THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 and the accompanying form of proxy 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.

中泛控股有限公司

CHINA OCEANWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 715)

MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF A US REAL ESTATE PROJECT AND AN INDONESIAN POWER PLANT PROJECT AND NOTICE OF SPECIAL GENERAL MEETING

Financial Adviser to the Company

中信證券 CITIC CLSA Securities

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

SOMERLEY CAPITAL LIMITED

A letter from the Independent Board Committee is set out on pages 38 to 39 of this circular and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 40 to 61 of this circular.

A notice convening the SGM of China Oceanwide Holdings Limited to be held at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 14 October 2015 at 2:30 p.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person should you so wish.

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

25 September 2015

CONTENTS

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

"Acquisitions"	the acquisition of the US Sales Shares and the US Shareholder Loan by the US Purchaser from the US Vendor in accordance with the US Sale Agreement, and the acquisition of the Indonesian Sales Shares and the Indonesian Shareholder Loan by the Indonesian Purchaser from the Indonesian Vendor in accordance with the Indonesian Sale Agreement
"Apartment and Office Lease Agreements"	the two apartment lease agreements and the office lease agreement dated 18 January 2015, 18 June 2015 and 18 May 2015 respectively entered into between PT COI and PT Mabar in respect the lease of certain apartments and office space in Jakarta from PT COI to PT Mabar
"Board"	the board of Directors
"Business Day"	a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm)
"BVI"	the British Virgin Islands
"China Oceanwide"	中國泛海控股集團有限公司 (China Oceanwide Holdings Group Co., Ltd.*), a company incorporated with limited liability in the PRC
"Company"	China Oceanwide Holdings Limited (中泛控股有限公司) (Stock Code: 715), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consulting and Technical Support Services Agreement"	the consulting and technical support services agreement dated 20 August 2015 entered into between Oceanwide US, Oceanwide Plaza and Shenzhen Listco, in respect of the provision of certain consulting and technical support services by Shenzhen Listco to Oceanwide US and Oceanwide Plaza
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Acquisitions
"Exempt Continuing Connected Transactions"	the transactions set out in the section headed "Exempt Continuing Connected Transactions"
"Group"	the Company and its subsidiaries

"GSG"	PT. Garda Sayap Garuda, a company incorporated in Indonesia which holds 20% of the total issued share capital of PT Mabar
"Ha"	hectare
"HGB Title"	*Hak Guna Bangunan*, right of ownership over land in Indonesia
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr LIU Jipeng, Mr CAI Hongping, Mr YAN Fashan and Mr LO Wa Kei Roy, established to give a recommendation to the Independent Shareholders in respect of the Acquisitions
"Independent Financial Adviser" or "Somerley"	Somerley Capital Limited, a licensed corporation under the SFO for carrying out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions
"Independent Shareholders"	Shareholders other than Oceanwide International (the immediate controlling shareholder of the Company), Oceanwide Finance and Oceanwide Real Estate and their respective associates
"Independent Third Party"	a party and, if applicable, the ultimate beneficial owner of the party who does not fall within the definition of connected persons of the Company under Chapter 14A of the Listing Rules and independent of the connected persons of the Company and their associates (as defined in the Listing Rules)
"Indonesia"	the Republic of Indonesia
"Indonesian Acquisition"	the acquisition of the Indonesian Sales Shares and the Indonesian Shareholder Loan by the Indonesian Purchaser from the Indonesian Vendor in accordance with the Indonesian Sale Agreement
"Indonesian Business Valuation Report"	the business valuation report on PT Mabar prepared by JLL as attached as Appendix VI to this circular
"Indonesian Completion"	completion of the sale and purchase of the Indonesian Sale Shares and the Indonesian Shareholder Loan pursuant to the Indonesian Sale Agreement
"Indonesian Conditions"	the conditions precedent set out under the paragraph "The Indonesian Conditions" under the section headed "The Acquisitions" of this circular

"Indonesian Consideration"	the total cash consideration of US$37,090,000 (equivalent to approximately HK$289.3 million) payable by the Indonesian Purchaser to the Indonesian Vendor for the Indonesian Sale Shares and the Indonesian Shareholder Loan
"Indonesian Deed of Assignment"	the deed of assignment dated 20 August 2015 entered into between the Indonesian Purchaser and the Indonesian Vendor for the assignment of the Indonesian Shareholder Loan
"Indonesian Enlarged Group"	the Group as enlarged by the Indonesian Acquisition
"Indonesian Property Valuation Report"	the property valuation report on PT Mabar prepared by JLL as attached as Appendix VB to this circular
"Indonesian Purchaser"	China Oceanwide Power Investment I Limited (中泛電力投資第一有限公司), a company incorporated with limited liability in the BVI, an indirect wholly owned subsidiary of the Company
"Indonesian Rupiah" or "IDR"	Indonesian Rupiah, the lawful currency of Indonesia
"Indonesian Sale Agreement"	the conditional share sale and purchase agreement dated 20 August 2015 entered into between the Indonesian Purchaser and the Indonesian Vendor in relation to the sale and purchase of the Indonesian Sale Shares, representing 100% shareholding of the issued share capital of the Indonesian Target, and the Indonesian Shareholder Loan
"Indonesian Sale Shares"	the 36,555,000 shares of the Indonesian Target to be transferred pursuant to the Indonesian Sale Agreement
"Indonesian Shareholder Loan"	an inter-company loan in the amount of approximately US$685,000 (equivalent to approximately HK$5.3 million), provided by the Indonesian Vendor to Indonesian Target
"Indonesian Target"	China Oceanwide Power Co., Limited (中國泛海電力有限公司), a company incorporated with limited liability under the laws of Hong Kong
"Indonesian Target Group"	includes the Indonesian Target and PT Mabar
"Indonesian Target Land"	a plot of land with an area of approximately 119.89 Ha located at Paluh Kurau Village, Hamparan Perak District, Deli Serdang regency purchased by PT Mabar, further details of which are set out in the Indonesian Property Valuation Report
"Indonesian Valuation Reports"	the Indonesian Property Valuation Report and the Indonesian Business Valuation Report
"Indonesian Vendor"	China Oceanwide International Investment Company Limited (中國泛海國際投資有限公司), a company incorporated with limited liability under the laws of Hong Kong

"Initial Announcement"	the announcement of the Company dated 20 August 2015 in relation to the Acquisitions and the Possible Continuing Connected Transactions
"Latest Practicable Date"	22 September 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 December 2015 or any such other date as shall be agreed by the Vendors and the Purchasers in writing
"Maybank Loan"	the loan in the principal amount of US$100,000,000 (equivalent to approximately HK$780.0 million) made available pursuant to a bridge loan facility agreement dated 18 November 2014 entered into, among others, Malayan Banking Berhad, Singapore Branch as lender and the Indonesian Target as borrower
"MW"	megawatt or one million watts
"OCBC Bank Loan"	the facility letter issued by Oversea-Chinese Banking Corporation Limited to PT Mabar on 12 March 2015 pursuant to which Oversea-Chinese Banking Corporation Limited has agreed to make available a loan facility of up to US$100,000,000 (equivalent to approximately HK$780.0 million) to PT Mabar
"Oceanwide Finance"	Oceanwide Holdings International Finance Limited (泛海控股國際金融有限公司), a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of Shenzhen Listco and one of the immediate holding companies of the Company
"Oceanwide International"	Oceanwide Holdings International Co., Ltd (泛海控股國際有限公司), a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of Shenzhen Listco and the immediate controlling shareholder of the Company
"Oceanwide Plaza"	Oceanwide Plaza LLC (泛海廣場有限公司**), a Delaware (US) limited liability company, a wholly owned subsidiary of Oceanwide US
"Oceanwide Real Estate"	Oceanwide Real Estate International Company Limited (泛海建設國際有限公司), a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of Shenzhen Listco and one of the immediate holding companies of the Company
"Oceanwide US"	Oceanwide Real Estate Group (USA) Corp. (泛海建設集團(美國)股份有限公司**), a Delaware (US) corporation, a wholly owned subsidiary of the US Target

"PLN"	PT Perusahaan Listrik Negara (Persero), a state owned limited liability company established, organised and existing under the laws of Indonesia
"PRC"	the People's Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Possible Continuing Connected Transactions"	the transactions under the section headed "Possible Continuing Connected Transactions"
"PT COI"	PT. China Oceanwide Indonesia, a company incorporated with limited liability in Indonesia of which 10% of its shareholding is held by the Indonesian Target before an internal restructuring and after the said internal restructuring, it shall become a direct wholly owned subsidiary of the Indonesian Vendor
"PT Mabar"	PT. Mabar Elektrindo, a company incorporated with limited liability in Indonesia, of which the Indonesian Target holds 60% of its shares
"PT SEPC"	PT. Shanghai Electric Power Construction, a company incorporated in Indonesia which is held as to 95% by SEPC
"Purchasers"	the US Purchaser and the Indonesian Purchaser
"PwC"	PricewaterhouseCoopers, Certified Public Accountants, the accountants appointed by the Company in respect of the Acquisitions
"RevPAR"	the ratio calculating the revenue per available room
"Rule 14A.60 Continuing Connected Transactions"	the transactions set out in the section headed "Continuing Connected Transactions pursuant to Rule 14A.60 of the Listing Rules"
"Rule 14A.101 Continuing Connected Transactions"	the transactions set out in the section headed "Continuing Connected Transactions pursuant to Rule 14A.101 of the Listing Rules"
"SAFE"	the State Administration of Foreign Exchange of the PRC
"Sale Agreements"	the US Sale Agreement and the Indonesian Sale Agreement
"SEPC"	上海電力建設有限責任公司(Shanghai Electric Power Construction Co., Ltd*), a company established in the PRC which holds 20% of the total issued share capital of PT Mabar
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Sale Agreements and the transactions contemplated thereunder

"Share(s)"	ordinary shares of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holders of Shares
"Shenzhen Listco"	泛海控股股份有限公司 (Oceanwide Holdings Co., Ltd.*), a joint stock company established in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000046)
"Sponsors Agreement"	the sponsors agreement to be entered into among GSG, the Indonesian Target and SEPC collectively as the sponsors, PT Mabar and PLN to ensure the implementation and continuation of the ongoing Indonesian project through equity and/or loan funding from the sponsors or lenders
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Companies"	the Indonesian Target and the US Target
"Total Consideration"	the total consideration of US$252,190,000 (equivalent to approximately HK$1,967.1 million) payable by the Purchasers to the Vendors for the Acquisitions
"TWH"	terawatt hours
"US"	the United States of America
"US$"	US dollars, the lawful currency of the US
"US$320 Million Notes"	the US$320,000,000 11.75% guaranteed senior notes due 2019 issued by Oceanwide Real Estate International Holding Company Limited (泛海建設國際控股有限公司), which is a BVI incorporated wholly owned subsidiary of the US Vendor
"US$400 Million Notes"	the US$400,000,000 9.625% guaranteed senior notes due 2020 issued by Oceanwide Holdings International 2015 Co., Limited (泛海控股國際2015有限公司), which is a BVI incorporated wholly owned subsidiary of the US Vendor
"US Acquisition"	the acquisition of the US Sales Shares and the US Shareholder Loan by the US Purchaser from the US Vendor in accordance with the US Sale Agreement
"US Completion"	completion of the sale and purchase of the US Sale Shares and the US Shareholder Loan pursuant to the US Sale Agreement
"US Conditions"	the conditions precedent set out under the paragraph "The US Conditions" under the section headed "The Acquisitions" of this circular

"US Consideration"	the total cash consideration of US$215,100,000 (equivalent to approximately HK$1,677.8 million) payable by the US Purchaser to the US Vendor for the US Sale Shares and the US Shareholder Loan
"US Deed of Assignment"	the deed of assignment dated 20 August 2015 entered into between the US Purchaser and the US Vendor for the assignment of the US Shareholder Loan
"US Enlarged Group"	the Group as enlarged by the US Acquisition
"US Purchaser"	China Oceanwide Real Estate Development I Limited (中泛房地產開發第一有限公司), a company incorporated with limited liability in the BVI, an indirect wholly owned subsidiary of the Company
"US Sale Agreement"	the conditional share sale and purchase agreement dated 20 August 2015 entered into between the US Purchaser and the US Vendor in relation to the sale and purchase of the US Sale Shares, representing 100% shareholding of the issued share capital of the US Target, and the US Shareholder Loan
"US Sale Shares"	the 50,000 shares of the US Target to be transferred pursuant to the US Sale Agreement
"US Shareholder Loan"	the inter-company loan in the amount of approximately US$24,573,000 (equivalent to approximately HK$191.7 million), provided by the US Vendor to Oceanwide Plaza
"US Target"	Oceanwide Real Estate International Investment Company Limited (泛海建設國際投資有限公司), a company incorporated with limited liability in the BVI
"US Target Group"	includes the US Target, Oceanwide US and Oceanwide Plaza
"US Target Land"	the lot of land held by Oceanwide Plaza located in the downtown area of Los Angeles at 1101 South Flower Street with a site area of approximately 18,661.90 sq.m., further details of which are set out in the US Valuation Report
"US Valuation Report"	the valuation report on the US Target Land prepared by JLL as attached as Appendix VA to this circular
"US Vendor"	China Oceanwide Group Limited (中泛集團有限公司), a company incorporated with limited liability under the laws of Hong Kong
"Valuation Date"	30 June 2015
"Valuation Reports"	the US Valuation Report and the Indonesian Valuation Reports prepared by JLL as attached as Appendix VA, Appendix VB and Appendix VI to this circular

"Valuer" or "JLL"	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of valuers
"VAT"	an Indonesian single rate value added tax of 10% that is chargeable for fees that relate to the provision of lease services
"Vendors"	the US Vendor and the Indonesian Vendor
"%"	per cent.
"sq.m."	square metres

* *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.*

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

Unless otherwise specified, conversions of US$ into HK$ in this circular are based on the exchange rate of US$1.00 = HK$7.80 for illustration purpose only. No representation is made that any amounts in US$ or HK$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

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 Bing
Mr LIU Hongwei
Mr LIU Guosheng

Non-executive Directors:
Mr QIN Dingguo *(Deputy Chairman)*
Mr ZHENG Dong *(Deputy Chairman)*
Mr ZHAO Yingwei
Mr QI Zixin

Independent Non-executive Directors:
Mr LIU Jipeng
Mr CAI Hongping
Mr YAN Fashan
Mr LO Wa Kei Roy

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

25 September 2015

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF A US REAL ESTATE PROJECT AND AN INDONESIAN POWER PLANT PROJECT AND NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

On 20 August 2015, the Board announced the Acquisitions and the Possible Continuing Connected Transactions arising upon completion of the Acquisitions. Reference is made to the Initial Announcement dated 20 August 2015.

The purpose of this circular is to provide you with further information regarding the Acquisitions, the Possible Continuing Connected Transactions and the notice of SGM.

2. THE ACQUISITIONS

On 20 August 2015 (after trading hours), the US Purchaser and the US Vendor entered into the US Sale Agreement, pursuant to which the US Purchaser conditionally agreed to acquire from the US Vendor, and the US Vendor conditionally agreed to sell to the US Purchaser, the US Sale Shares and the US Shareholder Loan for the US Consideration of US$215,100,000 (equivalent to approximately HK$1,677.8 million) payable at the US Completion or such other later date as may be agreed between the parties. The US Sale Shares represent 100% of the total issued share capital of the US Target.

On the same day (after trading hours), the Indonesian Purchaser and the Indonesian Vendor entered into the Indonesian Sale Agreement, pursuant to which the Indonesian Purchaser conditionally agreed to acquire from the Indonesian Vendor, and the Indonesian Vendor conditionally agreed to sell to the Indonesian Purchaser, the Indonesian Sale Shares and the Indonesian Shareholder Loan for the Indonesian Consideration of US$37,090,000 (equivalent to approximately HK$289.3 million) payable at the Indonesian Completion or such other later date as may be agreed between the parties. The Indonesian Sale Shares represent 100% of the total issued share capital of the Indonesian Target.

2.1 The US Acquisition

The US Sale Agreement

Date

20 August 2015 (after trading hours)

Parties

(i) US Purchaser: China Oceanwide Real Estate Development I Limited (中泛房地產開發第一有限公司)

(ii) US Vendor: China Oceanwide Group Limited (中泛集團有限公司)

As at the Latest Practicable Date and immediately prior to the US Completion, the US Vendor directly holds 100% of the issued share capital in the US Target.

Assets to be acquired

Pursuant to the US Sale Agreement, the US Purchaser has conditionally agreed to acquire, and the US Vendor has conditionally agreed to sell, the US Sale Shares (representing 100% of the total issued share capital of the US Target), free from all encumbrances and together with all rights attaching to them as at the US Completion, and to assign the US Shareholder Loan. The US Purchaser and the US Vendor have also entered into the US Deed of Assignment for the assignment of the US Shareholder Loan from the US Vendor to the US Purchaser.

The US Target wholly owns Oceanwide US, which in turn wholly owns Oceanwide Plaza. Oceanwide Plaza holds the US Target Land.

The US Consideration

The US Consideration of US$215,100,000 (equivalent to approximately HK$1,677.8 million) comprises the consideration for the sale and purchase of the US Sale Shares payable by the US Purchaser to the US Vendor of approximately US$190,527,000 (equivalent to approximately HK$1,486.1 million) and the consideration for the assignment of the US Shareholder Loan payable by the US Purchaser to the US Vendor of approximately US$24,573,000 (equivalent to approximately HK$191.7 million), in each case, to be paid by the US Purchaser to the US Vendor in cash by wire transfer to a bank account designated by the US Vendor at the US Completion, after all the US Conditions have been fulfilled or waived (as the case may be) or such other later date as may be agreed between the parties.

The US Purchaser intends to satisfy payment for the US Consideration by the internal resources of the Group.

Reimbursement

Pursuant to the US Sale Agreement, the US Purchaser has agreed to reimburse the US Vendor for any expenses, out-goings, equity or debt investment made in respect of the US Target and/or any member of the US Target Group during the period between the signing of the US Sale Agreement and the US Completion. The US Vendor has undertaken to procure that during the period from the date of the US Sale Agreement to the US Completion, each member of the US Target Group shall continue to carry on its business in the ordinary and usual course consistent with past practice in compliance with all laws and that each member of the US Target Group shall not take certain actions without the consent of the US Purchaser, including the incurrence of debt and capital expenditure in excess of certain agreed amounts. The US Purchaser will prepare a completion statement as at the date of the US Completion in accordance with: (i) the accounting principles, policies, procedures, practices and estimation techniques adopted in the 2014 annual accounts of the US Target Group, applied on a consistent basis; and (ii) to the extent not inconsistent with (i), the Hong Kong Financial Reporting Standards. If the completion statement reflects any expenses, out-goings, equity or debt investment made in respect of the US Target and/or any member of the US Target Group during the period between the signing of the US Sale Agreement and the US Completion, the US Purchaser shall pay the US Vendor an amount equal to such amounts as shown in the completion statement within ten Business Days after it issues the completion statement. The US Vendor shall assign its rights in respect of such amounts to the US Purchaser as appropriate.

Basis of the US Consideration

The US Consideration of US$215,100,000 (equivalent to approximately HK$1,677.8 million) was determined after arm's length negotiations between the US Purchaser and the US Vendor after taking into account: (i) the total cost of incorporating and establishing (as applicable) the US Target Group; (ii) the valuation of the US Target Land held by the US Target Group; (iii) the investment costs of the US Vendor; (iv) the net asset value of the US Target Group; and (v) the business prospects and development potential of the US Target Group.

As at the Valuation Date, the valuation of the US Target Land held by the US Target Group as set out in the US Valuation Report as at the Valuation Date prepared by the Valuer was US$228.0 million (equivalent to approximately HK$1,778.4 million), prepared adopting multiple approaches, including market approach and cost approach. The Board considered the US Valuation Report in determining the US Consideration.

The audited consolidated net assets of the US Target Group as at 31 December 2014 were approximately HK$1,480.2 million.

The audited consolidated net profit or loss before and after tax of the US Target Group for the period/year ended 31 December 2013 and 31 December 2014 are set out below:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013 (audited) *HK$'000*	**Year ended 31 December 2014** (audited) *HK$'000*
Net profit/(loss) before tax	(1)	10,207
Net profit/(loss) after tax	(1)	6,040

To comply with the Listing Rules, disclosure of the reconciliation of the net book value and the valuation as required under Rule 5.07 of the Listing Rules is set out below:

	US$'million
Audited net book value of the US Target Land as at 31 March 2015	204.0
Net increase in net book value of the US Target Land from 1 April to 30 June 2015	16.3
Unaudited net book value of the US Target Land as at 30 June 2015	220.3
Valuation surplus	7.7
Valuation of the US Target Land as at 30 June 2015 as set out in the Appendix VA headed "Property Valuation Report on the US Target Land" to this circular	228.0

The Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) are of the view that the US Consideration (after taking into account the US Valuation Report as of the Valuation Date) is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Reference is made to Appendix VA headed "Property Valuation Report on the US Target Land" to this circular.

The US Conditions

The US Completion is subject to and conditional upon the fulfilment or waiver (as applicable) of the US Conditions (or their fulfilment subject only to the US Completion), including:

(a) the Company having complied with the requirements under Chapters 14 and 14A of the Listing Rules in obtaining the relevant Shareholders' or Independent Shareholders' approval in relation to the US Sale Agreement and the transactions contemplated thereunder;

(b) the US Purchaser being satisfied with the results of the due diligence review relating to the US Target Group;

(c) the US Purchaser being satisfied that the US Target has been released as a subsidiary guarantor under the terms of the US$320 Million Notes, and that any and all security interests created over the US Sale Shares under the terms of the US$320 Million Notes have been released, in each case, on terms acceptable to the US Purchaser;

(d) the US Purchaser being satisfied that the US Target has been released as a subsidiary guarantor under the terms of the US$400 Million Notes, and that any and all security interests created over the US Sale Shares under the terms of the US$400 Million Notes have been released, in each case, on terms acceptable to the US Purchaser;

(e) the US Purchaser being satisfied that no material adverse change has arisen or occurred;

(f) the US Vendor not having breached any of its pre-closing obligations in any material respect;

(g) the warranties given by the US Vendor remaining true and accurate in all material respects;

(h) no order or judgment (whether temporary, preliminary or permanent) of any authority having been issued or made prior to the US Completion, and no legal or regulatory requirements remain to be satisfied, which has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the US Sale Shares to the US Purchaser, or any transaction contemplated by the US Sale Agreement; and

(i) all authorisations (if any) which are required for the entering into or the performance of obligations under the US Sale Agreement by the parties thereto having been obtained and remaining in full force and effect and all filings with any authorities and other relevant third parties which are required for the entering into and the implementation of the US Sale Agreement having been made.

With respect to condition (c) above, the US$320 Million Notes were issued by Oceanwide Real Estate International Holding Company Limited (泛海建設國際控股有限公司), which is a wholly owned subsidiary of the US Vendor. The US$320 Million Notes are irrevocably and unconditionally guaranteed by Shenzhen Listco, the US Vendor and certain existing entities within the Shenzhen Listco group (including the US Target) and secured by pledges of shares of certain offshore subsidiaries (including the US Sale Shares). The Company has initiated the relevant procedures for the release of the US Target as a subsidiary guarantor under the terms of the US$320 Million Notes and for all security interests created over the US Sale Shares to be released.

With respect to condition (d) above, the US$400 Million Notes were issued by Oceanwide Holdings International 2015 Co., Limited (泛海控股國際2015有限公司), which is a wholly owned subsidiary of the US Vendor. The US$400 Million Notes are irrevocably and unconditionally guaranteed by entities including Shenzhen Listco and certain existing entities within the Shenzhen Listco group (including the US Target) and secured by pledges of shares of certain offshore subsidiaries (including the US Sale Shares). The Company has initiated the relevant procedures for the release of the US Target as a subsidiary guarantor under the terms of the US$400 Million Notes and for all security interests created over the US Sale Shares to be released.

All the US Conditions except conditions (a), (c), (d), (h) and (i) above may be waived in whole or in part, either generally or in respect of any particular matter by the US Purchaser.

As at the Latest Practicable Date, none of the above US Conditions has been fulfilled. The Company currently has no intention to waive any of the US Conditions.

Long Stop Date

If any of the US Conditions are not fulfilled or waived on or before the Long Stop Date, either the US Vendor or the US Purchaser may terminate the US Sale Agreement by giving written notice to the other party, and neither party shall have any claim against the other under it, save for any rights accrued by the parties prior to termination.

The US Completion

The US Completion shall take place on the fifth Business Day following the fulfilment or waiver of all of the US Conditions pursuant to the US Sale Agreement (other than those to be fulfilled or waived as at the US Completion).

The US Completion is not conditional upon the Indonesian Completion.

Upon the US Completion, the US Target will become an indirect wholly owned subsidiary of the Company and the financial results of the US Target Group will be consolidated into the consolidated financial statements of the Group.

2.2 The Indonesian Acquisition

The Indonesian Sale Agreement

Date

20 August 2015 (after trading hours)

Parties

(i)	Indonesian Purchaser:	China Oceanwide Power Investment I Limited (中泛電力投資第一有限公司)
(ii)	Indonesian Vendor:	China Oceanwide International Investment Company Limited (中國泛海國際投資有限公司)

As at the Latest Practicable Date and immediately prior to the Indonesian Completion, the Indonesian Vendor directly hold 100% of the issued share capital in the Indonesian Target.

