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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Oceanwide Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF ASSETS IN HAWAII**

A letter from the Board is set out on pages 6 to 20 of this circular.

The Disposal has been approved by written shareholders' approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

28 April 2022

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings.

“Acceptance Notice”	written notice of the Buyer’s unconditional acceptance of the condition of the Property to be delivered by the Buyer to the Escrow Agent and the Seller before the Due Diligence Cut-off
“Affiliate(s)”	means as to the Seller, a Person of which at least 50.1% of the voting and equity interests are directly or indirectly owned and controlled by, and effective control exercised by, the Company, a Bermuda company, or China Oceanwide Real Estate Development II Limited, a British Virgin Islands company and means as to the Buyer, a Person which controls, is controlled by or is under common control with the Buyer
“Aina Nui”	Aina Nui Corporation, a Hawaii, the U.S. corporation, the Seller’s predecessor-in-interest as to the Property
“Aina Nui CC&R Approval”	Aina Nui’s consent to the form of the CC&Rs
“Aina Nui CC&R Waiver”	a waiver of the CC&R Requirement with respect to the transaction contemplated in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), which form is subject to the Buyer’s review and approval, which approval shall not be unreasonably withheld, conditioned or delayed
“Applicable Laws”	all U.S. federal, state and local laws, statutes, ordinances, codes, rules, regulations, standards, directives, interpretations and conditions of approval, permits, and all legislative, administrative or judicial orders, decrees, requirements, rulings or judgments, which now or in the future may be applicable to the Property, to the Seller or to the Buyer, and any possession, development, improvement, operation, occupancy, use, enjoyment and other activities relating to the Property
“Board”	the board of Directors
“Business Day(s)”	Monday through Friday, excluding legal holidays or days on which commercial banks in the City are required or authorized to be closed

DEFINITIONS

“Buyer”	Tower Kapolei MF Holdings, LLC, a Hawaii, the U.S. limited liability company
“Buyer’s Conditions”	the conditions that have to be fulfilled (or waived) on or before the Closing Date which the Buyer’s obligation to complete the transactions contemplated under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) is subject to
“CC&R Requirement”	the Seller’s obligation to record the CC&Rs
“CC&Rs”	Declaration of Protective Covenants, Conditions and Restrictions; Reservation of Rights against the Property required to be recorded by the Seller prior to the sale of the Property
“City”	the City and County of Honolulu, the State of Hawaii, the U.S.
“Closing”	the consummation of all transactions contemplated under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), including the due filing and recordation of the Limited Warranty Deed in the Land Court and the disbursement of all funds required to be disbursed to the Seller at the Closing in accordance with the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement)
“Closing Date”	the day that the Closing occurs
“Company”	China Oceanwide Holdings Limited (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
“Consideration”	the consideration for the sale and purchase of the Property, being US\$92,920,000 (equivalent to approximately HK\$727.02 million)
“Controlling Shareholder”	Oceanwide Holdings International Co., Ltd, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Seller pursuant to the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement)
“Due Diligence Cut-Off”	5:00 p.m. (Hawaii Time) on the later of (a) the date that is sixty (60) calendar days after the Seller delivers the executed Consent and Forbearance Agreement (as defined below) to the Buyer; or (b) the date that is sixty (60) calendar days after the date of the First Amendment Agreement
“Effective Date”	the date of the Purchase and Sale Agreement
“Escrow Agent”	Title Guaranty Escrow Services, Inc., a Hawaii, the U.S. corporation
“First Amendment Agreement”	the First Amendment to Purchase and Sale Agreement dated 4 April 2022 (Hawaii time) and entered into between the Seller and the Buyer to amend a term of the Purchase and Sale Agreement
“Governmental Authority”	any governmental or quasi-governmental entity, including but not limited to any department, board, commission, authority, agency, deliberative body or other component or subdivision thereof, now or hereafter constituted with jurisdiction, oversight, policy making, regulatory or implementing authority under or with respect to Applicable Laws
“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
“Land Court”	the Office of the Assistant Registrar of the Land Court of the State of Hawaii, the U.S.
“Latest Practicable Date”	25 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Limited Warranty Deed”	the limited warranty deed by which the Seller will convey the Property to the Buyer at the Closing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Loss”	damage or destruction that is reasonably estimated to cost or be valued at, or impacts the value of the Property in the commercially reasonable determination of the Buyer in an amount, greater than US\$1,000,000 (equivalent to approximately HK\$7.82 million)
“Oceanwide Holdings”	Oceanwide Holdings Co., Ltd.* (Stock Code: 000046), a joint stock company established in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange and the indirect Controlling Shareholder
“Outside Closing Date”	the first anniversary of the Effective Date
“Person”	any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Authority or any agency or political subdivision thereof or any other entity
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Property”	unimproved lots known as “Lot 18252”; “Lot 18250-A”; “Lot 18734”; “Lot 30001”; “Lot 30002”; “Lot 30003”; and “Lot 30004”, situated in the area of Kapolei, Honouliuli, District of Ewa, Island of O’ahu, City and County of Honolulu, the State of Hawaii, the U.S.
“Purchase and Sale Agreement”	the Purchase and Sale Agreement dated 15 March 2022 (Hawaii time) and entered into between the Seller and the Buyer for the sale and purchase of the Property (as amended and supplemented by the First Amendment Agreement)
“Seller”	Oceanwide Resort Community HI LLC, a Delaware, the U.S. limited liability company and an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“Seller’s Conditions”	the conditions that have to be fulfilled (or waived) on or before the Closing Date which the Seller’s obligation to complete the transactions contemplated under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) is subject to
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Survey”	a current ALTA/NSPS survey for the Property to be delivered by the Seller to the Buyer
“U.S.”	The United States of America
“US\$”	U.S. dollars, the lawful currency of the U.S.

* *The English names of the PRC entities referred to in this circular are translations from their Chinese names and are for identification purpose only. If there are any inconsistencies, the Chinese names shall prevail.*

Conversions of US\$ to HK\$ in this circular are based on the exchange rate of US\$1.00 = HK\$7.8242 for illustration purpose only. No representation is made that any amounts in US\$ could actually be converted into HK\$, or any amounts in HK\$ could actually be converted into US\$, at the above rate or any other rates at all.

LETTER FROM THE BOARD



中泛控股有限公司

CHINA OCEANWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 715)

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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

**Head Office and Principal Place
of Business:**

64/F., Bank of China Tower
1 Garden Road
Hong Kong

28 April 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO DISPOSAL OF ASSETS IN HAWAII

INTRODUCTION

Reference is made to the announcement of the Company dated 16 March 2022, in relation to the Purchase and Sale Agreement and the transactions contemplated thereunder. On 15 March 2022 (Hawaii time)/16 March 2022 (Hong Kong time), the Seller, an indirect wholly-owned subsidiary of the Company, entered into a Purchase and Sale Agreement with the Buyer, pursuant to which the Seller has conditionally agreed to sell, and the Buyer has conditionally agreed to purchase, the Property located in the State of Hawaii, the U.S. for the consideration of US\$92,920,000 (equivalent to approximately HK\$727.02 million).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) details of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and the transactions contemplated thereunder; (ii) financial information on the Group; and (iii) valuation report on the Property.

THE PURCHASE AND SALE AGREEMENT (AS AMENDED AND SUPPLEMENTED BY THE FIRST AMENDMENT AGREEMENT)

A summary of the principal terms and conditions of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) is set out below:

Date of the Purchase and Sale Agreement

15 March 2022 (Hawaii time)/16 March 2022 (Hong Kong time) (as amended and supplemented by the First Amendment Agreement dated 4 April 2022 (Hawaii time)/5 April 2022 (Hong Kong time))

Parties

Seller: Oceanwide Resort Community HI LLC

Buyer: Tower Kapolei MF Holdings, LLC

Summary of Assets to be disposed of

Real Properties

The real properties that are the subject of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) are the Property. The portions of the Property identified as Lots 30001, 30002, 30003 and 30004 are part of a larger Land Court lot formerly identified as Lot 18733-B. As at the Latest Practicable Date, the Land Court has not yet approved the subdivision of Lots 30001, 30002, 30003 and 30004 from Lot 18733-B. The subdivision of Lots 30001, 30002, 30003 and 30004 of the Property from the larger lot will be finalized upon the recordation in the Land Court of the order of subdivision of the Property (a petition for which has been filed with the Land Court by the Seller) and the issuance of a revised title report reflecting the same (the "**Final Land Court Subdivision Approval**"). The Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) would be placed in escrow with the Escrow Agent and the Closing of the sale will not occur unless and until the Seller has obtained the Final Land Court Subdivision Approval (and all other conditions to the Closing are either satisfied or waived).

