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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)**

**CONTINUING CONNECTED TRANSACTION  
RENEWAL OF LOAN AGREEMENT**

**Independent Financial Adviser to  
the Independent Board Committee and  
the Independent Shareholders**



**SOMERLEY CAPITAL LIMITED**

**RENEWAL OF LOAN AGREEMENT**

The Loan Agreement entered into between China Oceanwide Power (as lender) and GSG (as borrower) for the provision of funds to GSG to make its capital contribution into PT Mabar will expire on 14 May 2017. In order to continue facilitating the maintenance of liquidity of PT Mabar, China Oceanwide Power (as lender) and GSG (as borrower) entered into the Supplemental Agreement on 12 May 2017 to renew the Loan Agreement for a term commencing from the Effective Date and expiring on 31 December 2019, and to revise the existing annual caps under the Loan Agreement.

## **LISTING RULES IMPLICATIONS**

The Loan Transaction only became a continuing connected transaction of the Company under Chapter 14A of the Listing Rules upon completion of the acquisition of China Oceanwide Power on 28 December 2015. China Oceanwide Power and GSG entered into the supplemental loan agreement on 30 December 2015 to revise the term of the Loan Agreement to three years and to set the annual caps for each of the periods from 2015 to 2017. For details, please refer to the circular of the Company dated 25 September 2015 and the announcements of the Company dated 28 December 2015 and 30 December 2015.

On 1 October 2016, GSG executed the Undertaking Letter in favour of China Oceanwide Power in relation to, among others, the discharge of the GSG Share Pledge. Upon the discharge of the GSG Share Pledge, the Loan Transaction is no longer on normal commercial terms or better and in the ordinary and usual course of business, and exempted under Rule 14A.101 of the Listing Rules. For details, please refer to the announcement of the Company dated 4 July 2016 and the circular of the Company dated 14 October 2016.

As at the date of this announcement, PT Mabar is owned as to 60% by China Oceanwide Power, 20% by Shanghai Electric Power Construction Co., Ltd\* (上海電力建設有限責任公司), and 20% by GSG. PT Mabar is an indirect non wholly-owned subsidiary of the Company, and GSG, as a substantial shareholder of PT Mabar, is therefore a connected person of the Company at the subsidiary level. Therefore, the transaction contemplated under the Supplemental Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps is more than 5%, the transaction contemplated under the Supplemental Agreement and the Proposed Annual Caps are subject to announcement, circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **WRITTEN APPROVAL**

An application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to convene a special general meeting (the "SGM") under Rule 14A.37 of the Listing Rules on the basis that: (i) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Supplemental Agreement and the transaction contemplated thereunder, and no Shareholder is required to abstain from voting if the SGM of the Company was convened to approve the entering into the Supplemental Agreement and the Proposed Annual Caps; and (ii) a written approval by Oceanwide Holdings International which holds 11,267,476,178 Shares, representing approximately 69.80% of the total issued share capital of the Company as at the date of this announcement, has been obtained by the Company for entering into the Supplemental Agreement and the Proposed Annual Caps in lieu of convening the SGM.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to give recommendation to the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps taking into consideration of the advice to be given by the Independent Financial Adviser. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **CIRCULAR**

A circular containing, among other things: (i) details of the Supplemental Agreement and the Proposed Annual Caps; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps; and (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps, will be despatched to the Shareholders on or before 3 June 2017.

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 30 December 2015 and 4 July 2016, and the circulars of the Company dated 25 September 2015 and 14 October 2016 in relation to, among others, the Loan Transaction and the discharge of the GSG Share Pledge.

The Loan Agreement entered into between China Oceanwide Power (as lender) and GSG (as borrower) for the provision of funds to GSG to make its capital contribution into PT Mabar will expire on 14 May 2017. In order to continue facilitating the maintenance of liquidity of PT Mabar, China Oceanwide Power and GSG entered into the Supplemental Agreement on 12 May 2017 to renew the Loan Agreement for a term commencing from the Effective Date and expiring on 31 December 2019, and to revise the existing annual caps under the Loan Agreement.