Assets to be acquired

Pursuant to the Indonesian Sale Agreement, the Indonesian Purchaser has conditionally agreed to acquire, and the Indonesian Vendor has conditionally agreed to sell, the Indonesian Sale Shares (representing 100% of the total issued share capital of the Indonesian Target), free from all encumbrances and together with all rights attaching to them as at the Indonesian Completion, and to assign the Indonesian Shareholder Loan. The Indonesian Purchaser and the Indonesian Vendor have also entered into the Indonesian Deed of Assignment for the assignment of the Indonesian Shareholder Loan from the Indonesian Vendor to the Indonesian Purchaser.

The Indonesian Target directly owns 60% of the equity interest in the Indonesian incorporated project company, PT Mabar.

The Indonesian Consideration

The Indonesian Consideration of US$37,090,000 (equivalent to approximately HK$289.3 million) comprises the consideration for the sale and purchase of the Indonesian Sale Shares payable by the Indonesian Purchaser to the Indonesian Vendor of approximately US$36,405,000 (equivalent to approximately HK$284.0 million) and the consideration for the assignment of the Indonesian Shareholder Loan payable by the Indonesian Purchaser to the Indonesian Vendor of US$685,000 (equivalent to approximately HK$5.3 million), in each case, to be paid by the Indonesian Purchaser to the Indonesian Vendor in cash by wire transfer to a bank account designated by the Indonesian Vendor at the Indonesian Completion, after all the Indonesian Conditions have been fulfilled or waived (as the case may be) or such other later date as may be agreed between the parties.

The Indonesian Purchaser intends to satisfy payment for the Indonesian Consideration by the internal resources of the Group.

Basis of the Indonesian Consideration

The Indonesian Consideration of US$37,090,000 (equivalent to approximately HK$289.3 million) was determined after arm's length negotiations between the Indonesian Purchaser and the Indonesian Vendor after taking into account: (i) the total cost of incorporating and establishing (as applicable) the Indonesian Target Group; (ii) the valuation of the assets held by PT Mabar; (iii) the investment costs of the Indonesian Vendor; (iv) the net asset value of the Indonesian Target Group; and (v) the business prospects and development potential of the Indonesian Target Group.

As at the Valuation Date, the valuation of the Indonesian Target Land as set out in the Indonesian Property Valuation Report as at the Valuation Date prepared by the Valuer was approximately US$33.5 million (equivalent to approximately HK$261.3 million), prepared adopting multiple approaches, including market approach and cost approach. As at the Valuation Date, the valuation of the net assets held by PT Mabar as set out in the Indonesian Business Valuation Report as at the Valuation Date prepared by the Valuer was approximately US$36.1 million (equivalent to approximately HK$281.6 million), prepared adopting multiple approaches, including market approach and cost approach. The Board considered the Indonesian Valuation Reports in determining the Indonesian Consideration.

The audited consolidated net assets attributable to shareholders of the Indonesian Target Group as at 31 December 2014 were approximately HK$275.2 million.

The audited consolidated net loss before and after tax of the Indonesian Target Group for the period/year ended 31 December 2013 and 31 December 2014 are set out below:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	**Year ended 31 December 2014**
	(audited)	(audited)
	HK$'000	*HK$'000*
Net loss before tax	(2,443)	(10,736)
Net loss after tax	(2,443)	(10,736)

To comply with the Listing Rules, disclosure of the reconciliation of the net asset value and the valuation as required under Rule 5.07 of the Listing Rules is set out below:

	US$'million
Audited net asset value of PT Mabar as at 31 March 2015	30.8
Net increase in net asset value of the PT Mabar from 1 April to 30 June 2015	1.0
Unaudited net asset value of PT Mabar as at 30 June 2015	31.8
Valuation surplus	4.3
Valuation of PT Mabar as at 30 June 2015 as set out in the Appendix VI headed "Business Valuation Report on PT Mabar"	36.1

The Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) are of the view that the Indonesian Consideration (after taking into account the Indonesian Valuation Reports as of the Valuation Date) is fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

Reference is made to Appendix VB headed "Property Valuation Report on PT Mabar" and Appendix VI headed "Business Valuation Report on PT Mabar" to this circular.

The Indonesian Conditions

The Indonesian Completion is subject to and conditional upon the fulfilment or waiver (as applicable) of the Indonesian Conditions (or their fulfillment subject only to the Indonesian Completion), including:

(a) the Company having complied with the requirements under Chapters 14 and 14A of the Listing Rules in obtaining the relevant Shareholders' or Independent Shareholders' approval in relation to the Indonesian Sale Agreement and the transactions contemplated thereunder;

(b) the Indonesian Purchaser being satisfied with the results of the due diligence review relating to the Indonesian Target Group;

(c) PT Mabar having provided a certified true copy of the Sponsors Agreement duly executed by its shareholders and PLN;

(d) PT Mabar having obtained written confirmation from PLN permitting the change of control in the shareholders of PT Mabar without any consent or approval from PLN, in accordance with the Sponsors Agreement;

(e) the transfer of a 10% interest in PT COI by the Indonesian Target to the Indonesian Vendor having been completed on terms acceptable to the Indonesian Purchaser and the Minister of Law and Human Rights having issued a receipt for the notification of the transfer of the 10% interest in PT COI to the Indonesian Vendor;

(f) the Indonesian Vendor having obtained all relevant consents required under the terms of the Maybank Loan in relation to the change in the shareholding of the Indonesian Target;

(g) PT Mabar having obtained all relevant consents required under the terms of the OCBC Bank Loan in relation to the Indonesian Sale Agreement and the transactions contemplated by the Indonesian Sale Agreement (if necessary);

(h) the Indonesian Purchaser being satisfied that no material adverse change has arisen or occurred;

(i) the Indonesian Vendor not having breached any of its pre-closing obligations in any material respect;

(j) the warranties given by the Indonesian Vendor remaining true and accurate in all material respects;

(k) no order or judgment (whether temporary, preliminary or permanent) of any authority having been issued or made prior to the Indonesian Completion, and no legal or regulatory requirements remain to be satisfied, which has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Indonesian Sale Shares to the Indonesian Purchaser, or any transaction contemplated by the Indonesian Sale Agreement; and

(l) all authorisations (if any) which are required for the entering into or the performance of obligations under the Indonesian Sale Agreement by the parties thereto having been obtained and remaining in full force and effect and all filings with any authorities and other relevant third parties which are required for the entering into and the implementation of the Indonesian Sale Agreement having been made.

With respect to condition (e) above, PT COI is currently held as to 10% by the Indonesian Target and as to 90% by the Indonesian Vendor, both of which are subsidiaries of China Oceanwide. As the Indonesian Target will no longer be a subsidiary of China Oceanwide following the completion of the Indonesian Acquisition, it is proposed that the 10% interest of PT COI be transferred back to the Indonesian Vendor. The consideration for the transfer is US$30,000, approximate to the investment cost made by the Indonesian Target into PT COI.

All the Indonesian Conditions except conditions (a), (k) and (l) above may be waived in whole or in part, either generally or in respect of any particular matter by the Indonesian Purchaser.

As at the Latest Practicable Date, apart from the condition set out in (g) above having been fulfilled, none of the above Indonesian Conditions has been fulfilled. The Company currently has no intention to waive any of the Indonesian Conditions.

Long Stop Date

If any of the Indonesian Conditions are not fulfilled or waived on or before the Long Stop Date, either the Indonesian Vendor or the Indonesian Purchaser may terminate the Indonesian Sale Agreement by giving written notice to the other party, and neither party shall have any claim against the other under it, save for any rights accrued by the parties prior to termination.

The Indonesian Completion

The Indonesian Completion shall take place on the fifth Business Day following the fulfilment or waiver of all the Indonesian Conditions pursuant to the Indonesian Sale Agreement (other than those to be fulfilled or waived as at the Indonesian Completion).

The Indonesian Completion is not conditional upon the US Completion.

Upon the Indonesian Completion, the Indonesian Target will become an indirect wholly owned subsidiary of the Company and PT Mabar will be indirectly held as to 60% by the Company, and the financial results of the Indonesian Target Group will be consolidated into the consolidated financial statements of the Group.

2.3 The Total Consideration

The Total Consideration payable by the Purchasers to the Vendors for the US Acquisition and the Indonesian Acquisition is US$252,190,000 (equivalent to approximately HK$1,967.1 million).

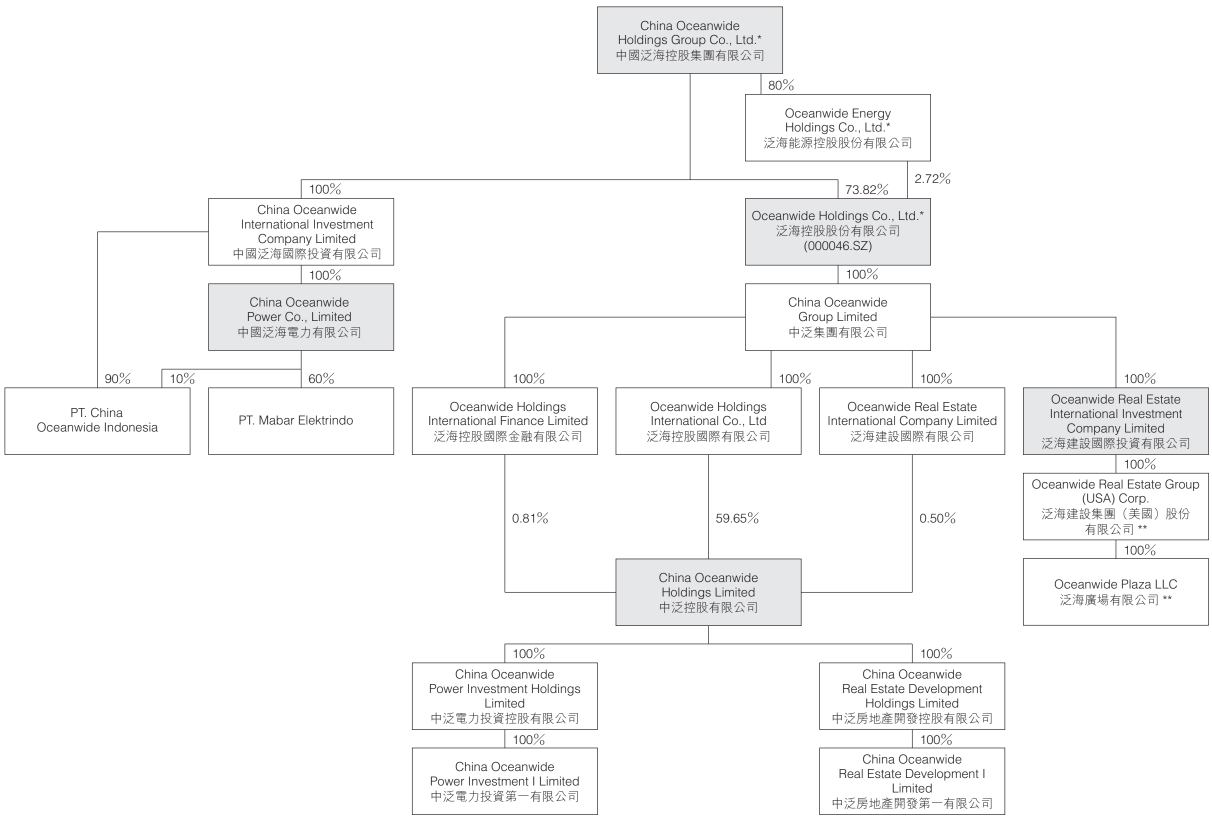
The Company intends to satisfy the Total Consideration using its internal resources. The US Target Group and the Indonesian Target Group are also in discussions with banks to obtain committed financing to finance the construction costs for the respective projects.

For further details, please refer to the paragraph headed "Working Capital" under Appendix I "Financial Information of the Group".

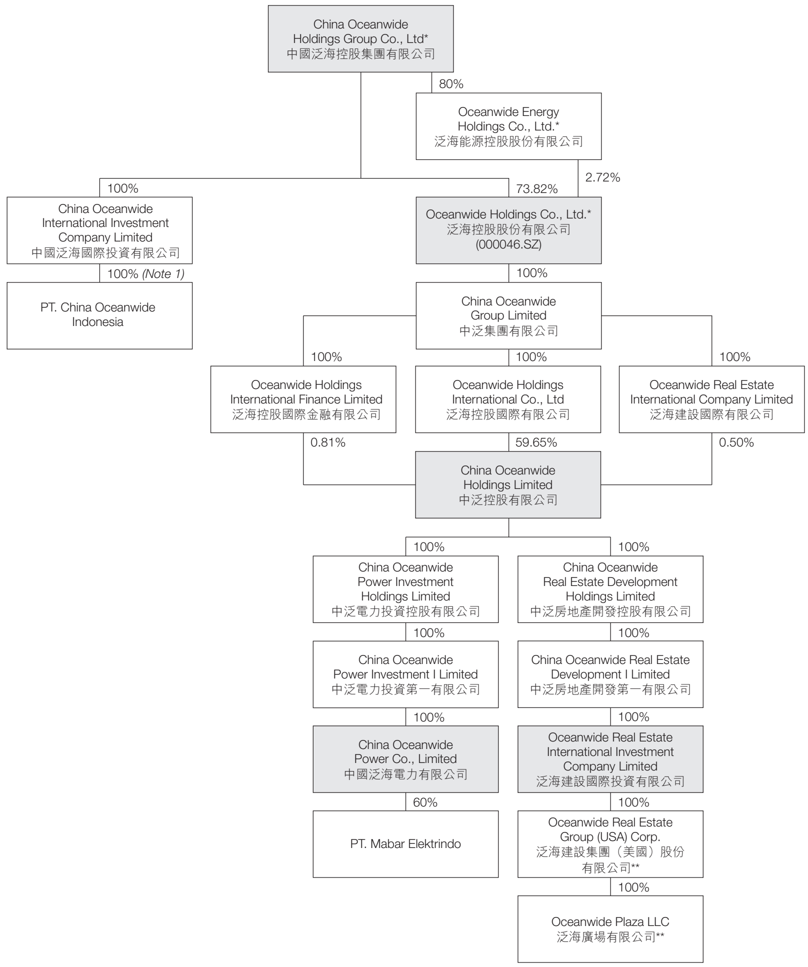
2.4 Shareholding Structure

The following chart sets out the shareholding structure of the Company: (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Acquisitions.

(i) As at the Latest Practicable Date



(ii) Immediately following the completion of the Acquisitions



Note 1: The shareholding in PT COI may be held through one or more wholly owned subsidiaries of China Oceanwide.

3. INFORMATION ON THE PARTIES

The Company

The Company was incorporated in Bermuda with limited liability, whose Shares are listed on the Stock Exchange. The Company principally engages in property investments in the PRC.

Shenzhen Listco

Shenzhen Listco is a joint stock company established in 1989 in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000046). 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, property 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 US.

The US Purchaser

The US Purchaser is a private limited company incorporated in the BVI that is an indirect wholly owned subsidiary of the Company. The principal activity of the US Purchaser is investment holding.

The Indonesian Purchaser

The Indonesian Purchaser is a private limited company incorporated in the BVI that is an indirect wholly owned subsidiary of the Company. The principal activity of the Indonesian Purchaser is investment holding.

The US Vendor

The US Vendor is a private limited company incorporated in Hong Kong that is a direct wholly owned subsidiary of Shenzhen Listco. The principal activity of the US Vendor is investment holding. The total cost of incorporating and establishing (as applicable) the US Target Group incurred by the US Vendor was approximately HK$28,000 and the total investment injected into the US Target Group by the US Vendor up to the Latest Practicable Date was approximately US$214.9 million (equivalent to approximately HK$1,676.2 million).

The Indonesian Vendor

The Indonesian Vendor is a private limited company incorporated in Hong Kong that is a direct wholly owned subsidiary of China Oceanwide. The principal activity of the Indonesian Vendor is investment holding. The total cost of incorporating and establishing (as applicable) the Indonesian Target Group incurred by the Indonesian Vendor was approximately HK$37,000 and the total investment injected into the Indonesian Target Group by the Indonesian Vendor up to the Latest Practicable Date was approximately US$37.2 million (equivalent to approximately HK$290.2 million) (including the cost of acquiring PT Mabar from third parties at US$3.5 million (equivalent to approximately HK$27.3 million)).

4. INFORMATION ON THE TARGET COMPANIES

The US Target

The US Target is a private limited company incorporated in the BVI. The principal activity of the US Target is investment holding. The US Target Group is engaged in the business of residential and commercial land and property development in Los Angeles, the US.

The principal asset of the US Target Group is the US Target Land located in the downtown area of Los Angeles at 1101 South Flower Street with a site area of approximately 18,661.90 sq.m.. The site is located at a prime location in Los Angeles close to landmark buildings such as the Staples Center (home of two NBA teams, the Los Angeles Lakers and the Los Angeles Clippers), the Microsoft Theatre and the Los Angeles Convention Center. The site is well-positioned and is expected to be developed into a large-scale mixed-use urban commercial complex with a total gross floor area of approximately 138,249.11 sq.m., comprising:

(a) upscale condominiums: there will be 170 condominiums in each of the south tower and the new south tower and 164 condominiums maintained by the luxury hotel in the north tower. In total, there will be 504 residential units among the three towers with a floor area of 96,449.24 sq.m.. Each of the south tower and the new south tower will have 40 stories and the north tower will have 49 stories. Each of the three towers will have amenity facilities (including halls with views of the Los Angeles city, swimming pools, fitness centers, bars, kitchens and conference rooms, etc.) for the use of residents;

(b) a luxury hotel: a high-ended luxury five star hotel with a floor area of 26,323.80 sq.m. and 183 rooms at the north tower will be built in collaboration with international luxury hotel brand(s);

(c) shopping centers: shopping centers with retail, restaurants and entertainment spaces will be built in the three towers, with a total floor area of approximately 15,476.07 sq.m;

(d) LED signage panels: LED signage panels with a total area of approximately 4,015.15 sq.m. will be erected at the US Target Land in downtown Los Angeles and is expected to be the largest LED advertisement banner in the west coast of the US. The LED signage panels are expected to attract visual focus and interest for business opportunities and advertisement income; and

(e) parking lots: the three towers will contain approximately 1,464 overground and underground parking lots.

Construction work of this project commenced in the second half of 2014 (currently at the excavations and shoring stage) and is scheduled to be completed in 2018. The sale of the condominiums is expected to commence in 2017 and be completed in 2020. The commercial properties and luxury hotel are expected to commence business in 2018.

The aggregate construction cost relating to the US Target Land (excluding the cost of the US Target Land) is estimated to be approximately US$829 million (equivalent to approximately HK$6,466.2 million). As at the Latest Practicable Date, the total investment injected into the US Target Group was approximately US$214.9 million (equivalent to approximately HK$1,676.2 million). The aggregate construction and investment cost payable is expected to be satisfied by the internal resources of the Group and/or other equity/debt financing, as may be arranged by the Board.

On 28 May 2015, Oceanwide Plaza (as borrower) entered into a loan agreement in the principal amount of US$325 million (equivalent to approximately HK$2,535.0 million) with LA Downtown Investment LP, a California limited partnership (as lender) to fund the construction on the US Target Land. The loan is secured by a deed of trust covering the real property on which the project is to be constructed and completion guarantees are provided by Oceanwide US and Shenzhen Listco. The stated interest rate on the loan is 1.8% per annum. The loan is paid in advances with the stated maturity date of each such advance being the date that is five years after the date on which an advance is made unless extended as set forth in the loan documents. Pursuant to the loan documents, there are two one year extension options. The covenants, representations and warranties in the loan documents are typical for a construction loan of this size in the Los Angeles market. Under the terms of this loan, the construction project on the US Target Land is required to be completed within 36 months of the date of the first draw-down of the loan, subject to force majeure and such other extensions as the parties may agree upon. Failure to timely complete the project is a default under the loan documents and lender may proceed against either the borrower pursuant to the loan documents or the guarantors pursuant to the completion guarantees.

The US Valuation Report containing further information on the US Target Land is included in Appendix VA to this circular.

The Indonesian Target

The Indonesian Target is a private limited company incorporated in Hong Kong. The principal activity of the Indonesian Target is investment holding. The Indonesian Target Group is engaged in the business of coal power plant generation in the Medan industrial area in Indonesia. The Indonesian Target Group is currently in the process of constructing two coal fuel steam power plant facilities with net capacity of 150 MW each in Medan Industrial Area, North Sumatra, Indonesia. PT Mabar has signed a power purchase agreement with the local power grid, PLN, pursuant to which PLN has agreed to purchase all the electricity generated by PT Mabar in accordance with the terms of the power purchase agreement. The key terms of the agreement include:

(a) Take and pay: the power purchase agreement sets out a power generation schedule for PT Mabar. As long as the proposed power plants generate power in accordance with such schedule, PLN shall acquire all the electricity generated by PT Mabar at the price calculated based on agreed formula under the power purchase agreement. Under such agreement, PT Mabar shall buy back a minimum of 25% of the electricity power purchased by PLN in the same billing period at a buy-back price (denominated in Indonesian Rupiah) of the higher of: (a) not higher than 10% of the sales price to PLN calculated based on an agreed formula (denominated in US$) under the power purchase agreement; or (b) according to the monthly electricity tariff as regulated by the Indonesian government. PT Mabar shall then supply the electricity repurchased from PLN to customers in the Medan Industrial Area at the basic monthly electricity tariff (denominated in Indonesian Rupiah) to be agreed with the local government. The electricity tariff to be charged to such customers shall be at a rate not higher than 127.5% of the monthly electricity tariff as regulated by the Indonesian government stated above. From this arrangement, PT Mabar can benefit from the mark-up of up to 27.5% of the electricity tariff.

(b) US dollar pricing: all electricity purchased by PLN will be priced in US dollars.

(c) Cost control: PLN shall bear the cost of coal fuel by paying for the coal consumed by the proposed power plants at a pre-set coal consumption rate and price level to be calculated in accordance with the formula set out in the power purchase agreement. If the price of coal increases within the limit of benchmark coal price under the regulation, PLN shall pay the increment as well. According to the power purchase agreement, the cost of coal fuel to be incurred by PT Mabar has been taken in account in the price to be paid by PLN to PT Mabar for the electricity generated.

(d) Commencement of supply of electricity: PT Mabar is expected to commence the supply of electricity to PLN once all relevant regulatory approvals have been granted and the proposed power plants have been established, tested and commissioned to commence power generation, in any event no more than 33 months after it satisfies its financing requirements under the power purchase agreement. The pricing basis for the supply of electricity under the power purchase agreement is as approved by the Letter of Minister of Energy and Mineral Resources of the Republic of Indonesia No. 8257/26/MEM.L/2014 dated 19 December 2014, whereas the approved based selling price is US$0.080558/kWh or equal to IDR926.42/kWh with an assumed exchange rate of IDR11,500/US$.

PT Mabar is held as to 60% by the Indonesian Target, and SEPC and GSG each holds 20% of the issued share capital of PT Mabar.

The Board has noted that as at the Latest Practicable Date, PT Mabar has not obtained the right of ownership, namely the HGB Title, over the Indonesian Target Land. The steps for obtaining HGB Title under the relevant Indonesian regulations are as follows:

(1) obtaining a location permit;

(2) land clearance;

(3) application for HGB Title;

(4) land measurement and examination;

(5) issuance of a committee report by the relevant authorities to report the results of examination;

(6) issuance of a decree to grant or reject the application for HGB Title; and

(7) HGB Title registration and certification.

As at the Latest Practicable Date, PT Mabar is at step 5 of the process – the relevant authorities have provided a recommendation to grant HGB Title over 104.55 Ha out of 119.89 Ha of the Indonesian Target Land (the remaining 15.34 Ha is to be maintained as a mangrove forest), but it has yet to receive the decree mentioned in step 6 above. Based on PT Mabar's current construction plan, the maintenance of the 15.34 Ha of land as a mangrove forest will not have any detrimental impact on the construction of the power plants and ancillary facilities by PT Mabar or the subsequent operation of the power plants.

The timing for the issuance of the decree under step 6 is uncertain, but once it has been issued, provided that PT Mabar has fulfilled all the requirements stated in the said decree (if any), including the obligation to pay an administration fee for the issuance of the HGB Title certificate, the registration process of the HGB Title required under the relevant regulations should be completed within seven working days, although in practice it may take several weeks. The Company has been advised that while the relevant authorities will be able to exercise some discretion in determining whether to grant the HGB Title and assuming that there are no additional factors which may prevent the relevant land office from issuing the decree or the HGB Title certificate, there should be no legal impediment to PT Mabar obtaining HGB Title over the 104.55 Ha of the Indonesian Target Land.

Under the terms of the Indonesian Sale Agreement, the Indonesian Seller is required to deliver at the Indonesian Completion, a certified true copy of the HGB Title to the Indonesian Target Land, or such other documents evidencing (to the satisfaction of the Indonesian Purchaser) PT Mabar's rights to the Indonesian Target Land and the status of its application for HGB Title. However, the Indonesian Purchaser may waive such requirement in whole or in part. The Indonesian Purchaser may therefore assess the progress for the application of the HGB Title at the time and may nevertheless consider proceeding with the Indonesian Completion without the HGB Title or the decree under step 6 being granted, or if the HGB Title or the decree is only granted over 104.55 Ha of the Indonesian Target Land (as the maintenance of the remaining land as a mangrove forest will not adversely affect the construction and operation of the power plants).