LETTER FROM THE BOARD

Consideration

The Consideration was determined by the Seller and the Buyer on an arm's length basis with reference to the residential and commercial development of the Kapolei area, Honouliuli, District of Ewa, Island of O'ahu, City and County of Honolulu, the State of Hawaii, the U.S. (where the Property is located), the market price of the land in the relevant area and the expected residential and commercial development potential of the Property, subject to the considerations below.

The valuation of the Property as appraised by Masterpiece Valuation Advisory Limited, an independent valuer, as at 28 February 2022 is US\$112 million (equivalent to approximately HK\$876.31 million). The valuation report is set out in Appendix II in this circular. The purchase price of the Property of US\$92.92 million (equivalent to approximately HK\$727.02 million) was arrived at after multiple discussions with the selected Buyer out of several potential buyers because the Buyer has the highest proposed consideration amounts among those potential buyers. From August to November 2021, several investors who were interested in the Property approached the marketing agent, Colliers International HI, LLC ("**Colliers**"). The Buyer was selected in September 2021 for further negotiation of detail terms for the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement). The Board considered that the difference between the valuation and the agreed value of the Property is reasonable having considered (i) that the Property still requires significant on and offsite infrastructure and road work which will take significant time and huge cost will be incurred before development can be started; and (ii) the present liquidity pressure faced by the Group, namely the Group is required by the notes holder to settle the notes or to sell the mortgaged Property immediately (for details, please refer to the announcement of the Company dated 6 November 2019). Therefore, the Company considered that the consideration of US\$92.92 million (equivalent to approximately HK\$727.02 million), which (i) represents a discount of approximately 17% against the valuation amount as appraised by the independent valuer Masterpiece Valuation Advisory Limited; and (ii) was arrived at based on arm's length negotiations between the Seller and the Buyer, is fair and reasonable and in the interests of the Company and its Shareholders as a whole since it is to the benefit of the Group to obtain cash inflow and reduce the indebtedness of the Group upon disposal of the Property pursuant to the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).

LETTER FROM THE BOARD

The Consideration is to be paid as follows:

- (a) no later than three (3) calendar days after the Effective Date, the Buyer shall deposit with the Escrow Agent a sum of US\$1,000,000 (equivalent to approximately HK\$7.82 million);
- (b) no later than two (2) Business Days after the Buyer's delivery of the Acceptance Notice, the Buyer shall deposit with the Escrow Agent an additional sum of US\$2,000,000 (equivalent to approximately HK\$15.65 million). The aforementioned deposits (collectively, the "**Deposit**") will become non-refundable (except as expressly provided in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement)) upon the Buyer's delivery to the Seller and the Escrow Agent of the Acceptance Notice. The Deposit will be held by the Escrow Agent in an interest-bearing account. The interest accruing on the Deposit will be credited to the Buyer as part of the Consideration at the Closing, or constitute part of the Deposit and be paid to whoever is entitled to the Deposit in the event of a termination of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) without a Closing; and
- (c) no less than two (2) Business Days prior to the Closing, the Buyer shall deposit the balance of the Consideration with the Escrow Agent in immediately available funds.

As at the Latest Practicable Date, the Buyer had deposited with the Escrow Agent a sum of US\$1,000,000 (equivalent to approximately HK\$7.82 million) in accordance with paragraph (a) above. At or prior to the Closing Date, the Seller shall pay one percent (1%) of the total commission owed to the Buyer's real estate broker, Tower Commercial, LLC, which amount shall be deducted from the Consideration.

Seller Put Option

If, prior to the Closing, the Property, or any part thereof shall be destroyed or damaged by flood or other casualty, the Seller shall promptly so notify the Buyer. In the event of a Material Loss, the Buyer shall have the option to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) by giving written notice to the Seller within fifteen (15) days of the date of such condemnation, destruction or damage (but no later than immediately prior to the Closing). If the destruction or damage does not result in a Material Loss, then the Seller and the Buyer shall consummate the transaction contemplated by the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) notwithstanding such destruction or damage.

LETTER FROM THE BOARD

In the event of a Material Loss that is reasonably estimated to cost or be valued at, or impacts the value of the Property in the commercially reasonable determination of the Buyer in an amount up to US\$5,000,000 (equivalent to approximately HK\$39.12 million), the Seller shall have the option to reduce the Consideration by an amount equal to one-half of said cost or value of the damage, destruction, or impact to value of the Property (the “**Seller Put Option**”). Should the Seller exercise the Seller Put Option, the Buyer shall have no right to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and the parties shall proceed to the Closing.

If the Buyer elects to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) as set out under this section headed “Seller Put Option”, the Deposit shall be returned to the Buyer (with accrued interest, if any) and the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), without further action of the parties, shall become null and void and neither party shall have any further rights or obligations under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) except as otherwise provided for therein.

Due Diligence

As previously agreed under the Purchase and Sale Agreement and prior to the entering into of the First Amendment Agreement, commencing on the date that the Seller delivers the last of (i) the Survey; (ii) the Final Land Court Subdivision Approval; and (iii) the executed Consent and Forbearance Agreement (as defined below) to the Buyer, the Buyer will have a period of thirty (30) calendar days to conduct such due diligence investigations as the Buyer deems necessary or appropriate, subject to the terms and conditions contained in the Purchase and Sale Agreement.

Pursuant to the First Amendment Agreement, the period for the Buyer to conduct due diligence investigations (the “**Due Diligence Period**”) has been revised such that the Due Diligence Period commences on 16 March 2022 and expires on the later of (a) the date that is sixty (60) calendar days after the Seller delivers the executed Consent and Forbearance Agreement (as defined below) to the Buyer; or (b) the date that is sixty (60) calendar days after the date of the First Amendment Agreement.

If the Buyer does not deliver an Acceptance Notice by the Due Diligence Cut-Off, the Buyer will be deemed to have elected to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and will receive a return of its Deposit (including all accrued interest) in accordance with the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).

LETTER FROM THE BOARD

The Haitong Mortgage and the Consent and Forbearance Agreement

The Haitong Mortgage; Foreclosure Actions

The Seller is the mortgagor under certain accommodation mortgage, security agreement and fixture filing dated 6 November 2019 made in favour of Haitong International Securities Company Limited, a company limited by shares and incorporated under the laws of Hong Kong (“**Haitong**”), as mortgagee and encumbering, amongst other properties, the Property (the “**Haitong Mortgage**”). In response to certain litigation involving other properties owned by the Affiliates of the Seller, Haitong has filed various civil proceedings against the Seller and certain Affiliates of the Seller in the Circuit Court of the First Circuit, State of Hawaii, the U.S. for foreclosure of the Haitong Mortgage and other mortgages made by the Affiliates of the Seller in favour of Haitong on the properties encumbered by the Haitong Mortgage and such other mortgages, including the Property.

The Consent and Forbearance Agreement

The Seller shall have until the date that is forty-five (45) calendar days following the Effective Date (the “**Haitong Consent Deadline**”) to obtain an agreement between the Seller, Haitong and the Escrow Agent addressing the Haitong Mortgage with respect to the Property (the “**Consent and Forbearance Agreement**”). If despite commercially reasonable efforts the Seller is unable to obtain the Consent and Forbearance Agreement by the Haitong Consent Deadline, the Buyer shall have the right to extend the Haitong Consent Deadline for two (2) additional thirty (30) days extension periods to allow the Seller additional time to use commercially reasonable efforts to obtain the Consent and Forbearance Agreement (each an “**Extension Period**”). If the Seller is unable to obtain the Consent and Forbearance Agreement either on or before the Haitong Consent Deadline, as the same may be extended, then upon expiration of the then current Extension Period, the Buyer and the Seller shall each have a unilateral right to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) upon fifteen (15) days’ written notice to the other party. If either the Buyer or the Seller so elects to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), the Buyer will receive a return of its Deposit (including all accrued interest) in accordance with the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), and the Seller and the Buyer shall have no further rights or obligations under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), except for the provisions thereof that expressly survive termination of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).