## **THE SUPPLEMENTAL AGREEMENT**

The principal terms of the Supplemental Agreement are summarised as follows:–

### **Date**

12 May 2017

### **Parties**

- (i) China Oceanwide Power (as lender); and
- (ii) GSG (as borrower)

As at the date of this announcement, PT Mabar is owned as to 60% by China Oceanwide Power, 20% by Shanghai Electric Power Construction Co., Ltd\* (上海電力建設有限責任公司), and 20% by GSG. PT Mabar is an indirect non wholly-owned subsidiary of the Company, and GSG, as a substantial shareholder of PT Mabar, is therefore a connected person of the Company at the subsidiary level.

### **Term**

From the Effective Date to 31 December 2019.

### **Annual interest rate**

The annual interest rate of the Loan is based on the project financing interest rate and costs (including LIBOR plus margin, commitment fee, upfront fee, bank advisory fee, agency fee, legal fee and hedge fee related to the senior facility loan, approved by the board of commissioners and/or the shareholders of PT Mabar) of the Coal-Power Project.

### **Pledged Shares**

The Pledged Shares shall be immediately released and re-pledged to China Oceanwide Power after PT Mabar has fully settled the banking facilities under the Facility Agreement, according to the Undertaking Letter, and such pledge shall be discharged proportionally in accordance with the repayments of the Loan by GSG to China Oceanwide Power which shall remain in full force and valid until all outstanding principal and interest have been paid off by GSG.

## Repayment of the Loan

GSG shall repay the Loan with 70% of each dividend distribution (set and declared by the resolution of shareholders meeting of PT Mabar) it receives from its equity interest in PT Mabar.

## Annual Caps

### *Proposed Annual Caps*

The Proposed Annual Caps under the Supplemental Agreement from the Effective Date to 31 December 2017 and for the two years ending 31 December 2019 are set out as follows:

	<b>From the Effective Date to 31 December 2017 US\$</b>	<b>For the year ending 31 December 2018 US\$</b>	<b>For the year ending 31 December 2019 US\$</b>
Proposed Annual Caps	33,500,000 (equivalent to approximately HK\$260.9 million)	35,500,000 (equivalent to approximately HK\$276.5 million)	37,500,000 (equivalent to approximately HK\$292.1 million)

The Proposed Annual Caps were determined with reference to (i) the historical transaction amounts under the Loan Agreement; (ii) the principal amount of the Loan and the annual interest rate under the Supplemental Agreement; and (iii) the assumption that GSG will borrow up to US\$28,353,000 (equivalent to approximately HK\$220.8 million) for each of the above periods.

Save as the above amendments, all other terms of the Loan Agreement and the Undertaking Letter shall remain unchanged and continue in full force and effect.

### **Existing Annual Caps and Historical Transaction Amounts**

The existing annual caps under the Loan Agreement for the year ended 31 December 2016 and for the period from 1 January 2017 to 14 May 2017 are set out as follows:

	<b>For the year ended 31 December 2016 US\$</b>	<b>For the period from 1 January 2017 to 14 May 2017 US\$</b>
Existing annual caps	31,500,000 (equivalent to approximately HK\$245.3 million)	32,500,000 (equivalent to approximately HK\$253.1 million)

The existing annual caps for the year ended 31 December 2016 and for the period from 1 January 2017 to 14 May 2017 were determined with reference to the principal amount of the Loan and based on the assumption that GSG would borrow up to US\$28,353,000 (equivalent to approximately HK\$220.8 million) for each of the above periods.

The historical transaction amounts under the Loan Agreement for the year ended 31 December 2016 and for the period from 1 January 2017 up to 30 April 2017 were as follows:

	<b>For the year ended 31 December 2016 US\$</b>	<b>For the period from 1 January 2017 up to 30 April 2017 US\$</b>
Historical transaction amounts	31,063,000 (equivalent to approximately HK\$241.9 million)	31,716,000 (equivalent to approximately HK\$247.0 million)

*Note:*

The above historical transaction amounts are undiscounted contractual amounts and different from the discounted amounts as disclosed in the Company's 2016 annual report. The differences are solely attributable to the impact of financial discounting after taking into account the proposed repayment schedule of the Loan and accrued interests.

