combination of Restructuring Processes. The Restructuring has been structured to satisfy the fairness principles under the Restructuring Processes, where the classing of the Existing Debt Instruments is based primarily on the liquidation recovery rate of each Existing Debt Instrument and rights of creditors, and the allocation of the restructuring consideration between classes is based on the relative liquidation recovery values of the classes.

Restructuring Consideration

The New Debts in an aggregate principal amount of US\$2,200 million (subject to changes based on the final liquidation analysis report to be provided by the relevant advisor) will be issued to the In-Scope Creditors where their relevant debt claims will be serviced over a period of time with various designated offshore asset support in relation to designated offshore assets subject to, *inter alia*, any requisite regulatory, judicial, governmental or third party waiver, approval and/or consent, and cash sweep mechanisms.

The remaining debt claims equal to the result of a) the total relevant claims of all In-Scope Creditors, minus b) the aggregate principal amount of the New Debts being US\$2,200 million, will be exchanged into non-interest bearing MCB where a portion of their debt claims can be equitized into the new shares of the Company to benefit from short-term liquidity and potential upside. In-scope Creditors may also elect to receive interest-bearing New Perpetual Securities in lieu of MCB provided that the sum of the principal amount of the MCB and the principal amount of the New Perpetual Securities shall be equal to the result of the total relevant claims of all In-Scope Creditors minus the aggregate principal amount of the New Debts.

(1) New Debts

Subject to the Election and Allocation Mechanism, the relevant claims of the In-Scope Creditors under the Existing Debt Instruments will be exchanged into New Loan or New Notes, as the case may be, to be issued by the Company.

The principal amount of the New Debts will be paid down gradually according to the amortization schedule set out in the Term Sheet, starting from the 3rd anniversary of the Restructuring Effective Date subject to a deferral triggering event as detailed in the Term Sheet.

The New Debts will benefit from various designated offshore asset support in relation to designated offshore assets including but not limited to charge over specified shares in Sino-Ocean Service held by the Group (subject to, *inter alia*, any requisite regulatory, judicial, governmental or third party waiver, approval and/or consent), as well as cash sweep over the net cash proceeds from disposal of, or from dividend, distribution or collection from (as applicable), designated onshore or offshore assets, including substantially all of the Group's offshore assets, certain onshore property assets, relevant offshore receivables from onshore and certain offshore equity investment.

The New Debts will bear cash interest payable semi-annually at the rate of 3.00% per annum, subject to interest deferral mechanisms and minimum cash interests during the first 48 months after the Restructuring Effective Date as set out in the Term Sheet.

Further details of the New Loan and the New Notes are set out in the Term Sheet.

(2) *Mandatory Convertible Bonds (MCB)*

Subject to the Election and Allocation Mechanism, the remaining claims of the In-Scope Creditors under the Existing Debt Instruments after deducting the principal amount of New Debts allocated to the In-Scope Creditors will be exchanged into MCB or the New Perpetual Securities in lieu of MCB at the election of creditors, subject to the combined aggregate principal amount of the MCB and the New Perpetual Securities being equal to the result of the total relevant claims of all In-Scope Creditors minus the aggregate principal amount of the New Debts.

The economic terms of the MCB to be issued to each class of In-Scope Creditors will be the same except for the conversion price and the corresponding maximum number of new shares of the Company that the MCB may be converted into. The minimum conversion price for each series of the MCB shall be determined with reference to the maximum original issue amount of such series and the maximum number of new shares in the Company allocated to such series which is based on fairness principles and the relative liquidation recovery values of the classes.

The holders of the MCB may deliver conversion notices to convert their MCB into ordinary shares of the Company within 15 business days from (i) the later of (a) the Restructuring Effective Date and (b) the date that conditional listing approval from the Stock Exchange in respect of the new ordinary shares of the Company underlying the MCB become unconditional and fully effective; or (ii) the date falling 6, 12 or 18 months after the Restructuring Effective Date. The MCB will be mandatorily converted into ordinary shares of the Company on the maturity date (being the date falling 24 months after the Restructuring Effective Date) or upon the occurrence of an event of default.

(3) *New Perpetual Securities*

The In-Scope Creditors can opt for New Perpetual Securities in lieu of MCB. If the In-Scope Creditors opt for the New Perpetual Securities subject to the Election and Allocation Mechanism, the remaining claims of the In-Scope Creditors under the Existing Debt Instruments after deducting the principal amount of New Debts allocated to the In-Scope Creditors will be exchanged into New Perpetual Securities.

The economic terms of the New Perpetual Securities to be issued to each class of In-Scope Creditors will be the same.

Distribution is accrued on the New Perpetual Securities initially at 1.00% per annum payable semi-annually with a distribution rate step-up of 1.00% per annum every 36 months subject to a maximum distribution rate of 5.00% per annum, provided that the Company may defer all or part of any distribution.

Detailed terms of the Restructuring are set out in the Term Sheet, which is attached hereto as the Appendix to this announcement.

3. The RSA

Under the RSA, among other things:

- (a) the Restructuring Companies undertake to implement the Restructuring in the manner envisaged by, and materially on the terms and conditions set out in, the RSA and the Term Sheet;
- (b) each Participating Creditor irrevocably undertakes to take all such actions as are necessary or desirable to, among other things:
 - (i) vote in favour of each Restructuring Process (as applicable) in respect of the aggregate outstanding principal amount of all relevant Participating Debt in which it holds a legal and/or beneficial interest as principal (as applicable) at the Record Time for the purposes of the relevant Restructuring Process Meeting;
 - (ii) not take, commence, join, support, assist or continue any enforcement action whether directly or indirectly, to delay any Restructuring Process (as applicable), or interfere with, or affect, the implementation of any Restructuring Process, or the consummation of the transactions contemplated thereby; and
 - (iii) support any actions taken by the Obligors to obtain recognition or protection of the Restructuring in any court of any jurisdiction and take all other commercially reasonable actions requested by the Restructuring Companies to implement or protect the Restructuring.

The RSA will terminate automatically and immediately on the earliest to occur of any of the following:

- (a) in respect of each Restructuring Process commenced in connection with the Restructuring:
 - (i) the relevant court rejecting, in a final and unappealable decision, an application to convene the relevant Restructuring Process Meeting;
 - (ii) any Restructuring Process not being finally approved by the requisite majorities of the requisite classes of creditors at the necessary Restructuring Process Meetings (provided that any Restructuring Process Meetings may be reasonably postponed or reasonably adjourned to a subsequent date in order to obtain the requisite approval) and there being no reasonable prospect of the Restructuring being effected prior to the Longstop Date;
 - (iii) the relevant court not granting a sanction order in respect of any Restructuring Process (as applicable) and there being no reasonable prospect of the Restructuring being effected prior to the Longstop Date and the relevant Restructuring Company has exhausted all avenues of appeal;
- (b) the Restructuring Effective Date; and/or
- (c) the Longstop Date.

The RSA may also be terminated under other circumstances set out in the RSA.

Early Consent Fee or Base Consent Fee

A Participating Creditor who validly holds Eligible Participating Debt as of the Early Consent Fee Deadline (currently scheduled at 5:00 p.m. Hong Kong time on 8 August 2024) and still holds such Eligible Participating Debt at the Record Time will, subject to the terms of the RSA, be eligible to receive an Early Consent Fee in cash in an amount equal to 0.10% of the aggregate principal amount of such Eligible Participating Debt.

A Participating Creditor who validly holds Eligible Participating Debt as of the Base Consent Fee Deadline (currently scheduled at 5:00 p.m. Hong Kong time on 22 August 2024) and still holds such Eligible Participating Debt at the Record Time, but did not hold such Eligible Participating Debt at the Early Consent Fee Deadline, will, subject to the terms of the RSA, be eligible to receive a Base Consent Fee in cash in an amount equal to 0.05% of the aggregate principal amount of such Eligible Participating Debt.

Where Eligible Participating Debt is transferred in accordance with the terms of the RSA, the transferees may become eligible to receive the relevant Early Consent Fee or Base Consent Fee (as applicable).

For the avoidance of any doubt, Participating Creditors will receive either Early Consent Fee or Base Consent Fee in respect of particular Eligible Participating Debt, but not both the Early Consent Fee and Base Consent Fee in respect of particular Eligible Participating Debt.

The Early Consent Fee and/or the Base Consent Fee (as applicable) shall be payable on or prior to the Restructuring Effective Date, provided that the Participating Creditor, among other things:

- (a) holds or has acquired its Eligible Participating Debt in compliance with the relevant provisions of the RSA;
- (b) votes the entire aggregate amount of the Existing Debt Instruments held by it at the Record Time in favour of each Restructuring Process at each Restructuring Process Meeting (as applicable, whether in person or by proxy) (a Participating Creditor that does not vote the entire aggregate amount of the Eligible Participating Debt then held by it in favour of each Restructuring Process at each Restructuring Process Meeting (as applicable, whether in person or by proxy) will not be entitled to any Early Consent Fee or Base Consent Fee (as applicable)); and
- (c) has not exercised its rights to terminate the RSA and has not breached any of the relevant terms and conditions of the RSA.

Inviting Other Creditors to Accede to RSA

The Company sincerely asks all holders of the Existing Debt Instruments who have not signed the RSA to review the RSA as soon as possible and to accede to the RSA as an Additional Participating Creditor by delivering to the Information Agent a validly completed and executed Accession Letter and Participating Debt Notice via email to sinocean@glas.agency in respect of all of its Existing Debt Instruments (as applicable) prior to the Early Consent Fee Deadline, and in any event no later than the Base Consent Fee Deadline.

The Company has appointed GLAS Specialist Services Limited as the Information Agent who will be responsible for collecting, via email, Accession Letters, Participating Debt Notices and/or Transfer Notices (as applicable) from In-Scope Creditors and answering any questions regarding the process. The RSA will be made available on the website, operated by the Information Agent for the purpose of the RSA (the "**Transaction Website**").

The Information Agent can be contacted using the below details:

GLAS Specialist Services Limited

Transaction Website: https://glas.agency/investor_reporting/sino-ocean-group-holding/

Email: sinoocean@glas.agency
Tel: +44 (0)20 3597 2940/+852 3704 2773/+65 6450 6395
Address: 55 Ludgate Hill Level 1 West, London, EC4M 7JW, United Kingdom
Attention: Katie Lacey

II. IMPLEMENTATION AND NEXT STEPS

1. Implementation of the Restructuring

The Company expects to commence the process of implementing the Restructuring on terms set forth in the RSA as soon as possible.