LETTER FROM THE BOARD

Notwithstanding any other provisions in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), payment of the Consideration, release and/or recording of certain documents set out in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and release of the Haitong Mortgage shall be carried out in accordance with the terms of the Consent and Forbearance Agreement.

The Consent and Forbearance Agreement was signed on 6 April 2022.

Conditions Precedent

The Closing is subject to the satisfaction or waiver of various conditions precedent, which include:

Buyer's Closing Conditions:

- a. The Seller and the Buyer shall have received the Consent and Forbearance Agreement, duly executed by Haitong, the Seller and the Escrow Agent.
- b. (i) The receipt from Aina Nui of the Aina Nui CC&R Waiver, or (ii) if Aina Nui has refused to agree to deliver the Aina Nui CC&R Waiver, (A) the Buyer and the Seller shall have reached mutual agreement on the form of the CC&Rs, (B) the Seller shall have received the Aina Nui CC&R Approval, and (C) the Seller shall have executed and delivered the CC&Rs.
- c. The Seller shall have received the Final Land Court Subdivision Approval.
- d. The Buyer and the Seller shall have agreed upon the Seller Maintenance End Date (as defined below).
- e. The Seller shall have delivered to the Escrow Agent all of the items required to be delivered by the Seller under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).
- f. Title Guaranty of Hawaii, LLC shall have delivered a binding commitment issuing to the Buyer a title insurance policy in the amount of the Consideration insuring the Buyer's ownership of the Property and containing such endorsements as are reasonably requested by the Buyer during the Due Diligence Period as of the Closing.
- g. All of the representations and warranties of the Seller contained in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) shall be true and correct as of the Closing Date.
- h. The Seller shall have performed and observed all covenants and agreements set forth in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) to be performed and observed by the Seller as of the Closing Date.

LETTER FROM THE BOARD

- i. There shall have been no material adverse change affecting the Property.

The Buyer agrees to use commercially reasonable efforts to satisfy the Buyer's Conditions. The Buyer's Conditions may only be waived by the Buyer.

Seller's Closing Conditions:

- a. The Seller and the Buyer shall have received the Consent and Forbearance Agreement, duly executed by Haitong, the Seller and the Escrow Agent.
- b. (i) The receipt from Aina Nui of the Aina Nui CC&R Waiver, or (ii) if Aina Nui has refused to agree to deliver the Aina Nui CC&R Waiver, (A) the Buyer and the Seller shall have reached mutual agreement on the form of the CC&Rs, (B) the Seller shall have received the Aina Nui CC&R Approval, and (C) the Buyer shall have executed and delivered the CC&Rs.
- c. The Seller shall have received the Final Land Court Subdivision Approval.
- d. The Buyer and the Seller shall have agreed upon the Seller Maintenance End Date (as defined below).
- e. The Escrow Agent shall be holding the Consideration.
- f. The Buyer shall have delivered to the Escrow Agent all of the items required to be delivered by the Buyer to the Escrow Agent set out in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).
- g. All of the representations and warranties of the Buyer contained in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) shall be true and correct as of the Closing Date.
- h. The Buyer shall have delivered the Consideration and performed and observed all covenants and agreements set forth in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) to be performed and observed by the Buyer as of the Closing Date.
- i. The Seller shall have obtained all consents and approvals necessary for it to proceed with the Closing, including without limitation, that (i) the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and the transactions contemplated hereunder have been approved by the Shareholders; and (ii) all necessary consents (if required) of the Stock Exchange and the Securities and Futures Commission of Hong Kong and any relevant governmental or regulatory authorities in Hong Kong or elsewhere which are required for the entering into, execution, delivery and performance of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and the transaction contemplated hereunder have been obtained.

LETTER FROM THE BOARD

The Seller agrees to use commercially reasonable efforts to satisfy the Seller's Conditions. The Seller's Conditions may be waived only by the Seller (other than the conditions set forth in paragraph (i) above).

Except as to paragraph (i) of the Seller's Conditions, if any of the foregoing conditions of the Buyer or the Seller have not been satisfied or waived by the other party on or before the Outside Closing Date or within such other timeframe as may be required for the Closing to occur prior to or on the Outside Closing Date, the party for whom the condition runs in favour of may: (a) postpone the Closing for up to seven (7) Business Days for the purpose of allowing the other party time to attempt to satisfy such condition or conditions; (b) proceed to the Closing, thereby waiving the unsatisfied condition; or (c) terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), in which case the Deposit and any interest accrued thereon shall be returned to the Buyer, unless the Seller's Condition is not satisfied solely because of an event of default by the Buyer, in which case the Seller shall have its remedies under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) because of such default, including the right to retain the Deposit together with any interest accrued thereon.

If any of the Seller's Conditions contained in paragraph (i) above are not satisfied on or before the Outside Closing Date or within such other timeframe as may be required for the Closing to occur prior to or on the Outside Closing Date, the Seller shall give written notice to the Buyer describing the condition or conditions that have not been satisfied and the Seller shall terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) by providing written notice to the Buyer, in which case (i) the Deposit and any interest accrued thereon shall be returned to the Buyer, and (ii) the Seller shall reimburse the Buyer for the Buyer's documented out-of-pocket costs and expenses incurred in connection with the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), including attorneys' fees, up to a maximum of US\$200,000 (equivalent to approximately HK\$1.56 million) which shall be evidenced by paid invoices; provided that if the Seller's Conditions under paragraph (i) above are not satisfied solely because of an event of default by the Buyer, the Seller shall have its remedies under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) because of such default, including the right to retain the Deposit together with any interest accrued thereto.

LETTER FROM THE BOARD

Event of Default

If an event of default occurs prior to the Closing, subject to any applicable notice and cure provision contained in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), the other party is entitled to, among other remedies, to recover damages, to sue for specific performance or to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement). If the event of default is the failure of the Buyer to close the transactions contemplated under the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) in a timely manner, the Seller shall be entitled to liquidated damages in the amount of the Deposit and any interest accrued thereon (collectively, the "**Liquidation Amount**"). If the Buyer fails to acquire the Property pursuant to the terms of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), the Seller and the Buyer, having reasonably endeavored, but failed, to ascertain an amount bearing a reasonable relationship to the actual damages that the Seller will incur if the Buyer fails to acquire the Property, the Buyer agrees and authorizes the Escrow Agent to disburse the Liquidation Amount to the Seller as liquidated damages.

If an event of default occurs after the Closing and is continuing (a) the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) shall not be terminated and no party shall have a right to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), but (b) each party shall have available to it all of the other remedies of law and in equity that would otherwise be available to it as a result of such breach including the right to recover damages and to sue for specific performance.

Closing

Subject to satisfaction (or waiver) of all conditions to the Closing set forth above, the Closing shall occur on the date that is fifteen (15) days after the Buyer's delivery of the Acceptance Notice, provided that (a) the parties may by mutual written agreement elect to proceed to the Closing sooner; and (b) either party by delivery of written notice to the other may unilaterally extend the date for the Closing to the date that is thirty (30) calendar days after the date of the Buyer's delivery of the Acceptance Notice. If any of the Closing conditions have not been met or waived by the Outside Closing Date, either the Buyer or the Seller, if not in default of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement), shall have the right to terminate the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) by delivering written notice thereof to the other, in which case the Escrow Agent shall return the Deposit and all interest accrued thereon to the Buyer and the Seller and the Buyer shall have no further rights or obligations thereunder, except for the provisions thereof that expressly survive termination of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement). Each of the Seller and the Buyer may elect to extend the Closing Date beyond the Outside Closing Date in accordance with the terms of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).

