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**中泛控股有限公司**  
**CHINA OCEANWIDE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 715)

**PROPOSED CONTINUING CONNECTED TRANSACTIONS  
MASTER FRAMEWORK AGREEMENT FOR POSSIBLE SUBSCRIPTION  
OF CLASS A SHARES IN THE INVESTMENT FUND**

**INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD  
COMMITTEE AND THE INDEPENDENT SHAREHOLDERS**



**POSSIBLE SUBSCRIPTION OF CLASS A SHARES IN THE INVESTMENT FUND**

The Board is pleased to announce that on 22 September 2016 (after trading hours), China Oceanwide Capital Management, a direct wholly-owned subsidiary of the Company, entered into the Master Framework Agreement with the Manager, pursuant to which China Oceanwide Capital Management may subscribe for Class A Shares for the amounts of up to US\$30,000,000 (equivalent to approximately HK\$232.7 million) for the period from the Commencement Date to 31 December 2016 and up to US\$90,000,000 (equivalent to approximately HK\$698.0 million) for the period from 1 January 2017 to 31 December 2017.

**LISTING RULES IMPLICATIONS**

The Manager is an indirect wholly-owned subsidiary of China Oceanwide Holdings Group. As at the date of this announcement, China Oceanwide Holdings Group held approximately 66.59% of the Shenzhen Listco, which in turn wholly-owned Oceanwide International, and Oceanwide International held approximately 69.80% of the Company's issued share capital. Accordingly, the Manager is a connected person of the Company and the Subscription contemplated under the Master Framework Agreement will constitute continuing connected transaction(s) of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) for the Subscription contemplated under the Master Framework Agreement are more than 5%, the Subscription is subject to the requirements of reporting, annual review, announcement, circular and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

As such, the Master Framework Agreement and the Subscription are subject to the approval of the Independent Shareholders at the SGM on a vote to be taken by poll and on which Oceanwide International (the immediate controlling shareholder of the Company) and its associates shall abstain from voting.

Any Subscription which may be made during the CCT Relevant Periods will constitute a transaction as defined in Rule 14.04(1) of the Listing Rules and such Subscription may, on an aggregated basis, constitute a discloseable transaction or a major transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with any applicable requirements prescribed by the Listing Rules prevailing at the time for any Subscription to be made pursuant to the Master Framework Agreement during the CCT Relevant Periods.

### **SGM**

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Master Framework Agreement and the Subscription. Oceanwide International and its associates shall abstain from voting on the resolutions approving the Master Framework Agreement and the Subscription.

A circular containing, among other things: (i) details of the Master Framework Agreement and the Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Master Framework Agreement and the Subscription; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master Framework Agreement and the Subscription; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 12 October 2016.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders, and Investec has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Master Framework Agreement and the Subscription.

**As the Subscription is subject to the fulfilment or waiver of certain conditions precedent under the Master Framework Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

## **POSSIBLE SUBSCRIPTION OF CLASS A SHARES IN THE INVESTMENT FUND**

The Board is pleased to announce that on 22 September 2016 (after trading hours), China Oceanwide Capital Management, a direct wholly-owned subsidiary of the Company, entered into the Master Framework Agreement with the Manager, pursuant to which China Oceanwide Capital Management may subscribe for Class A Shares for the amounts of up to US\$30,000,000 (equivalent to approximately HK\$232.7 million) for the period from the Commencement Date to 31 December 2016 and up to US\$90,000,000 (equivalent to approximately HK\$698.0 million) for the period from 1 January 2017 to 31 December 2017.

### **THE MASTER FRAMEWORK AGREEMENT**

The principal terms of the Master Framework Agreement are summarised as follows:

#### **Date**

22 September 2016 (after trading hours)

#### **Parties**

- (i) China Oceanwide Capital Management, as the Subscriber; and
- (ii) China Oceanwide International Capital Management, as the Manager

The Manager is an indirect wholly-owned subsidiary of China Oceanwide Holdings Group. As at the date of this announcement, China Oceanwide Holdings Group held approximately 66.59% of the Shenzhen Listco, which in turn wholly-owned Oceanwide International, and Oceanwide International held approximately 69.80% of the Company's issued share capital.

### **PRINCIPAL TERMS OF THE SUBSCRIPTION**

#### **Subscription of Class A Shares**

For each Subscription of Class A Shares during the CCT Relevant Periods, China Oceanwide Capital Management will submit an application form to the Manager listing out the subscription details including but not limited to the number of Class A Shares to be subscribed and the net amount to be paid.