The construction cost of the proposed power plants (including capital expenditure on equipment) is estimated to be approximately US$581.1 million (equivalent to approximately HK$4,532.6 million) of which US$110.8 million (equivalent to approximately HK$864.2 million) had been incurred as at 31 August 2015. The aggregate construction and investment cost payable is expected to be satisfied by the internal resources of the Group and/or other equity/debt financing, as may be arranged by the Board.

The Indonesian Valuation Reports containing further information on PT Mabar and the Indonesian Target Land is included in Appendix VI and Appendix VB to this circular.

On 1 January 2014, PT Mabar and PT COI entered into a loan in the principal amount of US$15,500,000 (equivalent to approximately HK$120.9 million) for the acquisition of certain apartments and office space. There is no collateral, security or guarantee relating to this loan. The repayment of such loan is expected to be in late 2015 before the Indonesian Completion and therefore, it should not constitute a continuing connected transaction of the Company after the completion of the Acquisitions.

5. REASONS FOR AND BENEFITS OF THE ACQUISITIONS

On 6 November 2014, Shenzhen Listco, through Oceanwide International, became the controlling shareholder of the Company following the completion of the acquisition of Shares by Oceanwide International from the Company's former controlling shareholders. Shenzhen Listco is a conglomerate listed on the Shenzhen Stock Exchange. The businesses of Shenzhen Listco are mentioned above in the paragraph headed "Shenzhen Listco" under the section headed "Information on the Parties".

The Group is currently principally engaged in property investments in the PRC. It currently owns various units in two commercial properties in Harbour Ring Huang Pu Centre and Harbour Ring Plaza in Shanghai with satisfactory occupancy rates, thereby contributing stable rental income and profit to the Group. The Company intends to continue renting out these properties and will consider other suitable future investment opportunities in the property investment sector, if any. As mentioned in the Company's annual report for the year ended 31 December 2014, the Group intends to continue its existing business but also intends to transform the Group from a single business line of property investments to a conglomerate with businesses in real estate, finance and energy sectors as well as other strategic investments, with a view to developing itself as an integrated development platform of Shenzhen Listco outside of the PRC. Accordingly, the Company has been actively exploring investment opportunities outside of the PRC, including the possibility of acquiring certain non-PRC assets of Shenzhen Listco.

Reasons for and benefits of the US Acquisition

The Board has noted the following recent development of the property market in Los Angeles, the US:

(a) Significant price increase in properties: According to the Elliman Quarterly Survey Report, median sales price of residential properties increased from US$895,000 in the second quarter of 2014 by 4.8% to US$938,000 in the second quarter of 2015, a new record for the 11 years tracked. In the housing market at downtown Los Angeles, condominium price indicators set records with median sales price increasing 9.3% from US$550,000 in the second quarter of 2014 to US$601,000 in the second quarter of 2015. Average sales price increased from US$604,570 in the second quarter of 2014 by 10.9% to US$670,247 in the second quarter of 2015. The number of sales, though slightly lower than that in the same period of 2014, improved from 106 in the first quarter of 2015 by 27.4% to 135 in the second quarter of 2015.

(b) Increasing demand for retail properties: in recent years, many major retailers set up retail space at strategic locations in Los Angeles. According to the Downtown LA 2015 Q2 Market Report published by the Downtown Center Business Improvement District, over 1.8 million square feet of retail space is under construction in downtown Los Angeles. The vacancy rate of such retail space has slightly decreased from 6.7% to 6.2% from the prior year quarter.

(c) Growth in the hotel business: According to a survey conducted by HVS with market participants in 2014, hotels of the downtown Los Angeles market had an occupancy range of 74% to 76%, an average rate of approximately US$185 per room, and a RevPAR of approximately US$140, which is an increase from 2013 and a new all-time high. The first quarter in 2015 registered an increase of approximately 7.0% in RevPAR from the last quarter in 2014.

The US Target is engaged in the business of residential and commercial land and property development. As mentioned above, the Group's stated strategy is to expand its business lines from property investment. In light of the recent development of the US property market, and in particular, in Los Angeles, having conducted various feasibility studies and risk assessment studies and after looking into similar targets in the US from other potential sellers who are independent third parties of the Company and its connected persons, the Board believes that the proposed acquisition of the US Target Group represents a good opportunity for the Group to expand its principal business of property investment into property development outside of the PRC by leveraging on the relevant experience of the management team of the Company, particularly having regard to the depth of experience of Mr Han Xiaosheng, Mr Liu Guosheng and Mr Zheng Dong, each of whom is experienced in the business of property development, management and investment and has been part of the management team of Shenzhen Listco for several years. Shenzhen Listco has engaged in the real estate business for more than 20 years with experience in the development of residences, commercial residences, office buildings, hotels and urban complexes.

Moreover, the Board is of the view that the property held by the US Target Group is located in a prime area of Los Angeles and is therefore confident of the development potential of such property. Accordingly, given the favourable opportunity that had arisen, the Board considered it timely to pursue the US Acquisition and expand into the property development market now in pursuance of its diversified development strategy.

Reasons for and benefits of the Indonesian Acquisition

In respect of the proposed acquisition of the Indonesian Target Group, the Board believes that such acquisition represents an excellent opportunity for the Group to diversify its business lines into the energy industry and is in line with the Group's intention to develop the Group into a conglomerate. The Board further believes that such diversification into the energy industry would allow the Group to expand its operations and revenue streams, thereby enhancing shareholder value.

According to the Indonesia Electricity Supply Report published by the International Energy Agency in 2014, Indonesia's domestic electricity output in 2013 was 188 TWH. This reflected an increase of approximately 40% over the period from 2009 to 2013. In addition, Indonesia imports additional electric power from Malaysia in order to meet local electricity demand. Further, Indonesia's 2018 electricity power demand is expected to be 287 TWH; by 2022, the number is expected to increase to 386 TWH. The 2013-2020 average annual compound growth rate of power demand is 8.3%, and as such, the need to develop Indonesian domestic power production facilities is imminent.

The Board has also noted that PT Mabar has already signed a power purchase agreement with PLN and as such believes that the acquisition of the Indonesian Target Group would provide a stable revenue stream to the Group. Further, the Board is of the view that the terms of the power purchase agreement minimise exchange rate risk (by pricing in US dollars) and coal price fluctuation risk (as PLN would bear the cost of coal fuel). In addition, the Board has also noted the high demand for electric power in developing nations such as Indonesia, and therefore believes that there is strong potential for growth in the energy sector in Indonesia.

Further, the Board has noted the potential new development opportunities in the neighboring countries of the PRC, including Indonesia, in light of the "One Belt, One Road" development strategy of the PRC. In particular, it is expected that sectors such as infrastructure, energy, power generation will benefit from such development strategy and have great potential for economic development. The Board therefore believes that the acquisition of the Indonesian Target Group, construction of power generation facilities and the ancillary infrastructure is in line with, and would allow the Group to benefit from, the "One Belt, One Road" development strategy, policies and funding resources of the PRC.

Accordingly, having conducted feasibility studies and after considering the abovementioned strong potential for growth, other similar targets in Indonesia from other potential sellers which are independent third parties of the Company and its connected persons and the terms of the power purchase agreement with PLN, the Board considered it timely to pursue the Indonesian Acquisition now in pursuance of its diversified development strategy, particularly having regard to the depth of experience of two of its Directors, Mr Qin Dingguo and Mr Qi Zixin, in the energy sector.

In particular, Mr Qin received special governmental allowances from the State Council of China in 2005 in recognition of his outstanding contribution to the development of Chinese electricity system. Mr Qin is also the chief science communication expert of national power generation engineering in the China Association for Science and Technology and is highly regarded in the industry.

Following the completion of the Acquisitions, the Group will continue to serve as an overseas integrated development platform of Shenzhen Listco outside of the PRC and its management will continue to explore sound investment opportunities and potential acquisitions in the real estate, energy, finance and strategic investment sectors to enhance the diversified development of the Group and leverage the expertise, resources and industry experiences of Shenzhen Listco. The Group will make announcements in accordance with the Listing Rules as and when further acquisitions or investments are made.

The Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) are of the view that the terms of the Acquisition under the Sale Agreements are fair and reasonable and in the interest of the Shareholders and the Group as a whole.

6. FINANCIAL EFFECTS OF THE ACQUISITION

Upon the US Completion and the Indonesian Completion, the Target Companies will each become an indirect wholly owned subsidiary of the Company and the financial information of the US Target Group and the Indonesian Target Group will be consolidated into the consolidated financial statements of the Group.

As disclosed in the unaudited consolidated statement of financial position of the Group as at 30 June 2015, the unaudited total assets and liabilities of the Group were approximately HK$6,881.1 million and HK$310.3 million respectively. As set out in Appendix IIIC to this circular, the unaudited pro forma total assets and pro forma total liabilities of the Enlarged Group as at 30 June 2015 following the Acquisitions will be HK$7,275.4 million and HK$648.3 million.

The financial effects of the Acquisitions on the Group are set out in Appendix IIIC to this circular and as follows:

(a) As of 30 June 2015, the consolidated total assets of the Group were approximately HK$6,881.1 million. According to the unaudited pro forma financial information, the unaudited pro forma consolidated total assets of the Enlarged Group would have increased to approximately HK$7,275.4 million.

(b) As of 30 June 2015, the consolidated total liabilities of the Group were approximately HK$310.3 million. According to the unaudited pro forma financial information, the unaudited pro forma consolidated total liabilities of the Enlarged Group would have increased to approximately HK$648.3 million.

(c) As of 30 June 2015, the total equity of the Group was approximately HK$6,570.8 million. According to the unaudited pro forma financial information, the unaudited pro forma total equity of the Enlarged Group would have been increased to approximately HK$6,627.1 million.

(d) For the year ended 31 December 2014, the consolidated net profit before tax of the Group was HK$120.0 million and according to the accountant's report of the Target Companies as set out in Appendix II to this circular, the audited net loss before tax for the year ended 31 December 2014 and the three months ended 31 March 2015 amounted to HK$0.5 million and HK$15.9 million respectively.

Set out in Appendix IIIC of this circular is the "Unaudited Pro Forma Financial Information of the Enlarged Group" and the basis of preparation thereon.

7. POSSIBLE CONTINUING CONNECTED TRANSACTIONS

Upon the US Completion and the Indonesian Completion, the Target Companies will each become an indirect wholly owned subsidiary of the Company, and certain transactions with affiliates of China Oceanwide (other than members of the Group) will become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

7.1 Exempt Continuing Connected Transactions

Set out below are the Exempt Continuing Connected Transactions arising upon the US Completion and the Indonesian Completion. As the applicable percentage ratio of the value of the caps of each of the Consulting and Technical Support Services Agreement and the Apartment and Office Lease Agreements is less than 25% and the total consideration is less than HK$10,000,000, these transactions will be subject to the reporting and announcement requirements but will be exempt from independent Shareholders' approval under Chapter 14A of the Listing Rules.

(i) Consulting and Technical Support Services Agreement

On 20 August 2015, Oceanwide US, Oceanwide Plaza and Shenzhen Listco entered into the Consulting and Technical Support Services Agreement in respect of the provision of consulting and technical support services by Shenzhen Listco to Oceanwide US in relation to the US based projects held through Oceanwide Plaza commencing 1 January 2015, to replace the consulting and technical support services agreement dated 25 October 2013 with a term ending 31 December 2018 and with automatic renewal for successive terms of one year each, including:

(a) consulting and technical support services in relation to general US operations and the development of US based projects;

(b) legal, financial and accounting services in relation to the development of US based projects;

(c) other support services in relation to construction materials procurement, other information systems and support services; and

(d) other support services as required by Oceanwide US.

Shenzhen Listco shall provide consulting and technical support service to Oceanwide US in relation to the US based projects held through Oceanwide Plaza on a continuing basis, for a term of three years, effective from 1 January 2015 and ending on 31 December 2017.

Pricing basis

The provision of consulting and technical support services by Shenzhen Listco to Oceanwide US and Oceanwide Plaza under the Consulting and Technical Support Services Agreement will continue to be conducted on an arm's length basis between the parties and on normal commercial terms with reference to: (i) the cost of the provision of services and assistance; (ii) a mark-up on such cost; and (iii) applicable taxes.

Historical amounts

The aggregate amounts paid by Oceanwide US in respect of these support services were approximately US$1,148,000 (equivalent to approximately HK$9.0 million) for the financial year ended 31 December 2014.

Proposed Annual caps

The maximum aggregate amount payable by Oceanwide US under the Consulting and Technical Support Services Agreement is not expected to exceed HK$10,000,000 (approximately US$1,282,050) for each of the three financial years ending 31 December 2017, and if the actual amount payable in respect of the services will exceed or has exceeded HK$10,000,000 in any financial year, the excess amount above HK$10,000,000 shall not be payable unless and until the Company has complied with the relevant requirements of the Listing Rules. In arriving at the aforesaid annual caps, the Directors (including the independent non-executive Directors) have taken into account factors including the basis for calculating the payments to be made, the cost of obtaining consulting and technical support service, as well as the applicable tax rate.

(ii) Apartment and Office Lease Agreements

On 18 January 2015, PT COI and PT Mabar entered into an apartment lease agreement pursuant to which PT Mabar agreed to lease certain apartments located in Jln. Senopati Raya No.44, Jakarta Selatan from 1 February 2015 to 31 December 2017.

On 18 May 2015, PT COI and PT Mabar entered into an office lease agreement pursuant to which PT Mabar agreed to lease certain office space located in Jl.KH.Mas Mansyur Kav. 126, Jakarta 12920-Indonesia from 1 June 2015 to 31 December 2017.

On 18 June 2015, PT COI and PT Mabar entered into an apartment lease agreement pursuant to which PT Mabar agreed to lease certain apartments located in Jln. Senopati Raya No.44, Jakarta Selatan from 1 July 2015 to 31 December 2017.

The rent payable by PT Mabar is US$270,000 (equivalent to approximately HK$2.1 million) per annum for the apartments under the apartment lease agreement dated 18 January 2015 (excluding VAT, other fees and utility bills), US$330,000 (equivalent to approximately HK$2.6 million) per annum for the office space under the office lease agreement dated 18 May 2015 (excluding VAT, other fees and utility bills) and US$324,000 (equivalent to approximately HK$2.5 million) per annum for the apartments under the apartment lease agreement dated 18 June 2015 (excluding VAT, other fees and utility bills), respectively.

Pricing basis

The rent was determined between PT COI and PT Mabar after arm's length negotiation and on normal commercial terms taking into account the location of the relevant properties, the term of the lease agreements and prevailing market rates and conditions.

Historical amounts

Nil.

Annual caps

The maximum aggregate amount of rent payable by PT Mabar under the Apartment and Office Lease Agreements determined based on the annual rent payable under the Apartment and Office Lease Agreements is US$924,000 (equivalent to approximately HK$7.2 million) for each of the three financial years ending 31 December 2017.

The Exempt Continuing Connected Transactions will be subject to applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Exempt Continuing Connected Transactions.

7.2 Continuing Connected Transactions pursuant to Rule 14A.101 of the Listing Rules

Set out below are the Rule 14A.101 Continuing Connected Transactions arising upon the Indonesian Completion.

(i) Capital Contribution to PT Mabar relating to SEPC

On 14 May 2014, the Indonesian Target (as lender) entered into a loan agreement making available a loan in the principal amount of up to US$3,500,000 (equivalent to approximately HK$27.3 million) at an interest rate equivalent to the rate of expected average financing cost for the power plant project to be developed by PT Mabar to SEPC (as borrower). The purpose of this loan was to provide SEPC with funds to make its capital contribution into PT Mabar in proportion to its 20% shareholding. The loan shall be repaid when SEPC obtains the approval of the SAFE for the transfer of its capital overseas. It is expected that SEPC will obtain the approval of the SAFE before the Indonesian Completion and the loan will be repaid before the Indonesian Completion.

(ii) Capital Contribution to PT Mabar relating to GSG

On 14 May 2014, the Indonesian Target (as lender) entered into a loan agreement making available a loan in the principal amount of the lower of: (a) US$22,442,400 (equivalent to approximately HK$175.1 million) which is based on the estimated capital injection required from GSG based on its 20% shareholding in PT Mabar; and (b) the equivalent to the face value of 20% of the total registered capital of PT Mabar, at an interest rate equivalent to the project financing interest rate of the power plant to be developed by PT Mabar to GSG (as borrower). The purpose of this loan was to provide GSG with funds to make its capital contribution into PT Mabar in proportion to its 20% shareholding. GSG has agreed to and is in the process of pledging all the shares it owned in PT Mabar to the Indonesian Target.

Both SEPC and GSG are substantial shareholders of PT Mabar and will therefore become connected persons at the subsidiary level of the Company upon the Indonesian Completion. As a result, the loan agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon the Indonesian Completion. However, as: (i) the loans are on normal commercial terms or better; (ii) the Board has approved the loan agreements and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the loan agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the loan agreements are subject to reporting and announcement requirements, but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

7.3 Continuing Connected Transactions pursuant to Rule 14A.60 of the Listing Rules

Set out below are the Rule 14A.60 Continuing Connected Transactions arising upon the Indonesian Completion.

(i) Engineering, Procurement and Construction Contracts

On 23 December 2013, PT Mabar (as employer) and SEPC (as contractor) entered into a master agreement pursuant to which PT Mabar engaged SEPC to provide all materials, parts, equipment and construction equipment, transportation to sites (including customs clearance) and other labour services and to perform all works, activities and services on a fixed lump sum turnkey basis for the design, engineering, procurement, construction, commissioning, testing and completion of, and making good of defects in relation to the two coal fuel steam power plant facilities with net capacity of 150 MW each in Medan Industrial Area, North Sumatra, Indonesia, for a cash consideration of US$426,430,000 (equivalent to approximately HK$3,326.2 million) which was determined through negotiations on an arm's length basis with reference to market rates for such work and services and existing conditions. Pursuant to the master agreement, the project construction period is 28 months from the construction starting date.

To facilitate the provision of the engineering, procurement and construction services by SEPC under the master agreement, on 25 December 2013, PT Mabar (as owner) and SEPC (as contractor) entered into an engineering, procurement and construction contract which described and specified the procedures, plans, specification and conditions for the provision of the engineering, procurement and construction services by SEPC. Pursuant to the contract, the cash consideration for the engineering, procurement and construction services is US$370,800,000 (equivalent to approximately HK$2,892.2 million) which constitutes part of the total cash consideration of US$426,430,000 (equivalent to approximately HK$3,326.2 million) under the master agreement.

To further define and elaborate on the scope of the work and services to be provided by SEPC under the master agreement, on 23 November 2014, PT Mabar (as owner) and SEPC (as contractor) entered into a term sheet, which shall form the basis on which PT Mabar and SEPC shall negotiate in good faith to agree on a definitive engineering, procurement and construction contract. Pursuant to the term sheet, the total contract price of the definitive engineering, procurement and construction contract shall be US$426,430,000 (equivalent to approximately HK$3,326.2 million) which is the same as the total cash consideration under the master agreement. The total contract price under the term sheet will be valid for one year from the date of the term sheet.

To expedite the construction of the project, on 29 June 2015, PT Mabar (as owner) and PT SEPC (as onshore contractor) entered into a supplemental agreement to the limited pre-notice-to-proceed agreement dated 3 December 2014 and its two supplemental agreements dated 21 January 2015 and 11 June 2015 respectively pursuant to which PT Mabar engaged PT SEPC to perform certain preparatory works in Indonesia to expedite the plant construction process and under which PT Mabar shall make an advance payment of US$40,000,000 million (equivalent to approximately HK$312.0 million) to PT SEPC which constitutes part of the total consideration of US$426,430,000 (equivalent to approximately HK$3,326.2 million) under the master agreement.

The terms of the above-mentioned agreements were negotiated and arrived at on an arm's length basis and in the ordinary and usual course of business of the Indonesian Target with reference to market rates. Upon the Indonesian Completion, the above-mentioned continuing transactions entered into by the Indonesian Target for a fixed period with fixed terms will become continuing connected transactions of the Company pursuant to Rule 14A.60 of the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, these Rule 14A.60 Continuing Connected Transactions will be subject to the applicable reporting and announcement requirements under Chapter 14A of the Listing Rules. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent Shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of such agreements.

7.4 Reasons for and benefits of the Possible Continuing Connected Transactions

The Possible Continuing Connected Transactions arising from the Acquisitions are entered into in the ordinary and usual course of business of the Group on normal commercial terms. The Board is of the view that it is in the interests of the Company and the Shareholders to carry on the Possible Continuing Connected Transactions as these transactions have facilitated and will continue to facilitate the maintenance of liquidity and supporting services to the Target Companies and their subsidiaries.

The Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) are of the view that the Possible Continuing Connected Transactions are agreed on an arm's length basis with terms that are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

8. LISTING RULES IMPLICATIONS

The US Vendor is a direct wholly owned subsidiary of Shenzhen Listco, which is in turn controlled as to 76.54% by China Oceanwide, and the Indonesian Vendor is a direct wholly owned subsidiary of China Oceanwide. As the Sale Agreements are both entered into with associates of China Oceanwide, the Sale Agreements will be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) for the Acquisitions (when aggregated) are more than 25% but are less than 100%, the Acquisitions (when aggregated) constitute a major transaction for the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements thereunder.

In addition, the Purchasers are both indirect wholly owned subsidiaries of the Company, which is indirectly held as to approximately 60.96% by Shenzhen Listco. Accordingly, the Acquisitions also constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements thereunder.

As such, the Sale Agreements and the transactions contemplated thereunder are subject to the approval of the Independent Shareholders at the SGM on a vote taken by way of poll and on which Oceanwide International (the immediate controlling shareholder of the Company), Oceanwide Finance and Oceanwide Real Estate (which collectively hold 6,559,883,847 Shares, equivalent to approximately 60.96% of the issued share capital of the Company) and their respective associates shall abstain from voting.

Upon the US Completion and the Indonesian Completion, the Target Companies will each become an indirect wholly owned subsidiary of the Company, and their respective continuing transactions as mentioned in the section headed "Possible Continuing Connected Transactions" above will become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For the Exempt Continuing Connected Transactions, as the applicable percentage ratios and the total consideration meet the conditions for the exemption under Rule 14A.76(2) of the Listing Rules, the Exempt Continuing Connected Transactions will be subject to the reporting and announcement requirements under Rule 14A.76(2) of the Listing Rules.

The Rule 14A.101 Continuing Connected Transactions entered into by the Indonesian Target will become continuing connected transactions of the Company upon the Indonesian Completion and will be subject to the reporting and announcement requirements under Rule 14A.101 of the Listing Rules.

The Rule 14A.60 Continuing Connected Transactions entered into by PT Mabar for a fixed period with fixed terms will become continuing connected transactions of the Company upon the Indonesian Completion and will be subject to the reporting and announcement requirements under Rule 14A.60 of the Listing Rules.

The Company will also disclose the relevant details of its continuing connected transactions conducted during the financial year in the annual report of the Company in accordance with the relevant requirements as set out in Rules 14A.71 and 14A.72 of the Listing Rules.

9. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Acquisitions. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale Agreements and the transactions contemplated thereunder.

10. SGM

The SGM will be held on Wednesday, 14 October 2015 at 2:30 p.m. at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong during which ordinary resolutions shall be proposed to the Independent Shareholders to approve the Acquisitions. The Sale Agreements and the transactions contemplated thereunder are subject to the approval of the Independent Shareholders at the SGM on a vote taken by way of poll and on which Oceanwide International (the immediate controlling shareholder of the Company), Oceanwide Finance and Oceanwide Real Estate (which collectively hold 6,559,883,847 Shares, equivalent to approximately 60.96% of the issued share capital of the Company) and their respective associates shall abstain from voting.

A form of proxy for use by the Independent Shareholders at the SGM is enclosed. The Independent Shareholders are advised to read the notice and to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event, not later than 48 hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Independent Shareholders from attending and voting in person at the meeting if they so wish.

As the US Completion and Indonesian Completion are subject to the fulfilment or waiver of certain conditions precedent (as the case may be, including the approval of the Acquisitions), the Acquisitions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

11. RECOMMENDATIONS

The Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) consider that the Acquisitions and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the members of the Independent Board Committee after taking into account the advice of the Independent Financial Adviser) recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Acquisitions, and include all matters relating thereto.

Your attention is drawn to the recommendation of the Independent Board Committee as set out on pages 38 to 39 of this circular and the letter from the Independent Financial Adviser as set out on pages 40 to 61 of this circular.

Your attention is drawn to the information set out elsewhere in this circular and in the appendices to it.

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

中泛控股有限公司
CHINA OCEANWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 715)

25 September 2015

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF A US REAL ESTATE PROJECT AND AN INDONESIAN POWER PLANT PROJECT AND NOTICE OF SPECIAL GENERAL MEETING

We refer to the circular dated 25 September 2015 (the "**Circular**") issued by the Company to the Shareholders of which this letter forms part. Unless the context otherwise requires, terms and expressions defined in the Circular shall have the same meanings in this letter.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Sale Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders of the fairness and reasonableness in respect of the terms of the Sale Agreements and the transactions contemplated thereunder.

The terms and reasons for the Acquisitions are described in the letter from the Board as set out in the Circular.