LETTER FROM THE BOARD

If the Closing occurs, the Seller expressly reserves the right to, at the Seller's sole cost and expense: (i) enter onto Lot 30004 for purposes of installing and maintaining landscaping improvements (the "**Landscaping**"); (ii) enter onto Lot 30004 for purposes of installing certain utility improvements (the "**Utility Improvements**"); and (iii) deed or grant easements or rights of entry with respect to the Landscaping and the Utility Improvements to utilities or other persons in connection with the Landscaping and the Utility Improvements as the Seller may deem reasonably necessary. The Seller shall be solely responsible for maintaining the Landscaping until the earlier of: (i) such time as Lot 30004 is dedicated to the City; or (ii) a date mutually agreed upon between the Seller and the Buyer, which date the parties shall determine prior to the Due Diligence Cut-Off (the "**Seller Maintenance End Date**"). If Lot 30004 has not been dedicated to the City prior to the Seller Maintenance End Date, the Buyer acknowledges and agrees that the Buyer shall thereafter be responsible, at the Buyer's sole cost and expense, for maintaining the Landscaping to a standard acceptable to the City for purposes of dedication until such time as Lot 30004 is dedicated to the City. The Buyer acknowledges and agrees that following the completion of the Landscaping, the Buyer shall be responsible for, at the Buyer's sole cost and expense, dedicating Lot 30004 to the City.

INFORMATION ON THE PROPERTY

The Property consists of unimproved lots known as "Lot 18252"; "Lot 18250-A"; "Lot 18734"; "Lot 30001"; "Lot 30002"; "Lot 30003" and "Lot 30004" located in Kapolei, Island of O'ahu, the State of Hawaii, the U.S. and having a total area of approximately 486.4 acres.

INFORMATION OF THE GROUP

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

INFORMATION OF THE SELLER

The Seller is a Delaware, the U.S. limited liability company and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of real estate development.

LETTER FROM THE BOARD

INFORMATION OF THE BUYER

The Buyer entity is a newly formed limited liability company, incorporated under the laws of the State of Hawaii, the U.S.. The Buyer entity was created specifically for the transactions contemplated in the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement). To the best of the Directors' knowledge, information, and belief having made all reasonable enquiries, as at the Latest Practicable Date:

- (i) the Buyer is a manager-managed limited liability company. It is owned by Tower Development, Inc. and TDI Partners, LLC, which are in turn owned by Edward Bushor and Stuart Miller;
- (ii) the manager of the Buyer is Tower Development, Inc., a Hawaii, the U.S. corporation;
- (iii) the officers of said manager Tower Development, Inc. are: Edward Bushor (chief executive officer and a director); Stuart Miller (president and a director); Noel Ross (vice president); and Lynn Bushor (treasurer);
- (iv) the Buyer and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons; and
- (v) the Buyer's manager referred to in (ii) above and Edward Bushor, the chief executive officer and a director of the said manager referred to in (iii) above are experienced in, and principally engaged in the business of, residential real estate development in the State of Hawaii, the U.S..

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

Having considered that the Disposal would (i) provide the Group with a cash inflow for repayment of the indebtedness of the Group; (ii) realise the assets which do not generate immediate revenue; and (iii) reduce the future finance cost burden of the Group, the Directors are of the view that the Disposal is necessary and proper and represents a good timing and opportunity for the Group for settling its outstanding indebtedness and also reducing the recurring finance costs.

In view of the above, the Directors consider that the terms of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) (including the Consideration) are on normal commercial terms and are fair and reasonable, and that the Disposal is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

USE OF PROCEEDS

The amount of net proceeds from the Disposal will be approximately US\$89.0 million (equivalent to approximately HK\$696.4 million), after deducting for the direct costs related to the Disposal of US\$3.87 million (equivalent to approximately HK\$30.28 million) out of the total gross proceeds of US\$92.9 million (equivalent to approximately HK\$726.9 million). The net proceeds in the amount of approximately US\$89.0 million (equivalent to approximately HK\$696.4 million) will be used to settle the outstanding property tax owed in relation to the Hawaii lands including Kapolei, Ko Olina 1 and Ko Olina 2 land totalling approximately US\$10.0 million (equivalent to approximately HK\$78.2 million) and approximately US\$4.0 million (equivalent to approximately HK\$31.3 million) will be retained for settlement of other accrued liabilities in the local books of Hawaii companies, and the remaining US\$75.0 million (equivalent to approximately HK\$586.8 million) will be used to settle the indebtedness owed to Haitong in accordance with the signed Consent and Forbearance Agreement.

FINANCIAL IMPACT OF THE DISPOSAL

There is no revenue attributable to the Property for the two financial years ended 31 December 2021 and 31 December 2020. The net losses (before and after taxation) attributable to the Property for the two financial years ended 31 December 2021 and 31 December 2020 were approximately US\$237,000 (equivalent to approximately HK\$1.85 million) and US\$1,520,000 (equivalent to approximately HK\$11.89 million), respectively.

As at 31 December 2021, the audited carrying value of the Property, after impairment provision of approximately HK\$166.58 million, was approximately HK\$724.6 million. As at 31 December 2020, the audited carrying value of the Property was US\$113.2 million (equivalent to approximately HK\$885.70 million).

The indebtedness of the Group will be reduced by US\$75 million (equivalent to approximately HK\$586.8 million) upon completion of the Disposal. The indebtedness as at 28 February 2022 was HK\$14,481.2 million, and the indebtedness after completion of the Disposal will be reduced by HK\$586.8 million to HK\$13,894.4 million. The remaining indebtedness will be settled by the following: (i) the proceeds from other disposals on certain of the assets not generating immediate revenue or at its preliminary planning stage, such as the New York project, Ko Olina No. 1 and Ko Olina No. 2 projects; (ii) for the loans which had been defaulted and will be matured within twelve months after 31 December 2021, the Group is continuously and has been actively convincing lenders for a debt restructuring of the Group's existing outstanding borrowings and interest, including revising certain key terms and conditions of the original facility agreements, such as the extension of the principals and interest payment schedules for the Group's existing borrowings; and (iii) the Group is continuously seeking additional bank and other borrowings from the banks, independent financial institutions and other counterparties to finance the settlement of its existing indebtedness.

LETTER FROM THE BOARD

Earnings

Based on the audited financial statements for the Group as at 31 December 2021, the audited carrying value of the Property after impairment was approximately HK\$724.6 million. It is estimated that based on the consideration of US\$92.92 million (equivalent to approximately HK\$727.02 million), the Group is expected to record a loss of approximately HK\$27.86 million from the Disposal, after taking into account the related transaction costs in the aggregate amount of US\$3.87 million (equivalent to approximately HK\$30.28 million). The related transaction costs mainly comprise commission to the sales agent, conveyance tax, escrow charges and accrual for legal and professional fees in relation to the Disposal. However, the actual loss from the Disposal to be recorded in the year ending 31 December 2022 might be different, subject to review and confirmation by the auditors. The net proceeds from the Disposal will be delivered to Haitong in accordance with the Consent and Forbearance Agreement.

Assets and liabilities

As a result of the Disposal, the consolidated properties under development of the Group will be reduced by approximately HK\$724.6 million. Upon full receipt of the Consideration and taking into account the full settlement of the transaction costs of HK\$30.28 million and the remaining balances to settle the indebtedness of the Group, the interest-bearing borrowings of the Group will be reduced by approximately HK\$586.8 million, the accrued liabilities of the Group will be reduced by HK\$109.5 million, the cash of the Group will be increase by HK\$0.44 million and the consolidated net assets of the Group will be decreased by approximately HK\$27.86 million. The above calculations are only estimates provided for illustrative purposes and are subject to further review by the auditors of the Company.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceed 25%, but are all less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal. The Company has received a written approval of the Disposal by the Controlling Shareholder, which holds approximately 70.28% of the total issued Shares. Accordingly, pursuant to Rule 14.44 of the Listing Rules, no general meeting of the Company will be convened for the purpose of approving the Disposal.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the terms of the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, notwithstanding that no general meeting will be convened by the Company, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement) and the transactions contemplated thereunder if the Company were to convene a general meeting for the approval of the Disposal.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 December 2021 are disclosed in the following documents which are published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.oceanwide.hk:

- (i) Annual report of the Company for the year ended 31 December 2019
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801659.pdf>
- (ii) Annual report of the Company for the year ended 31 December 2020
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042602020.pdf>
- (iii) Annual results announcement of the Company for the year ended 31 December 2021
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0329/2022032902944.pdf>

2. INDEBTEDNESS STATEMENT**Indebtedness**

As at the close of business on 28 February 2022 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had an aggregate outstanding indebtedness amounting to approximately HK\$14,481.2 million, which consists of:

- i. HK\$4,694.47 million other loans from third parties which were guaranteed and secured by the Group's certain property, plant and equipment, properties under development and investment properties;
- ii. HK\$479.94 million other loans from a fellow subsidiary were unguaranteed and unsecured;
- iii. HK\$8,633.5 million and HK\$24.34 million due to an intermediate holding company and related parties were unguaranteed and unsecured, respectively;
- iv. HK\$563.9 million convertible notes liabilities were unguaranteed and unsecured; and
- v. lease liabilities of HK\$85.05 million relating to premises leased by the Group as lessee.