2. Request for Information

Any requests for information can be directed to the Information Agent using the details above, or to the Company's/CoCom's financial and legal advisors:

Houlihan Lokey (China) Limited, *as Restructuring Financial Advisor to the Company*
Suite 1903–1907, Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong

Email: Sino-Ocean@HL.com

Sidley Austin, *as Restructuring Legal Advisor to the Company*
39/F, Two International Finance Centre
No. 8 Finance Street, Central, Hong Kong
Email: sidleyprojectsog@sidley.com

Deloitte Advisory (Hong Kong) Limited, *as Restructuring Financial Advisor to the CoCom*
35/F., One Pacific Place, 88 Queensway, Hong Kong
Email: projectatlantic@deloitte.com.hk

Allen Overy Shearman Sterling, *as Restructuring Legal Advisor to the CoCom*
9th Floor, Three Exchange Square
Central, Hong Kong
Email: aoprojectatlantic@aoshearman.com

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material development as and when appropriate.

III. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2024 Notes”	has the meaning given to such term in the “Existing Notes” definition herein
“2025 Notes”	has the meaning given to such term in the “Existing Notes” definition herein
“2026 Notes”	has the meaning given to such term in the “Existing Notes” definition herein
“2027 Notes”	has the meaning given to such term in the “Existing Notes” definition herein
“2029 Notes”	has the meaning given to such term in the “Existing Notes” definition herein
“2030 Notes”	has the meaning given to such term in the “Existing Notes” definition herein
“Accession Letter”	a letter pursuant to which a person becomes a party to the RSA as an Additional Participating Creditor, in the form set out in the RSA
“Additional Participating Creditor”	a person holding a beneficial interest as principal in the Existing Notes, or a person holding a legal and/or beneficial interest as principal in the Existing Syndicated Loans or Existing Bilateral Loan, who has agreed to be bound by the terms of the RSA as a Participating Creditor in accordance with the terms of the RSA
“Base Consent Fee”	an amount in cash equal to 0.05% of the aggregate principal amount of the Eligible Participating Debt held by such Participating Creditor as at the Base Consent Fee Deadline (subject to all valid procedures being followed by such Participating Creditor in accordance with the terms of the RSA)
“Base Consent Fee Deadline”	5:00 p.m. Hong Kong time on 22 August 2024 or such later date and time as the Restructuring Companies may notify to the parties to the RSA
“Board”	board of directors of the Company
“Class A Debt”	has the meaning given to it in the Term Sheet
“CoCom”	the co-ordination committee of lenders of the Existing Syndicated Loans

“Companies Act”	the Companies Act 2006 of the United Kingdom, as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong), as amended from time to time
“Company”	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377)
“Consent Fee”	with respect to each Participating Creditor, subject to and in accordance with the terms of the RSA, the Early Consent Fee or the Base Consent Fee (as applicable)
“Early Consent Fee”	an amount in cash equal to 0.10% of the aggregate principal amount of the Eligible Participating Debt held by such Participating Creditor as at the Early Consent Fee Deadline (subject to all valid procedures being followed by such Participating Creditor in accordance with the terms of the RSA)
“Early Consent Fee Deadline”	5:00 p.m. Hong Kong time on 8 August 2024 or such later date and time as the Restructuring Companies may notify to the parties to the RSA
“Election and Allocation Mechanism”	the election and allocation mechanism detailed in the section entitled “Restructuring Consideration” in the Term Sheet
“Eligible Participating Debt”	a Participating Debt which was made subject to the RSA by a Participating Creditor on or prior to the Early Consent Fee Deadline or Base Consent Fee Deadline (as applicable)
“Existing Bilateral Loan”	the Hong Kong law-governed term loan facility made to Sino-Ocean Land HK and guaranteed by the Company and the Subsidiary Guarantors pursuant to a facility agreement dated 21 June 2021 as amended and supplemented from time to time including by a side letter dated 21 June 2021. As at the date of the RSA, the aggregate principal amount outstanding is HK\$870,000,000
“Existing Debt Instruments”	collectively, the Existing Notes, Existing Syndicated Loans and Existing Bilateral Loan. As at the date of the RSA, the aggregate principal amount outstanding is approximately US\$5,636 million (comprising US\$3,967,750,000 plus HK\$13,046,730,000)

“Existing Notes”

collectively, the six series of English law-governed guaranteed notes and one series of English law-governed perpetual subordinated guaranteed capital securities, in each case issued by the relevant Notes Issuer and guaranteed by the Company, with an aggregate outstanding principal amount of US\$3,718,000,000 as at the date of the RSA, comprising the following:

- (i) the 2.70% guaranteed green notes due 13 January 2025 issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount outstanding is US\$520,000,000 (the “**2025 Notes**”);
- (ii) the 3.25% guaranteed green notes due 5 May 2026 issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount outstanding is US\$400,000,000 (the “**2026 Notes**”);
- (iii) the 4.75% guaranteed notes due 5 August 2029 issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount outstanding is US\$600,000,000 (the “**2029 Notes**”);
- (iv) the 4.75% guaranteed notes due 14 January 2030 issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount outstanding is US\$400,000,000 (the “**2030 Notes**”);
- (v) the 6.00% guaranteed notes due 30 July 2024 issued by Sino-Ocean Land Treasure Finance I Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount outstanding is US\$698,000,000 (the “**2024 Notes**”);
- (vi) the 5.95% guaranteed notes due 4 February 2027 issued by Sino-Ocean Land Treasure Finance II Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount outstanding is US\$500,000,000 (the “**2027 Notes**”); and
- (vii) the perpetual subordinated guaranteed capital securities issued by Sino-Ocean Land Treasure III Limited and guaranteed by the Company via a subordinated guarantee. As at the date of the RSA, the aggregate principal amount outstanding is US\$600,000,000 (the “**Perpetual Securities**”)

“Existing Syndicated Loans”	collectively, the four Hong Kong law-governed syndicated term loan facilities made to Sino-Ocean Land HK and guaranteed by the Company and the Subsidiary Guarantors pursuant to the relevant facility agreements (as amended and supplemented from time to time), details of which are set out in the Term Sheet. As at the date of the RSA, the aggregate principal amount outstanding is US\$249,750,000 plus HK\$12,176,730,000
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Information Agent”	GLAS Specialist Services Limited, or any other person appointed by the Company to act as information agent in connection with the Restructuring and the RSA
“In-Scope Creditors”	collectively, (i) persons with a legal and/or beneficial interest as principal in the Existing Syndicated Loans and/or Existing Bilateral Loan as at the Record Time; and (ii) persons who hold a beneficial interest as principal in the Existing Notes as at the Record Time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 March 2025 or such later date as may be agreed between the Restructuring Companies and the requisite majorities of CoCom or creditors in writing, subject to any court approval as may be required
“MCB”	new zero-coupon, two-year mandatory convertible bonds of the Company which may be issued to the In-Scope Creditors as part of the restructuring consideration, details of which are set out in the Term Sheet
“New Debts”	collectively, the New Notes and the New Loan
“New Loan”	new USD denominated term loan facility of the Company which may be issued to the In-Scope Creditors as part of the restructuring consideration, details of which are set out in the Term Sheet
“New Notes”	new USD denominated notes of the Company which may be issued to the In-Scope Creditors as part of the restructuring consideration, details of which are set out in the Term Sheet

“New Perpetual Securities”	new interest bearing, perpetual securities of the Company which may be issued to the In-Scope Creditors as part of the restructuring consideration, details of which are set out in the Term Sheet
“Notes Issuers”	collectively, the relevant subsidiaries of the Company which are issuers of the Existing Notes
“Obligors”	collectively, the Restructuring Companies, the Notes Issuers, and the Subsidiary Guarantors; and “ Obligor ” means any one of them
“Participating Creditor”	a person, on behalf of itself or, where such Participating Creditor is an investment manager, on behalf of funds or accounts managed or advised by it, holding a beneficial interest as principal in the Existing Debt Instruments who has agreed to be bound by the terms of the RSA as a Participating Creditor in accordance with the terms of the RSA, including the initial Participating Creditors to the RSA and the Additional Participating Creditors
“Participating Debt”	with respect to a Participating Creditor at any time, the aggregate principal amount of the Existing Debt Instruments set out in a notice in the form set out in the RSA then most recently delivered by that Participating Creditor, as modified from time to time by any Transfer Notices (as applicable) delivered by that Participating Creditor to the Information Agent in accordance with the terms of the RSA
“Participating Debt Notice”	a notice pursuant to which an In-Scope Creditor provides details of its Participating Debts to the Restructuring Companies and the Information Agent, in the form set out in the RSA
“Perpetual Securities”	has the meaning given to such term in the “Existing Notes” definition herein
“Record Time”	the time designated by the Restructuring Companies for the determination of claims of In-scope Creditors for the purposes of voting at each Restructuring Process Meeting
“Restructuring”	the restructuring of the indebtedness of the Obligors in respect of the Existing Debt Instruments, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the Term Sheet
“Restructuring Companies”	the Company, together with Sino-Ocean Land HK, and “ Restructuring Company ” means any one of them (as relevant)

“Restructuring Effective Date”	the day on which the Restructuring Companies confirm in writing to the Participating Creditors that all the conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents, and on which all outstanding Existing Debt Instruments will be cancelled and all guarantees and security (if any) in connection with the Existing Debt Instruments will be released and the restructuring consideration will be distributed to the In-Scope Creditors
“Restructuring Process”	(i) a scheme of arrangement under sections 670, 673 and 674 of the Companies Ordinance; (ii) a scheme of arrangement under Part 26 of the Companies Act; (iii) a scheme of arrangement or similar process in any other jurisdiction; (iv) a restructuring plan under Part 26A of the Companies Act; (v) a consent solicitation process; and/or (vi) any other in-court or out-of-court process in any other jurisdiction
“Restructuring Process Meeting”	a meeting of In-Scope Creditors duly convened to vote on any Restructuring Process (and any adjournment of such meeting)
“RSA”	the restructuring support agreement dated 18 July 2024 entered into by the Restructuring Companies, initial Participating Creditors and the Information Agent
“Sino-Ocean Land HK”	Sino-Ocean Land (Hong Kong) Limited (遠洋地產(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Sino-Ocean Service”	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677), being a non wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	collectively, the relevant subsidiaries of the Company which are subsidiary guarantors under the Existing Syndicated Loans and Existing Bilateral Loan
“Term Sheet”	the term sheet as set out in Schedule 6 to the RSA, a redacted copy of which is attached as the Appendix to this announcement
“Transaction Website”	has the meaning given to such term in the section headed “ I. UPDATE ON THE OFFSHORE DEBT RESTRUCTURING — 3. The RSA ” in this announcement
“Transfer Notice”	a notice pursuant to which Participating Debt is validly transferred to a Participating Creditor in accordance with the terms of the RSA, in the form set out in the RSA

“US\$” or “USD”

United States dollar, the lawful currency of the United States of America

Holders of securities and potential investors of the Company are advised not to rely solely on the information contained in this announcement and should 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, 18 July 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. 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, Sino-Ocean Land Treasure III Limited and Sino-Ocean Land Treasure IV Limited comprises Mr. LI Ming and Mr. YANG Leyu.

