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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)

INSIDE INFORMATION

APPOINTMENT OF RECEIVERS OVER THE SHARES OF A DIRECT WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

This announcement is made by China Oceanwide Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a), Rule 13.19 and Rule 13.25(1)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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).

The Group issued certain notes (the “**Notes**”) pursuant to a subscription agreement dated 6 November 2019 and entered into among, inter alia, the Company (as parent guarantor in respect of the Notes), China Oceanwide Real Estate Development Holdings Limited (“**COREDHL**”), a direct wholly-owned subsidiary of the Company (as the issuer of the Notes) and Haitong International Securities Company Limited (“**Haitong**”) (as the agent and security agent of the Notes) (as amended on 29 March 2021 by an amendment agreement) (the “**Subscription Agreement**”). The Notes have been secured by, inter alia, (i) a share charge dated 6 November 2019 and entered into by the Company and Haitong over all of the issued shares of COREDHL (as supplemented by a deed of confirmation executed on 29 March 2021); and (ii) a share charge dated 6 November 2019 and entered into by COREDHL and Haitong over all of the issued shares of each of China Oceanwide Real Estate Development II Limited, China Oceanwide Real Estate Development IV Limited and China Oceanwide Real Estate Development V Limited (as supplemented by a deed of confirmation executed on 29 March 2021) (collectively, the “**Share Charges**”). Each of China Oceanwide Real Estate Development II Limited, China Oceanwide Real Estate Development IV Limited and China Oceanwide Real Estate Development V Limited is a direct wholly-owned subsidiary of COREDHL.

As at the date of this announcement, the outstanding principal amount of the Notes is US\$160.23 million.

On 22 June 2021 (Hawaii time)/22 June 2021 (Hong Kong time), Ko Olina Community Association, Inc. ("**KOCA**") and Ko Olina Resort Operations Association, Inc. (together with KOCA, the "**Associations**") commenced judicial foreclosure proceedings (the "**Foreclosure Proceedings**") against Oceanwide Resort HI LLC ("**ORH**"), Oceanwide Resort Paradise HI LLC ("**ORPH**") and Haitong to foreclose on certain properties (the "**Relevant Properties**") owned by ORH and ORPH and encumbered by Haitong as security under the Notes. Each of ORH and ORPH is an indirect wholly-owned subsidiary of COREDHL and therefore an indirect wholly-owned subsidiary of the Company. The Foreclosure Proceedings arose as a result of ORH and ORPH's failure to pay association assessments (administrative fees similar to management fee payable by property owners in Hong Kong) in the amount of US\$1,966,419.60 (the "**Association Assessments**"). As at the date of this announcement, the Associations, ORH and ORPH have reached an agreement and the Association Assessments have been partially repaid with an agreed timeline for full repayment and therefore the Associations agreed to stay the Foreclosure Proceedings.

On 15 July 2021, COREDHL received a repayment notice from the holder of all of the Notes, specifying that an event of default has occurred as a result of non-payment of interest under the Notes and demanding that the principal amount and all outstanding interest under the Notes be immediately repaid. On 20 July 2021, COREDHL received a further repayment notice from Haitong, specifying, inter alia, that the abovementioned event of default is continuing and demanding that the principal amount, the accrued interest, default interest and all other amounts accrued or outstanding under the Notes be immediately repaid in full. On 30 July 2021, the Company was informed by Vistra (BVI) Limited (the "**Registered Agent**"), who was acting in the capacity as the registered agent of COREDHL, that the Registered Agent received letters from FTI Consulting (BVI) Limited on 28 July 2021, informing the Registered Agent that (among other things):

- (1) John David Ayres of FTI Consulting (BVI) Limited and Chow Wai Shing Daniel and Kenneth Fung of FTI Consulting (Hong Kong) Limited (together, the "**Receivers**" and each a "**Receiver**") had been appointed by Haitong as receivers over all of the issued shares of COREDHL, and the Receivers (acting jointly and severally) shall have all and may exercise all powers and authorities conferred (i) by the Subscription Agreement, (ii) by the Share Charge and (iii) by statute and otherwise (the appointment of the Receivers as such being the "**Receivership**"); and
- (2) Pursuant to the Share Charges, a new director was appointed to replace the existing directors in each of COREDHL, China Oceanwide Real Estate Development II Limited, China Oceanwide Real Estate Development IV Limited and China Oceanwide Real Estate Development V Limited.

On 5 October 2021 (Hawaii time)/6 October 2021 (Hong Kong time), Haitong filed (i) counter-claims against COREDHL, the Associations, and Oceanwide Resort Community HI LLC (an indirect wholly-owned subsidiary of COREDHL and therefore an indirect wholly-owned subsidiary of the Company, the “**ORCH**”) and (ii) counter- and cross-claims against ORH and ORPH in the Foreclosure Proceedings:

1. to foreclose on the Notes and have the Relevant Properties and all the Hawaii properties owned by ORCH sold to satisfy the principal amount of US\$160,229,537.61 plus any interests, attorneys’ fees and costs, in each case arising out of or in connection with the Notes (the “**Haitong Claim Amount**”); and
2. if the sale price fails to satisfy the Haitong Claim Amount, then for a judgment for the deficiency against COREDHL.

As at the date of this announcement, the Group may dispose of all or part of the Hawaii properties held by ORCH to independent third parties, which if materialized, may constitute notifiable transactions of the Company and the Company will comply with all relevant requirements under the Listing Rules. The proceeds from the disposals are intended to be used to repay the Notes and the Association Assessments and thus resolving the Receivership and the Foreclosure Proceedings. As at the date of this announcement, negotiations with the potential third party purchasers remain ongoing. The Company continues to strive to find and implement a solution which is agreeable to Haitong, the Receivers and all other relevant stakeholders in respect of the current financial challenges faced by the Group.

As at the date of this announcement and since being informed of the Receivership, the Company has been in continuous negotiation with Haitong to explore options to resolve the current financial challenges faced by the Group, including but not limited to disposal of all or part of the Hawaii properties held by ORCH. The Company is continuously assessing the legal, financial and operational impacts of the Receivership and the Foreclosure Proceedings over the Group. The board of directors of the Company (the “**Board**”) will closely monitor the development of the abovementioned matters and will further issue announcement(s) as and when appropriate.

The shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 17 December 2021

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

Executive Directors:

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

Non-executive Director:

Mr. ZHAO Yingwei

Independent Non-executive Directors:

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