The carrying values of the Group's assets pledged to secure its borrowings amounted to approximately HK\$17,936.25 million as at 28 February 2022.

Contingent liabilities

On 5 March 2020 (Los Angeles (“LA”) time), the Company and the general contractor (the “**General Contractor**”) of the Group’s real estate development project in LA (the “**LA Project**”) entered into a parent company guarantee (the “**Parent Guarantee**”) to, among other things, guarantee a payment obligation owed to the General Contractor by Oceanwide Plaza LLC (“**Oceanwide Plaza**”, a wholly-owned subsidiary of the Company). The Parent Guarantee provides that if Oceanwide Plaza does not meet its obligation: (i) the General Contractor can force the Company to arbitrate this issue in LA under the Fast Track Rules of the American Arbitration Association; (ii) the Company waives all defenses; and (iii) the arbitrator will issue an award on only the issue of whether Oceanwide Plaza has met its obligation. Oceanwide Plaza did not fully meet this obligation, leaving a balance owed of US\$38,440,000 (equivalent to approximately HK\$300.8 million).

On 24 June 2021 (LA time), the Company received a judgment by the United States District Court of Central District of California confirming the award in favor of the General Contractor and against the Company in the aggregate amount of approximately US\$42.7 million (equivalent to approximately HK\$334.1 million), inclusive of pre-judgment interests and arbitration costs.

In addition, as at the close of business on 28 February 2022, there were disputes between the Group and its contractors, including the General Contractor, relating to the LA Project. The corresponding likely maximum lawsuit liability would be approximately US\$219.28 million (equivalent to approximately HK\$1,715.69 million). As at 28 February 2022, based on the best estimate, an aggregate amount of approximately HK\$1,252.21 million has been accrued for the expenditures and liens matters in respect of the LA Project.

Save as disclosed above and apart from intra-group liabilities and payables arising from ordinary business operation, the Group did not have any outstanding debt securities issued and outstanding, or authorised or otherwise created but unissued, term loans, loan capital, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, or other similar indebtedness, or material hire purchase commitments, lease commitments, mortgages and charges, material contingent liabilities or guarantees outstanding at the close of business on 28 February 2022, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular.

The Directors have confirmed that there has not been any material change in the indebtedness or the contingent liabilities of the Group since the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular.

3. WORKING CAPITAL

As at 28 February 2022, the Group had properties under development of approximately HK\$12,312.53 million which were classified as current assets while expected to be completed and recovered after one year. Excluding these properties under development, which are illiquid in nature, the Group's current liabilities exceeded its current assets by approximately HK\$8,094.81 million as at 28 February 2022. In addition, the Group's businesses in real estate development in the U.S. and the development of the energy sector in Indonesia are capital intensive in nature and funding the continuous development of these businesses would require substantial capital in the foreseeable future. As at 28 February 2022, the Group's contracted but not provided for capital commitments were approximately HK\$1,484.8 million.

As at 28 February 2022, the Group had indebtedness, including borrowings and lease liabilities of approximately HK\$5,738.31 million and HK\$41.1 million respectively, which will fall due within twelve months from the date of 28 February 2022. Amongst the Group's borrowings, as at 28 February 2022, the Group was in default in respect of borrowings with principal amount of approximately HK\$4,714.18 million due to the events of default of late or overdue payment of loan principal and interest or cross-default with other borrowings, which, as a consequence, would be immediately repayable if and when requested by the lenders.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. In view of these circumstances, the Directors have taken careful consideration as to the future liquidity, the Group's commitments of the projects in the U.S. and Indonesia, the performance of the Group and its available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern for the next twelve months from the date of this circular.

In view of the above circumstances and in addition to the Disposal, the Directors have taken the following measures and actions:

- (i) As at 28 February 2022, China Oceanwide Group Limited ("**COG**"), an intermediate holding company of the Company, provided an unsecured and interest-bearing loan of approximately HK\$8,633.5 million to the Group with the maturity date of the loans on 31 December 2023. COG agreed not to request for any repayment of the outstanding loans before the maturity date of 31 December 2023. Further, as at 28 February 2022, COG had also agreed to provide available undrawn facilities amounting to approximately HK\$3,861.9 million to the Group (together, the "**COG Financing Facilities**");

- (ii) On 22 March 2022, the Group obtained a letter of undertaking for provision of financial support to the Company from Oceanwide Holdings, an indirect Controlling Shareholder, whereby Oceanwide Holdings agrees to provide sufficient funds to the Group so that the Group will be able to meet all financial obligations as they fall due in the coming twelve months from the date of the consolidated financial statements (the “**Financing Support**”); and
- (iii) On 22 December 2021, the Seller, an indirect wholly-owned subsidiary of the Company, entered into a purchase and sale agreement with Alaka’i Apartments II LP (“**Alaka’i Apartments**”), pursuant to which the Seller has conditionally agreed to sell, and Alaka’i Apartments has conditionally agreed to purchase, the property located in the State of Hawaii, the U.S., together with the traffic impact fee credits for the aggregate consideration of approximately US\$23.29 million (equivalent to approximately HK\$182.23 million) (the “**Project Disposal**”), details of which are set out in the announcement of the Company dated 22 December 2021.

Furthermore, the Directors have also implemented or are in the process of implementing a number of other measures and plans to mitigate the liquidity pressure, including but not limited to, the following:

- (i) The Group is currently considering to have other disposals on certain of the assets not generating immediate revenue or at its preliminary planning stage to reduce the overall indebtedness of the Group, thereby reducing the recurring finance cost and working capital burden of the Group (the “**Other Disposal Plan**”);
- (ii) The Group is currently approaching potential investors to provide a project financing or joint development plan (the “**LA Project Financing Plan**”) so as to finance the completion of the LA Project and to pay off all current debts to the creditors for the LA Project;
- (iii) For the loans which had been defaulted or will be matured within twelve months after 28 February 2022, the Group has been actively convincing lenders for a debt restructuring of the Group’s existing outstanding borrowings including interest to revise certain key terms and conditions of the original facility agreements, such as the extension of the principals and interest payment schedules for the Group’s existing borrowings (the “**Debt Restructuring Plan**”); and
- (iv) Together with the COG Financing Facilities, the Financing Support, the LA Project Financing Plan and Debt Restructuring plan, the Group is continuously seeking additional bank and other borrowings from the banks, independent financial institutions and other counterparties to finance the settlement of its existing financial obligations, commitments and future operating and capital expenditures, as well as to maintain sufficient cash flows for the Group’s operations (collectively, the “**Financing Plans**”).

The Directors have reviewed the Group's cash flow projections prepared by the management of the Company. The cash flow projections cover a period of not less than twelve months from the date of this circular. The Directors are of the opinion that, taking into account the abovementioned actions, plans and measures, the Group will have sufficient working capital for the Group to finance its operations and to meet its financial obligations and commitments as and when they fall due within 12 months from the date of this circular.

The Shareholders should note that the validity of the statement of the working capital sufficiency of the Group as mentioned above depends on the outcome of the plans and measures undertaken/being undertaken by the Group, which are subject to multiple uncertainties, including:

- (i) Successful completion of the Disposal and the Project Disposal in accordance with the terms and conditions, amounts and timing anticipated by the Group;
- (ii) Successful execution and completion of the Other Disposal Plan to reduce the overall indebtedness of the Group, thereby reducing the recurring finance cost and working capital burden of the Group;
- (iii) Successful execution and completion of the Financing Plans in refinancing and/or renewing existing borrowings and/or obtaining of new and additional sources of funding as and when needed; and
- (iv) Successful generation of operating cash flows and obtaining additional sources of financing by the Group, other than those mentioned above, to finance the settlement of its existing financial obligations, commitments and future operating and capital expenditures, as well as to maintain sufficient cash flows for the Group's operations.