APPENDIX

Sino-Ocean Group Holding Limited Restructuring Term Sheet (Subject to Contract)

*Based on the current circumstances of Sino-Ocean Group Holding Limited (the “**Company**”) and its subsidiaries (the “**Group**”) and recent discussions with respect to the potential restructuring of the In-Scope Debt (as defined below), it is the intention of the Company to restructure the In-Scope Debt (the “**Restructuring**”) in accordance with the terms of this term sheet (the “**Term Sheet**”) and such other terms to be agreed through one or more restructuring processes in the United Kingdom, Hong Kong and/or any jurisdiction in which it may be necessary to effect such a process in order to implement the terms of this Term Sheet.*

This Term Sheet is a summary only and does not purport to be a comprehensive or exhaustive statement of the requirements of the parties or information relating to the proposed Restructuring. For the avoidance of doubt, this Term Sheet does not constitute an offer or agreement to complete the proposed Restructuring and is subject to agreement on the long form documentation. Nothing in this Term Sheet shall constitute a waiver of any right of any party thereunder and subject to the RSA (as defined below), this Term Sheet shall not constitute any agreement on the part of any party to enter into long form documentation. The Restructuring shall be implemented pursuant to the terms of the long form documentation to be negotiated, executed and delivered in accordance with the RSA.

*It is intended that this Term Sheet will be appended to a restructuring support agreement (the “**RSA**”) containing, among others, support undertakings from certain Initial Participating Creditors to support the proposed Restructuring. Capitalised terms used but not defined in this Term Sheet shall have the same meanings ascribed to them in the RSA.*

This Term Sheet does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company and its management, as well as financial statements. No public offer of securities is to be made by the Company or any of the subsidiary guarantors of the Existing Debt in the United States.

This Term Sheet is not a prospectus for the purposes of Regulation (EU) 2017/1129, including as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.

General

Company

Sino-Ocean Group Holding Limited (遠洋集團控股有限公司)

In-scope Debt

"In-Scope Debt" means:

- (1) the Hong Kong law-governed dual-currency syndicated term loan facilities (the **"2019 Syndicated Loan"**) made to Sino-Ocean Land (Hong Kong) Limited (**"Sino-Ocean Land HK"**) and guaranteed by the Company, Surplus Cheer Limited (**"Surplus Cheer"**), Shine Wind Development Limited (**"Shine Wind"**), Fame Gain Holdings Limited, Sino-Ocean Land Property Development Limited, Faith Ocean International Limited, Mega Precise Profits Limited, and Smart State Properties Limited (together, the **"Loan Guarantors"**) pursuant to a facility agreement dated 11 June 2019 as amended and supplemented from time to time including by a letter dated 9 February 2021 and a supplemental agreement dated 19 June 2023. As at the date of the RSA, the aggregate principal amount of the 2019 Syndicated Loan outstanding is US\$63,000,000 plus HKD3,461,850,000;
- (2) the Hong Kong law-governed dual-currency syndicated term loan facilities (the **"2020 Syndicated Loan"**) made to Sino-Ocean Land HK and guaranteed by the Loan Guarantors pursuant to a facility agreement dated 16 June 2020 as amended and supplemented from time to time including by a supplemental agreement dated 19 June 2023. As at the date of the RSA, the aggregate principal amount of the 2020 Syndicated Loan outstanding is US\$93,600,000 plus HKD3,481,920,000;
- (3) the Hong Kong law-governed dual-currency syndicated term loan facilities (the **"2021 Syndicated Loan"**) made to Sino-Ocean Land HK and guaranteed by the Loan Guarantors pursuant to a facility agreement dated 15 June 2021 as amended and supplemented from time to time including by a supplemental agreement dated 19 June 2023. As at the date of the RSA, the aggregate principal amount of the 2021 Syndicated Loan outstanding is US\$93,150,000 plus HKD3,759,210,000;
- (4) the Hong Kong law-governed syndicated term loan facilities (the **"2022 Syndicated Loan"** and, together with the 2019 Syndicated Loan, 2020 Syndicated Loan, and the 2021 Syndicated Loan, the **"Existing Syndicated Loans"**) made to Sino-Ocean Land HK and guaranteed by the Loan Guarantors pursuant to a facility agreement 8 June 2022 as amended and supplemented from time to time including by a supplemental agreement dated 29 June 2023. As at the date of the RSA, the aggregate principal amount of the 2022 Syndicated Loan outstanding is HKD1,473,750,000;

- (5) the Hong Kong law-governed term loan facility (the “**2021 Bilateral Loan**” and, together with the Existing Syndicated Loans, the “**Class A Debt**”) made to Sino-Ocean Land HK and guaranteed by the Loan Guarantors pursuant to a facility agreement dated 21 June 2021 as amended and supplemented from time to time including by a side letter dated 21 June 2021. As at the date of the RSA, the aggregate principal amount of the 2021 Bilateral Loan outstanding is HKD870,000,000;
- (6) the English law-governed 2.70% guaranteed green notes due 13 January 2025 (the “**2025 Notes**”) issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount of the 2025 Notes outstanding is US\$520,000,000;
- (7) the English law-governed 3.25% guaranteed green notes due 5 May 2026 (the “**2026 Notes**”) issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount of the 2026 Notes outstanding is US\$400,000,000;
- (8) the English law-governed 4.75% guaranteed notes due 5 August 2029 (the “**2029 Notes**”) issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount of the 2029 Notes outstanding is US\$600,000,000;
- (9) the English law-governed 4.75% guaranteed notes due 14 January 2030 (the “**2030 Notes**” and, together with the 2025 Notes, the 2026 Notes, and the 2029 Notes, the “**Class B Debt**”) issued by Sino-Ocean Land Treasure IV Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount of the 2030 Notes outstanding is US\$400,000,000;
- (10) the English law-governed 6.00% guaranteed notes due 30 July 2024 (the “**2024 Notes**”) issued by Sino-Ocean Land Treasure Finance I Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount of the 2024 Notes outstanding is US\$698,000,000;
- (11) the English law-governed 5.95% guaranteed notes due 4 February 2027 (the “**2027 Notes**”, together with the 2024 Notes, the “**Class C Debt**”) issued by Sino-Ocean Land Treasure Finance II Limited and guaranteed by the Company. As at the date of the RSA, the aggregate principal amount of the 2027 Notes outstanding is US\$500,000,000; and

(12) the English law-governed perpetual subordinated guaranteed capital securities (the “**Perpetual Securities**”, or the “**Class D Debt**”) issued by Sino-Ocean Land Treasure III Limited with subordinated guarantee from the Company. As at the date of the RSA, the aggregate principal amount of the Perpetual Securities outstanding is US\$600,000,000,

provided that the Company may, at its election, (i) exclude any debt listed above from In-Scope Debt and (ii) include any additional debt as In-scope Debt.

“**Class A Creditors**” means persons with a legal and/or beneficial interest as principal in the Class A Debt as at the Record Time (as defined below).

“**Class B Creditors**” means persons who hold a beneficial interest as principal in the Class B Debt as at the Record Time.

“**Class C Creditors**” means persons who hold a beneficial interest as principal in the Class C Debt as at the Record Time.

“**Class D Creditors**” means persons who hold a beneficial interest as principal in the Class D Debt as at the Record Time.

“**In-scope Creditors**” means collectively, the Class A Creditors, the Class B Creditors, the Class C Creditors and the Class D Creditors.

“**Record Time**” means the time designated by the Company for the determination of the In-scope Creditors’ Restructuring Process Claims (as defined below) for the purposes of voting at the meetings of creditors convened in connection with the respective Restructuring Processes (as defined below), and the deadline for the In-scope Creditors to submit their voting instructions to the information agent appointed by the Company in connection with the respective Restructuring Processes, as the case may be.

Implementation Method of the Restructuring

The Company intends to implement the Restructuring through one or more restructuring processes, which may include: (i) a scheme of arrangement under sections 670, 673 and 674 of the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong); (ii) a scheme of arrangement under Part 26 of the Companies Act 2006 (UK); (iii) a scheme of arrangement or similar process in any other jurisdiction; (iv) a restructuring plan under Part 26A of the Companies Act 2006 (UK); (v) a consent solicitation process; and/or (vi) any other in-court or out-of-court process in any other jurisdiction (each, a “**Restructuring Process**”).

Restructuring of the In-scope Debt

Restructuring Effective Date (“RED”)

The day designated by the Company after all conditions precedent to the Restructuring have been either satisfied or waived (as the case may be).

On and from the RED, the In-scope Creditors shall fully release all claims and related claims against (among others) the Company and all of the subsidiaries of the Company, and the officers, directors, advisors and representatives, or office-holders, of each of the foregoing, under or in connection with the Restructuring, the In-scope Debt, the guarantees and the security granted in connection with the In-scope Debt and the underlying financing documents and/or indentures, in consideration for their respective entitlement to the Restructuring Consideration (as defined below) in accordance with the composite documents to be circulated by the Company and Sino-Ocean Land HK to the In-scope Creditors (as applicable) in relation to the Restructuring.

Restructuring Process Claims

The sum of:

- (a) the outstanding principal amount of the In-scope Debt held by the In-scope Creditors as at the Record Time (together in aggregate, the **“In-scope Creditors’ Principal Amount”**, and with respect to each In-scope Creditor, the **“In-scope Creditor Principal Amount”**); and
- (b) all accrued and unpaid interest and default interest on, and any fees and charges payable under, such In-scope Debt up to (but excluding) the RED

(together, the **“Restructuring Process Claims”**, and with respect to each In-scope Creditor, the **“Restructuring Process Claim”**, in each case, without double counting).

Total Restructuring Consideration

The total Restructuring Consideration (set out in the next section under the heading “Restructuring Consideration”) for the In-scope Creditors will consist of:

- (a) New Debts (as defined below) in an aggregate principal amount of US\$2,200 million¹, which consists of New Loan (as defined below) and New Notes (as defined below); and
- (b) MCBs (as defined below) and/or New Perpetual Securities (as defined below) in a combined aggregate principal amount equal to the result of the total Restructuring Process Claims of all In-Scope Creditors minus the aggregate principal amount of the New Debts (the “**Total MCBs and Perpetuals Entitlement**”).