We wish to draw your attention to the letter from the Board in the Circular and the letter from the Independent Financial Adviser containing its advice to us and the Independent Shareholders regarding the terms of the Sale Agreements and the transactions contemplated thereunder in the Circular.

As your Independent Board Committee, we have discussed with the management of the Company the reasons for entering into the Acquisitions and the basis upon which their terms have been determined. We have also considered the key factors taken into account by Somerley in arriving at its opinion regarding the Acquisitions as set out in the letter from the Independent Financial Adviser as set out in the Circular, which we urge you to read carefully.

Having considered the advice given by the Independent Financial Adviser, we are of the opinion that the Acquisitions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, the entering into of the Sale Agreements is not in the ordinary and usual course of business of the Company and is in the interests of the Company and its Shareholders as a whole and recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Acquisitions.

Yours faithfully,
The Independent Board Committee
Mr. LIU Jipeng **Mr. CAI Hongping** **Mr. YAN Fashan** **Mr. LO Wa Kei Roy**
Independent Non-executive Directors

SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

25 September 2015

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR AND CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the Company's proposed acquisitions of (i) the 100% equity interest in the US Target and the US Shareholder Loan pursuant to the US Sale Agreement and (ii) the 100% equity interest in the Indonesian Target (which in turn holds 60% equity interests in PT Mabar) and the Indonesian Shareholder Loan pursuant to the Indonesian Sale Agreement. Details of the Acquisitions are contained in the circular to the Shareholders dated 25 September 2015 (the "**Circular**"), of which this letter forms a part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, the US Vendor is a direct wholly-owned subsidiary of Shenzhen Listco and the Indonesian Vendor is a direct wholly-owned subsidiary of China Oceanwide. The Purchasers are both indirect wholly-owned subsidiaries of the Company, which is indirectly held as to approximately 60.96% by Shenzhen Listco, which is in turn controlled as to 76.54% by China Oceanwide. Accordingly, Shenzhen Listco and China Oceanwide, being controlling shareholders of the Company, together with the Vendors, being associates (as defined under the Listing Rules) of Shenzhen Listco and China Oceanwide respectively, are connected persons of the Company, and the Acquisitions constitute connected transactions of the Company under the Listing Rules. The Acquisitions are therefore subject to the approval of the Independent Shareholders by way of poll at the SGM under the Listing Rules. Oceanwide International (the immediate controlling shareholder of the Company), Oceanwide Finance and Oceanwide Real Estate and their respective associates shall abstain from voting in the SGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. LIU Jipeng, Mr. CAI Hongping, Mr. YAN Fashan and Mr. LO Wa Kei Roy, has been formed to advise the Independent Shareholders in respect of the terms of the Sale Agreements and the transactions contemplated thereunder. We, Somerley, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years, Somerley has acted on one occasion as an independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the unconditional mandatory general offer by Oceanwide International (details of which were set out in the composite offer and response document of the Company dated 27 November 2014). Under this engagement, Somerley received normal professional fees from the Company. As at the Latest Practicable Date, there were no relationships or interests between (a) Somerley and (b) the Group, Shenzhen Listco, China Oceanwide and their respective subsidiaries and associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions as detailed in the Circular.

In formulating our advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and the management of the Group and have assumed that such information, facts and opinions were true, accurate and complete in all material aspects and will remain so up to the date of the SGM. We have also discussed with JLL their valuations of the (i) US Target Land; (ii) net assets value of PT Mabar (a project company directly owned as to 60% by the Indonesian Target) and (iii) property interests of the Indonesian Target Land as at 30 June 2015. We have also sought and received confirmation from the Directors that all material relevant information has been supplied to us and that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to doubt the truth or accuracy of the information provided to us, or to believe that any material information has been omitted or withheld. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have not conducted any independent investigation into the business, affairs and financial position of the Group, the Vendors and the Target Companies, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Sale Agreements are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background to, reasons for and benefits of the Acquisitions

(i) Background of the Group and the Acquisitions

Prior to the change in control as described below, the Group had been principally engaged in property investments in the PRC. As at the Latest Practicable Date, the Group held various commercial and office units and car parking spaces in each of two investment properties situated in Shanghai, the PRC, namely Harbour Ring Plaza and Harbour Ring Huangpu Centre, which contributed stable rental income and profit to the Group in past years.

On 6 November 2014, Shenzhen Listco, through Oceanwide International, became the controlling shareholder of the Company following the completion of the acquisition of Shares by Oceanwide International from the Company's former controlling shareholders, which were wholly-owned subsidiaries of Hutchison Whampoa Limited (the "**Change in Control**"). The Company then changed its English name from "Hutchison Harbour Ring Limited" to "China Oceanwide Holdings Limited", and adopted the Chinese name "中泛控股有限公司" with effect from 29 December 2014.

Expansion in business scope

Following completion of the Change in Control, as set out in the Company's 2014 annual report, the management of the Group is taking steps to transform the Group from a single business line of property investment to a conglomerate investment holding company with businesses in real estate, finance, energy sectors as well as other strategic investments. To prepare itself to capture future investment opportunities, the Company completed a placing of new shares generating net cash proceeds of approximately HK$1,714.9 million in May 2015.

Pursuant to the above business expansion strategy, the management of the Group has been actively exploring investment opportunities as well as certain potential acquisitions. Examples include the Group's investments in listed equity securities during the first half of 2015, which include China Huiyuan Juice Group Limited (Stock Code: 1886.HK) and GF Securities Co., Ltd. (Stock Code: 1776.HK). In June 2015, the Group entered into an agreement to grant an interest-bearing loan of up to HK$700 million to an independent third party for a term of six months, as a means to further improve the cash utilisation of the Group.

On 5 August 2015, the Company announced its acquisition of certain parcels of land in New York at the consideration of US$390 million from two independent US companies (the "**NY Acquisition**"), for the purpose of developing a mixed use commercial and residential tower.

Financial information of the Group

According to the Company's 2014 annual report, revenue generated from investment properties in 2013 and 2014 amounted to approximately HK$88.4 million and approximately HK$94.4 million respectively, representing 100% of the total revenue of the Group for both years. The increase in revenue in 2014 was principally due to improved occupancy rates and rental rates. Recurring earnings before interest expense and tax in 2013 and 2014 amounted to approximately HK$149.3 million and approximately HK$124.2 million respectively. The decrease in 2014 was mainly attributable to the decrease in bond interest income, partially offset by the increase in rental income for the year.

As mentioned above, the Group has broadened its business scope in 2015. According to the Company's latest interim report, the Group currently operates two business segments, namely (i) property investment and (ii) finance, investment and others. The Group has reclassified its interest income to revenue since the beginning of 2015 to better reflect the performance of each segment. For the six months ended 30 June 2014 and 2015, revenue generated from investment properties amounted to approximately HK$46.5 million and approximately HK$46.4 million respectively, which accounted for approximately 53.1% and approximately 56.9% of the total revenue for the two periods respectively. The remaining revenue was principally interest income from bank and listed investments.

As at 30 June 2015, the consolidated total assets and equity attributable to shareholders of the Company were approximately HK$6,881.1 million and HK$6,403.4 million respectively. Total assets of the Group mainly comprise (i) cash and bank deposits of approximately HK$3,180.3 million, (ii) listed debt and equity securities of approximately HK$1,825.0 million, and (iii) investment properties of approximately HK$1,031.4 million. The cash and bank deposits, together with listed debt and equity securities, accounted for approximately 72.7% of the Group's total assets as at 30 June 2015, which indicates the strong liquidity position of the Group.

(ii) Background of Shenzhen Listco and China Oceanwide

Shenzhen Listco is a joint stock company established in 1989 in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000046.SZ). It is a business conglomerate principally engaged in investment and investment management, finance, strategic investment, asset management, real estate business operation and property management, property 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 US.

According to its 2014 annual report, revenues of Shenzhen Listco for the two years ended 31 December 2013 and 2014 were approximately RMB7,241.2 million and approximately RMB7,615.9 million respectively. As at 30 June 2015, the consolidated total assets and net assets attributable to shareholders of Shenzhen Listco were approximately RMB101,119.2 million and RMB9,948.1 million respectively. As at the Latest Practicable Date, the market capitalisation of Shenzhen Listco was approximately RMB46,484.6 million.

China Oceanwide is the controlling shareholder of Shenzhen Listco, controlling approximately 76.54% interest of Shenzhen Listco as at the Latest Practicable Date. China Oceanwide is in turn ultimately controlled by Mr. Lu Zhiqiang.

(iii) Reasons for and benefits of the Acquisitions

(a) The US Target Group

To continue the strategic move of diversifying its international footprint in the real estate market, the Group has been identifying suitable acquisition targets overseas. The NY Acquisition represented the first significant step for the Group to enter the property market in the US.

The acquisition of the US Target Group would be the next milestone for the Group to further penetrate into the US property market. The US Target Group holds a plot of land located in the downtown area of Los Angeles, in close proximity to landmark buildings such as the Staples Center (a large multi-purpose sports arena which is the home to two NBA teams), the Microsoft Theatre (a music and theatre center with one of the largest indoor stages in the US) and Los Angeles Convention Center (an internationally renowned site for conventions, trade shows and exhibitions). In view of the prime location of the US Target Land, the Directors are confident of the development potential of such property.

In addition, the Board has considered the recent development of the property market in Los Angeles, details of which are set out in the letter from the Board in the Circular. In this regard, our research has shown that there is a growth potential in each of the residential, hotel and retail market, as follows:

- Residential market: According to a news release by Federal Housing Finance Agency published in July 2015, the residential property market in the US has been on an upward trend, as demonstrated by an average annual growth rate of approximately 3.2% in sales price.

- Hotel market: According to Hospitality Directions US by PricewaterhouseCoopers published in May 2015, the growth in revenue per available rooms ranged from 5.2% to 8.2% in the past five years on a year-on-year basis.

- Retail market: According to Los Angeles Basin Retail Market Continues To Witness Decreasing Vacancy Rates by Colliers Internationals published in Q2 2015, the vacancy rates in Los Angeles Basin retail market has been decreased from over 7% in Q2 2012 to 6.2% in Q2 2015, among other factors, indicating the retail market fundamentals continued to remain positive.

The Directors also believe that the proposed acquisition of the US Target Group represents a good opportunity for the Group to expand its principal business of property investment into property development outside of the PRC by leveraging on the relevant experience of the management team of the Company. The Directors including Mr. Han Xiaosheng, Mr. Liu Guosheng and Mr. Zheng Dong have worked for Shenzhen Listco for many years and are experienced in property management and investment. In addition, the Consulting and Technical Support Services Agreement has been entered into in respect of the provision of consulting and technical support services by Shenzhen Listco to Oceanwide US and Oceanwide Plaza (both wholly-owned subsidiaries of the US Target), in relation to the US based projects from 2015 to 2017. According to the management of the Group, the entering into of such agreement is to access the relevant management expertise of Shenzhen Listco on US based projects, which is expected to facilitate the future development of the US Target Land.

(b) The Indonesian Target Group

The Directors believe that the acquisition of the Indonesian Target Group represents an excellent opportunity for the Group to diversify its business lines into the energy industry. In particular, PT Mabar, a 60% owned subsidiary of the Indonesian Target, will operate power plant facilities in Medan industrial area in Indonesia after completion of construction. In addition, PT Mabar has entered into a power purchase agreement (the "**PPA**") with PLN, an Indonesian stated-owned corporation engaged in electricity distribution, pursuant to which PLN has undertaken to take up the electricity generated by PT Mabar at a price calculated based on agreed formula, which is expected to be translated into a stable revenue stream for the Group in future following commencement of operation. For further details of the project, please refer to the section headed "*3. (b)(i) Background and business of the Indonesian Target Group*".

In addition, the Board has considered the relevant experience of two of its Directors in energy sector, Mr. Qin Dingguo and Mr. Qi Zixin, in pursuing the Indonesian Acquisition. Mr. Qin has been an expert of national power generation engineering in the China Association for Science and Technology ("**CAST**"). According to the website of CAST, it is the largest national non-governmental organisation of scientists and technological workers in China, and, amongst others, serves to provide advice and other services to the government and industry on science and technology related issues. In addition, we also noted that Mr. Qi is the vice chairman of the board of Oceanwide Energy Holdings Co., Ltd., an immediate holding company of the Shenzhen Listco.

The Board has noted the expected high demand for electric power in Indonesia. According to the Indonesia Electricity Supply Report from International Energy Agency published in 2014, the forecast electricity demand in Indonesia will rise from 188 TWH in 2013 to 386 TWH in 2022, representing a compound growth of approximately 8.3% per year. Combined with other factors, such as the "One Belt, One Road" development strategy of the PRC, the Board believes that there is strong potential for growth in the energy sector in Indonesia.

Taking the above into consideration, we concur with the Directors' view that the Acquisitions are in line with the Group's stated strategy of business expansion and will enable the future revenue stream of the Group to be further broadened.

2. Acquisition of the US Target Group

(i) Principal terms of the US Sale Agreement

Subject matters

Pursuant to the US Sale Agreement, the US Purchaser has conditionally agreed to acquire from the US Vendor 100% of the entire issued share capital of the US Target, and the shareholder's loan due to the US Vendor from Oceanwide Plaza, being an indirect wholly-owned subsidiary of the US Target. Upon the US Completion, the US Target Group will become wholly-owned subsidiaries of the Company.

Consideration

The Group will pay to the US Vendor a consideration of approximately US$215.1 million (or approximately HK$1,677.8 million) for the acquisition of the 100% equity interest in the US Target and the US Shareholder Loan. The US Consideration comprises the consideration for the sale of the US Sale Shares of approximately US$190.5 million (or approximately HK$1,486.1 million) and the assignment of the US Shareholder Loan of approximately US$24.6 million (or approximately HK$191.7 million). The US Consideration was primarily determined after arm's length negotiations between the US Purchaser and the US Vendor, after taking into account, amongst others, (i) the independent valuation performed by JLL in respect of the US Target Land of approximately US$228.0 million as at 30 June 2015; (ii) the investment costs of the US Vendor of approximately US$214.6 million (including the amount of the US Shareholder Loan extended to the US Target Group by the US Vendor) as at the date of the US Sale Agreement and (iii) the consolidated net asset value of the US Target Group.

The US Consideration will be settled in cash by the Group upon the US Completion or such other later date as may be agreed between the parties.

The US Conditions

The US Completion is subject to the following US Conditions being fulfilled:

(a) the Company having complied with the requirements under Chapters 14 and 14A of the Listing Rules in obtaining the relevant Shareholders' or Independent Shareholders' approval in relation to the US Sale Agreement and the transactions contemplated thereunder;

(b) the US Purchaser being satisfied with the results of the due diligence review relating to the US Target Group;

(c) the US Purchaser being satisfied that the US Target has been released as a subsidiary guarantor under the terms of the US$320 Million Notes, and that any and all security interests created over the US Sale Shares under the terms of the US$320 Million Notes have been released, in each case, on terms acceptable to the US Purchaser;

(d) the US Purchaser being satisfied that the US Target has been released as a subsidiary guarantor under the terms of the US$400 Million Notes, and that any and all security interests created over the US Sale Shares under the terms of the US$400 Million Notes have been released, in each case, on terms acceptable to the US Purchaser;

(e) the US Purchaser being satisfied that no material adverse change has arisen or occurred;

(f) the US Vendor not having breached any of its pre-closing obligations in any material respect;

(g) the warranties given by the US Vendor remaining true and accurate in all material respects;

(h) no order or judgment (whether temporary, preliminary or permanent) of any authority having been issued or made prior to the US Completion, and no legal or regulatory requirements remain to be satisfied, which has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the US Sale Shares to the US Purchaser, or any transaction contemplated by the US Sale Agreement; and

(i) all authorisations (if any) which are required for the entering into or the performance of obligations under the US Sale Agreement by the parties having been obtained and all filings with any authorities and other relevant third parties which are required for the entering into and the implementation of the US Sale Agreement having been made.

All the conditions except conditions (a), (c), (d), (h) and (i) above may be waived in whole or in part, either generally or in respect of any particular matter by the US Purchaser. As at the Latest Practicable Date, none of the US Conditions have been fulfilled. As set out in the letter from the Board in the Circular, the Company currently has no intention to waive any of the US Conditions.

If any of the US Conditions are not fulfilled or waived on or before the Long Stop Date, the US Sale Agreement shall be terminated by giving written notice to the other party, and neither party shall have any claim against the other under it, save for any rights accrued by the parties prior to termination.

The US Completion shall take place on the fifth Business Day following the fulfilment or waiver of all of the US Conditions pursuant to the US Sale Agreement (other than those to be fulfilled or waived as at the US Completion).

The US Completion is not conditional upon the Indonesian Completion.

(ii) Information on the US Target Group

(a) Background and business of the US Target Group

The US Target was incorporated in the BVI on 30 October 2013 and is currently wholly-owned by the US Vendor. Its only investment is its 100% indirect interest in the US Target Land, through its wholly-owned subsidiaries.

The US Target Group is principally engaged in the business of residential and commercial land and property development in Los Angeles, the US. The US Target Land has a total site area of 18,661.9 sq.m., whereupon a large-scale mixed use urban commercial complex comprising three towers (the "**LA Property Project**") will be developed. Upon completion of the development, there will be 504 upscale condominiums, a luxury hotel of 183 rooms, shopping centers, retail, restaurants and entertainment spaces, LED signage panels and 1,464 parking lots, with a total gross floor area of approximately 138,249.1 sq.m..

(b) Existing status and future plan of the LA Property Project

As at the Latest Practicable Date, a detailed development plan and budget for the LA Property Project has been formulated and the LA Property Project is currently at the excavations and shoring stage. According to the management of the Group, the aggregate construction cost of the LA Property Project (excluding the cost of the US Target Land) is estimated to be approximately US$829 million (equivalent to approximately HK$6,466.2 million). As at the Latest Practicable Date, the total investment injected into the US Target Group was approximately US$214.9 million (equivalent to approximately HK$1,676.2 million). We are advised by the management of the Group that all the necessary land certificates and permits for the excavations and shoring stage of the LA Property Project have been obtained.

According to the latest development plan of the Company, the LA Property Project will be developed as follows:

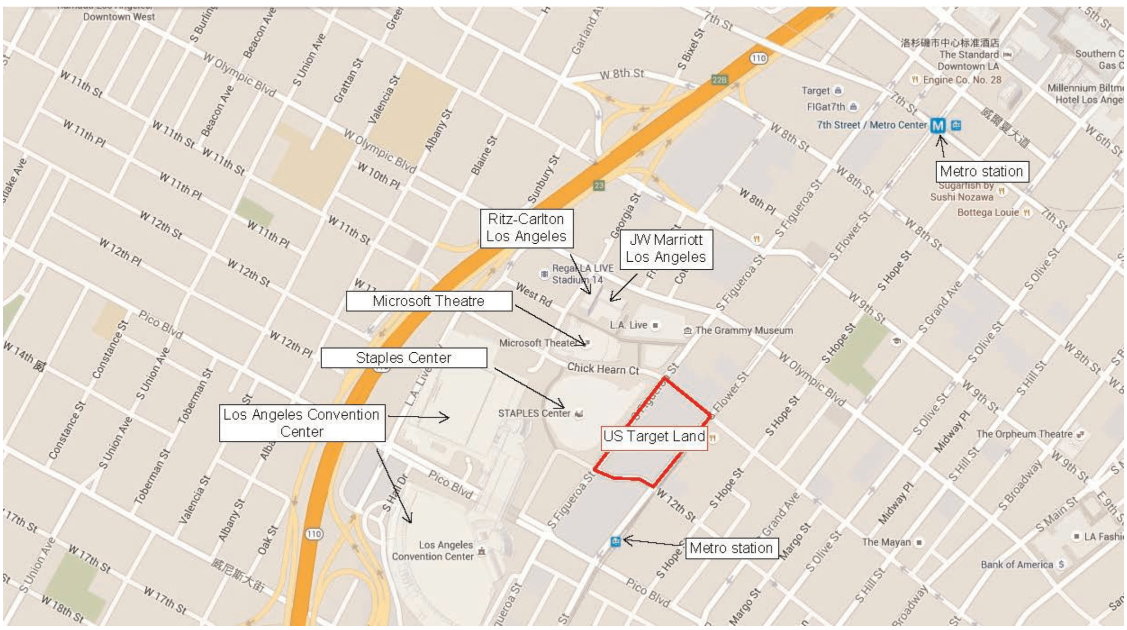
– For the residential portion which consists of condominiums, the Company currently envisages a mix of condominiums will be built across the three towers. The sale of the condominiums is expected to commence in 2017 and complete in 2020.

– As for the retail portion which mainly includes shopping centers, restaurants and entertainment spaces, the Company currently contemplates letting out for rental income upon completion of the development. Completion and commencement of business are expected to take place in 2018.

– As regards the hotel portion which consists of a high-end luxury five star hotel, the Company currently plans the hotel to be built in collaboration with international luxury hotel brand(s) upon completion of the development. Completion and commencement of business are expected to take place in 2018.

Further details of the development plan of the LA Property Project are set out in the letter from the Board in the Circular.

Below is a map showing the location of the US Target Land:



(c) Financial information of the US Target Group

Financial performance

Based on the accountants' report on the US Target as set out in the Appendix IIA of the Circular, the US Target Group recorded no revenue during the period under review from 30 October 2013 (date of incorporation) to 31 March 2015. The other income of approximately HK$14.4 million in 2014 represented rental income from leasing of car parking spaces on the US Target Land from January 2014 to November 2014 when the US Target Land was not yet under construction. Construction on the US Target Land commenced in November 2014, after which there has been no further rental income.

The US Target had an audited consolidated net profit of approximately HK$6.0 million in 2014 and an audited consolidated net loss of approximately HK$2.0 million for the three months ended 31 March 2015 respectively, after deduction of tax charges and administrative expenses (mainly legal and professional fees, staff salaries and allowances).

Financial position

As at 31 March 2015, the audited consolidated total assets of the US Target Group were approximately HK$1,601.2 million, which principally consisted of (i) investment properties of approximately HK$448.7 million, and (ii) properties under development of approximately HK$1,133.3 million. The investment properties and properties under development collectively accounted for approximately 98.8% of the total assets of the US Target Group.

As at 31 March 2015, the audited consolidated total liabilities of the US Target Group amounted to approximately HK$123.5 million, which mainly represented (i) other payables and accruals of approximately HK$37.2 million, comprising construction cost payables, other payables and accruals in relation to the project development of approximately HK$34.5 million and an amount due to the US Vendor of approximately HK$2.7 million, and (ii) an unsecured loan due to the US Vendor of approximately HK$83.5 million, which bore interest at 11.5% and had no fixed terms of repayment. Subsequent to 31 March 2015 and up to the US Sale Agreement date, the US Vendor has made further capital injection to the US Target Group by way of shareholder's loan to finance construction and hence the US Shareholder Loan has been increased to approximately HK$191.7 million (or approximately US$24.6 million) as at the date of the US Sale Agreement.

On 28 May 2015, Oceanwide Plaza entered into a loan agreement with LA Downtown Investment LP, to borrow US$325.0 million, to fund the construction of the LA Property Project. The loan is secured by a deed of trust covering the LA Property Project and guaranteed by related parties of Oceanwide Plaza, including Shenzhen Listco and Oceanwide US. Oceanwide US also agreed to complete the construction of the LA Property Project within 36 months of the date of the first draw-down of the loan. According to the management of the Group, the US Target Group has drawn down US$2 million as at 31 July 2015.

As at 31 March 2015, the audited total equity of the US Target Group was approximately HK$1,477.8 million.

(iii) Valuation of the US Target Land

The US Target Land has been valued by JLL at US$228 million. The full text of the property valuation report and certificate dated 30 June 2015 is set out in Appendix VA of the Circular.

JLL has principally adopted the market approach in valuing the US Target Land, by making reference to comparable market transactions. Under this approach, sales of properties of a nature and character similar to the US Target Land are collated and analysed in order to arrive at a value appropriate to the US Target Land. Adjustments are made in respect of the differences in locations, sizes and characters between the US Target Land and the relevant comparable properties in order to arrive at a value appropriate to the US Target Land. The methodology is, in our opinion, a reasonable approach in establishing the open market value of the US Target Land.

We are also advised by JLL that the large size of the US Target Land is relatively rare in supply in downtown Los Angeles, which supports a higher valuation for the US Target Land compared with other surrounding land parcels.

JLL has also carried out inspections, made relevant enquiries and searches for the purpose of the valuation. We have visited the US Target Land, and reviewed and discussed with JLL the bases and assumptions adopted for the valuation of the US Target Land. We consider that the assumptions adopted by JLL are fair and reasonable and the basis used is a normal one for valuing the US Target Land. We have also performed work as required under note (1)(d) to the Listing Rule 13.80 in relation to JLL and its work as regards the valuation of the US Target Land.

(iv) Evaluation of the US Consideration

The US Consideration of approximately US$215.1 million (or approximately HK$1,677.8 million) is close to the total investment cost of approximately US$214.6 million (or approximately HK$1,673.9 million) incurred by the US Vendor up to the date of the US Sale Agreement.

As mentioned above, the US Consideration represents principally the payments made by the US Target Group for the interests in the LA Property Project. Through the US Acquisition, the Group will effectively step into shoes of the US Target Group and assume its rights and obligations in relation to the LA Property Project.

