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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 TRANSACTIONS LEASE AGREEMENT

LEASE AGREEMENT

On 6 September 2019, Oceanwide Shen Gang entered into the Lease Agreement with Tohigh Property, pursuant to which Oceanwide Shen Gang agreed to lease the Property to Tohigh Property for a term of 36 months from 1 September 2019 to 31 August 2022.

LISTING RULES IMPLICATIONS

Oceanwide Shen Gang is an indirect wholly-owned subsidiary of the Company. As Tohigh Holdings is a controlling shareholder of the Company and Tohigh Property is an indirect wholly-owned subsidiary of Tohigh Holdings, Tohigh Property is a connected person of the Company and the transactions contemplated under the Lease Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Annual Caps for the Lease Agreement are more than 0.1% but less than 5%, the Lease Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

LEASE AGREEMENT

On 6 September 2019, Oceanwide Shen Gang entered into the Lease Agreement with Tohigh Property, pursuant to which Oceanwide Shen Gang agreed to lease the Property to Tohigh Property. The principal terms of the Lease Agreement are summarized as follows:

Date:	6 September 2019
Parties:	Oceanwide Shen Gang, as lessor Tohigh Property, as lessee
The Property:	The office premises and facilities located at Units 01-05, 24/F, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Shanghai, the PRC, with a rental area of 1,268.59 square metres
Usage:	Office premises
Term:	36 months, commencing from 1 September 2019 and ending on 31 August 2022
Deposit:	On (i) the date of the Lease Agreement; or (ii) the Scheduled Delivery Date, whichever is earlier, Tohigh Property shall pay Oceanwide Shen Gang RMB954,674.37 (equivalent to 3 months' rent and management fees) as deposit for securing the performance of the obligations of Tohigh Property under the Lease Agreement.
Monthly rent:	(i) Tohigh Property shall be entitled to a 2-month rent-free period from the delivery date of the Property. Rent-free period shall be from 1 September 2019 to 31 October 2019; (ii) the monthly rent shall be RMB280,167.09 (equivalent to approximately HK\$0.3 million) from 1 November 2019 to 31 August 2021; and (iii) the monthly rent shall be RMB294,445.57 (equivalent to approximately HK\$0.3 million) from 1 September 2021 to 31 August 2022.
Transfer of lease:	Tohigh Property shall not transfer the lease, or sub-let the Property to any third party, without Oceanwide Shen Gang's prior written consent.

ANNUAL CAPS IN RESPECT OF THE LEASE AGREEMENT

The following table sets out the Annual Cap in respect of the transactions contemplated under the Lease Agreement for each of the years ending 31 December 2019, 2020, 2021 and 2022:

	For the year ending 31 December 2019 (RMB)	For the year ending 31 December 2020 (RMB)	For the year ending 31 December 2021 (RMB)	For the year ending 31 December 2022 (RMB)
Annual Cap	1,600,000 ^{Note 1} (equivalent approximately HK\$1.8 million)	3,400,000 (equivalent approximately HK\$3.8 million)	3,500,000 (equivalent approximately HK\$3.9 million)	2,400,000 ^{Note 2} (equivalent approximately HK\$2.7 million)

Notes:

1. The Annual Cap for the year ending 31 December 2019 is estimated on (i) the assumption that the term of the lease contemplated under the Lease Agreement was commenced on 1 September 2019 with 2-month rent-free period from 1 September 2019 to 31 October 2019; and (ii) taking into account the Deposit payable by Tohigh Property to Oceanwide Shen Gang under the Lease Agreement.
2. The Annual Cap for the year ending 31 December 2022 is estimated on the assumption that the term of the lease contemplated under the Lease Agreement will end on 31 August 2022.

Each of the Annual Caps is determined based on the monthly rent payable by Tohigh Property to Oceanwide Shen Gang under the Lease Agreement in each financial year. In addition, buffer has been reserved in the Annual Caps for contingencies.