Restructuring Consideration²

The entitlement of each Class A Creditor, each Class B Creditor, each Class C Creditor and each Class D Creditor to the Restructuring Consideration is set out in the following paragraphs.

Class A:

With respect to each Restructuring Process in respect of Class A Creditors, but without double counting, the Class A Creditors in the aggregate are entitled to (i) New Debts, in the form of either New Loan or New Notes, in the aggregate principal amount of approximately US\$1,320 million (calculated as the aggregate principal amount of New Debts of US\$2,200 million *multiplied by* the Class A Allocation Ratio of 60.0%) (“**Total Class A New Debts Entitlement**”), and (ii) Class A MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the result of the total Restructuring Process Claims of all Class A Creditors minus the Total Class A New Debts Entitlement (“**Total Class A MCBs and Perpetuals Entitlement**”, together with the Total Class A New Debts Entitlement, “**Total Class A Entitlement**”), and each Class A Creditor is entitled to a portion of the Total Class A Entitlement in an aggregate amount equal to the Total Class A Entitlement *multiplied by* its Class A Creditor Entitlement Ratio (as defined below) (each an “**Individual Class A Creditor Entitlement**”).

“**Class A Creditor Entitlement Ratio**” refers to the quotient of, with respect to a Class A Creditor, such Class A Creditor’s Restructuring Process Claim *divided by* the aggregate Class A Creditors’ Restructuring Process Claims, as the case may be.

¹ The aggregate principal amount of the New Debts is subject to changes based on the Liquidation Analysis Report. See the section entitled “Class Allocation Ratio”.

² The aggregate principal amount of the New Debts is subject to changes based on the Liquidation Analysis Report. Final allocation of Restructuring Consideration is subject to Class Allocation Ratio as modified based on the Liquidation Analysis Report. See the section entitled “Class Allocation Ratio”.

With respect to each applicable Restructuring Process, each Class A Creditor will have the option to allocate and elect to receive its Individual Class A Creditor Entitlement in the form of (i) New Debts (in the form of either New Loan or New Notes (pro-rated among the 9 tranches of the New Notes)) and/or (ii) Class A MCB and/or New Perpetual Securities, in its discretion (subject to rounding and adjustments), *provided* that:

- (a) such Class A Creditor may only elect to receive either New Loan or New Notes (but not any combination of the New Loan and New Notes) for the entire portion of its Individual Class A Creditor Entitlement that such Class A Creditor elects to receive in the form of New Debts,
- (b) the total principal amount of New Debts, Class A MCB and New Perpetual Securities so elected by such Class A Creditor shall not exceed its Individual Class A Creditor Entitlement,
- (c) in the event that the aggregate principal amount of New Debts so elected by all Class A Creditors exceeds the Total Class A New Debts Entitlement (such excess amount, the “**New Debts Excess Amount**”), the Total Class A New Debts Entitlement will be allocated to Class A Creditors electing to receive New Debts on a *pro rata* basis (in terms of principal amount elected for New Debts), and the New Debts Excess Amount will be allocated with Class A MCBs,
- (d) in the event that the aggregate principal amount of Class A MCBs and/or New Perpetual Securities so elected by all Class A Creditors exceeds the Total Class A MCBs and Perpetuals Entitlement (such excess amount, the “**MCBs/Perpetuals Excess Amount**”), the Total Class A MCBs and Perpetuals Entitlement will be allocated to Class A Creditors electing to receive Class A MCBs and/or Perpetual Securities on a *pro rata* basis (in terms of principal amount elected for Class A MCBs and/or Perpetual Securities), and the MCBs/Perpetuals Excess Amount will be allocated with the New Loan;
- (e) any Class A Creditor that fails to submit its election of New Debts, Class A MCBs and/or New Perpetual Securities by the stipulated deadline shall be allocated with New Loan and Class A MCBs, and the allocation between New Loan and Class A MCBs to be received by such Class A Creditor shall be determined by the Company at its sole discretion; and

- (f) a warehousing structure or alternative arrangements in respect of an alternative to direct holding of the MCBs (the “**Warehousing Structure**”) will be offered and details will be agreed in the long form documentation stage, *provided* that such Warehousing Structure and any instruments or arrangements arising therefrom shall not change the economics of the In-Scope Creditors without the consent of the Company.

Class B:

With respect to each Restructuring Process in respect of Class B Creditors, but without double counting, the Class B Creditors are entitled to (i) New Notes in the aggregate principal amount of approximately US\$602 million (calculated as the aggregate principal amount of New Debts of US\$2,200 million *multiplied by* to the Class B Allocation Ratio of 27.4%) (“**Total Class B New Notes Entitlement**”), and (ii) Class B MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the result of the total Restructuring Process Claims of all Class B Creditors minus the Total Class B New Debts Entitlement (“**Total Class B MCBs and Perpetuals Entitlement**”).

“**Class B Creditor Entitlement Ratio**” refers to the quotient of, with respect to a Class B Creditor, such Class B Creditor’s Restructuring Process Claim *divided by* the aggregate Class B Creditors’ Restructuring Process Claims.

With respect to each Restructuring Process in respect of the Class B Creditors, but without double counting, each Class B Creditor’s entitlement to the Restructuring Consideration shall comprise:

- (a) a proportion of New Notes (pro-rated among the 9 tranches of the New Notes) in the aggregate principal amount equal to the Total Class B New Notes Entitlement *multiplied by* such Class B Creditor’s Class B Creditor Entitlement Ratio; and
- (b) a proportion of Class B MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the Total Class B MCBs and Perpetuals Entitlement *multiplied by* such Class B Creditor’s Class B Creditor Entitlement Ratio, in the form (A) Class B MCBs, (B) an equivalent principal amount of New Perpetual Securities, or (C) any combination of (A) and (B), at such Class B Creditor’s election,

provided that, any Class B Creditor that fails to submit its election with respect to Class B MCBs and New Perpetual Securities by the stipulated deadline shall be allocated with Class B MCBs.

Class C:

With respect to each Restructuring Process in respect of Class C Creditors, but without double counting, the Class C Creditors are entitled to (i) New Notes in the aggregate principal amount of approximately US\$162 million (calculated as the aggregate principal amount of New Debts of US\$2,200 million *multiplied by* to the Class C Allocation Ratio of 7.3%) ("**Total Class C New Notes Entitlement**"), and (ii) Class C MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the result of the total Restructuring Process Claims of all Class C Creditors minus the Total Class C New Debts Entitlement ("**Total Class C MCBs and Perpetuals Entitlement**").

"**Class C Creditor Entitlement Ratio**" refers to the quotient of, with respect to a Class C Creditor, such Class C Creditor's Restructuring Process Claim *divided by* the aggregate Class C Creditors' Restructuring Process Claims.

With respect to each Restructuring Process in respect of the Class C Creditors, but without double counting, each Class C Creditor's entitlement to the Restructuring Consideration shall comprise:

- (a) a proportion of New Notes (pro-rated among the 9 tranches of the New Notes) in the aggregate principal amount equal to the Total Class C New Notes Entitlement *multiplied by* such Class C Creditor's Class C Creditor Entitlement Ratio; and
- (b) a proportion of Class C MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the Total Class C MCBs and Perpetuals Entitlement *multiplied by* such Class C Creditor's Class C Creditor Entitlement Ratio, in the form (A) Class C MCBs, (B) an equivalent principal amount of New Perpetual Securities, or (C) any combination of (A) and (B), at such Class C Creditor's election.

provided that, any Class C Creditor that fails to submit its election with respect to Class C MCBs and New Perpetual Securities by the stipulated deadline shall be allocated with Class C MCBs.

Class D:

With respect to each Restructuring Process in respect of Class D Creditors, but without double counting, the Class D Creditors are entitled to (i) New Notes in the aggregate principal amount of approximately US\$116 million (calculated as the aggregate principal amount of New Debts of US\$2,200 million *multiplied* by to the Class D Allocation Ratio of 5.3%) ("**Total Class D New Notes Entitlement**"), and (ii) Class D MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the result of the total Restructuring Process Claims of all Class D Creditors minus the Total Class D New Debts Entitlement ("**Total Class D MCBs and Perpetuals Entitlement**").

"**Class D Creditor Entitlement Ratio**" refers to the quotient of, with respect to a Class D Creditor, such Class D Creditor's Restructuring Process Claim *divided* by the aggregate Class D Creditors' Restructuring Process Claims.

With respect to each Restructuring Process in respect of the Class D Creditors, but without double counting, each Class D Creditor's entitlement to the Restructuring Consideration shall comprise:

- (c) a proportion of New Notes (pro-rated among the 9 tranches of the New Notes) in the aggregate principal amount equal to the Total Class D New Notes Entitlement *multiplied* by such Class D Creditor's Class D Creditor Entitlement Ratio; and
- (d) a proportion of Class D MCBs and/or New Perpetual Securities in the aggregate principal amount equal to the Total Class D MCBs and Perpetuals Entitlement *multiplied* by such Class D Creditor's Class D Creditor Entitlement Ratio, in the form (A) Class D MCBs, (B) an equivalent principal amount of New Perpetual Securities, or (C) any combination of (A) and (B), at such Class D Creditor's election.

provided that, any Class D Creditor that fails to submit its election with respect to Class D MCBs and New Perpetual Securities by the stipulated deadline shall be allocated with Class D MCBs.

Class Allocation Ratio The class allocation ratio (the “**Class Allocation Ratio**”) for each class of creditors is calculated as follows:

$$\text{Restructuring Consideration Allocation for Class X} = \frac{\text{Class X Mid-point Recovery Value}}{\text{Aggregate Mid-point Recovery Value of Class A, Class B, Class C and Class D}}$$

where:

“**Class X**” means either Class A, Class B, Class C or Class D.

“**Mid-point Recovery Value**” is calculated based on the relevant In-scope Creditors’ claims multiplied by the Mid-Point Recovery Rate, where:

“**Mid-point Recovery Rate**” means average of (a) weighted average liquidation recovery rate in the high case scenario (“**High Case Recovery Rate**”) and (b) weighted average liquidation recovery rate in the low case scenario (“**Low Case Recovery Rate**”), of the relevant In-scope Creditors’ claims provided in the liquidation analysis report prepared by an independent liquidation analysis service provider (the “**Independent Liquidation Analysis Service Provider**”).

The Class Allocation Ratio for each class of In-scope Creditors is set out in the table below.

Class A Allocation Ratio	Class B Allocation Ratio	Class C Allocation Ratio	Class D Allocation Ratio
60.0%	27.4%	7.3%	5.3%

The Class Allocation Ratio for each class of In-scope Creditors may be modified according to the final liquidation analysis report prepared by the Independent Liquidation Analysis Service Provider (the “**Liquidation Analysis Report**”), provided that the New Debts offered to Class A Creditors shall be no less than US\$1,315 million and the New Debts offered to Class A Creditors, Class B Creditors, Class C Creditors and Class D Creditors shall be adjusted accordingly in proportion to the Class Allocation Ratio for each class as modified by the Liquidation Analysis Report.