#### **Subscription price of Class A Shares**

The subscription price of Class A Shares is the initial offer price, being US\$100 (equivalent to approximately HK\$776) of each Class A Share or such other price as may be determined by the directors of the Investment Fund from time to time.

## **Proposed Annual Caps of the Subscription and basis of determination**

The proposed Annual Caps of the Subscription during the CCT Relevant Periods shall not exceed US\$30,000,000 (equivalent to approximately HK\$232.7 million) for the period from the Commencement Date to 31 December 2016 and US\$90,000,000 (equivalent to approximately HK\$698.0 million) for the period from 1 January 2017 to 31 December 2017.

The proposed Annual Caps were determined by the Board after due and careful consideration, having considered the investment objective and strategies of the Investment Fund, the expected returns, the business prospects of the Investment Fund, the proportion of the Subscription to the consolidated total assets of the Group, and the financial resources (including the facilities) available to the Group for investment purposes.

The Group intends to finance the Subscription entirely by its internal resources and/or other financing resources.

## **INFORMATION ON THE INVESTMENT FUND**

The Investment Fund is an exempted open-ended company incorporated in the Cayman Islands with limited liability. The Investment Fund was established to invest in a wide range of financial instruments, including equities, bonds, futures, options, forex, contract for difference, exchange-traded funds, mutual funds and metals. Since the Investment Fund was newly established, no financial information nor past performance of the Investment Fund is presented in this announcement.

### **Investment objective and strategy**

The investment objective of the Investment Fund is to make risk-adjusted and consistent investment returns by primarily investing in a portfolio consisting of stocks and bonds. The Investment Fund seeks to achieve its objective by utilising a multi-strategy approach using an extensive array of securities and strategies including equity long-short, global macro, event driven, tactical trading, relative value, market neutral and arbitrage, to maximise returns.

### **Investment policy**

In selecting investment opportunities for the Investment Fund, the Manager will focus on companies in attractive industries with sound businesses, solid management, compelling valuations, profitable business models, efficient capital allocation and/or which meet such other criteria for profitability as determined by the Manager from time to time. In order to maintain flexibility and to capitalise on investment opportunities as they arise, the Manager is not subject to any investment restrictions.

## **Management of the Investment Fund**

### ***Manager***

China Oceanwide International Capital Management, an indirect wholly-owned subsidiary of China Oceanwide Holdings Group, is the Manager of the Investment Fund. The Manager is an exempted company incorporated in the Cayman Islands with limited liability and is established specifically for the purposes of managing the investment, sale and reinvestment of the assets of the Investment Fund. The Manager has full discretionary investment management authority to invest, sell and reinvest the assets of the Investment Fund, subject to the overall control and supervision of the directors of the Investment Fund.

### ***Investment Adviser***

The Investment Adviser is primarily responsible for the provision of asset management services to the Manager for the Investment Fund. The founder and senior management of the Investment Adviser, being the founding partners and senior research analysts of several reputable global asset management companies, have over 20 years of professional experience in the financial markets.

To the best of the Directors' information, knowledge and belief, having made all reasonable enquiries, the Investment Adviser and other parties of the Investment Fund such as the administrator, the prime broker and their respective ultimate beneficial owners are independent third parties of and not connected with the Company and its connected persons.

## **Shareholding structure of the Investment Fund**

### ***Classes of Participating Shares***

The Investment Fund has three classes of Participating Shares, namely Class A Shares, class B shares and class C shares. All classes of Participating Shares are available for subscription by any person who is a professional investor under any applicable laws on the first business day of each month or such other day as prescribed by the directors of the Investment Fund.

Holders of Class A Shares and class B shares are entitled to a Fixed Return of 5% per annum based on their respective subscription prices, calculated and compounded on a monthly basis pursuant to the terms of the Investment Fund. Holders of class C shares are only entitled to a positive return if the total return of the Investment Fund is in excess of the Fixed Return allocable to holders of Class A Shares and class B shares.

## **Redemption of Class A Shares**

Holders of Class A Shares may redeem its Class A Shares at the applicable redemption price on the first business day in each month or such other day as prescribed by the directors of the Investment Fund. The redemption price of each Class A Share will be determined by reference to the Net Asset Value of Class A Shares on the last business day in each month or such other day as the directors of the Investment Fund prescribe at which such net asset value falls to be calculated.