The rent payable by Tohigh Property under the Lease Agreement was determined after arm's length negotiations between the parties with reference to the monthly rental level surrounding properties in Shanghai, the PRC.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LEASE AGREEMENT

The Property is located in central business district of Puxi, Shanghai in the PRC. The Group engages in property investments in the PRC and holds the Property as long-term investment. The entering into of the Lease Agreement will generate a stable rental income for the Group.

The Directors (including the independent non-executive Directors) are of the view that the Lease Agreement and the transactions contemplated thereunder are on normal commercial terms and are entered into in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the Lease Agreement and the Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND OCEANWIDE SHEN GANG

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

Oceanwide Shen Gang is a company established in the PRC, which is principally engaged in the renting and leasing of the Property in the PRC.

INFORMATION ON TOHIGH PROPERTY

Tohigh Property is a company established in the PRC, which is an indirect wholly-owned subsidiary of Tohigh Holdings. Tohigh Property is principally engaged in property investment and asset management.

LISTING RULES IMPLICATIONS

Oceanwide Shen Gang is an indirect wholly-owned subsidiary of the Company. As Tohigh Holdings is a controlling shareholder of the Company and Tohigh Property is, in turn, an indirect wholly-owned subsidiary of Tohigh Holdings, Tohigh Property is a connected person of the Company and the transactions contemplated under the Lease Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Annual Caps for the Lease Agreement are more than 0.1% but less than 5%, the Lease Agreement is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

No Director has material interest in the Lease Agreement and the transactions contemplated thereunder. However, as (i) Mr. Liu Bing, an executive Director, is also a supervisor of Tohigh Property; (ii) Mr. Zhao Yingwei, a non-executive Director, is also a chairman of the supervisory committee of Tohigh Property; and (iii) Mr. Liu Guosheng, an executive Director, is also a director of the Property Manager to which management fee is payable by Tohigh Property under the Lease Agreement, they have voluntarily abstained from voting on the Board resolutions approving the Lease Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Annual Cap”	the maximum aggregate annual value for the transactions contemplated under the Lease Agreement
“Board”	the board of directors of the Company
“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”	has the meaning ascribed to it under the Listing Rules
“Deposit”	the deposit in the amount of RMB954,674.37 (equivalent to approximately HK\$1.0 million and equivalent to 3 months’ rent and management fees) payable by Tohigh Property to Oceanwide Shen Gang for securing the performance of the obligations of Tohigh Property under the Lease Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Lease Agreement”	the lease agreement dated 6 September 2019 entered into between Oceanwide Shen Gang and Tohigh Property in relation to the lease of the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Oceanwide Shen Gang”	泛海申港資產經營(上海)有限公司 (Oceanwide Shen Gang Asset Operation (Shanghai) Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Property”	Units 01-05, 24/F, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Shanghai, the PRC
“Property Manager”	泛海物業管理有限公司上海分公司 (Shanghai branch of Oceanwide Property Management Co., Ltd.*), the current manager of the Property and a non-wholly owned subsidiary of 泛海控股股份有限公司(Oceanwide Holdings Co., Ltd.)*(Stock Code: 000046), a joint stock company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange and a controlling shareholder of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Scheduled Delivery Date”	the delivery date of the Property, as determined under the Lease Agreement, which is confirmed by both Oceanwide Shen Gang and Tohigh Property
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tohigh Holdings”	通海控股有限公司 (Tohigh Holdings Co., Ltd.*), a company established in the PRC and a controlling shareholder of the Company

“Tohigh Property”

通海置業投資管理有限公司 (Tohigh Property Investment Management Co., Ltd.*), a company established in the PRC and an indirect wholly-owned subsidiary of Tohigh Holdings.

“%”

per cent

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

Hong Kong, 6 September 2019

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

Executive Directors:

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

Non-executive Director:

Mr. ZHAO Yingwei

Independent Non-executive Directors:

Mr. LIU Jipeng
Mr. YAN Fashan
Mr. LO Wa Kei Roy

Unless otherwise specified, in this announcement, conversions of RMB into HK\$ are based on the exchange rate of RMB1.00 = HK\$1.0967 for illustration purpose only. No representation is made that any amounts in RMB 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