Exchange Rate For purpose of calculating the In-scope Creditors’ claims and the Restructuring Consideration, 1.00 U.S. dollar shall be translated at a fixed rate of 7.82 Hong Kong dollars.

Early Consent Fee

The Company shall, in accordance with the terms of the RSA, pay or procure the payment of an early consent fee (the “**Early Consent Fee**”) to each Participating Creditor who validly held Eligible Participating Debt as of the Early Consent Fee Deadline, subject to such Participating Creditor complying with all relevant provisions of the RSA.

The Early Consent Fee shall comprise an amount in cash equal to 0.10% of the In-scope Creditor Principal Amount of the Eligible Participating Debt held by such Participating Creditor.

“**Early Consent Fee Deadline**” means 5:00 p.m. Hong Kong time on the date that is 21 days after the date of the RSA or such later date as the Restructuring Companies (as defined in the RSA) may notify to the Parties in accordance with the terms of the RSA.

Base Consent Fee

The Company shall, in accordance with the terms of the RSA, pay or procure the payment of a base consent fee (the “**Base Consent Fee**”) to each Participating Creditor who validly held Eligible Participating Debt as of the Base Consent Fee Deadline, subject to such Participating Creditor complying with all relevant provisions of the RSA.

The Base Consent Fee shall comprise an amount in cash equal to 0.05% of the In-scope Creditor Principal Amount of the Eligible Participating Debt held by such Participating Creditor.

For the avoidance of any doubt, Participating Creditors will receive either Early Consent Fee or Base Consent Fee. Participating Creditors who have received Early Consent Fee will not be eligible to receive such Base Consent Fee.

“**Base Consent Fee Deadline**” means 5:00 p.m. Hong Kong time on the date that is 35 days after the date of the RSA, or such later date as the Restructuring Companies may notify to the Parties in accordance with the terms of the RSA.

[Redacted]

[Redacted]

**Conditions Precedent
to the RED**

Customary conditions must be satisfied or waived prior to or at the occurrence of the RED, including but not limited to:

- (a) the obtaining of all relevant approvals or consents (e.g., including without limitation, as applicable, delivery of relevant court orders in respect of each Restructuring Process), shareholders' approval for the issue of shares in the Company upon conversion of the MCBs and listing approval for the shares to be issued upon conversion of the MCBs;
- (b) the satisfaction of each of the specific conditions precedent contained in the Restructuring Documents (including the definitive documents in relation to the New Debts, MCBs and New Perpetual Securities (if any));
- (c) the settlement in full of all due and payable professional fees and disbursements of the professionals either engaged by the Company or pursuant to such fee arrangements which have been agreed in writing by the Company and *[Redacted]*, in each case associated with the Restructuring and that the Company is obliged to pay;
- (d) the settlement in full of all Early Consent fee, Base Consent Fee and *[Redacted]* (if any) associated with the Restructuring that the Company is obliged to pay; and
- (e) the Company having determined and announced the date set as the Restructuring Effective Date.

Indicative Terms of the New Debts

Borrower/Issuer	The Company
Guarantors	The subsidiaries of the Company as specified in Annex I (collectively, the " Guarantors ") shall guarantee the obligations of the Company under the New Debts.
Designated Offshore Assets Credit Enhancement or Alternative Measures Principles (the "Principles")	<ol style="list-style-type: none">1. The Company shall procure that the New Debts be secured (the "Designated Offshore Asset Security") over any asset specified in Annex V (<i>Designated Offshore Assets for Credit Enhancement or Alternative Measures</i>) (each, a "Designated Offshore Asset") on a <i>pari passu</i> basis among different tranches of the New Debts and any other Permitted <i>Pari Passu</i> Secured Indebtedness (to be defined in the documents constituting the New Debts), subject to the terms of an intercreditor agreement (the "ICA") to be entered into on the RED among, <i>inter alia</i>, the Company, the collateral agent, the holders or creditors of the New Debts and any Permitted <i>Pari Passu</i> Secured Indebtedness and/or their respective trustees, agents or representatives, <i>provided</i> that no Designated Offshore Asset Security shall be created if:<ol style="list-style-type: none">(a) the creation of that Designated Offshore Asset Security will result in a breach of laws, rules (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) or regulations, any published governmental policies or measures of any applicable jurisdictions, or in the reasonable opinion of the Company, result in a significant risk to the directors or officers of the relevant grantor of that Designated Offshore Asset Security (or any of its direct or indirect shareholders directing or approving such Designated Offshore Assets Security) of contravention of their fiduciary duties and/or of criminal or civil liability; or (in respect of [Redacted] (as defined in Annex V) only) the creation or enforcement of that Designated Offshore Asset Security will attract governmental or regulatory bodies' scrutiny or investigation of any member of the Group;(b) the creation of that Designated Offshore Asset Security is subject to any requisite regulatory, judicial, governmental or third party waiver, approval and/or consent and the requisite waiver, approval and/or consent cannot be obtained (notwithstanding that the Company has used its reasonable endeavours to obtain such waiver, approval and/or consent); or

- (c) providing that Designated Offshore Asset Security would result in:
 - (i) costs associated with that Designated Offshore Asset Security that are disproportionate to the benefit obtained by beneficiaries of that Designated Offshore Asset Security; or
 - (ii) material adverse effect on the value, business, operation or property of that Designated Offshore Asset and/or its underlying assets, or in respect of *[Redacted]* of Annex V, material adverse effect on the value, business, operation or property, financing, refinancing or disposal of that Designated Offshore Asset and/or its underlying assets,

provided that paragraph (c) above shall not apply to any Designated Offshore Asset Security to be created over the Specified 6677 Shares or (if applicable) *[Redacted]* (as defined in Annex V).

2. A Designated Offshore Assets Support (as defined in the RSA) shall be released upon any disposal of the relevant Designated Offshore Asset, *provided* that the Net Cash Proceeds arising therefrom are applied in accordance with the sections entitled "Mandatory Prepayment 1 — Specified 6677 Shares", "Mandatory Prepayment 2 — Specified Offshore Assets", "Mandatory Prepayment 3 — Specified Onshore Assets" and/or "Mandatory Prepayment 4 — Other Major Receivables Cash Sweep" and such other conditions to be agreed in the long form documentation.
3. Unless paragraph 1(a) or 1(b) applies, on or before the RED, *[Redacted]* shall execute a deed of charge in favour of the collateral agent (which shall hold such security on trust and for the benefit of all trustees, agents or representatives of the holders and/or creditors of the New Debts who enters into the ICA) over the Specified 6677 Shares. If a Designated Offshore Assets Support is granted over Specified 6677 Shares, the relevant security shall only become enforceable if a Major Event of Default is continuing (definition of Major Event of Default, and the appropriate grace periods to be included under the instruments governing the financial indebtedness to be secured by the Designated Offshore Assets Support granted over Specified 6677 Shares, to be agreed in the long form documentation stage).

4. On or before RED, if *[Redacted]* (as defined in Annex V) is agreed to be provided as security in accordance with the Principles and Annex V, *[Redacted]* shall execute *[Redacted]* in favour of the collateral agent (which shall hold such security on trust and for the benefit of all trustee, agents or representatives of the holders and/or creditors of the New Debts who enters into the ICA) and such deed shall (a) require the chargor to deposit all signed but undated documents to allow the collateral agent to enforce its rights under the deed that is customary in a transaction of this nature only to the extent that those rights are exercisable by *[Redacted]*, and (b) provide that enforcement rights are limited to those, in each case, in respect of *[Redacted]* (as defined in Annex V).
5. The Parties agree to negotiate the scope and form of the Designated Offshore Assets Support in good faith and finalise all documentation required to be entered into as a condition precedent to the RED in a finally agreed form as soon as reasonably practicable after the date of the RSA.
6. In this section, “**cost**” means any cost associated with any Designated Offshore Assets Support, including but is not limited to, any registration taxes, stamp duties, out-of-pocket expenses, and other fees and expenses, in each case, payable on the creation or perfection or for the continuance of any Designated Offshore Assets Support, and directly incurred by the relevant provider of that Designated Offshore Assets Support or any of its direct or indirect owners, subsidiaries or affiliates.
7. Other definitions:
 - (a) “**6677 Shares**” means shares of Sino-Ocean Service Holding Limited, a company the shares of which are listed on the Hong Kong Stock Exchange.
 - (b) For the avoidance of any doubt, “**Permitted Pari Passu Secured Indebtedness**” may include the In-Scope Debt and the Out-of-Scope Debt (as defined below) and any refinancing or restructuring, refunding, replacement, exchange, renewal or extension (collectively, “**refinance**”, “**refinances**”, “**refinancing**” and “**refinanced**” shall have a correlative meaning), of the restructured debt from the In-Scope Debt and the Out-of-Scope Debt and any subsequent refinancing thereof, and excludes any other debts incurred after the RED unless otherwise agreed in the long form documentation stage.
 - (c) “**Out-of-Scope Debt**” means any indebtedness of a member of the Group incurred outside the PRC that is not an In-Scope Debt.

(d) **“Specified 6677 Shares”** means *[Redacted]* unencumbered 6677 Shares held by *[Redacted]* as of the date of the RSA (which, for the avoidance of doubt, shall not include *[Redacted]* as of the date of the RSA).

Original Issue Date	The RED
Type of Instruments	Loans and notes
Principal Amount³	<p>US\$2,200 million of “New Debts”, to be allocated to In-scope Creditors in accordance with the Class Allocation Ratio and election and allocation mechanisms detailed in the section entitled “Restructuring Consideration” above, consisting of:</p> <p>(a) “New Loan”, the principal amount of which shall be determined according to the election and allocation mechanisms detailed in the section entitled “Restructuring Consideration” above, and</p> <p>(b) “New Notes”, the principal amount of which shall be determined according to the election and allocation mechanisms detailed in the section entitled “Restructuring Consideration” above. New Notes will consist of nine tranches with the original principal amount of each tranche thereof to be allocated (expressed as a percentage to total) as follows (subject to rounding and adjustments):</p> <ul style="list-style-type: none">● Tranche 1: 1.5%;● Tranche 2: 3.0%;● Tranche 3: 10.5%;● Tranche 4: 10.0%;● Tranche 4A: 5.0%;● Tranche 5: 15.0%;● Tranche 5A: 20.0%;● Tranche 6: 15.0%; and● Tranche 6A: 20.0%

³ The aggregate principal amount of the New Debts is subject to changes based on the Liquidation Analysis Report. Final allocation of New Debts is subject to Class Allocation Ratio as modified based on the Liquidation Analysis Report. See the section entitled “Class Allocation Ratio”.