In evaluating the US Consideration, we have compared the US Consideration to the adjusted value of the US Target Group (the "**US Adjusted Value**"), as follows:

	Approximately US$' million	*Approximately US$' million*
Audited consolidated net asset value of the US Target Group as at 31 March 2015 *(Note)*		190.6
Add:		
Balance of the US Shareholder Loan as at the date of the US Sale Agreement		24.6
		215.2
Valuation surplus		
Property valuation of the US Target Land as at 30 June 2015 as set out in Appendix VA of the Circular	228.0	
Less:		
Unaudited net book value of the US Target Land as at 30 June 2015	(220.3)	
Valuation surplus		7.7
US Adjusted Value		222.9
US Consideration		215.1
Discount of US Consideration to the US Adjusted Value		3.5%

Note: The audited consolidated net asset value of the US Target Group of approximately HK$1,477.8 million as at 31 March 2015 is set out in the Appendix IIA of the Circular, with an exchange rate of US$1:HK$7.75442 as at 31 March 2015 as provided by the Company.

As shown above, the US Consideration of approximately US$215.1 million represents a discount of approximately US$7.8 million (or approximately 3.5%) to the US Adjusted Value of approximately US$222.9 million, which we consider to be beneficial to the Independent Shareholders.

In determining the US Consideration, the Company has also considered the development potential of the US Target Land, including the future profit to be generated from the LA Property Project.

3. Acquisition of the Indonesian Target Group

(a) Principal terms of the Indonesian Sale Agreement

Subject matters

Pursuant to the Indonesian Sale Agreement, the Indonesian Purchaser has conditionally agreed to acquire from the Indonesian Vendor 100% of the entire issued share capital of the Indonesian Target, and the shareholder's loan due to the Indonesian Vendor from the Indonesian Target. Upon the Indonesian Completion, the Company will hold the entire equity interest in the Indonesian Target, which in turn holds 60% equity interest in PT Mabar, the operating subsidiary of the Indonesian Target.

Consideration

The Group will pay to the Indonesian Vendor a consideration of approximately US$37.1 million (or approximately HK$289.3 million) for the acquisition of the 100% equity interest in the Indonesian Target and the Indonesian Shareholder Loan. The Indonesian Consideration comprises the consideration for the sale of the Indonesian Sale Shares of approximately US$36.4 million (or approximately HK$284.0 million) and the assignment of the Indonesian Shareholder Loan of approximately US$0.7 million (or approximately HK$5.3 million). The Indonesian Consideration was primarily determined after arm's length negotiations between the Indonesian Purchaser and the Indonesian Vendor, after taking into account, amongst other things, (i) the independent valuation performed by JLL in respect of the assets held by PT Mabar of approximately US$36.1 million as at 30 June 2015; (ii) the investment costs of the Indonesian Vendor of approximately US$37.2 million (including the amount of the Indonesian Shareholder Loan extended to the Indonesian Target Group by the Indonesian Vendor) as at the date of the Indonesian Sale Agreement; and (iii) the consolidated net asset value of the Indonesian Target Group.

The Indonesian Consideration will be settled in cash by the Group at the Indonesian Completion or such other later date as may be agreed between the parties.

The Indonesian Conditions

The Indonesian Completion is subject to the following Indonesian Conditions being fulfilled:

(a) the Company having complied with the requirements under Chapters 14 and 14A of the Listing Rules in obtaining the relevant Shareholders' or Independent Shareholders' approval in relation to the Indonesian Sale Agreement and the transactions contemplated thereunder;

(b) the Indonesian Purchaser being satisfied with the results of the due diligence review relating to the Indonesian Target Group;

(c) PT Mabar having provided the certified true copy of the duly executed Sponsors Agreement signed by its shareholders and PLN;

(d) PT Mabar having obtained the written confirmation from PLN permitting the change of control in the shareholders of PT Mabar without any consent or approval from PLN, in accordance with the obligations under the Sponsors Agreement;

(e) the transfer of the 10% interest in PT COI to the Indonesian Vendor having been completed on terms acceptable to the Indonesian Purchaser and the Minister of Law and Human Rights having issued an receipt for the notification on the transfer of the 10% interest in PT COI to the Indonesian Vendor;

(f) the Indonesian Vendor having obtained all relevant consents required under the terms of the Maybank Loan in relation to the change in the shareholding of the Indonesian Target;

(g) PT Mabar having obtained all relevant consents required under the terms of the OCBC Bank Loan in relation to the Indonesian Sale Agreement and the transaction contemplated by the Indonesian Sale Agreement (if necessary);

(h) the Indonesian Purchaser being satisfied that no material adverse change has arisen or occurred;

(i) the Indonesian Vendor not having breached any of its pre-closing obligations in any material respect;

(j) the warranties given by the Indonesian Vendor remaining true and accurate in all material respects;

(k) no order or judgment (whether temporary, preliminary or permanent) of any authority having been issued or made prior to the Indonesian Completion, and no legal or regulatory requirements remaining to be satisfied, which have the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Indonesian Sale Shares to the Indonesian Purchaser, or any transaction contemplated by the Indonesian Sale Agreement; and

(l) all authorisations (if any) which are required for the entering into or the performance of obligations under the Indonesian Sale Agreement by the parties having been obtained and all filings with any authorities and other relevant third parties which are required for the entering into and the implementation of the Indonesian Sale Agreement having been made.

All the Indonesian Conditions except conditions (a), (k) and (l) above may be waived in whole or in part, either generally or in respect of any particular matter by the Indonesian Purchaser. As at the Latest Practicable Date, conditions (g) have been fulfilled. As set out in the letter from the Board in the Circular, the Company currently has no intention to waive any of the Indonesian Conditions.

If any of the Indonesian Conditions are not fulfilled or waived on or before the Long Stop Date, the Indonesian Sale Agreement shall be terminated by giving written notice to the other party, and neither party shall have any claim against the other under it, save for any rights accrued by the parties prior to termination.

The Indonesian Completion shall take place on the fifth Business Day following the fulfilment or waiver of all of the Indonesian Conditions pursuant to the Indonesian Sale Agreement (other than those to be fulfilled or waived as at the Indonesian Completion).

The Indonesian Completion is not conditional upon the US Completion.

(b) Information on the Indonesian Target Group

(i) Background and business of the Indonesian Target Group

The Indonesian Target was incorporated in Hong Kong on 6 September 2013 and is currently wholly-owned by the Indonesian Vendor. The only investment of the Indonesian Target is its 60% direct interest in PT Mabar, a project company incorporated for the purpose of engaging in the construction and operation of a power plant in Indonesia. As at the Latest Practicable Date, PT Mabar is owned as to 60% by the Indonesian Vendor, 20% by SEPC (a PRC power construction enterprise engaging in the construction of power station and power transmission and distribution projects) and the remaining 20% by GSG (an Indonesian private limited investment company engaging in the construction of power plants).

In 2014, PT Mabar has been granted the right by PLN to construct two coal fuelled steam power plant facilities with net capacity of 150 MW each in the Medan industrial area in Indonesia (the "**Coal-Power Project**"). Under the terms of the above grant, the operation of the Coal-Power Project is for a term of 30 years starting from its operation commencement date.

In 2014, the PPA was entered between PT Mabar and PLN to govern the supply and distribution of electricity to be generated by PT Mabar. Pursuant to the PPA:

(1) PLN shall acquire all the electricity generated by PT Mabar at a price (denominated in US$) calculated based on agreed formula in the PPA, as long as the two power plants have the capacity to generate electricity of 150 MW each in the Medan industrial area in Indonesia;

(2) PT Mabar shall buy-back a minimum of 25% of the electricity purchased by PLN pursuant to item (1) above in the same billing period to PLN, at a buy-back price (denominated in Indonesian Rupiah) of either (i) not higher than 10% of the sales price to PLN under item (1) above, or (ii) according to the monthly electricity tariff as regulated by the Indonesian government, whichever is higher; and

(3) PT Mabar shall supply the electricity repurchased from PLN pursuant to item (2) above to customers in the Medan industrial area, in accordance with the basic monthly electricity tariff (denominated in Indonesian Rupiah) to be agreed with the local government. The electricity tariff to be charged to customers in the Medan industrial area shall be determined at a rate not higher than 127.5% of the monthly electricity tariff as regulated by the Indonesian government under item (2)(ii) above.

According to the PPA, the coal purchase cost, staff remuneration, and repair and maintenance costs to be incurred by PT Mabar have been considered in the selling price of electricity sales to PLN under item (1) above. The key terms of the PPA are stated in the letter from the Board in the Circular.

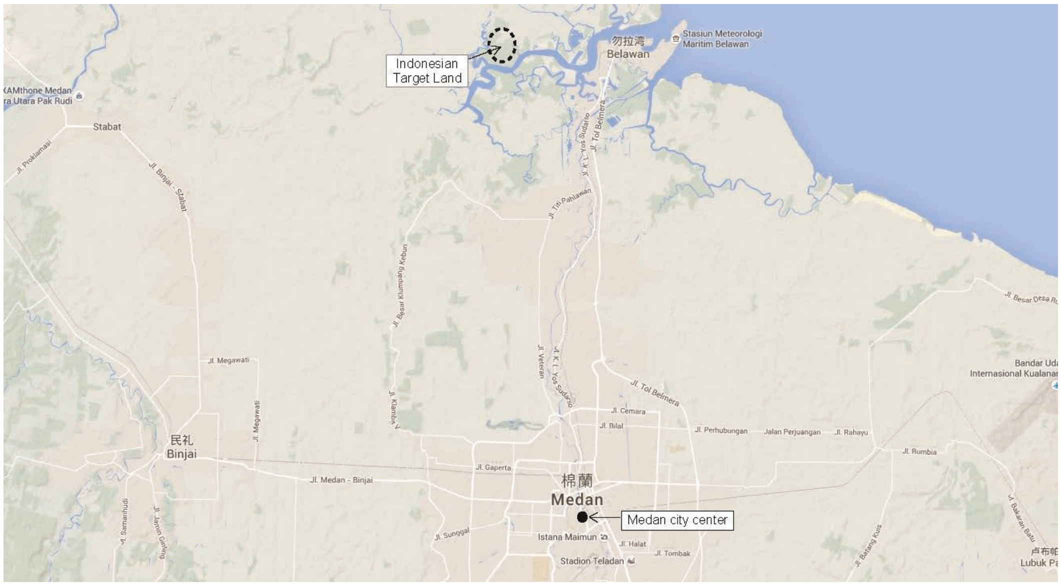
(ii) Existing status and future plan of the Coal-Power Project

In December 2013, a master engineering, procurement and construction contract with an amount of US$426.4 million (approximately HK$3,326.2 million) has been entered into between PT Mabar and SEPC, pursuant to which PT Mabar engaged SEPC to perform all works for the design, engineering, procurement, construction, commissioning, testing and completion, and to provide, amongst others, all materials and construction equipment, in relation to the two coal fuelled steam power plant facilities.

As at the Latest Practicable Date, the Coal-Power Project is in the land-clearing and levelling stage. According to the management of the Group, the aggregate construction cost of the Coal-Power Project, including the cost of the Indonesian Target Land and the aforementioned contract sum of US$426.4 million, is estimated to be approximately US$581.1 million, which is expected to be principally financed by bank borrowings. Apart from the cost of the Indonesian Target Land and the master agreement with SEPC as mentioned above, it is expected that the remaining amount of the estimated construction costs includes mainly the transmission line and interest expense. As at 31 August 2015, the total investment incurred in the construction of the Coal-Power Project was approximately US$110.8 million. We are advised by the management of the Group that PT Mabar is in the course of obtaining the relevant land certificates, and permits for the construction of the Coal-Power Project have been obtained.

According to the management of the Group, the Coal-Power Project is expected to be operational in 2017.

Below is a map showing the location of the Indonesian Target Land:



(iii) Financial information of the Indonesian Target Group

Financial performance

Based on the accountants' report on the Indonesian Target as set out in the Appendix IIB of the Circular, the Indonesian Target Group recorded no revenue during the period under review from 6 September 2013 (date of incorporation) to 31 March 2015.

The audited consolidated net losses attributable to shareholders of the Indonesian Target were approximately HK$2.3 million during the period from 6 September 2013 (date of incorporation) to 31 December 2013, approximately HK$5.8 million in 2014 and approximately HK$8.8 million for the three months ended 31 March 2015. The losses during the period under review mainly represented administrative expenses (mainly legal and professional fees), partly offset by the interest income on bank deposits and loans to a related party and shareholders.

Financial position

As at 31 March 2015, the audited consolidated total assets of the Indonesian Target was approximately HK$654.8 million, principally represented by (i) deposits for construction of power plant of approximately HK$201.6 million made to SEPC and PT SEPC; (ii) other receivables, deposits and prepayment of approximately HK$119.6 million; (iii) loan to a related party, PT COI, of approximately HK$120.2 million, which will be repaid in full upon the Indonesian Completion; (iv) the property, plant and equipment of approximately HK$132.2 million; (v) restricted cash of approximately HK$26.4 million; and (vi) cash and bank balance of approximately HK$54.6 million.

As at 31 March 2015, the audited consolidated total liabilities of the Indonesian Target amounted to approximately HK$291.2 million, which mainly represented (i) a secured bank borrowing of approximately HK$261.4 million, which is a one-year term loan due on November 2015 and bears interest at a floating rate; and (ii) Indonesian Shareholder Loan of approximately HK$5.3 million.

As at 31 March 2015, the audited equity attributable to shareholders of the Indonesian Target was approximately HK$266.6 million.

In June 2015, the Indonesian Target Group drew down (i) HK$775.4 million from Oversea-Chinese Banking Corporation Limited, interest bearing and having a tenor of 1 year from the drawdown date; and (ii) HK$271.4 million from a separate credit facility from Malayan Banking Berhad, Singapore Branch, interest bearing and due on November 2015.

(c) Valuation of the Coal-Power Project

The market value of the net assets of PT Mabar has been valued by JLL at US$36.1 million and its opinion in this matter dated 30 June 2015 is set out in Appendix VI of the Circular.

We are advised by JLL that they have adopted the asset based approach in determining the market value of the net assets of PT Mabar. Such approach relates to the valuation of individual assets and liabilities of PT Mabar as at 30 June 2015, which include (i) cash on hand and in bank, restricted cash, other receivables, interest receivables, prepaid expenses, advance payments and deposit for construction of power plant (the "**Group I Assets**"); (ii) furniture and office equipment and motor vehicles, as well as an electricity supply business license and the PPA (the "**Group II Assets**"); (iii) property interests and (iv) liabilities as at 30 June 2015, comprising bank borrowing, account payable, employee benefits payable, tax payables and other payables.

In determining the market value of individual assets and liabilities of PT Mabar as at 30 June 2015, JLL have considered three generally accepted valuation approaches, namely the market approach, the cost approach and the income approach. Details of these three approaches have been set in the Appendix VI of the Circular. The methodologies adopted by JLL in valuing major assets and liabilities of PT Mabar as at 30 June 2015 are described as follows:

(i) Group I Assets

In valuing the Group I Assets of PT Mabar, JLL has based its valuation on the book value of the respective assets, and adopted the cost approach in valuing these items. Under the cost approach, JLL considers the replacement costs of the subject assets in accordance with current market prices for similar assets.

(ii) Group II Assets

In valuing the Group II Assets, JLL has adopted the cost approach, which considers the replacement costs of the subject assets with allowances for accrued depreciation based on their expected useful life and maintenance condition.

(iii) Property interest

The valuation of the property interest of PT Mabar (which comprises the Indonesian Target Land and construction in progress) has been separately assessed by JLL. The text of such independent valuation report is set out in Appendix VB of the Circular.

In valuing the construction in progress of PT Mabar, JLL has adopted the depreciated replacement cost approach, and come up with a valuation of approximately US$33.5 million. For the valuation of the Indonesian Target Land, JLL has made reference to comparable sales offering prices of other land located near to the subject land, with adjustments made in respect of their size and location and other factors. For the sole purpose of valuing the property interest, JLL has attributed no commercial value to the Indonesian Target Land as the ownership of the land interest has yet to be obtained. However, as set out in the Indonesian Property Valuation Report, assuming proper land titles have been obtained, JLL is of the opinion that the market value of the Indonesian Target Land was approximately US$4.3 million as at 30 June 2015. In the Indonesian Business Valuation Report, JLL has applied the market value of the Indonesian Target Land of approximately US$4.3 million in the valuation, on a going concern basis that PT Mabar will be able to obtain the land titles of the Indonesian Target Land.

(iv) Liabilities

In valuing the liabilities of PT Mabar, JLL has based its valuation on the book value of the respective liabilities, and adopted the cost approach in valuing these items.

Apart from the property interest of PT Mabar, we are advised by JLL that there were no significant differences between the market values and book values of other assets and liabilities of PT Mabar as at 30 June 2015.

We note that the valuation of PT Mabar of approximately US$36.1 million as at 30 June 2015 is approximately US$4.3 million (or approximately 13.5%) higher than its unaudited net assets of approximately US$31.8 million as at 30 June 2015. Such surplus represents the increase in value of the property interest of PT Mabar of approximately US$2.2 million and the capitalisation of the related expenses of PT Mabar in applying for the electricity supply business licenses and the PPA of approximately HK$2.1 million.

We understand from JLL that the above methodologies in valuing major assets and liabilities of PT Mabar are common methodologies used in establishing the valuation of major assets and liabilities under asset based valuation approach. Based on our discussion with JLL, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal bases and assumptions used in arriving at their valuation. We have also performed work as required under note (1)(d) to the Listing Rule 13.80 in relation to JLL and its work as regards the valuation of the PT Mabar.

(d) Evaluation of the Indonesian Consideration

The Indonesian Consideration of approximately US$37.1 million (or approximately HK$289.3 million) is close to the total investment cost of approximately US$37.2 million incurred by the Indonesian Vendor up to the date of the Indonesian Sale Agreement.

Similar to the US Acquisition, the Indonesian Consideration represents principally the payments made by the Indonesian Target Group for the interests in the Coal-Power Project. Through the Indonesian Acquisition, the Group will take up rights and obligations in relation to the Coal-Power Project.

In evaluating the Indonesian Consideration, we have also compared the Indonesian Consideration to the adjusted value of the Indonesian Target Group (the "**Indonesian Adjusted Value**"), as follows:

	Approximately US$' million	*Approximately US$' million*
Audited consolidated equity attributable to shareholders of the Indonesian Target as at 31 March 2015 *(Note)*		34.4
Add:		
Balance of the Indonesian Shareholder Loan as at the date of the Indonesian Sale Agreement		0.7
		35.1
Valuation surplus		
Market value of net assets of PT Mabar as at 30 June 2015 as set out in Appendix VI of the Circular	36.1	
Less:		
Unaudited net assets of PT Mabar as at 30 June 2015	(31.8)	
Valuation surplus	4.3	
60% attributable to the Indonesian Target		2.6
Indonesian Adjusted Value		37.7
Indonesian Consideration		37.1
Discount of Indonesian Consideration to the Indonesian Adjusted Value		1.6%

Note: The audited consolidated net asset value of the Indonesian Target Group of approximately HK$266.6 million as at 31 March 2015 is set out in the Appendix IIB of the Circular, with an exchange rate of US$1:HK$7.7537 as at 31 March 2015 as provided by the Company.

As shown above, the Indonesian Consideration of approximately US$37.1 million represents a discount of approximately US$0.6 million (or approximately 1.6%) to the Indonesian Adjusted Value of approximately US$37.7 million, which we consider to be beneficial to the Independent Shareholders.

In determining the Indonesian Consideration, the Company has also considered the stable revenue stream of the Coal-Power Project to be generated to the Group.

4. Financial effect of the Acquisitions on the Group

(i) Earnings and net assets value

Following the US Completion and the Indonesian Completion, the US Target and the Indonesian Target (which holds 60% of PT Mabar) will become indirect wholly-owned subsidiaries of the Group, and the financial results and financial position of the US Target Group and the Indonesian Target Group will be consolidated into the financial statements of the Group.

Earnings

As the construction work for the LA Property Project and the Coal-Power Project has been ongoing, certain expenses which are not directly related to construction of the projects, such as legal and professional fees and staff salaries, will continue to be incurred by the US Target Group and the Indonesian Target Group after completion of the Acquisitions, which is expected to negatively affect the earnings of the Group. However, given the development potential of the LA Property Project and the expected stable revenue stream to be generated from the Coal-Power Project, the Directors expect that the Acquisitions will be able to contribute to the revenue and earnings of the Group following completion of the relevant developments.

Assets and liabilities

As set out in the Appendix IIIC of the Circular, the unaudited pro forma consolidated total assets of the Enlarged Group as at 30 June 2015 would be approximately HK$7,275.4 million, which represents an increase of approximately HK$394.3 million when compared to the consolidated total assets of the Group of approximately HK$6,881.1 million as at 30 June 2015. The difference is principally due to the increase in total assets value of the US Target Group and the Indonesian Target Group, offset by the payment of the US Consideration and the Indonesian Consideration.

The unaudited pro forma consolidated total liabilities of the Enlarged Group as at 30 June 2015 would be approximately HK$648.3 million, which represents an increase of approximately HK$338.0 million when compared to the consolidated total liabilities of the Group of approximately HK$310.3 million as at 30 June 2015. The increase is principally due to the consolidation of the Maybank Loan upon the Indonesian Completion and the one-off professional fees payable resulting from the Acquisitions.

On a per Share basis, the Acquisitions are not expected to bring a material impact to the Group's net asset value.

(ii) Working capital

The cash position of the Group is expected to decrease following completion of the Acquisitions, as a result of the cash payment of the consideration in aggregate of approximately HK$1,967.1 million. In addition, the Group will be required to meet the future cash outflows arising from the expected future development cost of the LA Property Project and the Coal-Power Project, totalling approximately HK$11,654.0 million as at the Latest Practicable Date. Such future development cost is expected to be principally financed by bank borrowings. In addition, with the financial support from the Company's controlling shareholder, the Directors are confident that the Group will be able to obtain additional working capital through equity and/or loan financing to fund the future development cost of the LA Property Project and the Coal-Power Project.

Taking into account the Group's cash and liquid funds and listed equity and debt securities investments of approximately HK$5,005.2 million as at 30 June 2015, the Group's capital commitments and the working capital projections of the Group for the next 12 months, we agree with the Directors that the Group would have sufficient working capital for its present requirements in respect of the LA Property Project and the Coal-Power Project.

5. Other issues

Set out below are the principal risks associated with the Acquisitions which we have considered during our assessment of the fairness and reasonableness of the Acquisitions:

(i) The US Acquisition

(a) The US property market

Since the LA Property Project is only expected to be completed in 2017, the market condition of the US property market may be uncertain upon the completion of the development.

According to JLL, the US Target Land is situated in a prime location in downtown Los Angeles, which is rare in supply in the district and has great development potential. In addition, we are advised by the management of the Group that the development of the LA Property Project is considered to be a strategic move by the Group to diversify its current properties portfolio, which is principally located in the PRC. As mentioned in the section headed "*1.(iii)(a) Reasons for and benefits of the Acquisitions – the US Target Group*", researches have also shown that the US property market has been in general positive in recent years, as indicated by the increase in sales price of residential properties, growth in revenue per available room of hotel business and decrease in vacancy rates for retail properties. Therefore, the Directors are confident of the development potential of the LA Property Project.

(ii) The Indonesian Acquisition

(a) Exchange rate risk

According to the website of OANDA, the Indonesian Rupiah has depreciated by 16.4% against the US$ as at the Latest Practicable Date compared with the beginning of 2015. The Group, using HK$ as its reporting currency, may suffer from exchange loss on its investment in the Coal-Power Project if such trend continues.

As mentioned in the section headed "*3.(b)(i) Background and business of the Indonesian Target Group*", there are three components of pricing in the PPA. As regards the first component for all the electricity to be generated by PT Mabar, in order to mitigate the exchange rate risk, it is stipulated in the PPA that the payment by PLN will be settled in US$. For the second and third components, the currency is denominated into Indonesian Rupiah for (i) the buy-back price to be paid by PT Mabar to PLN and (ii) the sale price to be charged by PT Mabar to the customers in the Medan Industrial Area. According to the management of the Group, the exchange rate risk is considered to be largely offset since these two components are priced under the same currency.

(b) Land title certificate of the Coal-Power Project

As advised by the management of the Group, the land title certificate of the Coal-Power Project has not been obtained by PT Mabar as at the Latest Practicable Date.