Should the Group be unable to successfully implement the plans and measures as mentioned above, the Group may not have sufficient working capital for its requirements within the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

On 14 February 2022, the lender of the Shanghai, the PRC properties mortgage loan had issued a letter requesting repayment due to debt default and joint and several receivers had been appointed over the issued shares of a direct wholly-owned subsidiary of the Company, China Oceanwide Property Holdings Limited ("**COPHL**"), which indirectly holds the Shanghai properties contributing to over 90% of the Group's revenue for the year ended 31 December 2021. For details, please refer to the announcement of the Company dated 15 February 2022.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirmed that there were no material adverse changes in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

As disclosed in this circular, the Group will use the proceeds from the Disposal for, among others, repayment of its outstanding indebtedness. Having considered that the Disposal would provide the Group with a cash inflow for repayment of the indebtedness of the Group, realise the assets which will not generate immediate revenue and reduce the future finance cost burden of the Group, the Directors are of the view that the Disposal represents a good timing and opportunity for the Group for settling its outstanding indebtedness and also reducing the recurring finance costs.

Real estate development in the PRC has been under strict supervision since 2021 based on the Central Government's guiding principle of "housing estates are built for accommodation and not for investment or speculation". While bonds related to real estates are being suppressed, issuance of bonds by developers with low credit rating has become difficult. There are increasing default of many property developers which included Oceanwide Holdings, the intermediate holding company of the Company. As financial institutions are cautious towards providing refinancing to property developers, the Group suffers from the pressure of liquidity.

As a result of the events of default of late or overdue payment of loan principal and interest: (i) on 27 July 2021, the security agents of certain notes had appointed joint and several receivers over a direct wholly-owned subsidiary of the Company, China Oceanwide Real Estate Development Holdings Limited; and (ii) on 14 February 2022, the lender of a loan had appointed joint and several receivers over COPHL, a direct wholly-owned subsidiary of the Company.

The overall business environment in Hong Kong, the PRC and the U.S. is expected to remain challenging in the short term. The unpredictability of the coronavirus disease ("COVID-19") pandemic due to the evolving highly transmittable variant of COVID-19, Omicron, which has already been spread widely, has put a further burden on the economic and community recovery. The adverse impacts to economies brought by the outbreak of the COVID-19 pandemic, together with the liquidity problem now faced by the Group are expected to continually cause pressure on the Group's businesses. In such a turbulent time, the Group has to adhere to a prudent approach to manage its business and strategies. The primary aim is to dispose of assets which are still at their preliminary stage and do not generate immediate revenue to the Group, thereby to reduce the indebtedness and the future finance cost burden of the Group.

In view of the rising of capital cost and impairment risks exposure in relation to the U.S. projects, the Group decided to dispose of certain of the assets not generating immediate revenue or at its preliminary planning stage to reduce the overall indebtedness of the Group, thereby reducing the recurring finance cost and working capital burden of the Group. More financial resources can then be allocated to the projects in which construction has already commenced and there is a closer expected completion date.

As disclosed in the Company's announcement dated 22 December 2021, the Group entered into a sale and purchase agreement with Alaka'i Apartments which is an independent third party for the disposal of a property located in the State of Hawaii, the U.S., together with the traffic impact fee credits for an aggregate consideration of US\$23,286,048 (equivalent to approximately HK\$182.2 million). Upon completion of the disposal, the debt obligations of the Group is expected to reduce.

Despite the disposals of Hawaii lands as announced on 22 December 2021 and 16 March 2022 regarding the disposal of the Property in this circular, the Group currently still maintains its four segments: property investments in the PRC, real estate development in the U.S., the development in the energy sector in Indonesia, as well as finance investment and others.

With respect to the real estate development segment, the Group still owns the LA Project, the New York project and two Hawaii land projects. The property under development and investment properties of the LA Project accounted for approximately 47% of the total assets of the Group as at 31 December 2021. Having considered that the New York project and the remaining two Hawaii land projects' lands are idle, the construction has not been started and the lands do not generate immediate revenue, the management planned to dispose of these land parcels to repay the Group's indebtedness, thereby reducing the recurring financial costs and the Group's burden on working capital. Marketing promotion has been launched for such projects, and such sale is intended to be completed in 2022. As disclosed in the result announcement of the Company dated 29 March 2022, the construction of the LA Project commenced in the second half of 2014. Currently, the construction works of the project for all main structures and curtain wall installation works for the main structures were completed. Over 85% of electrical and mechanical work was completed so far; and over 60% of interior drywalls in buildings 2 and 3 were installed. However, the construction of such project has been suspended since October 2020.

The Group had received from potential investors several letter of intents and proposals including financing, joint development and disposal of the LA Project. The Group is exploring cooperation options and assessing returns from those proposals.

The Group will continue to streamline its development and make every effort to effectively promote financing and introducing strategic investors to complete the project.

During the year ended 31 December 2021, the property investment segment continued to contribute stable rental income and profits with the two office and commercial properties in Shanghai, the PRC. These properties are the only properties under the property investment segment. However, in February 2022, the lender of the Shanghai properties mortgage loan issued a letter enforcing the security due to debt default and COPHL has been under receivership. The Group has been actively discussing with the lender for an updated repayment plan and seeking financing companies to refinance the existing loan so as to continue the property investment business.

For the energy segment, the Group is now actively approaching potential investors, with goals to resume construction, to complete financing for the project and to pay off all current debts to the creditors for the project, or to provide offers for potential investors to acquire the project.

The Group will continue to obtain financing through the finance investment and others segment and they will be the corporate office to support the Group's operations.

The widespread of Omicron variant along with the Group's funding issues have caused the Group to encounter immense and unprecedented difficulties. Looking ahead, under the context of volatile situations and economic uncertainty, economic recovery is still full of challenges. Amidst the unclear prospect of economic recovery and strict regulations on the real estate development industry, the Group's liquidity issues will unavoidably prolong in 2022. Facing various challenges, the Group will continue to dispose of assets which will not generate immediate revenue or are in the preliminary planning stage to reduce the Group's overall liabilities, thereby reducing the Group's recurring financial costs and working capital burden. In addition, for the existing outstanding borrowings, the Group has been convincing the lenders on debt restructuring, including the amendment to certain key terms and conditions of the original financing agreement by entering into supplemental agreement, such as extending the principal and interest payment schedule. The Group will also actively seek additional bank and other borrowings from banks, independent financial institutions and other counterparties to finance the settlement of its existing financial obligations, commitments and future operating and capital expenditures as well as to maintain sufficient cash flow for the Group. Although the Group will dispose of assets which will not generate immediate revenue, the Group intends to continue to maintain its existing businesses not being disposed or under receivership and reserve resources to develop the LA Project. The Group will also continue its work in streamlining its operation, fully promoting financing, introducing strategic investors, disposing assets, optimizing management and control and others. The Group will also continue to coordinate teamwork to overcome all difficulties and withstand enormous pressures, and to unswervingly accelerate asset disposals and introduce strategic investors, while exploring new areas of development during its gradual resolution on conflicts and problems. The Group believes that through solving systematic issues, it can overcome its current difficulties and lay a strong foundation for the future.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 28 February 2022 of the property interests held by the Group.



Suite 403, 93-103 Wing Lok Street,
Sheung Wan, Hong Kong

WEB: www.mpval.com

28 April 2022

The Board of Directors
China Oceanwide Holdings Limited
64/F., Bank of China Tower, 1 Garden Road, Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of China Oceanwide Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the valuation of the property interests located in Parcel Lots 18734, 18250-A, 18252 and portion of 18733-B (i.e. Lots 30001, 30002, 30003 and 30004), Kapolei Area, Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the United States of America (the “**USA**”) held by the Group, we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the property interests as at 28 February 2022 (the “**Valuation Date**”).

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuation is carried out on a Market Value basis, which is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

VALUATION ASSUMPTIONS

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Unless stated as otherwise, we have assumed that the respective title owner of the properties has an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, encumbrances, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government.

Unless noted in the report, vacant possession is assumed for the property concerned.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

Since the property is a land parcel and there is sufficient transaction/asking information in the market, therefore market approach is the most appropriate valuation method.

