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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 SUPPLEMENTAL LEASE AGREEMENT

On 11 October 2019, Oceanwide Shen Gang entered into the Supplemental Lease Agreement with Tohigh Property, pursuant to which Oceanwide Shen Gang agreed to lease the Temporary Property to Tohigh Property for its temporary use pending the completion of the renovation of the Property under the Lease Agreement, for a term of 3 months 13 days from 18 September 2019 to 31 December 2019.

Reference is made to the Announcement. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL LEASE AGREEMENT

On 11 October 2019, Oceanwide Shen Gang entered into the Supplemental Lease Agreement with Tohigh Property, pursuant to which Oceanwide Shen Gang agreed to lease the Temporary Property to Tohigh Property for its temporary use pending the completion of the renovation of the Property under the Lease Agreement, for a term of 3 months 13 days from 18 September 2019 to 31 December 2019.

The principal terms of the Supplemental Lease Agreement are summarized as follows:

- Date** : 11 October 2019
- Parties** : Oceanwide Shen Gang, as lessor
: Tohigh Property, as lessee
- Temporary Property** : The office premises and facilities located at Units 01-02, 28/F, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Shanghai, the PRC, with a rental area of 507.25 square metres
- Usage** : Office premises
- Term** : 3 months 13 days, commencing from 18 September 2019 and ending on 31 December 2019
- Deposit** : No deposit is payable
- Monthly rent** : RMB112,025.76 (equivalent to approximately HK\$0.12 million)
- Payment terms** : (i) Tohigh Property shall pay RMB224,051.52 being 2 months of rent on or before the scheduled delivery date (equivalent to approximately HK\$0.25 million);

(ii) Tohigh Property shall pay the balance of RMB161.446.72 on or before 18 November 2019 (equivalent to approximately to HK\$0.18 million)
- Management fee** : Tohigh Property shall pay to the Property Manager property management fee in the amount of RMB15,217.50 per month (equivalent to approximately HK\$0.02 million). (where the first month is not a full month, the management fee to be paid in respect of such first month shall be calculated on a pro rata basis.)
- Transfer of lease** : Tohigh Property shall not transfer the lease or sub-let the Temporary Property to any third party, without Oceanwide Shen Gang's prior written consent

ANNUAL CAPS IN RESPECT OF THE SUPPLEMENTAL LEASE AGREEMENT

Given the Supplemental Lease Agreement serves as a temporary basis, the rent under which shall be included in the Annual Cap for the year ending 31 December 2019. The following table sets out the Revised Annual Cap in respect of the transactions contemplated under the Lease Agreement (as supplemented by the Supplemental 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	2,000,000 ^(Note 1) (equivalent to approximately HK\$2.3 million)	3,400,000 (equivalent to approximately HK\$3.8 million)	3,500,000 (equivalent to approximately HK\$3.9 million)	2,400,000 ^(Note 2) (equivalent to approximately HK\$2.7 million)

Notes:

- The Annual Cap for the year ending 31 December 2019 is estimated (i) taking into account the Deposit payable by Tohigh Property to Oceanwide Shen Gang under the Lease Agreement; and (ii) on the assumption that the term of the lease contemplated under (a) the Lease Agreement was commenced on 1 September 2019 with 2-month rent-free period from 1 September 2019 to 31 October 2019; and (b) the Supplemental Lease Agreement was commenced on 18 September 2019 to 31 December 2019.
- 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 by aggregating the monthly rental payable by Tohigh Property to Oceanwide Shen Gang under the Lease Agreement and the Supplemental 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 (as supplemented by the Supplemental Lease Agreement) was determined after arm's length negotiations between the parties with reference to the monthly rental of those entered into by third party tenants occupying surrounding properties in Shanghai, the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL LEASE AGREEMENT

The Temporary Property is located at few floors above the Property and is served as temporary office of Tohigh Property pending completion of the renovation of the Property.

The Directors (including the independent non-executive Directors) are of the view that the Supplemental 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 Supplemental Lease Agreement and the Revised 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 (as supplemented by the Supplemental Lease Agreement) constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) in respect of the Annual Caps for the Lease Agreement (as supplemented by the Supplemental 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 (as supplemented by the Supplemental 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 the 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 (as supplemented by the Supplemental Lease Agreement) and the transactions contemplated thereunder.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 6 September 2019 in relation to the Lease Agreement
“Revised Annual Cap”	the revised maximum aggregate annual value for the transactions contemplated under the Lease Agreement (as supplemented by the Supplemental Lease Agreement)
“Supplemental Lease Agreement”	the supplemental lease agreement dated 11 October 2019 entered into between Oceanwide Shen Gang and Tohigh Property in relation to the lease of the Temporary Property
“Temporary Property”	Units 01-02, 28/F, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Shanghai, the PRC

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

Hong Kong, 11 October 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\$1.1038 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.