New Loan Scheduled Repayment	Percentage of Principal Amount	Repayment Date
	1.5%	36 months after the RED (or 48 months after the RED upon the occurrence of a First Deferral Triggering Event (as defined below))
	3.0%	48 months after the RED
	10.5%	60 months after the RED
	15.0% (or, upon the occurrence of a Second Deferral Triggering Event (as defined below), 10.0%, with the remaining 5.0% to be deferred to 96 months after the RED)	72 months after the RED
	35.0% (or, upon the occurrence of a Third Deferral Triggering Event (as defined below), 15.0%, with the remaining 20.0% to be deferred to 108 months after the RED)	84 months after the RED
	35.0% (or, upon the occurrence of a Fourth Deferral Triggering Event (as defined below), 15.0%, with the remaining 20.0% to be deferred to 120 months after the RED), plus 5.0% upon the occurrence of a Second Deferral Triggering Event	96 months after the RED
	20.0% upon the occurrence of a Third Deferral Triggering Event	108 months after the RED
	20.0% upon the occurrence of a Fourth Deferral Triggering Event	120 months after the RED

A **"First Deferral Triggering Event"** occurs if, as at the date that is 36 months after the RED, the remaining consideration in connection with the sale of interests in *[Redacted]* (as defined in Annex II) is not actually received by the offshore seller, which is an offshore subsidiary of the Company and entitled to receive such receivables.

A **"Second Deferral Triggering Event"** occurs if, the Accumulated Sales from 1 January 2024 to the date falling 69 months after the RED are less than *[Redacted]*.

A **"Third Deferral Triggering Event"** occurs if, the Accumulated Sales from 1 January 2024 to the date falling 81 months after the RED are less than *[Redacted]*.

A **"Fourth Deferral Triggering Event"** occurs if, the Accumulated Sales from 1 January 2024 to the date falling 93 months after the RED are less than *[Redacted]*.

"Accumulated Sales" means the accumulated Contracted Sales from 1 January 2024 to the specific end date (both days inclusive).

"Contracted Sales" means, in respect of each relevant period from 1 January 2024 to the specific end date (both days inclusive), the cumulative contracted sales of the Company and its subsidiaries, joint ventures and associates for that period, as disclosed in the latest annual results of the Company or otherwise publicly announced on the SEHK, or, if not so disclosed or announced, calculated consistently with the contracted sales data for the year ended 31 December 2023 as disclosed in the Company's annual results announced on the SEHK on 28 March 2024.

Tenor of New Notes	Tranche	Maturity
	Tranche 1	36 months after the RED (or 48 months after the RED upon the occurrence of a First Deferral Triggering Event)
	Tranche 2	48 months after the RED
	Tranche 3	60 months after the RED
	Tranche 4	72 months after the RED
	Tranche 4A	72 months after the RED (or 96 months after the RED upon the occurrence of a Second Deferral Triggering Event)
	Tranche 5	84 months after the RED
	Tranche 5A	84 months after the RED (or 108 months after the RED upon the occurrence of a Third Deferral Triggering Event)
	Tranche 6	96 months after the RED
	Tranche 6A	96 months after the RED (or 120 months after the RED upon the occurrence of a Fourth Deferral Triggering Event)

Interest

The New Debts will bear interest from and including the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually, entirely in cash, in arrears, at the rate of 3.00% per annum, *provided* that, (i) with respect to any interest payable in respect of the first 48 months after the RED, the Company will have the right to defer payment of (A) such interest on each portion of the principal amount of the New Loan to the corresponding amortization payment date of such portion of the principal amount and (B) such interest on each tranche of the New Notes to their respective corresponding maturity date, and (ii) any interest so deferred will not carry any interest, *provided further* that (a) in respect of the interest periods from the 25th month to the 36th month after the RED, interest of at least 0.25% of outstanding principal amount of the New Debts shall be paid, and (b) in respect of the interest periods from the 37th month to the 48th month after the RED, interest of at least 1.5% of outstanding principal amount of the New Debts shall be paid.

**Mandatory
Prepayment 1 —
Specified 6677
Shares**

The Company and [Redacted] shall procure that, subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, after the receipt of (a) dividends declared and paid to [Redacted] by Sino-Ocean Service Holding Limited attributable to any Specified 6677 Shares held by [Redacted] or (b) proceeds from disposal of any Specified 6677 Shares held by [Redacted], an amount equal to 75% of Net Cash Proceeds (as defined below) from such dividends and proceeds that is received by the Group and is attributable to the Company, is deposited into an offshore designated account ("**Cash Sweep Designated Account**") within a certain timeframe to be agreed in the long form documentation, and then is applied in accordance with the Cash Sweep Application (as defined below).

The "**Cash Sweep Application**" means the application of the funds in the Cash Sweep Designated Account towards (A) reserving an amount equivalent to the cash interests to be payable on the next interest payment date under the New Loan and the New Notes on a *pro rata* basis according to the then outstanding principal amount of the New Loan on the one hand and the then aggregate outstanding principal amount of the New Notes on the other hand, (B) after reserving for cash interest payment pursuant to (A), is then applied within a reasonable timeframe towards repayment or prepayment (as the case may be) of the amortization payments of the New Loan in chronological order (inclusive of relevant accrued and unpaid interest and deferred interest) and repayment, prepayment, redemption or repurchase in the secondary market (as the case may be, and in any case, no reverse Dutch auction shall be adopted) of the outstanding New Notes with maturities in chronological order (inclusive of relevant accrued and unpaid interest and deferred interest) on a *pro rata* basis according to the then outstanding principal amount of the New Loan on the one hand and the then aggregate outstanding principal amount of the New Notes on the other hand, and (C) to the extent that there is any remaining amount after the repayment, prepayment, redemption or repurchase in the secondary market (as the case may be, and in any case, no reverse Dutch auction shall be adopted) of the New Notes applied in (B) above, such remaining amount will be used to redeem the then outstanding series of New Notes at par plus any accrued and unpaid interest and deferred interest, in chronological order based on the maturity dates.

Subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, the remaining 25% of such Net Cash Proceeds as referred to in the above shall be deposited in another offshore designated account ("**Remaining Amount Designated Account**") and will be used for the Remaining Amount Usage (as defined below).

The “**Remaining Amount Usage**” means the application of the funds in the Remaining Amount Designated Account for (i) making payments under any offshore indebtedness or (ii) any other uses to be agreed in the long form documentation (such as investments to preserve and/or enhance the value of any of the Cash Sweep Assets with monitoring mechanism to be agreed in the long form documentation stage).

The Cash Sweep Designated Account will be subject to account charges or similar measures and certain monitoring mechanism to be agreed in the long form documentation stage and the Remaining Amount Designated Account will be subject to a floating charge or similar measures and certain monitoring mechanism to be agreed in the long form documentation stage.

**Mandatory
Prepayment 2 —
Specified Offshore
Assets**

The Group shall retain the right to dispose of the Specified Offshore Assets (as specified in Annex II) at its sole discretion without prior consent from any In-scope Creditors or any legal or beneficial holder of the New Debts, subject to certain conditions to be agreed in the long form documentation stage.

The Company will procure that, subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, an amount equal to 75% of Net Cash Proceeds in respect of (i) the disposal of Specified Offshore Assets; (ii) to the extent that a Specified Offshore Asset has not been disposed of, the dividends or distributions from such Specified Offshore Asset; or (iii) the collection of the Specified Offshore Assets that are in the form of receivables, in each case that is received by the Group and is attributable to the Company, is deposited into the Cash Sweep Designated Account within a certain timeframe to be agreed in the long form documentation, and then is applied in accordance with the Cash Sweep Application.

Subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, the remaining 25% of such Net Cash Proceeds as referred to in the above shall be deposited in the Remaining Amount Designated Account, which will be subject to certain monitoring mechanism to be agreed in the long form documentation stage, and will be used for the Remaining Amount Usage.

**Mandatory
Prepayment 3 —
Specified Onshore
Assets**

The Group shall retain the right to dispose of the Specified Onshore Assets (as specified in Annex III) at its sole discretion without prior consent from any In-scope Creditors or any legal or beneficial holder of the New Debts, subject to certain conditions to be agreed in the long form documentation stage.

The Company will procure that, and subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, an amount equal to 75% of Net Cash Proceeds in respect of the disposal of Specified Onshore Assets that is received by the Group and is attributable to the Company (other than those attributable to the legal or beneficial interests of Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司) and/or its subsidiaries), is remitted and deposited into the Cash Sweep Designated Account within a certain timeframe to be agreed in the long form documentation (with the remittance from onshore to the Cash Sweep Designated Account subject to certain monitoring mechanism to be agreed in the long form documentation stage), and then is applied in accordance with the Cash Sweep Application, *provided* that where any part of a Specified Onshore Asset under development is disposed of in the form of individual property unit sales, the disposal of such Specified Onshore Asset is deemed not to occur unless and until the completion and settlement of the entire property development of such Specified Onshore Asset for the purpose of the application of the provisions in this section.

Subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, the remaining 25% of such Net Cash Proceeds as referred to in the above shall be deposited in the Remaining Amount Designated Account, which will be subject to certain monitoring mechanism to be agreed in the long form documentation stage, and will be used for the Remaining Amount Usage.

For the avoidance of doubt, such Mandatory Prepayment arrangement shall not be considered to have any restriction on strategic investment, financing, equity transaction, normal operation and construction, or payment of any indebtedness, expenses or any other obligation of the Specified Onshore Assets or any persons directly or indirectly holding such Specified Onshore Assets.

**Mandatory
Prepayment 4 —
Other Major
Receivables Cash
Sweep⁴ (together
with Mandatory
Prepayment 1 —
Specified 6677
Shares, Mandatory
Prepayment 2 —
Specified Offshore
Assets and
Mandatory
Prepayment 3 —
Specified Onshore
Assets, the “Cash
Sweep”)**

The Company will procure that, subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant consents and approvals, after the receipt of any Net Cash Proceeds attributable to the Company in respect of receivables or equity investments specified in Annex IV, an amount equal to (or, if elected by the Company at its sole discretion, more than) 80% of such Net Cash Proceeds that is received by the Group and is attributable to the Company, is deposited into the Cash Sweep Designated Account within a certain timeframe to be agreed in the long form documentation, and then is applied in accordance with the Cash Sweep Application.