According to the legal opinion from the Indonesian legal adviser (the "**Indonesian Legal Adviser**") engaged by the Company, as at the Latest Practicable Date, the application of the land title certificate of the Coal-Power Project is still in progress. The Indonesian Legal Adviser is of the opinion that the land title certificate can only be issued to PT Mabar once the local government issues a decree to grant the right of ownership of the land (the "**Decree**") to PT Mabar. The Company is of the view that there is no legal or other impediment for PT Mabar in obtaining both the Decree and the relevant land title certificate for the Coal-Power Project.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Acquisitions are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. We consider the entering into of the Sale Agreements is not in the ordinary and usual course of business of the Company and is in the interests of the Company and its shareholders as a whole. We therefore advise the Independent Board Committee to recommend the Independent Shareholders, and we ourselves advise the Independent Shareholders, to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Acquisitions.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
John Wong
Director

Mr. John Wong is a licensed person registered with the SFC and as a responsible officer of Somerley to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over seven years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2012, 2013 and 2014 were disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the Company's website (www.oceanwide.hk):

- annual report of the Company for the year ended 31 December 2012 published on 3 April 2013 (pages 46 to 92);

  http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0403/LTN20130403937.pdf

- annual report of the Company for the year ended 31 December 2013 published on 3 April 2014 (pages 47 to 95);

  http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0403/LTN201404031422.pdf

- annual report of the Company for the year ended 31 December 2014 published on 13 April 2015 (pages 50 to 97); and

  http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0413/LTN20150413221.pdf

- interim report of the Company for the 6 months ended 30 June 2015 published on 20 August 2015 (pages 12 to 31).

  http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0820/LTN20150820402.pdf

2. MATERIAL ACQUISITIONS

Subsequent to 31 December 2014, the date to which the latest published audited accounts of the Company have been made up, the Group has acquired or agreed to acquire or is proposing to acquire an interest in the share capital of the following companies (excluding the US Target and the Indonesian Target) and assets whose profits or assets make, will make or are expected to make a material contribution to the figures in the next published accounts of the Group:

Major Transaction – Acquisition of Properties Located in New York, the US

On 5 August 2015, China Oceanwide Real Estate Development III Limited (as purchaser), an indirect wholly-owned subsidiary of the Company, and 80 South, LLC and Seaport Development Holdings, LLC (as sellers) entered into a sale and purchase agreement to acquire certain properties located in New York, the US at a consideration of US$390,000,000 (equivalent to approximately HK$3,042.0 million).

The acquisition is expected to be completed in the first half of 2016.

Discloseable Transaction – Acquisition of China Huiyuan Juice Group Limited（中國滙源果汁集團有限公司）(Stock Code: 1886)

On 18 March 2015, China Oceanwide International Asset Management Limited, a wholly-owned subsidiary of the Company, acquired from third parties independent of the Company and its connected persons a total of 200,000,000 ordinary shares of US$0.00001 each in the issued share capital of China Huiyuan Juice Group Limited（中國滙源果汁集團有限公司）, an exempt company established under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1886) (representing approximately 7.90% of the total issued capital of China Huiyuan Juice Group Limited as at 18 March 2015), at an aggregate consideration (exclusive of stamp duty, trading fees, transaction levies and brokerage) of HK$389,300,000 satisfied in cash.

China Huiyuan Juice Group Limited and its subsidiaries are principally engaged in the production and sale of fruit juice, fruit and vegetable juice and other beverages. Most of the products of the China Huiyuan Juice Group Limited and its subsidiaries are sold under the brand of "Huiyuan". The Group entered into this acquisition to maximise the long term return of funds of the Company by capitalising on the opportunities arising from the PRC's economic development.

The acquisition was completed in March 2015.

Discloseable Transaction – Subscription for H Shares of GF Securities Co., Ltd.（廣發證券股份有限公司）(Stock Code: 1776)

On 22 March 2015, China Oceanwide International Asset Management Limited, a wholly-owned subsidiary of the Company, entered into a trust and agency deed with Geoswift Investment Limited to subscribe for H shares in the ordinary share capital of GF Securities Co., Ltd.（廣發證券股份有限公司）, a joint stock company established in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000776) and the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1776), for an aggregate value of not more than US$100,000,000 (equivalent to approximately HK$780,000,000). On 9 April 2015, China Oceanwide International Asset Management Limited was allotted 2,467,460 H Shares of GF Securities Co., Ltd. (representing approximately 0.03% of the total issued share capital of GF Securities Co., Ltd. immediately after the global offering of its H shares and assuming the over-allotment option is not exercised) at the offer price of HK$18.85 per share with an aggregate consideration (exclusive of agency fee, stamp duty, trading fees, transaction levies and brokerage) of HK$46,511,621 satisfied in cash.

GF Securities Co., Ltd. and its subsidiaries are principally engaged in providing comprehensive capital market services with a focus to serve the PRC's quality SMEs and affluent individuals. The principal business activities of GF Securities Co. Ltd and its subsidiaries are investment banking, wealth management, trading and institutional client services and investment management. This subscription is a financial investment of the Group. The Group entered into this subscription for an investment return and to maximise the return of funds of the Company by capitalising on the opportunities arising from the PRC's economic growth.

The subscription was completed in April 2015.

3. INDEBTEDNESS OF THE GROUP AND THE TARGET COMPANIES

As at the close of business on 31 July 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had no borrowings but the Enlarged Group had the following outstanding borrowings:

	As at 31 July 2015 *HK$'million*
The Group	–
The Indonesian Target Group	
Bank borrowings	
– Secured	1,326.0
The US Target Group	
Other borrowing	
– Secured	15.6
	1,341.6

As at 31 July 2015, the Indonesian Target Group has a bank borrowing of US$70,000,000 (equivalent to approximately HK$546.0 million) which was guaranteed and secured by China Oceanwide with charges over certain investment shares held by China Oceanwide, and has a bank borrowing of US$100,000,000 (equivalent to approximately HK$780.0 million) which was secured by a US$ standby letter of credit in favour of the bank.

As at 31 July 2015, the US Target Group has other borrowing of US$2,000,000 (equivalent to approximately HK$15.6 million) which was secured by the US Target Group's project of first priority lien and guaranteed by the Shenzhen Listco.

The US Target has acted as guarantor and provided guarantee on the following bonds issued by entities under the common control of Shenzhen Listco:

On 8 September 2014, Oceanwide Real Estate International Holding Company Limited, an indirect wholly owned subsidiary of Shenzhen Listco, issued bonds listed on the Stock Exchange, with an aggregate nominal value of US$320,000,000 (equivalent to approximately HK$2,496.0 million) at par value, bearing interest at a rate of 11.75% per annum, such interest being payable semi-annually in arrears.

On 11 August 2015, Oceanwide Holdings International 2015 Co., Limited, an indirect wholly owned subsidiary of Shenzhen Listco, issued bonds listed on the Stock Exchange, with an aggregate nominal value of US$400,000,000 (equivalent to approximately HK$3,120.0 million) at par value, bearing interest at a rate of 9.625% per annum, such interest being payable semi-annually in arrears.

Save as aforesaid and apart from intra-group liabilities and normal accounts payables in the ordinary course of business, as at the close of business on 31 July 2015, there are no other: (i) debt securities of the Enlarged Group issued and outstanding, and authorised or otherwise created but unissued, term loans, distinguishing between guaranteed, unguaranteed, secured and unsecured; (ii) borrowings or indebtedness in the nature of borrowings of the Enlarged Group (including bank overdrafts and liabilities under acceptances or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt); (iii) mortgages and charges of the Group; and (iv) any contingent liabilities or guarantees of the Enlarged Group.

4. WORKING CAPITAL

In addition to the proposed acquisitions of the US Target Group and the Indonesian Target Group, the Group had entered into a conditional sale and purchase agreement on 5 August 2015 to acquire certain properties located in New York, the US with a consideration of US$390,000,000 (equivalent to approximately HK$3,042.0 million). Should these acquisitions be completed, the Enlarged Group will also need to assume the financial obligations of the acquirees. Having considered the funding requirements for these proposed acquisitions, the Directors are of the opinion that, taking into account the financial resources available to the Group, including the internal resources and banking facilities currently available, the Enlarged Group will not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular. Accordingly, the Enlarged Group will need to secure additional financing should these acquisitions be completed.

The Directors of the Company expect that adequate new financing will be available from the following sources:

1. Management of the US Target and the Indonesian Target have been actively negotiating with various banks for new long-term bank loans to finance the construction of the projects held by the US Target and the Indonesian Target. Based on the on-going communications among the banks and the management of the US Target Group and the Indonesian Target Group, the Directors believe that there will be sufficient funds available to cover the committed construction obligations of the US Target and the Indonesian Target.

2. In May 2015, a subsidiary of the US Target entered into an agreement with a financial institution which provided the US Target access to a long-term borrowing facility of up to US$325.0 million (equivalent to approximately HK$2,535.0 million), where each drawdown under this facility is subject to the available funds from the lenders and approval by the financial institution.

3. As at 31 July 2015, the Enlarged Group's bank and other borrowings amounted to HK$1,341.6 million, of which HK$1,326.0 million are due for payment within the coming twelve months from 31 July 2015. The Group and the Indonesian Target Group are negotiating with various banks for facilities of up to HK$4,256.0 million to refinance the borrowings upon their maturities and to provide new working capital to the Group. It is expected that the related facility agreements can be signed by the end of 2015.

4. Management of the Group has been actively negotiating with various banks for new long-term bank loans to finance the operations of the Group, including the financial obligations to be fulfilled in connection with the aforementioned transaction relating to the New York properties. Based on the on-going communications amongst the banks and the Group's management, the Directors believe that there will be sufficient funds available to the Group.

Up to the date of the circular, based on the financial strength of the Group, the Directors are confident that all necessary borrowings of the Enlarged Group can be renewed, or otherwise be replaced by existing available or new borrowings as and when necessary.

In the event that any or all of the above borrowings cannot be realised, the Directors are confident that they will be able to obtain additional working capital through alternative fund raising exercises such as equity financing and/or obtaining loans from the Company's intermediate holding companies and/or other parties with the financial support from the Company's controlling shareholder.

As at the Latest Practicable Date, there is no discussion, negotiation or arrangement in respect of the details of any equity fund raising measures and no contract or agreement or concrete terms have been entered into in respect of any equity fund raising measures. The Directors are aware that the Group's liquidity position would depend on the realisation of the above-mentioned borrowings and/or equity fund raising.

In light of the above, taking into account all the financial resources currently available to the Group, including the internal resources and banking facilities currently available as well as further borrowings currently under negotiation with potential lenders and the potential financial support from the Company's intermediate holding companies (if necessary), in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group will be able to obtain sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

6. FINANCIAL AND TRADING PROSPECT OF THE ENLARGED GROUP

As at the Latest Practicable Date, the revenue of the Group was mainly derived from property investment in the PRC.

On 6 November 2014, Shenzhen Listco, through Oceanwide International, became the controlling shareholder of the Company following the completion of the acquisition of Shares by Oceanwide International from the Company's former controlling shareholders. Shenzhen Listco is a conglomerate listed on the Shenzhen Stock Exchange. The businesses of Shenzhen Listco are mentioned in the "Letter from the Board" in the paragraph headed "Shenzhen Listco" under the section headed "Information on the Parties".

The Group is currently principally engaged in property investments in the PRC. Over the past three years, the performance of the Group's property investment business was stable. As at 30 June 2015, the average occupancy rate for the two office and commercial properties owned by the Group in Shanghai was over 90%. The Group will continue to expand its property investment business in the future.

As mentioned in the Company's annual report for the year ended 31 December 2014, the Group intends to continue its existing business but also intends to transform the Group from a single business line of property investment to a conglomerate with businesses in real estate, finance and energy sectors as well as other strategic investments, with a view to developing itself as an integrated development platform of Shenzhen Listco outside of the PRC.

The Board believes that the proposed acquisition of the US Target Group represents a good opportunity for the Group to expand its principal business of property investment outside of the PRC by leveraging on the relevant experience of the management team of the Company. Moreover, the Board is of the view that the property held by the US Target Group is located in a prime area of Los Angeles and is therefore confident of the development potential of such property.

The construction work on the US Target Land is still in process. The construction work commenced in the second half of 2014 and is scheduled to be completed in 2018. The sale of the condominium is expected to commence in 2017 and be completed in 2020. The commercial properties and luxury hotel are expected to commence business in 2018. Before the construction work is completed, no significant business activities are expected to be carried out by the US Target in the years of 2015 and 2016, save for debt financing, preparation and construction work relating to the US Target Land. After the US Completion, the Group will perform a detailed review on the existing development plans and financial position of the US Target for the purpose of formulating detailed business plans and strategies for its future business development with the US Target Group.

In respect of the proposed acquisition of the Indonesian Target Group, the Board believes that such acquisition represents an excellent opportunity for the Group to diversify its business lines into the energy industry and is in line with the Group's intention to develop the Group into a conglomerate. The Board further believes that such diversification into the energy industry would allow the Group to expand its operations and revenue streams, thereby enhancing shareholder value.

As the Indonesian Target is still in the process of constructing its power plants, the operation of which is expected to commence in 2017, no significant operating activities are expected to be carried out by the Indonesian Target in the years of 2015 and 2016, save for debt financing, preparation and construction work relating to the power plants. After the Indonesian Completion, the Group will perform a detailed review on the existing development plans and financial position of the Indonesian Target for the purpose of formulating detailed business plans and strategies for its future business development with the Indonesian Target Group.

Following the completion of the Acquisitions, the Enlarged Group will continue to serve as an overseas integrated development platform of Shenzhen Listco outside of the PRC and its management will continue to explore sound investment opportunities and potential acquisitions in the real estate, energy, finance and strategic investment sectors to enhance the diversified development of the Enlarged Group and leverage the expertise, resources and industry experiences of Shenzhen Listco. The Enlarged Group will make announcements in accordance with the Listing Rules as and when further acquisitions or investments are made.

The Group has a healthy balance sheet and liquidity with cash, liquid funds and listed equity and debt securities investments of HK$3,605.05 million as at 31 December 2014 and HK$5,005.21 million as at 30 June 2015. The Group will continue to implement prudent investment and financial management principles in identifying sound business development opportunities to expand its business scope. Concurrently, the Group will also implement effective risk management and financial control measures in all its business activities.

The Directors believe that the Acquisitions would allow the Enlarged Group to diversify its business and provide additional revenue streams to the Enlarged Group in the future, thereby improving the financial results of the Enlarged Group.

The Directors are of the view that the Enlarged Group will continue to be committed to the development of its existing business and the new businesses to be acquired through the Acquisitions. Further, the Enlarged Group will actively seek other business opportunities that are conducive to enhancing shareholder value.

The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc

羅兵咸永道

25 September 2015

The Directors
China Oceanwide Holdings Limited

Dear Sirs,

We report on the financial information of Oceanwide Real Estate International Investment Company Limited (the "US Target") and its subsidiaries (together, the "US Target Group"), which comprises the consolidated statement of financial position of the US Target Group as at 31 December 2013 and 2014 and 31 March 2015, the statement of financial position of the US Target as at 31 December 2013 and 2014 and 31 March 2015 and the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the US Target Group for each of the period from 30 October 2013 (date of incorporation) to 31 December 2013, the year ended 31 December 2014 and the three months ended 31 March 2015 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of China Oceanwide Holdings Limited (the "Company") and is set out in Sections I to III below for inclusion in Appendix IIA to the circular of the Company dated 25 September 2015 (the "Circular") in connection with the proposed acquisition of the US Target by China Oceanwide Real Estate Development I Limited, a wholly owned subsidiary of the Company (the "US Acquisition").

The US Target was incorporated in the British Virgin Islands on 30 October 2013 as an exempted company with limited liability under the BVI Business Companies Act, 2004 (No.16 of 2004).

As at the date of this report, the US Target has direct and indirect interests in its subsidiaries as set out in Note 24 of Section II below.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

The directors of the US Target are responsible for the preparation of the consolidated financial statements of the US Target for the Relevant Periods that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements"), and for such internal control as the directors determine is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing (the "HKSAs") issued by the HKICPA pursuant to separate terms of engagement.

No audited statutory financial statements of the US Target and the US Target Group have been prepared as there is no such statutory requirement.

The financial information of the US Target Group has been prepared based on the Underlying Financial Statements, with no adjustment made thereon.

Directors' Responsibility for the Financial Information

The directors of the Company are responsible for the preparation of the financial information of the US Target Group that gives a true and fair view in accordance with HKFRSs and accounting policies adopted by the Company and its subsidiaries (together, the "Group") as set out in the annual report of the Company for the year ended 31 December 2014 and the new accounting standards introduced that are effective for the three months ended 31 March 2015, where applicable.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion on the financial information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Opinion

In our opinion, the financial information gives, for the purpose of this report, a true and fair view of the state of affairs of the US Target and of the US Target Group as at 31 December 2013 and 2014 and 31 March 2015, and of the US Target Group's results and cash flows for the Relevant Periods then ended.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information set out in Sections I to II below included in Appendix IIA to the Circular which comprises the consolidated income statements, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the US Target for the three months ended 31 March 2014 and the relevant explanatory information (the "Stub Period Comparative Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the accounting policies set out in Note 2 of Section II below and the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2014 and the new accounting standards introduced that are effective for the three months ended 31 March 2015, where applicable.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with HKSAs and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 2 of Section II below.

I FINANCIAL INFORMATION OF THE US TARGET

The following is the financial information of the US Target Group prepared by the directors of the Company as at 31 December 2013 and 2014 and 31 March 2015 and for each of the period from 30 October 2013 (date of incorporation) to 31 December 2013, the year ended 31 December 2014 and the three months ended 31 March 2014 and 2015 (the "Financial Information"):

(A) CONSOLIDATED INCOME STATEMENTS

	Section II Note	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
		HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Other income, net	6	–	14,409	4,299	–
Administrative expenses	7	(1)	(4,211)	(863)	(3,196)
Interest income		–	9	–	4
(Loss)/profit before tax		(1)	10,207	3,436	(3,192)
(Tax charge)/tax credit	9	–	(4,167)	(1,366)	1,191
(Loss)/profit for the period/year		(1)	6,040	2,070	(2,001)

(B) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
(Loss)/profit for the period/year	(1)	6,040	2,070	(2,001)
Other comprehensive income/(expense)				
Items that have been reclassified or may be subsequently reclassified to profit or loss:				
Gains/(losses) on translating financial statements of foreign operations:				
– Taken to reserve	–	784	1,258	(429)
Other comprehensive income/(expense) for the period/year	–	784	1,258	(429)
Total comprehensive (expense)/income	(1)	6,824	3,328	(2,430)

(C) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Section II Note	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
ASSETS				
Non-current assets				
Plant and equipment	11	–	3,526	3,592
Investment properties	12	–	–	448,650
		–	3,526	452,242
Current assets				
Properties under development	13	1,441,795	1,524,403	1,133,256
Other receivables, deposits and prepayments	14	–	524	9,664
Cash and bank balances	16	38,053	11,415	6,057
		1,479,848	1,536,342	1,148,977
Total assets		1,479,848	1,539,868	1,601,219
EQUITY				
Share capital	19	388	388	388
Capital reserve	19	1,472,982	1,472,982	1,472,982
Exchange reserve		–	784	355
(Accumulated losses)/retained profits		(1)	6,039	4,038
Total equity		1,473,369	1,480,193	1,477,763
LIABILITIES				
Current liabilities				
Other payables and accruals	17	6,479	16,797	37,166
Loan from immediate holding company	15	–	38,783	83,460
		6,479	55,580	120,626
Non-current liability				
Deferred income tax	18	–	4,095	2,830
Total liabilities		6,479	59,675	123,456
Total equity and liabilities		1,479,848	1,539,868	1,601,219
Net current assets		1,473,369	1,480,762	1,028,351
Total assets less current liabilities		1,473,369	1,484,288	1,480,593

(D) STATEMENT OF FINANCIAL POSITION OF THE US TARGET

	Section II Note	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	24	697,729	697,729	697,729
		697,729	697,729	697,729
Current assets				
Loan to a subsidiary	24	736,491	736,883	736,670
Amount due from a subsidiary	24	42,304	91,122	103,917
Cash and bank balances	16	387	387	387
		779,182	828,392	840,974
Total assets		1,476,911	1,526,121	1,538,703
EQUITY				
Share capital	19	388	388	388
Capital reserve	19	1,472,982	1,472,982	1,472,982
Exchange reserve		–	412	178
Retained profits		2,479	36,637	45,611
Total equity		1,475,849	1,510,419	1,519,159
LIABILITIES				
Current liabilities				
Other payables and accruals	17	1,062	15,702	19,544
Total equity and liabilities		1,476,911	1,526,121	1,538,703
Net current assets		778,120	812,690	821,430
Total assets less current liabilities		1,475,849	1,510,419	1,519,159

(E) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve	Exchange reserve	(Accumulated losses)/ retained profits	Total
	(Note 19)	*(Note 19)*			
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 30 October 2013 (date of incorporation)	–	–	–	–	–
Loss for the period and total comprehensive expenses	–	–	–	(1)	(1)
Issuance of shares	388	–	–	–	388
Capital injection from shareholder	–	1,472,982	–	–	1,472,982
Total transactions with owner	388	1,472,982	–	–	1,473,370
Balance at 31 December 2013	388	1,472,982	–	(1)	1,473,369
Balance at 1 January 2014	388	1,472,982	–	(1)	1,473,369
Profit for the year	–	–	–	6,040	6,040
Other comprehensive income:					
Gains on translating financial statements of foreign operations:					
– Taken to reserve	–	–	784	–	784
Total comprehensive income	–	–	784	6,040	6,824
Balance at 31 December 2014	388	1,472,982	784	6,039	1,480,193
Balance at 1 January 2015	388	1,472,982	784	6,039	1,480,193
Loss for the period	–	–	–	(2,001)	(2,001)
Other comprehensive expenses:					
Loss on translating financial statements of foreign operations:					
– Taken to reserve	–	–	(429)	–	(429)
Total comprehensive expenses	–	–	(429)	(2,001)	(2,430)
Balance at 31 March 2015	388	1,472,982	355	4,038	1,477,763
Balance at 1 January 2014	388	1,472,982	–	(1)	1,473,369
Profit for the period (unaudited)	–	–	–	2,070	2,070
Other comprehensive income:					
Gains on translating financial statements of foreign operations:					
– Taken to reserve	–	–	1,258	–	1,258
Total comprehensive income (unaudited)	–	–	1,258	2,070	3,328
Balance at 31 March 2014 (unaudited)	388	1,472,982	1,258	2,069	1,476,697

(F) CONSOLIDATED STATEMENTS OF CASH FLOWS

	Section II Note	Period from 30 October 2013 (date of incorporation) to 31 December 2013 HK$'000	Year ended 31 December 2014 HK$'000	Three months ended 31 March 2014 HK$'000 (unaudited)	Three months ended 31 March 2015 HK$'000
Cash flows from operating activities					
Net cash outflow from operations	23	(1,435,317)	(61,598)	(12,779)	(49,746)
Tax paid		–	(71)	–	–
Interest received		–	9	–	4
Net cash used in operating activities		(1,435,317)	(61,660)	(12,779)	(49,742)
Cash flows from investing activities					
Purchase of plant and equipment		–	(3,786)	(766)	(243)
Net cash used in investing activities		–	(3,786)	(766)	(243)
Cash flows from financing activities					
Issuance of shares	19	388	–	–	–
Capital injection from shareholder	19	1,472,982	–	–	–
Loan from immediate holding company		–	38,783	–	44,688
Net cash generated from financing activities		1,473,370	38,783	–	44,688
Net increase/(decrease) in cash and cash equivalents		38,053	(26,663)	(13,545)	(5,297)
Cash and cash equivalents at the beginning of the period/year		–	38,053	38,053	11,415
Exchange translation difference		–	25	252	(61)
Cash and cash equivalents at the end of the period/year		38,053	11,415	24,760	6,057

II NOTES TO THE FINANCIAL INFORMATION OF US TARGET GROUP

1 General information

The US Target was incorporated in the British Virgin Islands (the "BVI") on 30 October 2013, as an exempted company with limited liability under the International Business Companies Act, Cap. 291. The registered address of the US Target is at Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, BVI.

The US Target is an investment holding company and together with its subsidiaries, including Oceanwide Real Estate Group (USA) Corp. and Oceanwide Plaza LLC. (all were incorporated in the US and hereafter collectively referred as the "US Subsidiaries"), are primarily involved in the property investment and development (the "Property Business"). Details of the activities of subsidiaries of the US Target are set out in Note 24. The director of the US Target considers Mr. Lu Zhiqiang to be the ultimate controlling shareholder.

The Financial Information is presented in Hong Kong dollars ("HK$"), unless otherwise stated.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to the Relevant Periods, unless otherwise stated.

(a) Basis of preparation

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. The Financial Information of the US Target Group is its first financial statements prepared under accounting policies that comply with the HKFRS. The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of Financial Information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4.

New standards, amendments and interpretations to the existing standards that are effective during the Relevant Periods have been adopted by the US Target Group consistently during the Relevant Periods unless prohibited by the relevant standards to apply retrospectively.

The following new or revised standards, amendments and interpretations to standards have been issued but are not yet effective and have not been early adopted by the US Target Group:

HKAS 1 Amendment	The Disclosure Initiative (1)
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation (1)
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants (1)
HKAS 27 Amendment	Equity Method in Separate Financial Statements (1)
HKFRS 9	Financial Instruments (3)
HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (1)
HKFRS 10, HKFRS 12 and HKAS 28 Amendment	Investment Entities: Apply the Consolidation Exception (1)
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations (1)
HKFRS 14	Regulatory Deferral Accounts (1)
HKFRS 15	Revenue from Contracts with Customers (2)
Annual Improvements 2012-2014 Cycle	Improvements to HKFRSs (1)

(1) Effective for the accounting periods beginning on or after 1 January 2016
(2) Effective for the accounting periods beginning on or after 1 January 2017
(3) Effective for the accounting periods beginning on or after 1 January 2018

The US Target Group is in the process of assessing the impact on future accounting periods. The US Target Group will adopt the above new or revised standards and amendments to existing standards when they become effective.

(b) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the US Target Group has control. The US Target Group controls an entity when the US Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the US Target Group. They are deconsolidated from the date that control ceases.

The US Target Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the US Target Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The US Target Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the income statements.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statements.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform to the accounting policies adopted by the US Target Group.