## **INFORMATION ON THE GROUP AND PARTIES TO THE SUPPLEMENTAL AGREEMENT**

The Group is principally engaged in property investments in the PRC, real estate development in the US and operation of power plants in Indonesia, as well as finance investment and others.

China Oceanwide Power, an indirectly wholly-owned subsidiary of the Company, is principally engaged in investment holding. The only investment of China Oceanwide Power is its 60% equity interest in PT Mabar. PT Mabar is a project company incorporated in Indonesia for the purpose of engaging in the construction and operation of the Coal-Power Project in Indonesia.

GSG is a company incorporated in Indonesia which holds 20% in PT Mabar, and is owned as to 35% by Mr. Paulus Japutra, 25% by Mr. Isra Darma, 20% by Mr. Yoseph Domitri Asido and 20% by Mr. Warno. It is principally engaged in construction, trading and management consultancy services.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

The terms of the Supplemental Agreement were arrived at after arm's length negotiations between the Group and GSG in order to provide GSG with funds to make capital contributions into PT Mabar according to its 20% shareholding in PT Mabar for the development of the Coal-Power Project. It is in the interests of the Company and the Shareholders as a whole to proceed with the development of the Coal-Power Project. The Loan Agreement has facilitated, and the Supplemental Agreement will continue facilitating the maintenance of liquidity of PT Mabar.

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 Supplemental Agreement (including the Proposed Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Loan Transaction only became a continuing connected transaction of the Company under Chapter 14A of the Listing Rules upon completion of the acquisition of China Oceanwide Power on 28 December 2015. China Oceanwide Power and GSG entered into the supplemental loan agreement on 30 December 2015 to revise the term of the Loan Agreement to three years and to set the annual caps for each of the periods from 2015 to 2017. For details, please refer to the circular of the Company dated 25 September 2015 and the announcements of the Company dated 28 December 2015 and 30 December 2015.

On 1 October 2016, GSG executed the Undertaking Letter in favour of China Oceanwide Power in relation to, among others, the discharge of the GSG Share Pledge. Upon the discharge of the GSG Share Pledge, the Loan Transaction is no longer on normal commercial terms or better and in the ordinary and usual course of business, and exempted under Rule 14A.101 of the Listing Rules. For details, please refer to the announcement of the Company dated 4 July 2016 and the circular of the Company dated 14 October 2016.

As at the date of this announcement, PT Mabar is owned as to 60% by China Oceanwide Power, 20% by Shanghai Electric Power Construction Co., Ltd\* (上海電力建設有限責任公司), and 20% by GSG. PT Mabar is an indirect non wholly-owned subsidiary of the Company, and GSG, as a substantial shareholder of PT Mabar, is therefore a connected person of the Company at the subsidiary level. Therefore, the transaction contemplated under the Supplemental Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps is more than 5%, the transaction contemplated under the Supplemental Agreement and the Proposed Annual Caps are subject to announcement, circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **WRITTEN APPROVAL**

An application has been made by the Company to the Stock Exchange for a waiver from the requirement for the Company to convene a special general meeting (the "SGM") under Rule 14A.37 of the Listing Rules on the basis that: (i) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Supplemental Agreement and the transaction contemplated thereunder, and no Shareholder is required to abstain from voting if the SGM of the Company was convened to approve the entering into the Supplemental Agreement and the Proposed Annual Caps; and (ii) a written approval by Oceanwide Holdings International which holds 11,267,476,178 Shares, representing approximately 69.80% of the total issued share capital of the Company as at the date of this announcement, has been obtained by the Company for entering into the Supplemental Agreement and the Proposed Annual Caps in lieu of convening the SGM.



## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to give recommendation to the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps taking into consideration of the advice to be given by the Independent Financial Adviser. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **CIRCULAR**

A circular containing, among other things: (i) details of the Supplemental Agreement and the Proposed Annual Caps; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps; and (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps, will be despatched to the Shareholders on or before 3 June 2017.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“China Oceanwide Power”	China Oceanwide Power Co., Limited (中國泛海電力有限公司), previously known as China Oceanwide Green Energy International Investment Co., Limited (中國泛海綠能國際投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Coal-Power Project”	the construction of two coal fuel steam power plants by PT Mabar with a net capacity of 150 MWs each in the Medan industrial area in Indonesia
“Company”	China Oceanwide Holdings Limited (中泛控股有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 715)

“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the Supplemental Agreement which shall be the date of obtaining all necessary approvals for entering into the Supplemental Agreement
“Facility Agreement”	a facility agreement dated 30 June 2016 entered into between PT Mabar (as borrower), a syndicate of financial institutions (as lenders) and certain parties including the facility agent, the mandated lead arrangers and the security agents in relation to the provision of the banking facilities in an aggregate amount of US\$441,593,998 (equivalent to HK\$3,439.4 million)
“Group”	the Company and its subsidiaries
“GSG”	PT. Garda Sayap Garuda, a company incorporated in Indonesia which holds 20% of the total issued shares of PT Mabar
“GSG Share Pledge”	the 20% of the total issued shares in PT Mabar held by GSG and pledged by GSG in favour of China Oceanwide Power as security for the Loan Transaction
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	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 Messrs. LIU Jipeng, CAI Hongping, YAN Fashan and LO Wa Kei, Roy, established to give recommendation to the Independent Shareholders in relation to the entering into the Supplemental Agreement and the Proposed Annual Caps

“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the entering into the Supplemental Agreement and the Proposed Annual Caps
“Independent Shareholders”	Shareholders who are not required to abstain from voting under the Listing Rules to approve the entering into the Supplemental Agreement and the Proposed Annual Caps
“LIBOR”	the London interbank offered rate administered by the ICE Benchmark Administration Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan for a principal amount of US\$28,353,000 (equivalent to HK\$220.8 million) made available by China Oceanwide Power to GSG under the Loan Agreement
“Loan Agreement”	a loan agreement dated 14 May 2014 (as supplemented by the supplemental loan agreement dated 30 December 2015) entered into between China Oceanwide Power and GSG in respect of the Loan
“Loan Transaction”	the transaction contemplated under the Loan Agreement
“MW”	megawatt or one million watts
“Oceanwide Holdings 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 Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司) and the immediate controlling shareholder of the Company
“percentage ratio(s)”	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction

“Pledged Shares”	20% of the total issued shares in PT Mababar pledged by GSG to those financial institutions under the Term Loan Facility
“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
“Proposed Annual Caps”	the maximum amount of the Loan outstanding of US\$33,500,000 (equivalent to approximately HK\$260.9 million) for the period from the Effective Date to 31 December 2017, US\$35,500,000 (equivalent to approximately HK\$276.5 million) for the period from 1 January 2018 to 31 December 2018 and US\$37,500,000 (equivalent to approximately HK\$292.1 million) for the period from 1 January 2019 to 31 December 2019
“PT Mababar”	PT. Mababar Elektrindo, a company incorporated in Indonesia with limited liability, which is held as to 60% by China Oceanwide Power, 20% by GSG and 20% by Shanghai Electric Power Construction Co., Ltd* (上海電力建設有限責任公司)
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 12 May 2017 entered into between China Oceanwide Power and GSG in relation to the renewal of the Loan Agreement for a term commencing from the Effective Date and expiring on 31 December 2019 and the Proposed Annual Caps
“Term Loan Facility”	a term loan facility in an aggregate amount of US\$410,000,000 (equivalent to approximately HK\$3,193.4 million) as part of the banking facilities under the Facility Agreement

“Undertaking Letter”	an undertaking letter executed by GSG in favour of China Oceanwide Power on 1 October 2016 in relation to, among others, the discharge of the GSG Share Pledge according to the terms therein
“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, 12 May 2017

As at the date of this announcement, the Board comprises:

***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

*Conversions of US\$ into HK\$ in this announcement are based on the exchange rate of US\$1.00 = HK\$7.7887 for illustration purpose only. No representation is made that any amounts in US\$ or HK\$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.*

\* *For identification purpose only*