On the other hand, as the property does not generate rental income, income approach is not appropriate in this case. Besides, as the property is a land parcel, normally cost approach is not appropriate for the valuation of land parcels.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests. Where possible, we have examined the original documents to verify the existing title to the property interest and any material encumbrance that might be attached to the property interests or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out during 12 to 14 December 2019 by Oswald Au (Managing Director of Masterpiece Valuation Advisory Limited) and live stream of those property by Greivis Sze (Associate Director of Masterpiece Valuation Advisory Limited) on 18 March 2022. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in United States Dollar (“**USD**”).

Our valuation is summarized below and the valuation certificate is attached.

Yours faithfully,
For and on behalf of
Masterpiece Valuation Advisory Limited
Sr Oswald W Y Au
MHKIS(GP) AAPI MSc(RE)
Registered Professional Surveyor (GP)
Managing Director

Note: Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.

VALUATION CERTIFICATE

Property interests to be disposed by the Group

Property	Description and tenure	Particulars of occupancy	Market value
			in existing state as at 28 February 2022 <i>USD</i>
Parcel Lots 18734, 18250-A, 18252 and portion of 18733-B (i.e. Lots 30001, 30002, 30003 and 30004), Kapolei Area, Honouliuli, District of Ewa, City and County of Honolulu, State of Hawaii, the United States of America	<p>The property comprises three parcels of land with a total site area of approximately 486.40 acres (approximately 21,187,627 sq.ft.).</p> <p>The property was under planned area for mixed use which included residential, commercial and preservation.</p> <p>The property is located at Kapolei Area, City and County of Honolulu, near the Target shopping mall and Ko Olina Golf Club, with approximately 7 km to Kalaeloa Airport (JRF).</p> <p>The property is held under fee simple interest.</p>	As advised by the Group, the property was a vacant site for future development purpose as of valuation date.	<p>112,000,000 (100% interest attributable to the Group: 112,000,000)</p>

Notes:

- i. The owner of the land parcels is Oceanwide Resort Community HI LLC.
- ii. According to the information provided by the Group, the company currently does not have any approved architectural plans nor grant of planning consent on the development of the property.
- iii. In our valuation, we have made reference to some transaction/asking price references of land comparables in the subject and nearby development. We have adopted the range of unit rates between USD 3 to USD 6 per sq.ft. for residential and preservation usage and USD 21 to USD 26 per sq.ft. for commercial usage. The unit rates assumed by us are consistent with the said price reference. Due adjustments to the unit rates of those price reference have been considered to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

2.1. Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, were as follows:

Long positions in the Shares and underlying Shares

Name of Director	Capacity	Nature of interests	Number of Shares held	Approximate percentage of shareholding in the Company (%)
Liu Jipeng	Beneficial owner	Personal interest	9,212,000	0.05

Long positions in the shares of the Company's associated corporation***Long positions in the shares of Oceanwide Holdings***

Name of Director	Capacity	Nature of interests	Number of ordinary shares in Oceanwide Holdings held	Approximate percentage of shareholding in Oceanwide Holdings (%)
Han Xiaosheng	Beneficial owner	Personal interest	3,500,000	0.06
Liu Hongwei	Beneficial owner	Personal interest	30,000	0.0005
Liu Bing	Beneficial owner	Personal interest	90,000	0.001
Liu Guosheng	Beneficial owner	Personal interest	400,000	0.007
Zhao Yingwei	Beneficial owner	Personal interest	200,000	0.003

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code as at the Latest Practicable Date.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

2.2. Substantial Shareholders and Other Persons' Interests and Short Positions in Shares and Underlying Shares

So far as is known to the Directors, as at the Latest Practicable Date, other than the Directors and chief executive of the Company as disclosed above, the following persons had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the Shares or underlying Shares

Name	Capacity	Number of Shares held	Approximate percentage of shareholding in the Company (%)
Lu Zhiqiang	Interest of controlled corporations	12,097,721,178 (Note 1)	74.94
Tohigh Holdings Co., Ltd.*	Interest of controlled corporations	12,097,721,178 (Note 2)	74.94
Oceanwide Group Co., Ltd.*	Interest of controlled corporations	12,097,721,178 (Note 3)	74.94
China Oceanwide Holdings Group Co., Ltd.*	Interest of controlled corporations	12,097,721,178 (Note 4)	74.94
Oceanwide Holdings	Interest of controlled corporations	12,097,721,178 (Note 5)	74.94
COG	Interest of controlled corporations	12,097,721,178 (Note 5)	74.94
Oceanwide Holdings International Co., Ltd.	Beneficial owner	11,346,221,178 (Note 5)	70.28
Haitong Securities Co., Ltd.	Interest of controlled corporations	9,725,142,183 (Note 6)	60.24
Haitong International Holdings Limited	Interest of controlled corporations	9,725,142,183 (Note 7)	60.24
Haitong International Securities Group Limited	Interest of controlled corporations	9,725,142,183 (Note 8)	60.24
Haitong International Financial Products (Singapore) Pte. Ltd.	Security interest in Shares	9,001,903,108 (Note 8)	55.76

Notes:

- (1) Mr. Lu Zhiqiang holds more than one-third of the voting power at general meetings of Tohigh Holdings Co., Ltd.*. By virtue of the SFO, Mr. Lu Zhiqiang is deemed to be interested in all the Shares in which Tohigh Holdings Co., Ltd.* is interested.
- (2) Tohigh Holdings Co., Ltd.* holds 100% equity interest in Oceanwide Group Co., Ltd.*. By virtue of the SFO, Tohigh Holdings Co., Ltd.* is deemed to be interested in all the Shares in which Oceanwide Group Co., Ltd.* is interested.
- (3) Oceanwide Group Co., Ltd.* holds 98% equity interest in China Oceanwide Holdings Group Co., Ltd.*. By virtue of the SFO, Oceanwide Group Co., Ltd.* is deemed to be interested in all the Shares in which China Oceanwide Holdings Group Co., Ltd.* is interested.
- (4) China Oceanwide Holdings Group Co., Ltd.* directly holds 62.83% equity interest in Oceanwide Holdings. By virtue of the SFO, China Oceanwide Holdings Group Co., Ltd.* is deemed to be interested in all the Shares in which Oceanwide Holdings is interested.
- (5) Oceanwide Holdings International Co., Ltd. and Oceanwide Holdings International Finance Ltd. are the wholly-owned subsidiaries of COG, which in turn is a wholly-owned subsidiary of Oceanwide Holdings. By virtue of the SFO, COG and Oceanwide Holdings are deemed to be interested in an aggregate of 12,097,721,178 Shares, including: (i) 11,346,221,178 Shares held by Oceanwide Holdings International Co., Ltd.; and (ii) 751,500,000 Shares held by Oceanwide Holdings International Finance Ltd.. Oceanwide Holdings International Co., Ltd. and Oceanwide Holdings International Finance Ltd. have charged 8,250,403,108 Shares and 751,500,000 Shares respectively in favour of Haitong International Financial Products (Singapore) Pte. Ltd. for a loan facility. Oceanwide Holdings International Co., Ltd. has also charged 3,095,818,070 Shares in favour of China Minsheng Banking Corp., Ltd., Hong Kong Branch in order to secure the obligations of China Tonghai International Financial Limited (“CTIFL”, whose shares are listed on the Stock Exchange (Stock Code: 952)), a non-wholly-owned subsidiary of Oceanwide Holdings, under a credit facility.
- (6) Haitong Securities Co., Ltd. holds 100% equity interest in Haitong International Holdings Limited. By virtue of the SFO, Haitong Securities Co., Ltd. is deemed to be interested in all the Shares in which Haitong International Holdings Limited is interested.
- (7) Haitong International Holdings Limited holds 64.40% equity interest in Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Holdings Limited is deemed to be interested in all the Shares in which Haitong International Securities Group Limited is interested.
- (8) Haitong International Financial Products (Singapore) Pte. Ltd. and Haitong International Financial Products Limited are the indirect subsidiaries of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Securities Group Limited is deemed to be interested in (i) 9,001,903,108 Shares in which Haitong International Financial Products (Singapore) Pte. Ltd. has security interest; and (ii) 723,239,075 Shares beneficially owned by Haitong International Financial Products Limited.