Investments in subsidiaries are accounted for at cost less impairment in the US Target's statement of financial position. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Loans and receivables

Loans and receivables include other receivables and deposits, amount due from a subsidiary and loan to a subsidiary. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of a loan to a subsidiary, amount due from a subsidiary, and other receivables and deposits is established when there is objective evidence that the US Target Group will not be able to collect all amounts due according to original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statements. The reversal of the previously recognised impairment cost is recognised in the income statements.

(d) Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

(e) Other payables and accruals

Trade and other payables and accruals, amounts due to immediate holding company and a related company are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(f) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the country where the US Target Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(g) Provisions and contingencies

Provisions are recognised when the US Target Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the US Target Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the Financial Information. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Information of the US Target Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the US Target is US dollar and the presentation currency of the US Target and the US Target Group is Hong Kong dollar ("HK$").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.

(iii) US Target Group

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each the end of the reporting period presented are translated at the closing rate at the end of the reporting period;

- income and expenses for each income statement are translated at average exchange rates; and

- all resulting exchange differences are recognised in other comprehensive income.

(i) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the US Target Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial period in which they are incurred.

Plant and equipment are depreciated at rates sufficient to write off their costs less accumulated impairment over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvement	20%
Office equipment	20%
Furniture and fixtures	14%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals of are determined by comparing the proceeds with the carrying amount and are recognised in the income statements.

(j) Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is estimated taking into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

The costs of properties under development comprises costs of land use rights, construction costs, employee benefit expenses, borrowing costs and loan arrangement fee capitalised for qualifying assets and professional fees incurred during the development period.

(k) Investment properties

Investment properties are interests in land and buildings that are held for earning rentals or for capital appreciation or both. It also includes properties that are being constructed or developed for future use as investment properties. Investment properties are measured initially at cost and are subsequently carried in the statement of financial position at fair value determined annually by independent professional valuers at the end of the reporting period, and are not depreciated. Changes in fair values are recognised in the income statement.

(l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Such impairment loss is recognised in the income statement.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statements over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the US Target Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(n) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. It is the US Target Group's policy to forfeit any untaken annual leave within a specific time period. Subject to regular assessment of staff turnover rate, a provision will be made or reversed. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(o) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statements in the period in which they are incurred.

(p) Income recognition

Interest income on bank deposits are recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Rental income from carpark is recognised once the customers occupied the car park slot for car parking. The car parking income was a temporary operating activity from the US Target Group's vacant land that ended in November 2014.

(q) Operating leases

Leases where substantially all the rewards and risks of ownership of the assets remain with the lessors are classified as operating leases.

Rental expenses under operating leases are charged to income statements on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments and making strategic decision.

All revenue and non-current assets are located in US, which is the US Target Group's country of domicile.

3 Financial risk management

(a) Financial risk factors

The US Target Group's activities expose it to a variety of financial risks: foreign exchange risk, fair value interest rate risk, credit risk and liquidity risk.

(i) Foreign exchange risk

The US Target Group undertakes transactions in USD and does not have foreign exchange risk.

(ii) Fair value interest rate risk

The US Target Group's interest rate risk arises from loans payable to immediate holding company.

At 31 December 2013 and 2014 and 31 March 2015, loans payable to immediate holding company charged at a fixed rate exposed the US Target Group to fair value interest rate risk which was insignificant due to short term maturity.

(iii) Credit risk

Credit risk of the US Target Group mainly arises from bank balances, other receivables, deposits and prepayment. The US Target Group has no significant concentration of credit risk.

The US Target Group continuously monitors the credit risk by assessing the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at 31 December 2013 and 2014 and 31 March 2015, other receivables had no history of default. To manage the credit risk associated with bank balances, bank balances are placed in banks with sound credit ratings. The US Target Group controls its credit risk through regularly monitoring their credit ratings.

Management does not expect any losses from non-performance by these counterparties.

(iv) Liquidity risk

The US Target Group solely relies on the available funding through borrowings, and support of its related companies and holding companies.

The financial liabilities of the US Target Group include other payables and accruals, amounts due to immediate holding company and a related company which are due within one year to each of the end of the reporting period during the Relevant Periods.

(b) Capital risk management

The US Target Group's objectives when managing capital are to safeguard its ability to continue as a going concern. The US Target Group's operations are mainly financed by its borrowings from immediate holding company, amount due to immediate holding company – interest and amount due to a related company as summarised below:

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Loan from immediate holding company	–	38,783	83,460
Amount due to immediate holding company – interest	–	979	2,690
Amount due to a related company	5,413	–	–
	5,413	39,762	86,150

Consistent with others in the industry, the US Target Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debts is calculated as total debts less cash and bank balances. Total capital represents total equity as shown in the statement of financial position.

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Total debts (as above)	5,413	39,762	86,150
Less: cash and bank balances	(38,053)	(11,415)	(6,057)
Net debts	(32,640)	28,347	80,093
Total equity	1,473,369	1,480,193	1,477,763
Gearing ratio	–	1.9%	5.4%

The increase of gearing ratios was mainly attributable to the increase in total debts borrowed from the immediate holding company for developing the property.

(c) Fair value estimation

The carrying amounts of other receivables, deposits, amounts due to immediate holding company and a related company, cash and bank balances, other payables and accruals approximate their fair values due to their short maturities.

4 Critical accounting estimates and judgements

The US Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions having a significant effect on the carrying amounts of assets and liabilities are discussed below:

(a) Income taxes

The US Target Group is subject to income taxes in the United States (the "US"). Significant judgement is required in determining the provision for income taxes. There are a number of transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The US Target Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

(b) Investment properties

The US Target Group is subject to estimated fair value of investment properties. Details of the judgment and assumptions used for determination of fair value of investment properties are set out in Note 12.

5 Operating segments

The CODM has been identified as the director of the US Target. The CODM reviews the US Target Group's internal reporting in order to assess performance and allocate resources. There is only one principal segment which is related to the real estate development.

6 Other income, net

Other income for the year ended 31 December 2014 and the three months ended 31 March 2014 represented the car park rental income arising from the leasing of the US Target Group's vacant land during the period from January 2014 to November 2014.

7 Expenses by nature

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditors' remuneration				
– audit services	–	–	–	116
– non-audit services	–	1,055	195	–
Depreciation *(Note 11)*	–	260	20	176
Legal and professional fees	–	177	104	1,429
Rental expenses	–	411	140	120
Employee benefit expenses *(Note 8)*	–	1,016	–	799
Others	1	1,292	404	556
Total administrative expenses	1	4,211	863	3,196

8 Employee benefit expenses

(a) Employee benefit expenses during the Relevant Periods are as follows:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Wages, salaries and allowances	–	4,490	–	3,187
Less: amount capitalised on properties under development and investment properties	–	(3,474)	–	(2,388)
	–	1,016	–	799

(b) Directors' emoluments

The directors represent key management personnel of the US Target Group having authority and responsibility for planning, directing and controlling the activities of the US Target Group. During the Relevant Periods, no director received director emoluments.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the US Target Group for the period from 30 October 2013 (date of incorporation) to 31 December 2013, the year ended 2014 and the three months ended 31 March 2014 and 2015 are as follows:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Wages, salaries and allowances	–	4,490	–	3,187

The emoluments of these individuals fell within the following emolument bands:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014 (unaudited)	2015
Emolument bands				
Nil – HK$1,000,000	–	4	–	4
HK$1,000,001 – HK$1,500,000	–	–	–	1
HK$1,500,001 – HK$2,000,000	–	1	–	–

During the Relevant Periods, no emoluments have been paid to any of the US Target's director or the five highest paid individuals as an inducement to join or as compensation for loss of office.

9 Income tax

US corporate income tax has been provided at a taxation rate of 39.84% for the Relevant Periods.

The amount charged/(credited) to the income statements for the Relevant Periods are as follows:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013 *HK$'000*	Year ended 31 December 2014 *HK$'000*	Three months ended 31 March 2014 *HK$'000* (unaudited)	2015 *HK$'000*
Current income tax				
– US corporate income tax	–	72	–	74
Deferred income tax *(Note 18)*	–	4,095	1,366	(1,265)
Tax charge/(credit)	–	4,167	1,366	(1,191)

The tax on the US Target Group's (loss)/profit before tax differs from the theoretical amount that would arise using the applicable domestic tax rates as follows:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
(Loss)/profit before tax	(1)	10,207	3,436	(3,192)
Calculated at the applicable domestic tax rates	–	4,064	1,365	(1,264)
Expenses not deductible for taxation purposes	–	103	1	73
Tax charge/(credit)	–	4,167	1,366	(1,191)

10 Borrowing costs

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest expenses on – loan from immediate holding company	–	979	–	1,711
Less: amounts capitalised in property under development and investment properties	–	(979)	–	(1,711)
	–	–	–	–

For the period from 30 October 2013 (date of incorporation) to 31 December 2013 and the year ended 31 December 2014 and the three months ended 31 March 2014 and 2015, all the interest expenses are capitalised. The interest rate capitalised was 11.5% during the Relevant Periods.

11 Plant and equipment

	Leasehold improvement HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2014					
Cost					
At 1 January 2014	–	–	–	–	–
Additions	682	218	922	1,964	3,786
At 31 December 2014	682	218	922	1,964	3,786
Accumulated depreciation					
At 1 January 2014	–	–	–	–	–
Charge for the year	23	6	75	156	260
At 31 December 2014	23	6	75	156	260
Net book value					
At 31 December 2014	659	212	847	1,808	3,526
31 March 2014					
Cost					
At 1 January 2014	–	–	–	–	–
Additions	–	–	388	378	766
At 31 March 2014	–	–	388	378	766
Accumulated depreciation					
At 1 January 2014	–	–	–	–	–
Charge for the period	–	–	14	6	20
At 31 March 2014	–	–	14	6	20
Net book value					
At 31 March 2014 (unaudited)	–	–	374	372	746
31 March 2015					
Cost					
At 1 January 2015	682	218	922	1,964	3,786
Additions	243	–	–	–	243
Exchange difference	–	–	–	(1)	(1)
At 31 March 2015	925	218	922	1,963	4,028
Accumulated depreciation					
At 1 January 2015	23	6	75	156	260
Charge for the period	34	11	33	98	176
At 31 March 2015	57	17	108	254	436
Net book value					
At 31 March 2015	868	201	814	1,709	3,592

12 Investment properties

The US Target Group's investment properties comprise:

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Freehold land in US	–	–	395,837
Construction cost and capitalised expenditure	–	–	52,216
Interest expense capitalised	–	–	597
Total	–	–	448,650

The table below analyses recurring fair value measurements for investment properties located in the US. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

Fair value hierarchy	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015				
Investment properties under development	–	–	448,650	448,650

There were no transfers between Levels 1, 2 and 3 during the period from 30 October 2013 (date of incorporation) to 31 December 2013 and the year ended 31 December 2014 and the three months ended 31 March 2015. The US Target Group's policy is to recognise transfers into/out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Investment properties have been fair valued as at 31 March 2015 by the management. The fair value of the investment properties was estimated based on the cost incurred on the property development project and allocated in proportion to the area of the investment properties to the area of the overall development plan. As the construction and development project was at initial stage, the directors are of the opinion that the fair values approximate the cost incurred.

13 Properties under development

	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
At 1 January	–	1,441,795	1,524,403
Additions during the period/year	1,441,795	81,849	57,954
Exchange difference	–	759	(451)
Reclassified to investment properties	–	–	(448,650)
As at 31 December/31 March	1,441,795	1,524,403	1,133,256

Properties under development comprise:

	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
Freehold land in the US	1,435,925	1,436,688	1,040,436
Construction cost and capitalised expenditure	5,870	86,736	90,727
Interest expense capitalised	–	979	2,093
	1,441,795	1,524,403	1,133,256

Note:

As at 31 December 2013 and 2014 and 31 March 2015, the properties under development are expected to be completed and recovered after one year.

The US Target Group has a detailed development plan and the budget for the acquired land. The development plan includes the detail floor areas for the hotels, shopping malls, office and residential area. The City of Los Angeles, the US approved the development plan in March 2015. As such, the carrying values in relation to the floor areas of the hotel and shopping malls were reclassified to investment properties for the period ended 31 March 2015.

14 Other receivables, deposits and prepayments

	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
Construction cost prepayments	–	–	9,073
Security deposits	–	419	419
Others	–	105	172
	–	524	9,664

The carrying amounts of other receivables, deposits and prepayments are denominated in US dollars and approximate their fair value.

All other receivables balances have no specific due date but repayable on demand. No impairment loss was recognised during the Relevant Periods and other receivables do not contain impaired assets.

15 Loan from immediate holding company

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Loan from immediate holding company – China Oceanwide Group Limited	–	38,783	83,460

As at 31 December 2014 and 31 March 2015, the balances are denominated in US dollars, unsecured, interest bearing at 11.5% and have no fixed terms of repayment.

16 Cash and bank balances

	US Target Group		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Cash and bank balances	38,053	11,415	6,057

	US Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Cash and bank balances	387	387	387

Cash and bank balances of the US Target Group and the US Target are denominated in US dollars.

17 Other payables and accruals

	US Target Group		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Construction cost payables	–	–	14,920
Other payables and accruals	1,066	15,818	19,556
Amount due to immediate holding company – China Oceanwide Group Limited *(Note)*	–	979	2,690
Amount due to a related company – Oceanwide International Investment Corporation *(Note)*	5,413	–	–
	6,479	16,797	37,166

	US Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Other accrual	1,062	15,702	19,544

Note:

As at 31 December 2014 and 31 March 2015, the amounts due to immediate holding company are the interest payables on the outstanding amount of loans in Note 15. They are denominated in US dollars, unsecured, interest bearing at 11.5% and have no fixed term of repayment.

As at 31 December 2013, the amount due to a related company is denominated in US dollars, unsecured, interest-free and has no fixed term of repayment.

18 Deferred income tax

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Deferred income tax assets	–	2,953	4,218
Deferred income tax liabilities	–	(7,048)	(7,048)
Net	–	(4,095)	(2,830)

The movement in deferred income tax assets and tax liabilities during the period/year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses	Other temporary difference	Total
	HK$'000	*HK$'000*	*HK$'000*
At 30 October 2013 (date of incorporation)	–	–	–
Charged to income statement *(Note 9)*	–	–	–
At 31 December 2013 and 1 January 2014	–	–	–
Charged to income statement *(Note 9)*	2,953	(7,048)	(4,095)
At 31 December 2014 and 1 January 2015	2,953	(7,048)	(4,095)
Credited to income statement *(Note 9)*	1,265	–	1,265
At 31 March 2015	4,218	(7,048)	(2,830)
At 31 December 2013 and 1 January 2014	–	–	–
Charged to income statement *(Note 9)*	457	(1,823)	(1,366)
At 31 March 2014	457	(1,823)	(1,366)

19 Share capital and capital reserve – US Target Group and US Target

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
		US$	*HK$'000*
Authorised:			
Ordinary share of US$1.00 each	50,000	50,000	388
Issued:			
Balance at 30 October 2013 (date of incorporation)	–	–	–
Issue of shares to China Oceanwide Group Limited on 30 October 2013	50,000	50,000	388
Balance at 31 December 2013 and 2014 and 31 March 2015	50,000	50,000	388

The US Target was incorporated in the BVI on 30 October 2013 as an exempted company with an authorised share capital of US$50,000 divided into 50,000 shares of US$1.00 each.

50,000 shares were allotted and issued to China Oceanwide Group Limited on 30 October 2013.

During the period from 30 October 2013 (the incorporation date) to 31 December 2013, China Oceanwide Group Limited has further injected capital amounting to HK$1,472,982,000 (equivalent to US$190,000,000) which was capitalised as capital reserve of the US Target.

20 Capital commitments

At the end of the reporting period, the US Target Group had the capital commitments in respect of the following:

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Authorised but not contracted for – Properties under development and investment properties	–	6,414,373	6,494,739
Contracted but not provided for – Properties under development and investment properties	271	146,205	134,346

21 Operating lease commitments

At each of the reporting date, the US Target Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of leasing of premises are as follows:

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Not later than one year	–	605	527
Later than one year and no later than 5 years	–	2,048	1,884
	–	2,653	2,411

22 Related party transactions

Other than those disclosed elsewhere in the Financial Information, the US Target Group has the following significant related party transactions.

For the year ended 31 December 2014, Oceanwide Holdings Co., Ltd, the intermediate holding company, charged HK$8,907,000 (approximately US$1,148,000) at a basis of cost plus 10% to the US Target Group for manpower support. The amounts have been capitalised into properties under development account.

For the year ended 31 December 2014 and the three months ended 31 March 2015, the US Target has acted as guarantor and provided guarantee on the US$320,000,000 11.75% guaranteed senior notes issued by Oceanwide Real Estate International Holding Company Limited, a fellow subsidiary of the US Target.

Compensation of key management personnel

No fees or other emoluments were paid or are payable to the directors, which is regarded as the key management of the US Target during the Relevant Periods.

23 Notes to the consolidated statements of cash flows

Reconciliation of (loss)/profit before tax to net cash outflow from operations is shown as below:

	Period from 30 October 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
(Loss)/profit before tax	(1)	10,207	3,436	(3,192)
Interest income	–	(9)	–	(4)
Depreciation	–	260	20	176
Operating (loss)/profit before working capital changes	(1)	10,458	3,456	(3,020)
Properties under development	(1,435,320)	(66,231)	(18,992)	(52,400)
Other receivables, deposits and prepayments	–	(524)	(84)	(9,140)
Other payables and accruals	4	(5,301)	2,841	14,814
Net cash outflow from operations	(1,435,317)	(61,598)	(12,779)	(49,746)

24 Investments in subsidiaries – US Target

	As at 31 December 2013	2014	As at 31 March 2015
	HK$'000	*HK$'000*	*HK$'000*
Unlisted shares, at cost	697,729	697,729	697,729
Loan to a subsidiary (i)	736,491	736,883	736,670
Amount due from a subsidiary			
– Interest payable (i)	3,541	52,339	65,145
– Others (ii)	38,763	38,783	38,772
	42,304	91,122	103,917

(i) The balances are denominated in US dollars, unsecured, interest bearing at 6.5% per annum and have no fixed terms of repayment.

(ii) The balance is unsecured, interest free and has no fixed terms of repayment.

The carrying amounts of balances with subsidiaries approximate their fair values. As at the date of this report, the US Target has direct interests in the following subsidiaries:

Name	Place of incorporation/ establishment	Principal activities	Issued/ registered capital	US Target Effective interest held		
				31 December		31 March
				2013	2014	2015
Indirectly held subsidiary						
Oceanwide Plaza, LLC (previously known as Tohigh Construction Investment, LLC)	Delaware, USA	Property development	US$90,010,000	100%	100%	100%
Directly held subsidiary						
Oceanwide Real Estate Group (USA) Corp	Delaware, USA	Investment holding	US$90,000,000	100%	100%	100%

No audited financial statements were issued for these subsidiaries as they are not required to issue audited financial statements under the statutory requirement of the places of incorporation.

25 Subsequent events

Subsequent to the end of the reporting period and up to the date of this report, the US Target Group further borrowed an unsecured loan of US$12,700,000 bearing interest at 11.5% from China Oceanwide Group Limited, an immediate holding company, for its property development project. The loan has no fixed term of repayment.

Subsequent to the end of the reporting period, on 28 May 2015, Oceanwide Plaza LLC ("OPL"), a subsidiary of the US Target, entered into a loan agreement with LA Downtown Investment LP to borrow US$325,000,000. The loan is secured by the OPL's project of first priority lien and guaranteed by its related parties that includes Oceanwide Holding Co., Ltd and Oceanwide Real Estate Group (USA) Corp. OPL also agreed to complete the project within 36 months after the date of the first draw-down of the the loan.

Subsequent to the end of the reporting period, on 20 August 2015, the US Subsidiaries entered into a consulting and technical support services agreement with Oceanwide Holdings Co., Ltd, the intermediate holding company, for the provision of technical support services effective from 1 January 2015 to 31 December 2017. This agreement replaces the existing one effective from 25 October 2013 to 31 December 2018.

Subsequent to the end of the reporting period, the US Target has acted as guarantor and provided guarantee on the US$400,000,000 9.625% guaranteed senior notes issued by Oceanwide Holdings International 2015 Co., Limited, a fellow subsidiary of the US Target.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the US Target or any of its subsidiaries in respect of any period subsequent to 31 March 2015 and up to the date of this report. No dividend or distribution has been declared or made by the US Target or any of its subsidiaries in respect of any period subsequent to 31 March 2015.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

25 September 2015

The Directors
China Oceanwide Holdings Limited

Dear Sirs,

We report on the financial information of China Oceanwide Power Co., Limited (the "Indonesian Target") and its subsidiaries (together, the "Indonesian Target Group"), which comprises the consolidated statements of financial position of the Indonesian Target Group as at 31 December 2013 and 2014 and 31 March 2015, the statements of financial position of the Indonesian Target as at 31 December 2013 and 2014 and 31 March 2015 and the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Indonesian Target Group for the period from 6 September 2013 (date of incorporation) to 31 December 2013, the year ended 31 December 2014 and the three months ended 31 March 2015 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of China Oceanwide Holdings Limited (the "Company") and is set out in Sections I to III below for inclusion in Appendix IIB to the circular of the Company dated 25 September 2015 (the "Circular") in connection with the proposed acquisition of the Indonesian Target by China Oceanwide Power Investment I Limited, a wholly owned subsidiary of the Company (the "Indonesian Acquisition").

The Indonesian Target was incorporated in Hong Kong on 6 September 2013 under the Hong Kong Companies Ordinance Chapter 32.

As at the date of this report, the Indonesian Target has direct interest in its subsidiaries as set out in Note 22 of Section II below.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

The directors of the Indonesian Target are responsible for the preparation of the consolidated financial statements of the Indonesian Target and its subsidiaries now comprising the Indonesian Target Group for the Relevant Periods that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") (the "Underlying Financial Statements"), and for such internal control as the directors determine is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing (the "HKSAs") issued by the HKICPA pursuant to separate terms of engagement.

The financial statements of the Indonesian Target for the period from 6 September 2013 (date of incorporation) to 31 December 2014 were audited by PricewaterhouseCoopers pursuant to separate terms of engagement with the Indonesian Target. The audited financial statements of the other companies now comprising the Indonesian Target Group as at the date of this report for which there are statutory audit requirements have been prepared in accordance with the relevant accounting principles generally accepted in their respective places of incorporation. The details of the statutory auditors of these companies are set out in Note 22 of Section II.

The financial information of the Indonesian Target Group has been prepared based on the Underlying Financial Statements, with no adjustment made thereon.

Directors' Responsibility for the Financial Information

The directors of the Company are responsible for the preparation of the financial information of the Indonesian Target Group that gives a true and fair view in accordance with HKFRSs and accounting policies adopted by the Company and its subsidiaries (together, the "Group") as set out in the annual report of the Company for the year ended 31 December 2014 and the new accounting standards introduced that are effective for the three months ended 31 March 2015, where applicable.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion on the financial information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

Opinion

In our opinion, the financial information gives, for the purpose of this report, a true and fair view of the state of affairs of the Indonesian Target and the Indonesian Target Group as at 31 December 2013 and 2014 and 31 March 2015, and of the Indonesian Target Group's results and cash flows for the Relevant Periods then ended.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information set out in Sections I to II below included in Appendix IIB to the Circular which comprises the consolidated income statements, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Indonesian Target for the three months ended 31 March 2014 and the relevant explanatory information (the "Stub Period Comparative Financial Information").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the accounting policies set out in Note 2 of Section II below and the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 31 December 2014 and the new accounting standards introduced that are effective for the three months ended 31 March 2015, where applicable.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 2 of Section II below.