On the first valuation of the Net Asset Value of Class A Shares immediately after the subscription, the Net Asset Value of Class A Shares shall be calculated by adding the Fixed Return to the subscription price (net of any subscription fees and bank charges). Thereafter, the Net Asset Value of Class A Shares shall be calculated by adding the Fixed Return to the Net Asset Value of Class A Shares on any previous valuation. Any shortfall of the Fixed Return shall be funded by holders of class C shares. Accordingly, subject to the default of the obligation by holders of class C shares to fund such shortfall, the redemption price of Class A Shares shall at least be equal to or greater than that of the subscription price. The directors of the Investment Fund are entitled to arrange for revaluation of Participating Shares (including Class A Shares) if they consider that the redemption price does not accurately reflect the true value of such Participating Shares.

## **Restriction on the Subscription**

The Subscription is subject to the terms and conditions of the private placing memorandum of the Investment Fund, which include a requirement that the total subscription of Class A Shares and class B shares of the Investment Fund by all the investors of the Investment Fund should not exceed 50% of the total subscription by all investors of all classes of Participating Shares.

## **REASONS FOR, AND BENEFITS OF, THE SUBSCRIPTION**

As set out in the Company's interim report for the six months ended 30 June 2016 issued on 12 September 2016, the Group is committed to strengthening and expanding its property investment, real estate development, energy, and finance investment and other segments to enhance the long-term return of the Shareholders. Given that the Group's real estate development and energy projects are in the design or construction stage and are expected to generate operating revenue earliest in 2018, the Board has been exploring various means to enhance the Group's profits. In consideration that the Subscription can generate stable and low-risk returns to the Group, the Board believes that the Subscription provides the Group with an excellent opportunity to enhance its revenue and is in line with the Group's intention to become a conglomerate. Furthermore, the Board (excluding the independent non-executive Directors who will be advised by the Independent Financial Adviser and whose views will be set out in the circular of the Company to be despatched to the Shareholders) considers that the entering into the Master Framework Agreement confers on the Group greater control of its liquidity.

The Investment Adviser has extensive expertise and experience in asset management of the investment industry. Although the Group will not be involved in the management and investment decision of the Investment Fund, the Board (excluding the independent non-executive Directors who will be advised by the Independent Financial Adviser and whose views will be set out in the circular of the Company to be despatched to the Shareholders) considers that the Subscription would allow the Group to leverage on the expertise and experience of the Investment Adviser, the network of the Manager and the resources of the Investment Fund to manage its potential investments, which the Board believes to be more efficient than the Group managing the investments itself.

In accordance with the private placing memorandum of the Investment Fund, the total subscription of Class A Shares and class B shares of the Investment Fund by all the investors of the Investment Fund should not exceed 50% of the total subscription by all investors of all classes of Participating Shares. This requirement can protect the safety of the Investment Fund to a certain extent.

On the basis of the foregoing, the Board (excluding the independent non-executive Directors who will be advised by the Independent Financial Adviser and whose views will be set out in the circular of the Company to be despatched to the Shareholders) considers that the terms of the Master Framework Agreement and the Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE SUBSCRIBER**

The Group is principally engaged in property investments in the PRC, real estate development in the US and the development in the energy sector in Indonesia, as well as finance investment and others.

The Subscriber, a direct wholly-owned subsidiary of the Company, is an investment holding company incorporated under the laws of the British Virgin Islands.

## **LISTING RULES IMPLICATIONS**

The Manager is an indirect wholly-owned subsidiary of China Oceanwide Holdings Group. As at the date of this announcement, China Oceanwide Holdings Group held approximately 66.59% of the Shenzhen Listco, which in turn wholly-owned Oceanwide International, and Oceanwide International held approximately 69.80% of the Company's issued share capital. Accordingly, the Manager is a connected person of the Company and the Subscription contemplated under the Master Framework Agreement will constitute continuing connected transaction(s) of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) for the Subscription contemplated under the Master Framework Agreement are more than 5%, the Subscription is subject to the requirements of reporting, annual review, announcement, circular and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

As such, the Master Framework Agreement and the Subscription are subject to the approval of the Independent Shareholders at the SGM on a vote to be taken by poll and on which Oceanwide International (the immediate controlling shareholder of the Company) and its associates shall abstain from voting.

Any Subscription which may be made during the CCT Relevant Periods will constitute a transaction as defined in Rule 14.04(1) of the Listing Rule and such Subscription may, on an aggregated basis, constitute a discloseable transaction or a major transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with any applicable requirements prescribed by the Listing Rules prevailing at the time for any Subscription made pursuant to the Master Framework Agreement during the CCT Relevant Periods.

## **SGM**

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Master Framework Agreement and the Subscription. Oceanwide International and its associates shall abstain from voting on the resolutions approving the Master Framework Agreement and the Subscription.

A circular containing, among other things: (i) details of the Master Framework Agreement and the Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Master Framework Agreement and the Subscription; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Master Framework Agreement and the Subscription; and (iv) a notice convening the SGM, will be despatched to the Shareholders on or before 12 October 2016.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders, and Investec has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Framework Agreement and the Subscription.