Save as disclosed above, as at the Latest Practicable Date, there was no other person who held interests and/or short positions in the Shares or underlying Shares which was required, to be entered in the register to be kept under section 336 of Part XV of the SFO, or was a substantial Shareholder.

3. COMPETING INTEREST

As at the Latest Practicable Date, the following Directors had interests in the following businesses (apart from the businesses of the Company or its subsidiaries) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries conducted during the year ended 31 December 2021 required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Name of Director	Name of Company	Position(s) of Director	Nature of Competing Business
Han Xiaosheng	China Oceanwide Holdings Group Co., Ltd.*	Director	Real estate investment
Liu Hongwei	China Oceanwide Holdings Group Co., Ltd.*	Vice President	Real estate investment
	Oceanwide Holdings	Supervisor	Real estate development and investment
Liu Bing	China Oceanwide Holdings Group Co., Ltd.*	Director	Real estate investment
Liu Guosheng	Oceanwide Holdings	Executive Vice President, Chief Financial Officer and Director	Real estate development and investment
Zhao Yingwei	China Oceanwide Holdings Group Co., Ltd.*	Executive Director, Executive Vice President and Chief Financial Officer	Real estate investment
	Oceanwide Holdings	Deputy Chairman of Supervisory Committee	Real estate development and investment
Yan Fashan	Oceanwide Holdings	Independent Director	Real estate development and investment

China Oceanwide Holdings Group Co., Ltd.* is a joint stock company established in the PRC with limited liability. It is the controlling shareholder of Oceanwide Holdings and is principally engaged in a wide range of investment and investment management activities, including investment in science and technology, culture, education, real estate, infrastructure projects, real estate investment, capital management, asset management, hotel and property management, conference and exhibition provision services, rental of commercial properties, office space, property development and investment, parking, telecommunications, office automation, decoration materials and equipment, and economic, technical and management consulting services relating to the aforementioned businesses.

Oceanwide Holdings is a joint stock company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange. It is a conglomerate and is principally engaged in investment and investment management, finance, strategic investment, asset management, real estate business operation and property management, real estate development and investment, self-owned property leasing, corporate management consultation and sale of building materials, decoration materials and mechanical equipment in the PRC, Hong Kong and the U.S..

As the Board has been operating independently of the boards of directors of the above two entities, the Group has been able to carry on its businesses independently of, and at arm's length from the businesses of the above entities. Further, although the above entities are also engaged in real estate development/investment, no competition is considered to exist among the Group (which focuses on offshore investments) and the above entities (which focuses on onshore investments).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' AND EXPERT'S INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors or expert named in this circular had any direct or indirect interest in any asset which had been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTEREST IN CONTRACTS

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

7. LITIGATION

There were disputes between the Group and its contractors relating to the LA Project.

On 31 January 2019 (LA time), a subcontractor (the "**Subcontractor**") of the LA Project, sued Oceanwide Plaza, the General Contractor and a lender of Oceanwide Plaza in LA County Superior Court foreclose on a mechanic's lien (the "**First Lien**") for approximately US\$52.9 million (equivalent to approximately HK\$413.9 million) recorded on the LA Project's title. On 19 February 2019 (LA time), the Subcontractor recorded an amended lien for approximately US\$49.4 million (equivalent to approximately HK\$386.5 million) and released the First Lien, but did not amend its complaint. On 26 March 2019 (LA time), the Subcontractor recorded a new lien (the "**Third Lien**") for approximately US\$60.3 million (equivalent to approximately HK\$471.8 million) and filed a first amended complaint to sue for this new amount. Oceanwide Plaza received the Third Lien on 2 April 2019 (LA time). Oceanwide Plaza is preparing a vigorous defence but is also exploring the opportunity to negotiate a settlement with the Subcontractor to resolve the dispute.

Apart from the aforesaid case, as of 31 December 2021, 38 contractors had recorded mechanic's liens for approximately US\$363.9 million (equivalent to approximately HK\$2,847.2 million) in total, among which 33 of them, alongside another contractor who had released its lien but not yet dismissed its lawsuit, were suing Oceanwide Plaza to foreclose on their mechanic's liens for an aggregate claim amount of approximately US\$363.7 million (equivalent to approximately HK\$2,845.7 million). Both of these amounts, however, include the General Contractor's lien of approximately US\$218.8 million (equivalent to approximately HK\$1,711.9 million). For details, please refer to the announcement of the Company dated 29 March 2022.

The corresponding likely maximum lawsuit liability of the above disputes would be approximately US\$219.28 million (equivalent to approximately HK\$1,715.69 million) and an aggregate amount of approximately HK\$1,252.21 million has been accrued for the lawsuit matters in respect of the LA Project as at 28 February 2022.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. CONSENT AND QUALIFICATION OF EXPERT

- (a) The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Masterpiece Valuation Advisory Limited	Independent qualified valuer

- (b) As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.
- (d) The above expert did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 December 2021), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (e) The valuation report of Masterpiece Valuation Advisory Limited is given as of the date of this circular for incorporation herein.

9. MATERIAL CONTRACTS

The following contracts (being contract entered into outside the ordinary course of business carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) the facility agreement entered into by China Oceanwide Real Estate Development III Limited, an indirect wholly-owned subsidiary of the Company (as borrower) with DW 80 South, LLC, a limited liability company incorporated in the U.S. (as the initial lender), and the Company and certain members of the Group as guarantors on 22 May 2019 relating to a term loan of US\$175,000,000 and the extension exercise notice entered into by the initial lender, the borrower and other parties to the facility agreement on 24 November 2021, details of which were disclosed in the announcement of the Company dated 23 May 2019 and 25 November 2021 respectively;
- (b) the facility agreement entered into by a wholly-owned subsidiary of the Company (as borrower) with a licensed bank in the PRC (as lender) on 8 May 2020 relating to a RMB600,000,000 facility with a term of 36 months, details of which were disclosed in the announcement of the Company dated 8 May 2020;

- (c) the settlement agreement entered into by the Company on 24 August 2021 with Oceanwide Holdings (the Controlling Shareholder) and CTIFL, a company with the shares of which are listed on the Stock Exchange and owned indirectly as to 72.51% by Oceanwide Holdings, pursuant to which Oceanwide Holdings has conditionally agreed to, inter alia, transfer the shares of Wuhan CBD Co., Ltd. (a PRC subsidiary of Oceanwide Holdings) to CTIFL (or its nominee) to settle unsecured debts in the principal amount of HK\$480,000,000 owed by the Company to CTIFL, and the supplemental agreement to the settlement agreement entered into by the Company on 30 November 2021 and 31 March 2022 with Oceanwide Holdings and CTIFL, details of which were disclosed in the announcement of the Company dated 24 August 2021, 30 November 2021 and 31 March 2022 respectively;
- (d) the purchase and sale agreement entered into by the Seller, a wholly-owned subsidiary of the Company, with Alaka'i Apartments on 21 December 2021 (Hawaii time)/22 December 2021 (Hong Kong time), pursuant to which the Seller has conditionally agreed to sell, and Alaka'i Apartments has conditionally agreed to buy, the property located in the State of Hawaii, the U.S., together with the traffic impact fee credits, for an aggregate consideration of US\$23,286,048, details of which were disclosed in the announcement of the Company dated 22 December 2021; and
- (e) the Purchase and Sale Agreement (as amended and supplemented by the First Amendment Agreement).

10. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 64/F., Bank of China Tower, 1 Garden Road, Hong Kong.
- (c) The principal share registrar of the Company is MUFG Fund Services (Bermuda) Limited at 4th floor North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.
- (d) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

- (e) The company secretary of the Company is Ms. Lam Wai Yee Sophie, who is a fellow member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.
- (f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company's website (www.oceanwide.hk) and the Stock Exchange's website (www.hkexnews.hk) for a period of 14 days from the date of this circular:

- (a) the Purchase and Sale Agreement;
- (b) the First Amendment Agreement;
- (c) the valuation report prepared by Masterpiece Valuation Advisory Limited, the text of which is set out in Appendix II to this circular; and
- (d) the written consent referred to in the paragraph headed "Consent and Qualification of Expert" in this appendix.