Subject to the satisfaction of customary conditions precedent and compliance with applicable laws and regulations and receipt of relevant approvals, the remaining amount of such Net Cash Proceeds as referred to in the above shall be deposited in the Remaining Amount Designated Account which will be subject to certain monitoring mechanism to be agreed in the long form documentation stage, and will be used for the Remaining Amount Usage.

Net Cash Proceeds

“**Net Cash Proceeds**” means cash proceeds that are received by the Group and are attributable to the Company, from (i) dividends from or disposals of Specified 6677 Shares, (ii) disposal of, dividends or distributions from (if applicable), or (in respect of Specified Offshore Assets in the form of receivables) collection of, Specified Offshore Assets, (iii) disposal of Specified Onshore Assets, or (iv) disposal or collection of Other Major Receivables after the RED, net of items including but not limited to:

- (a) relevant brokerage commissions and other costs, fees and expenses;
- (b) provisions for all relevant taxes and other regulatory fees or charges;
- (c) any Deductible Indebtedness (as defined below);
- (d) any amount not freely transferrable or disposable as required or requested by (i) any government body and/or under such applicable law, rules, regulations, policies or measures or (ii) any investor directly or indirectly having an investment (by equity, debt or otherwise) in any Cash Sweep Asset due to the terms and conditions of any constitutional document, instrument, agreement or similar arrangement, *provided* that any amount restricted under (ii) shall not exceed the aggregate amount of the relevant investor’s investment in the relevant Cash Sweep Assets;

⁴ Excluding receivables already included under Specified Offshore Assets (as detailed in Annex II).

- (e) any reasonable amounts as a reserve against (i) operating liabilities and obligations, including without limitations those related to employment, contractors, suppliers, environmental matters, and/or indemnification obligations and (ii) investment or payment obligations of any member of the Group in the Cash Sweep Assets;
- (f) amounts required to be paid in connection with the remittance of the proceeds to offshore;
- (g) an aggregate amount of up to USD30 million each year for Mandatory Prepayment 1, 2, 3 and 4 on a combined basis, for which the Company may net off during any time of the year, *provided* that such funds are utilized or reserved for the benefit of the Group's offshore stability and normal offshore operations or any other uses to be agreed in the long form documentation. The Company will provide to the Monitoring Agent a broad breakdown of the amount being net off by five categories of (i) salaries, (ii) rent, (iii) professional fees, (iv) tax, and (v) others; and
- (h) any other items as agreed in the long form documentation.

Specified 6677 Shares, Specified Offshore Assets, Specified Onshore Assets and Other Major Receivables, collectively, are referred to as "**Cash Sweep Assets**".

"**Deductible Indebtedness**" means:

- (i) any indebtedness, liability or obligation of any member of the Group directly having an interest in the Cash Sweep Assets outstanding as at the RED;
- (ii) any indebtedness, liability or obligation of any member of the Group indirectly having an interest in the Cash Sweep Assets outstanding as at the RED that (a) is secured by a Security Interest on the relevant Cash Sweep Asset (or any part thereof) or (b) is required to be paid as a result of such disposal, or distribution or remittance of the cash proceeds to the Company; and

- (iii) any future indebtedness, liability or obligation incurred by any member of the Group after the RED for the benefit of the value creation or preservation (including, without limitation, for the construction, development, investment, operation, financing or refinancing) of any Cash Sweep Asset, that is outstanding at the time of declaration or payment of dividend from or disposal or collection of, as the case may be, the relevant Cash Sweep Asset that (a) is secured by a Security Interest on the relevant Cash Sweep Asset (or any part thereof), (b) incurred or guaranteed by any member of the Group that directly has an interest in the relevant Cash Sweep Asset, or (c) is required to be paid as a result of such disposal, or distribution or remittance of the cash proceeds to the Company,

provided that (A) the Deductible Indebtedness does not include any intercompany liabilities except for the net amount of then outstanding aggregate intercompany receivables and payables of any member of the Group that directly has an interest in the Cash Sweep Assets, (B) (x) if the net intercompany balance then outstanding as referred to in (A) is net payables, the amount of such net payables may be deducted as Deductible Indebtedness; and (y) in the case of disposal of the Specified Onshore Assets, if such net intercompany balance then outstanding as referred to in (A) is net receivables, the recoverable value of such net receivables shall be included in the relevant Net Cash Proceeds (for the avoidance of doubt, without any double counting), and (C) the calculation formula for (A) and (B) shall be discussed in the long-form documentation stage.

“Security Interest” means a mortgage, charge, pledge, lien, assignment by way of security, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Monitoring
Mechanism**

Any disposal of the Cash Sweep Assets will be conducted on arm’s length basis, with reasonable monitoring mechanisms which will not impact disposal of the Cash Sweep Assets or their value to be agreed in the long form documentation stage.

The monitoring mechanism will include the Company appointing a Monitoring Agent and providing to the Monitoring Agent certain information of the relevant disposal of the Cash Sweep Assets, including, price, parties, timing for completion and/or other information that may be reasonably agreed in the long form documentation stage.

“Monitoring Agent” means any independent professional service provider that is customarily engaged in the type of monitoring of certain information and undertaking related responsibilities that are set out in the long form documentation.

Restrictive Covenants

New Loan: Substantially following the language under the existing financing documents of Class A Debt, with carve-outs and exceptions reasonably necessary to reflect the current circumstances and operating status of the Company or as agreed in the long form documentation.

New Notes: Substantially following the language under the financing documents of Class B Debt and Class C Debt, with carve-outs and exceptions reasonably necessary to reflect the current circumstances and operating status of the Company or as agreed in the long form documentation.

In particular, based on creditors’ requests, the governing documents of both New Loan and New Notes will include an undertaking that the Company shall, to the extent permitted by, and subject to, applicable laws, regulations and rules (including, without limitation, applicable listing rules), use its reasonable efforts to request to (i) China Life Insurance Company Limited that it, together with its affiliates, will maintain (directly or indirectly) beneficial interest in not less than 15% of the issued capital of the Company; and (ii) Dajia Life Insurance Co., Ltd. that it, together with its affiliates, will maintain (directly or indirectly) beneficial interest in not less than 15% of the issued share capital of the Company, in each case, unless otherwise agreed in the long form documentation.

In respect of any transaction or arrangements that would create additional interest-bearing indebtedness or Security Interest over any Specified Offshore Asset, (including but not limited to the financing, refinancing of any Specified Offshore Asset), the Company shall (i) to the extent reasonably practicable, appoint an independent professional and obtain its advice confirming that such a transaction or arrangement preserves and/or enhances the value of the relevant Specified Offshore Asset or is for the benefit of the offshore creditors, or (ii) make other arrangements to be agreed in the long form documentation stage.

**Amendments with
Consent of Holders**

The amendment provision under the New Loan will be similar to that under the Existing Syndicated Loans, subject to customary snooze you lose and yank the bank provisions with (i) relevant time periods applicable to those provisions and (ii) threshold for qualifying as a non-consenting lender to be agreed in long form documentation.

To be agreed in the long form documentation, any amendments or waivers relating to money terms in respect of the New Notes shall only be made or take effect if:

- (a) approved by at least 66% by value of the votes cast at a validly convened meeting of holders of the New Notes, which is attended by two or more holders representing no less than $66\frac{2}{3}\%$ of the outstanding principal amount of the New Notes at the time or (if such meeting is adjourned for lack of quorum) at the adjourned meeting, which is attended by two or more holders representing no less than $33\frac{1}{3}\%$ of the outstanding principal amount of the New Notes at the time; or
- (b) approved, by way of a written resolution or electronic consents, signed or otherwise approved by holders of the New Notes representing no less than 75% of the outstanding principal amount of the New Notes.

Events of Default

The events of default provision under the New Debts will provide for a grace period of 45 days for payments of principal, premium and interest, and carve out the defaults under other indebtedness whose occurrence is as a result of any default or event of default under certain excluded indebtedness, and final judgments and orders for payment of money and certain insolvency proceedings in relation to such excluded indebtedness.

Optional Redemption of the New Notes

At any time prior to the maturity of the New Notes, and with not less than 10 nor more than 30 business days' prior notice to the trustee, the Company may redeem the New Notes with maturities in chronological order, in whole or in part, at par (inclusive of relevant accrued and unpaid interest and deferred interest), *provided* that, for optional redemption of any New Notes in reliance on this provision, the Company shall redeem such New Notes and repay the New Loan substantially concurrently on a *pro rata* basis according to the then outstanding principal amount of the New Loan on the one hand and the then aggregate outstanding principal amount of the New Notes on the other hand.

Optional Repayment of the New Loan

At any time prior to the maturity of the New Loan, and with not less than 10 nor more than 30 business days' prior notice to the agent, the Company may repay the amortization payments (inclusive of relevant accrued and unpaid interest and deferred interest) of the New Loan in chronological order, in whole or in part, *provided* that, for optional repayment of any portion of the New Loan in reliance on this provision, the Company shall repay such portion of the New Loan and redeem the New Notes substantially concurrently on a *pro rata* basis according to the then outstanding principal amount of the New Loan on the one hand and the then aggregate outstanding principal amount of the New Notes on the other hand.

Transfer Restrictions For New Loan, lenders may transfer and/or assign their respective position without the prior consent from the Company to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing, or investing in loans, securities or other financial assets *provided* that the Company shall be notified prior to any such assignment or transfer being made.

For New Notes, the New Notes will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or any securities law of any state or other jurisdiction of the United States, and may be not offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Form, Denomination and Registration
(Applicable to New Notes Only) The New Notes will be issued only in fully registered form and will be initially represented by one or more global notes.
The minimum denomination will be US\$1.

Listing *(Applicable to New Notes Only)* Application will be made for the listing and quotation of the New Notes on The Singapore Exchange Securities Trading Limited ("**SGX-ST**") or another stock exchange with international standing.

Governing Law and Jurisdiction The governing law and jurisdiction provisions under the New Loan will be similar to those under the Existing Syndicated Loans.

The New Notes and the trust deeds governing the New Notes will be governed by and will be construed in accordance with the laws of Hong Kong.

Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Notes and the trust deeds governing the New Notes.

Indicative Terms of MCBs

Issuer The Company

Original Issue Date The RED

Original Issue Amount⁵

Up to the Total MCBs and Perpetuals Entitlement, subject to the Class Allocation Ratio and election and allocation mechanisms detailed in the section entitled “Restructuring Consideration” above, of which, for indicative purposes:

- (a) an amount up to the Total Class A MCBs and Perpetuals Entitlement shall be allocated to Class A Creditors (“**Class A MCBs**”);
- (b) an amount up to the Total Class B MCBs and Perpetuals Entitlement shall be allocated to Class B Creditors (“**Class B MCBs**”);
- (c) an amount up to the Total Class C MCBs and Perpetuals Entitlement shall be allocated to Class C Creditors (“**Class C MCBs**”); and
- (d) an amount up to the Total Class D MCBs and Perpetuals Entitlement shall be allocated to Class D Creditors (“**Class D MCBs**”).