**As the Subscription is subject to the fulfilment or waiver of certain conditions precedent under the Master Framework Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Annual Caps”	US\$30,000,000 (equivalent to approximately HK\$232.7 million) for the period from the Commencement Date to 31 December 2016 and US\$90,000,000 (equivalent to approximately HK\$698.0 million) for the period from 1 January 2017 to 31 December 2017
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“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCT Approval”	the approval to be sought from the Independent Shareholders at the SGM in respect of the Master Framework Agreement and the Subscription
“CCT Relevant Periods”	the period from the Commencement Date to 31 December 2016 and the period from 1 January 2017 to 31 December 2017
“China Oceanwide Holdings Group”	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司), a company established with limited liability in the PRC and the controlling shareholder of the Company
“China Oceanwide Capital Management” or “Subscriber”	China Oceanwide Capital Management Limited (中泛資本管理有限公司), a company incorporated with limited liability in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Class A Shares”	the non-voting Participating Shares having a nominal value of US\$0.001 per share in the share capital of the Investment Fund with a Fixed Return
“Commencement Date”	the date on which the CCT Approval is obtained
“Company”	China Oceanwide Holdings Limited (中泛控股有限公司) (Stock Code: 715), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Fixed Return”	a fixed return of 5% per annum based on the subscription price of the respective Class A Shares and class B shares of the Investment Fund, calculated and compounded on a monthly basis pursuant to the terms of the Investment Fund
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. LIU Jipeng, Mr. CAI Hongping, Mr. YAN Fashan and Mr. LO Wa Kei, Roy, established to give a recommendation to the Independent Shareholders in respect of the Master Framework Agreement and the Subscription
“Independent Financial Adviser” or “Investec”	Investec Capital Asia Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Master Framework Agreement and the Subscription
“Independent Shareholders”	Shareholders other than Oceanwide International and its associates
“Indonesia”	the Republic of Indonesia
“Investment Adviser”	a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out type 9 (asset management) regulated activity and is the investment adviser of the Investment Fund
“Investment Fund”	China Oceanwide International Feeder Ocean, an exempted open-ended company incorporated in the Cayman Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	China Oceanwide International Capital Management, an indirect wholly-owned subsidiary of China Oceanwide Holdings Group
“Master Framework Agreement”	the conditional master framework agreement dated 22 September 2016 entered into between China Oceanwide Capital Management and the Manager in relation to the Subscription

“Net Asset Value of Class A Shares”	the net asset value of Class A Shares to be determined on the last business day in each month or such other day as the directors of the Investment Fund prescribe at which such net asset value falls to be calculated
“Oceanwide International”	Oceanwide Holdings International Co., Ltd (泛海控股國際有限公司), a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Shenzhen Listco and the immediate controlling shareholder of the Company
“Participating Share(s)”	non-voting share(s) having a nominal value of US\$0.001 in the share capital of the Investment Fund
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, to approve the Master Framework Agreement and the Subscription
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Listco”	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司) (Stock Code: 000046), a joint stock company established in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription(s) of Class A Shares which may be made by China Oceanwide Capital Management for an aggregate amount of up to US\$120,000,000 (equivalent to approximately HK\$930.6 million) during the CCT Relevant Periods pursuant to the Master Framework Agreement
“US”	the United States of America

“US\$” US dollars, the lawful currency of the US

“%” per cent.

By Order of the Board of  
**China Oceanwide Holdings Limited**  
**HAN Xiaosheng**  
*Chairman*

Hong Kong, 22 September 2016

As at the date of this announcement, the Directors are:

*Executive Directors:*

Mr. HAN Xiaosheng (*Chairman*)  
Mr. LIU Bing  
Mr. LIU Hongwei  
Mr. LIU Guosheng

*Non-executive Directors:*

Mr. QIN Dingguo (*Deputy Chairman*)  
Mr. ZHENG Dong (*Deputy Chairman*)  
Mr. ZHAO Yingwei  
Mr. QI Zixin

*Independent Non-executive Directors:*

Mr. LIU Jipeng  
Mr. CAI Hongping  
Mr. YAN Fashan  
Mr. LO Wa Kei, Roy

*For illustration purpose only, conversions of US\$ to HK\$ in this announcement are based on the exchange rate of US\$1.00 = HK\$7.7553. No representation is made that the US dollar amount could actually be converted into Hong Kong dollars, or the Hong Kong dollar amount could actually be converted into US dollars, at the above rate or any other rates at all.*

\* *For identification purpose only*