Tenor

24 months from the Original Issue Date.

Interest Rate

Nil

Voluntary Conversion and Mandatory Conversion

Voluntary Upfront Conversion:

Any holder of MCBs may deliver a conversion notice to convert all or part of the MCBs it holds into new shares to be issued by the Company (the “**New Company Shares**”) at the relevant conversion prices (described below) within 15 business days from the later of (a) the Original Issue Date of the MCBs and (b) the date that the conditional listing approval from The Stock Exchange of Hong Kong Limited in respect of the New Company Shares underlying the MCBs become unconditional and fully effective.

Voluntary Semi-annual Conversion:

Any holder of MCBs may deliver a conversion notice to convert all or part of the outstanding MCBs it holds into New Company Shares at the relevant conversion prices (described below) within 15 business days after 6, 12 and 18 months from the Original Issue Date.

Mandatory Conversion:

The MCBs will be mandatorily converted in full into New Company Shares at the relevant conversion prices (described below) on the maturity date or upon the occurrence of an event of default.

⁵ Final allocation of MCBs is subject to Class Allocation Ratio as modified based on the Liquidation Analysis Report. See the section entitled “Class Allocation Ratio”.

Conversion Price

The MCBs may be converted into a maximum of approximately 7,396,956,648 New Company Shares. The New Company Shares will be allocated to each series of the MCBs according to the Class Allocation Ratio⁶ as follows for indicative purposes:

- (a) **Class A MCBs:** Up to 4,439,508,939 New Company Shares;
- (b) **Class B MCBs:** Up to 2,024,396,611 New Company Shares;
- (c) **Class C MCBs:** Up to 543,379,889 New Company Shares; and
- (d) **Class D MCBs:** Up to 389,671,209 New Company Shares.

The minimum conversion price for each series of the MCBs shall be determined with reference to the maximum Original Issue Amount of such series and the maximum number of New Company Shares allocated to such series. Assuming that the RED occurs on 31 December 2024, the conversion prices for each series of the MCBs are as follows, for indicative purposes:

- (a) **Class A MCBs:** 2.9 times of 90-day VWAP (subject to a minimum conversion price of HKD1.46 per share, subject to adjustments in certain circumstances);
- (b) **Class B MCBs:** 11.0 times of 90-day VWAP (subject to a minimum conversion price of HKD5.52 per share, subject to adjustments in certain circumstances);
- (c) **Class C MCBs:** 32.7 times of 90-day VWAP (subject to a minimum conversion price of HKD16.37 per share, subject to adjustments in certain circumstances); and
- (d) **Class D MCBs:** 22.4 times of 90-day VWAP (subject to a minimum conversion price of HKD11.20 per share, subject to adjustments in certain circumstances).

The Conversion Price may be adjusted following the occurrence of certain events including stock split, consolidation, dividend and new equity issuance at less than certain issue price below market price.

“**VWAP**” means volume-weighted average price, a measurement that shows the average price of a security, adjusted for its trading volume. Reference date to be further agreed upon.

⁶ The Class Allocation Ratio may be modified based on the Liquidation Analysis Report. See the section entitled “Class Allocation Ratio”.

Optional Redemption of MCBs	At any time prior to the maturity of the MCBs, the Company may redeem or repurchase each series of the MCBs in whole or in part on a <i>pro rata</i> basis according to the outstanding principal amount of each series of the MCBs, <i>provided</i> that (1) the MCBs shall not be redeemed or repurchased unless and until all New Debts are fully redeemed, repaid and/or cancelled; and (2) the MCBs and the New Perpetual Securities are redeemed or repurchased substantially concurrently, and the funds used by the Company to so redeem or repurchase the MCBs and the New Perpetual Securities shall be allocated on a <i>pro rata</i> basis according to the then aggregate outstanding principal amount of the MCBs on the one hand and the then aggregate outstanding principal amount of the New Perpetual Securities on the other hand.
Fixed Exchange Rate	On any conversion into the New Company Shares, US\$1 in principal amount of the MCBs shall be translated at a fixed rate of 7.82 Hong Kong dollars.
Form, Denomination and Registration	<p>The MCBs will be issued only in fully registered form and will be initially represented by one or more global notes.</p> <p>The minimum denomination will be US\$1 and integral multiples of US\$1 in excess thereof.</p>
Transfer Restrictions	The MCBs will not be registered under the Securities Act or any securities law of any state or other jurisdiction of the United States, and may be not offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
Amendments with Consent of the Holders	<p>To be agreed in the long form documentation, any amendments or waivers relating to money terms and conversion in respect of the MCBs shall only be made or take effect if:</p> <p>(a) approved by at least 66% by value of the votes cast at a validly convened meeting of holders of the MCBs, which is attended by two or more holders representing no less than $66\frac{2}{3}\%$ of the outstanding principal amount of the MCBs at the time or (if such meeting is adjourned for lack of quorum) at the adjourned meeting, which is attended by two or more holders representing no less than $33\frac{1}{3}\%$ of the outstanding principal amount of the MCBs at the time; or</p> <p>(b) approved, by way of a written resolution or electronic consents, signed or otherwise approved by holders of the MCBs representing no less than 75% of the outstanding principal amount of the MCBs.</p>

Listing Application will be made for the listing and quotation of the MCBs on SGX-ST or another stock exchange with international standing.

Governing Law and Jurisdiction The MCBs and the trust deed governing the MCBs will be governed by and will be construed in accordance with the laws of Hong Kong.

Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the MCBs and the trust deed governing the MCBs.

Indicative Terms of New Perpetual Securities

Borrower/Issuer The Company

Original Issue Date The RED

Principal Amount⁷ Up to the Total MCBs and Perpetuals Entitlement, subject to the Class Allocation Ratio and election and allocation mechanisms detailed in the section entitled “Restructuring Consideration” above, of which, for indicative purposes:

- (a) an amount up to the Total Class A MCBs and Perpetuals Entitlement shall be allocated to Class A Creditors;
- (b) an amount up to the Total Class B MCBs and Perpetuals Entitlement shall be allocated to Class B Creditors;
- (c) an amount up to the Total Class C MCBs and Perpetuals Entitlement million shall be allocated to Class C Creditors; and
- (d) an amount up to the Total Class D MCBs and Perpetuals Entitlement shall be allocated to Class D Creditors.

Distribution Rate Opening distribution rate: 1.00% p.a., paid semi-annually
Distribution rate step-up: 1.00% every 36 months subject to a maximum distribution rate of 5.00% p.a.

The Company may defer all or part of any distribution.

Form, Denomination and Registration The New Perpetual Securities will be issued only in fully registered form and will be initially represented by one or more global notes.

The minimum denomination will be US\$1 and integral multiples of US\$1 in excess thereof.

⁷ Final allocation of New Perpetuals is subject to Class Allocation Ratio as modified based on the Liquidation Analysis Report. See the section entitled “Class Allocation Ratio”.

Transfer Restrictions	The New Perpetual Securities will not be registered under the Securities Act or any securities law of any state or other jurisdiction of the United States, and may be not offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
Optional Redemption of New Perpetual Securities	At any time prior to the maturity of the New Perpetual Securities, the Company may redeem or repurchase each series of the New Perpetual Securities in whole or in part on a <i>pro rata</i> basis according to the outstanding principal amount of each series of the New Perpetual Securities, <i>provided</i> that (1) the New Perpetual Securities shall not be redeemed or repurchased unless and until all New Debts are fully redeemed, repaid and/or cancelled; and (2) the MCBs and the New Perpetual Securities are redeemed or repurchased substantially concurrently, and the funds used by the Company to so redeem or repurchase the MCBs and the New Perpetual Securities shall be allocated on a <i>pro rata</i> basis according to the then aggregate outstanding principal amount of the MCBs on the one hand and the then aggregate outstanding principal amount of the New Perpetual Securities on the other hand.
Amendments with Consent of the Holders	<p>To be agreed in the long form documentation, any amendments or waivers relating to money terms in respect of the New Perpetual Securities shall only be made or take effect if:</p> <p>(a) approved by at least 66% by value of the votes cast at a validly convened meeting of holders of the New Perpetual Securities, which is attended by two or more holders representing no less than $66\frac{2}{3}\%$ of the outstanding principal amount of the New Perpetual Securities at the time or (if such meeting is adjourned for lack of quorum) at the adjourned meeting, which is attended by two or more holders representing no less than $33\frac{1}{3}\%$ of the outstanding principal amount of the New Perpetual Securities at the time; or</p> <p>(b) approved, by way of a written resolution or electronic consents, signed or otherwise approved by holders of the New Perpetual Securities representing no less than 75% of the outstanding principal amount of the New Perpetual Securities.</p>
Listing	Application will be made for the listing and quotation of the New Perpetual Securities on SGX-ST or another stock exchange with international standing.

**Governing Law and
Jurisdiction**

The New Perpetual Securities and the trust deed governing the New Perpetual Securities will be governed by and will be construed in accordance with the laws of Hong Kong.

Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Perpetual Securities and the trust deed governing the New Perpetual Securities.

Annex I
Guarantors

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- (3)
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[Redacted]

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Annex II

Specified Offshore Assets⁸

“Specified Offshore Assets” shall refer to the interests in the following assets or entities attributable to the Company as a direct or indirect shareholder of the offshore subsidiaries holding the interest in, as the case may be, (i) the limited partners of the relevant entities (in the case of a limited partnership or an investment fund), or (ii) the offshore entities holding the interest in the relevant companies or assets (in the case of a company or an asset):

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[Redacted]

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⁸ Subject to reasonable commercial adjustments and further details to be agreed in the long form documentation stage.

(20)

(21)

(22)

(23)

[Redacted]

(24)

(25)

(26)

Annex III
Specified Onshore Assets

(1)

(2)

(3)

[Redacted]

(4)

(5)

Annex IV

Other Major Receivables

(1)

(2)

[Redacted]

(3)

Annex V

Designated Offshore Assets for Credit Enhancement or Alternative Measures⁹

“Designated Offshore Assets” shall refer to the interests in the following assets or entities attributable to the Company as a direct or indirect shareholder of the offshore subsidiaries holding the interest in, as the case may be, (i) the limited partners of the relevant entities (in the case of a limited partnership or an investment fund), or (ii) the offshore entities holding the interest in the relevant companies or assets (in the case of a company or an asset):

(1)

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⁹ Subject to reasonable commercial adjustments and further details to be agreed in the long form documentation stage.

(20)

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(22)

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[Redacted]

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(26)