I FINANCIAL INFORMATION OF THE INDONESIAN TARGET

The following is the financial information of the Indonesian Target Group prepared by the directors of the Company as at 31 December 2013 and 2014 and 31 March 2015 and for each of the period from 6 September 2013 (date of incorporation) to 31 December 2013, the year ended 31 December 2014 and the three months ended 31 March 2014 and 2015 (the "Financial Information"):

(A) CONSOLIDATED INCOME STATEMENTS

	Section II Note	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
		HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Administrative expenses	*6*	(2,445)	(14,273)	(1,781)	(14,576)
Interest income		2	3,537	78	1,866
Operating losses		(2,443)	(10,736)	(1,703)	(12,710)
Finance cost		–	–	–	–
Loss before tax		(2,443)	(10,736)	(1,703)	(12,710)
Tax charge	*8*	–	–	–	–
Loss for the period/year		(2,443)	(10,736)	(1,703)	(12,710)
Attributable to					
Shareholders of the Indonesian Target		(2,307)	(5,836)	(1,025)	(8,774)
Non-controlling interests		(136)	(4,900)	(678)	(3,936)
		(2,443)	(10,736)	(1,703)	(12,710)

(B) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Loss for the period/year	(2,443)	(10,736)	(1,703)	(12,710)
Other comprehensive (expenses)/income				
Items that have been reclassified or may be subsequently reclassified to profit or loss:				
Gains/(losses) on translating financial statements of foreign operations:				
– Transfer to reserve	(1,452)	1,589	1,477	260
Total comprehensive expenses	(3,895)	(9,147)	(226)	(12,450)
Total comprehensive expenses attributable to				
Shareholders of the Indonesian Target	(3,178)	(4,880)	(245)	(8,620)
Non-controlling interests	(717)	(4,267)	19	(3,830)
	(3,895)	(9,147)	(226)	(12,450)

(C) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Section II Note	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	46,215	107,696	132,215
Deposit for construction of power plant	11	–	116,184	201,596
Other investment		–	217	217
Loan to a related party	12	–	–	34,892
Other receivables, deposits and prepayments	13	–	88,963	90,452
		46,215	313,060	459,372
Current assets				
Loan to a related party	12	–	120,057	85,290
Other receivables, deposits and prepayments	13	45,046	26,907	29,141
Restricted cash	14	–	26,335	26,363
Cash and bank balances	14	10,718	61,731	54,628
		55,764	235,030	195,422
Total assets		101,979	548,090	654,794
EQUITY				
Share capital	17	77,456	283,235	283,235
Exchange reserve		(871)	85	239
Accumulated losses		(2,307)	(8,143)	(16,917)
Equity attributable to shareholders of the Indonesian Target		74,278	275,177	266,557
Non-controlling interests		20,735	100,885	97,055
Total equity		95,013	376,062	363,612
LIABILITIES				
Current liabilities				
Other payables and accruals	15	6,966	34,058	29,798
Bank borrowings	16	–	137,970	261,384
Total liabilities		6,966	172,028	291,182
Total equity and liabilities		101,979	548,090	654,794
Net current assets/(liabilities)		48,798	63,002	(95,760)
Total assets less current liabilities		95,013	376,062	363,612

(D) STATEMENTS OF FINANCIAL POSITION OF THE INDONESIAN TARGET

	Section II Note	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 March 2015 HK$'000
ASSETS				
Non-current assets				
Investments in subsidiaries	22	58,092	200,805	200,417
Other investment		–	217	217
Other receivables, deposits and prepayments	13	–	88,963	90,452
		58,092	289,985	291,086
Current assets				
Other receivables, deposits and prepayments	13	23,103	166,421	278,175
Cash and bank balances	14	–	6,447	6,017
		23,103	172,868	284,192
Total assets		81,195	462,853	575,278
EQUITY				
Share capital	17	77,456	283,235	283,235
(Accumulated losses)/retained profits		(2,371)	26,246	22,649
Total equity		75,085	309,481	305,884
LIABILITIES				
Current liabilities				
Other payables and accruals	15	6,110	15,402	8,010
Bank borrowings	16	–	137,970	261,384
Total liabilities		6,110	153,372	269,394
Total equity and liabilities		81,195	462,853	575,278
Net current assets		16,993	19,496	14,798
Total assets less current liabilities		75,085	309,481	305,884

(E) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 6 September 2013 (date of incorporation)	–	–	–	–	–	–
Loss for the period	–	–	(2,307)	(2,307)	(136)	(2,443)
Other comprehensive expenses:						
Losses on translating financial statements of foreign operations:						
– Transfer to reserve	–	(871)	–	(871)	(581)	(1,452)
Total comprehensive expenses	–	(871)	(2,307)	(3,178)	(717)	(3,895)
Issuance of shares *(Note 17)*	77,456	–	–	77,456	–	77,456
Acquisition of a subsidiary *(Note 23)*	–	–	–	–	18,070	18,070
Capital contribution from the non-controlling shareholders of PT Mabar	–	–	–	–	3,382	3,382
Balance at 31 December 2013	77,456	(871)	(2,307)	74,278	20,735	95,013
Balance at 1 January 2014	77,456	(871)	(2,307)	74,278	20,735	95,013
Loss for the year	–	–	(5,836)	(5,836)	(4,900)	(10,736)
Other comprehensive income:						
Gains on translating financial statements of foreign operations:						
– Transfer to reserve	–	956	–	956	633	1,589
Total comprehensive income/ (expenses)	–	956	(5,836)	(4,880)	(4,267)	(9,147)
Issuance of shares *(Note 17)*	205,779	–	–	205,779	–	205,779
Capital contribution from the non-controlling shareholders of PT Mabar	–	–	–	–	84,417	84,417
Balance at 31 December 2014	283,235	85	(8,143)	275,177	100,885	376,062

	Share capital HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2015	283,235	85	(8,143)	275,177	100,885	376,062
Loss for the period	–	–	(8,774)	(8,774)	(3,936)	(12,710)
Other comprehensive income:						
Gains on translating financial statements of foreign operations:						
– Transfer to reserve	–	154	–	154	106	260
Total comprehensive income/ (expenses)	–	154	(8,774)	(8,620)	(3,830)	(12,450)
Balance at 31 March 2015	283,235	239	(16,917)	266,557	97,055	363,612
Balance at 1 January 2014	77,456	(871)	(2,307)	74,278	20,735	95,013
Loss for the period	–	–	(1,025)	(1,025)	(678)	(1,703)
Other comprehensive income:						
Gains on translating financial statements of foreign operations:						
– Transfer to reserve	–	780	–	780	697	1,477
Total comprehensive income/ (expenses)	–	780	(1,025)	(245)	19	(226)
Balance at 31 March 2014 (unaudited)	77,456	(91)	(3,332)	74,033	20,754	94,787

(F) CONSOLIDATED STATEMENTS OF CASH FLOWS

	Section II Note	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
		HK$'000	HK$'000	HK$'000 (unaudited)	HK$'000
Cash flows from operating activities					
Net cash (outflow)/inflow from operations	21	(18,537)	(4,481)	35,438	(17,099)
Interest received		2	3,537	78	1,866
Net cash (used in)/generated from operating activities		(18,535)	(944)	35,516	(15,233)
Cash flows from investing activities					
Addition in deposits for construction in progress		–	(116,184)	–	(85,412)
Increase in loan to a related party		–	(120,057)	(69,710)	–
Acquisition of a subsidiary	15, 23	(21,687)	–	–	(5,422)
Purchase of property, plant and equipment		(1,039)	(61,594)	(1,941)	(24,451)
Net cash used in investing activities		(22,726)	(297,835)	(71,651)	(115,285)
Cash flows from financing activities					
Issuance of shares		50,049	233,186	27,407	–
Capital contribution from the non-controlling shareholders of PT Mabar		–	3,382	–	–
Increase in restricted cash		–	(26,335)	–	–
Bank borrowings		–	137,970	–	123,414
Net cash generated from financing activities		50,049	348,203	27,407	123,414
Net increase/(decrease) in cash and cash equivalents		8,788	49,424	(8,728)	(7,104)
Cash and cash equivalents at the beginning of the period/year		–	10,718	10,718	61,731
Exchange translation difference		1,930	1,589	1,477	1
Cash and cash equivalents at the end of the period/year		10,718	61,731	3,467	54,628
Restricted cash		–	26,335	–	26,363
Cash and bank balances and restricted cash at the end of the period/year		10,718	88,066	3,467	80,991

II NOTES TO THE FINANCIAL INFORMATION OF INDONESIAN TARGET GROUP

1 General information

China Oceanwide Power Co., Limited (the "Indonesian Target") was incorporated in Hong Kong on 6 September 2013, with limited liability under the Hong Kong Companies Ordinance. The registered address of the Indonesian Target is at 66/F, Bank of China Tower, 1 Garden Road, Hong Kong.

The Indonesian Target is an investment holding company and its principal subsidiary, PT Mabar Elektrindo ("PT Mabar"), is primarily involved in the construction and operation of power plant in Indonesia. Details of the activities of subsidiaries of the Indonesian Target are set out in Note 22.

The financial information contained in this circular does not constitute the Indonesian Target's statutory financial statements either for the period from 6 September 2013 (date of incorporation) to 31 December 2013, for the year ended 31 December 2014 or for the three months ended 31 March 2014 and 2015 but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Indonesian Target is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so. The Indonesian Target's auditor has reported on these financial statements for those periods/year. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Companies Ordinance.

In December 2014, PT Mabar entered into a Power Purchase Agreement (the "PPA") with PT Perusahaan Listrik Negara ("PLN") to supply electric power from its power plant to PLN for a 30-year period from the power plant's commercial operation date. PT Mabar shall buy back a minimal 25% (twenty five percent) of the electricity power purchased by PLN in the same billing period and sell it to the customers in PT Kawasan Industri Medan ("KIM") (i.e. an industrial area in Medan, Indonesia). Under the PPA, to be able to deliver electricity to PLN, PT Mabar needs to build two power plants with net capacity of 150 MW each. PT Mabar is currently in the process of constructing the power plant and other facilities.

The directors of the Indonesian Target consider Mr. Lu Zhiqiang to be the ultimate controlling shareholder.

The Financial Information is presented in Hong Kong dollars ("HK$"), unless otherwise stated.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to the Relevant Periods, unless otherwise stated.

(a) Basis of preparation

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. The Financial Information has been prepared under the historical cost convention.

The preparation of Financial Information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4.

New standards, amendments and interpretations to the existing standards that are effective during the Relevant Periods have been adopted by the Indonesian Target Group consistently during the Relevant Periods unless prohibited by the relevant standards to apply retrospectively.

The following new or revised standards, amendments and interpretations to standards have been issued but are not yet effective and have not been early adopted by the Indonesian Target Group:

HKAS 1 Amendment	The Disclosure Initiative (1)
HKAS 16 and HKAS 38 Amendment	Clarification of Acceptable Methods of Depreciation and Amortisation (1)
HKAS 16 and HKAS 41 Amendment	Agriculture: Bearer Plants (1)
HKAS 27 Amendment	Equity Method in Separate Financial Statements (1)
HKFRS 9	Financial Instruments (3)
HKFRS 10 and HKAS 28 Amendment	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (1)
HKFRS 10, HKFRS 12 and HKAS 28 Amendment	Investment Entities: Apply the Consolidation Exception (1)
HKFRS 11 Amendment	Accounting for Acquisitions of Interests in Joint Operations (1)
HKFRS 14	Regulatory Deferral Accounts (1)
HKFRS 15	Revenue from Contracts with Customers (2)
Annual Improvements 2012-2014 Cycle	Improvements to HKFRSs (1)

(1) Effective for the accounting periods beginning on or after 1 January 2016
(2) Effective for the accounting periods beginning on or after 1 January 2017
(3) Effective for the accounting periods beginning on or after 1 January 2018

The Indonesian Target Group is in the process of assessing the impact on future accounting periods. The Indonesian Target Group will adopt the above new or revised standards and amendments to existing standards as and when they become effective.

(b) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Indonesian Target Group has control. The Indonesian Target Group controls an entity when the Indonesian Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Indonesian Target Group. They are deconsolidated from the date that control ceases.

The Indonesian Target Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Indonesian Target Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Indonesian Target Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the income statements.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statements.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform to the accounting policies adopted by the Indonesian Target Group.

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Indonesian Target on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Loans and receivables

Loans and receivables include other receivables, deposits and prepayments and loan to a related party. Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of other receivables, deposits and prepayments and loan to a related party is established when there is objective evidence that the Indonesian Target Group will not be able to collect all amounts due according to original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statements. The reversal of the previously recognised impairment cost is recognised in the income statements.

(d) Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

(e) Other payables and accruals

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(f) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Indonesian Target Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(g) Provisions and contingencies

Provisions are recognised when the Indonesian Target Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Indonesian Target Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the Financial Information. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Information of the Indonesian Target Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Indonesian Target is United States dollar ("US$"). The presentation currency of the Indonesian Target Group and the Indonesian Target is Hong Kong dollar ("HK$").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements.

(iii) Indonesian Target Group

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

(i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Indonesian Target Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial period in which they are incurred.

Property, plant and equipment are depreciated at rates sufficient to write off their costs less accumulated impairment over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Furniture and office equipment	25%
Motor vehicles	12.5%

Freehold land is stated at historical cost and not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals of are determined by comparing the proceeds with the carrying amount and are recognised in the income statements.

(j) Construction in progress

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of buildings, the cost of plant and machinery, employee benefit expenses, professional fees and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing, if any. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and are available for intended use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

(k) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to depreciation or amortisation are reviewed to determine whether there is any indication that the carrying value of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Such impairment loss is recognised in the income statement.

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statements over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Indonesian Target Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(m) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. It is the Indonesian Target Group's policy to forfeit any untaken annual leave within a specific time period. Subject to regular assessment of staff turnover rate, a provision will be made or reversed. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(n) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statements in the period in which they are incurred.

(o) Income recognition

Interest income on bank deposits are recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(p) Operating leases

Leases where substantially all the rewards and risks of ownership of the assets remain with the lessors are classified as operating leases.

Rental expenses under operating leases are charged to income statements on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments and making strategic decision.

All revenue and non-current assets are located in Indonesia, which is the Indonesian Target Group's country of domicile.

3 Financial risk management

(a) Financial risk factors

The Indonesian Target Group's activities expose it to a variety of financial risks: foreign exchange risk, fair value interest rate risk, credit risk and liquidity risk.

(i) Foreign exchange risk

The Indonesian Target Group undertakes certain transactions denominated in foreign currencies, primarily with respect to the Rupiah and exposures to exchange rate fluctuation arise. The management manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and consider hedging significant foreign currency exposure should the need arise.

As at 31 December 2013 and 2014 and 31 March 2015, if US$ had weakened/strengthened 5% against Rupiah with all other variables held constant, the loss before tax for the years and period would have been HK$345,000, HK$230,000 and HK$288,000 lower/higher respectively.

(ii) Cash flow and fair value interest rate risk

The Indonesian Target Group's interest rate risk arises from bank balances, bank borrowings, loan to a related party and amounts due from related parties.

Loan to a related company and bank borrowings at variable interest rates expose the Indonesian Target Group to cash flow interest rate risk, while amounts due from related parties were issued at fixed interest rates expose the Indonesian Target Group to fair value interest rate risk.

At 31 December 2013 and 2014 and 31 March 2015, loan to a related party is charged at Jakarta Interbank Offering Rate ("JIBOR") and amounts due from related parties are charged at fixed interest rate of 7%. Bank borrowings were at floating interest rate.

(iii) Credit risk

Credit risk of the Indonesian Target Group mainly arises from other receivables, deposits and prepayment. The Indonesian Target Group has no significant concentration of credit risk.

The Indonesian Target Group continuously monitors the credit risk by assessing the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at 31 December 2013 and 2014 and 31 March 2015, other receivables had no history of default. To manage the credit risk associated with bank balances, bank balances are placed in banks with sound credit ratings. The Indonesian Target Group controls its credit risk through regularly monitoring their credit ratings.

Management does not expect any losses from non-performance by these counterparties.

(iv) Liquidity risk

The Indonesian Target Group meets its day to day working capital requirements, capital expenditure and financial obligations through the borrowings and support from its related companies and holdings companies. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

The directors closely monitor the Indonesian Target Group's liquidity position and financial performance and have initiated to improve the Indonesian Target Group's cash flows. These measures include raising additional capital; extending existing loan facilities and obtaining additional financing from banks, if considered necessary. At 31 March 2015, the Indonesian Target Group held cash and cash equivalents of HK$80,991,000. The Indonesian Target Group is expected to be able to generate sufficient cash flows to cover its operating costs and meet its financial obligations as and when they fall due in the coming twelve months from the date of these financial statements.

The financial liabilities of the Indonesian Target Group include other payables and accruals, amounts due to immediate holding company and related companies which are due within one year to each of the end of the reporting period during the Relevant Periods.

(b) Capital risk management

The Indonesian Target Group's objectives when managing capital are to safeguard its ability to continue as a going concern. The Indonesian Target Group's operations are mainly financed by its bank borrowings and amounts due to related parties as summarised below:

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Bank borrowings	–	137,970	261,384
Amounts due to related parties	454	9,335	9,366
	454	147,305	270,750

Consistent with others in the industry, the Indonesian Target Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances (excluding restricted cash). Total capital represents total equity as shown in the statement of financial positions.

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Total debts (as above)	454	147,305	270,750
Less: cash and bank balances (excluding restricted cash)	(10,718)	(61,731)	(54,628)
Net debts	(10,264)	85,574	216,122
Total equity	95,013	376,062	363,612
Gearing ratio	–	22.8%	59.4%

The increase of gearing ratios were mainly attributable to the increase in total debts borrowed from the bank for constructing the power plant.

(c) Fair value estimation

The carrying amounts of other receivables, deposits, amounts due from/to related parties, cash and bank balances, other payables and accruals and borrowings approximate their fair values due to their short maturities.

4 Critical accounting estimates and judgements

The Indonesian Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions having a significant effect on the carrying amounts of assets and liabilities are discussed below:

(a) Income taxes

The Indonesian Target Group is subject to income taxes in Hong Kong and Indonesia. Significant judgement is required in determining the provision for income taxes. There are a number of transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Indonesian Target Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

(b) Impairment of non-financial asset

At the date of statement of financial position, the Indonesian Target undertakes a review to determine whether there is any indication of asset impairment.

Property, plant and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Reversal of an impairment provision is recorded as income in the period when the reversal occurs. Reversal on impairment loss would be recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out.

(c) Depreciation and useful lives of power plants

The estimation of the useful lives of power plants is based on the Indonesian Target's assessment of industry practice, internal technical evaluation and experience with similar assets. Management estimates the useful lives of the power plant to be around 40 years. These are common life expectations applied in the industries in which the Indonesian Target conducts its business. Changes in expected level of usage and technological development could impact on the economic useful lives and the residual values of these assets, and therefore future depreciation charges.

The estimated useful lives are reviewed at least each financial year end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the factors mentioned above.

5 Operating segments

The CODM has been identified as the directors of the Indonesian Target. The CODM reviews the Indonesian Target Group's internal reporting in order to assess performance and allocate resources, and considers that there is only one principal segment which is related to energy.

6 Expenses by nature

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditors' remuneration				
– audit services	–	139	–	–
Depreciation *(Note 10)*	3	113	12	38
Legal and professional fees	1,745	8,370	–	12,578
Rental expenses	–	793	332	620
Employee benefit expenses *(Note 7)*	260	1,274	191	693
Exchange losses	95	1,176	819	95
Others	342	2,408	427	552
Total administrative expenses	2,445	14,273	1,781	14,576

7 Employee benefit expenses (including directors' emoluments)

(a) Employee benefit expenses during the Relevant Periods are as follows:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Wages, salaries and allowances	883	7,581	1,035	2,643
Less: amount capitalised on construction in progress	(623)	(6,307)	(844)	(1,950)
	260	1,274	191	693

(b) Directors' emoluments

The directors represent key management personnel of the Indonesian Target Group having authority and responsibility for planning, directing and controlling the activities of the Indonesian Target Group. During the Relevant Periods, the following directors of the Indonesian Target received director emoluments, of which for the period from 6 September 2013 (date of incorporation) to 31 December 2013, the year end 31 December 2014 and the three months ended 31 March 2014 and 2015 are also included in the top five highest paid individuals:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Qi Zixin	62	217	93	188
Feng Zhuangyong	–	163	31	–
Qin Dingguo	46	155	77	188
	108	535	201	376

(c) Five highest paid individuals

The emoluments of the five individuals who were the highest in the Indonesian Target Group for the period from 6 September 2013 (date of incorporation) to 31 December 2013 and 2014 and the three months ended 31 March 2014 and 2015 are as follows:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Wages, salaries and allowances	318	1,889	919	1,085

The above emoluments included two directors for the period from 6 September 2013 (date of incorporation) to 31 December 2013, one director for the three months ended 31 March 2014 and two directors for the three months ended 31 March 2015. There is no director in the emoluments paid to the five highest paid individuals for the year ended 31 December 2014.

The emoluments of these individuals fell within the following emolument bands:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014 (unaudited)	Three months ended 31 March 2015
Emolument bands				
Nil – HK$1,000,000	5	5	5	5

During the Relevant Periods, no emoluments have been paid to any of the Indonesian Target's directors or the five highest paid individuals as an inducement to join or as compensation for loss of office.

8 Income tax

Hong Kong profits tax has not been provided as the Indonesian Target Group has no estimated assessable profit in Hong Kong for the Relevant Periods.

Indonesia tax has not been provided as the Indonesian Target Group has no estimated assessable profit in Indonesia for the Relevant Periods

The tax on the Indonesian Target Group's loss before tax differs from the theoretical amount that would arise using the applicable taxation rates where the Indonesian Target Group principally operates as follows:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Loss before tax	(2,443)	(10,736)	(1,703)	(12,710)
Calculated at applicable tax rate	(452)	(2,820)	(428)	(2,928)
Income not subject to tax	–	(468)	–	(261)
Expenses not deductible for taxation purposes	8	2,858	387	124
Unrecognised tax losses	444	430	41	3,065
Tax charge	–	–	–	–

9 Borrowing costs

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Finance costs on bank loan	–	3,011	–	19,567
Less: amounts capitalised in construction in progress	–	(3,011)	–	(19,567)
	–	–	–	–

During the year ended 31 December 2014 and the three months ended 31 March 2015, the Indonesian Target Group has capitalised borrowing costs amounting to HK$3,011,000 and HK$19,567,000 respectively, on qualifying assets, at the weighted average rate of its general borrowings of 1.79% and 1.81%, respectively.

10 Property, plant and equipment

	Freehold land outside Hong Kong	Construction in progress	Furniture and office equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 December 2013					
Cost					
At 6 September 2013	–	–	–	–	–
Additions through acquisition of a subsidiary *(Note 23)*	–	45,179	–	–	45,179
Additions	–	750	41	248	1,039
At 31 December 2013	–	45,929	41	248	46,218
Accumulated depreciation					
At 6 September 2013	–	–	–	–	–
Charge for the period	–	–	1	2	3
At 31 December 2013	–	–	1	2	3
Net book value					
At 31 December 2013	–	45,929	40	246	46,215
31 December 2014					
Cost					
At 1 January 2014	–	45,929	41	248	46,218
Additions	42,382	18,583	38	591	61,594
At 31 December 2014	42,382	64,512	79	839	107,812
Accumulated depreciation					
At 1 January 2014	–	–	1	2	3
Charge for the year	–	–	18	95	113
At 31 December 2014	–	–	19	97	116
Net book value					
At 31 December 2014	42,382	64,512	60	742	107,696

	Freehold land outside Hong Kong	Construction in progress	Furniture and office equipment	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2014					
Cost					
At 1 January 2014	–	45,929	41	248	46,218
Additions	–	1,338	12	591	1,941
At 31 March 2014	–	47,267	53	839	48,159
Accumulated depreciation					
At 1 January 2014	–	–	1	2	3
Charge for the period	–	–	3	9	12
At 31 March 2014	–	–	4	11	15
Net book value					
At 31 March 2014 (unaudited)	–	47,267	49	828	48,144
31 March 2015					
Cost					
At 1 January 2015	42,382	64,512	79	839	107,812
Additions	–	24,090	88	273	24,451
Exchange difference	44	61	–	1	106
At 31 March 2015	42,426	88,663	167	1,113	132,369
Accumulated depreciation					
At 1 January 2015	–	–	19	97	116
Charge for the period	–	–	8	30	38
At 31 March 2015	–	–	27	127	154
Net book value					
At 31 March 2015	42,426	88,663	140	986	132,215

11 Deposit for construction of power plant

Deposits for construction of power plant represent advance payments made to two contractors, Shanghai Electric Power Construction Co., Ltd ("SEPC") and PT. Shanghai Electric Power Construction ("PT SEPC") in connection with the construction of the power plant including payments for equipment and machineries pending delivery to the power plant for installation, offshore and onshore engineering, and construction service. All of the prepayments were denominated in US dollars.

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Beginning balance	–	–	116,184
Addition	–	116,184	85,412
Ending balance	–	116,184	201,596

12 Loan to a related party

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Loan to PT China Oceanwide Indonesia – an entity under common control	–	120,057	120,182
Less: current portion	–	(120,057)	(85,290)
Total non-current portion	–	–	34,892

On 1 January 2014, PT Mabar and PT China Oceanwide Indonesia entered into a loan agreement with a total credit facility amounting to US$15,500,000 (equivalent to HK$120,057,000). The term of loan is one year after withdrawals and interest bearing at a rate per annum equal to the Jakarta Interbank Offering Rate ("JIBOR"). The interest income for the year ended 31 December 2014 and for the three months ended 31 March 2014 and 31 March 2015 are HK$744,000, HK$76,000 and HK$341,000, respectively. On 1 January 2015, the term of the loan has been extended from one year to one and half year after the withdrawal date. On 30 June 2015, the term of the loan has been further extended from one and a half year to 2 years after the withdrawal date. The loan of US$4,500,000 (equivalent to HK$34,892,000), which was drawn down on 6 October 2014 was classified as non-current liabilities as at 31 March 2015. There is no collateral for this loan.

13 Other receivables, deposits and prepayments

	Indonesian Target Group		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Prepaid loan commitment fee	–	8,221	5,869
Security deposits *(Note)*	18,427	–	–
Amounts due from related parties	3,006	103,117	108,811
Amount due from the immediate holding company	22,716	–	–
Others	897	4,532	4,913
	45,046	115,870	119,593
Less: current portion	(45,046)	(26,907)	(29,141)
Total non-current portion	–	88,963	90,452

Note:

At 31 December 2013, the Indonesian Target Group paid a security deposit amounted to approximately HK$18,427,000 (equivalent to US$2,379,000) to an independent third party for the purchase of an office unit in Indonesia. The deposit was fully refunded on 29 January 2014 upon the cancellation of the acquisition.

	Indonesian Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Amount due from the immediate holding company	22,716	–	–
Amount due from a subsidiary	–	157,823	271,919
Amount due from non-controlling shareholders of PT Mabar			
– Shanghai Electric Power Construction Co., Ltd ("SEPC")	–	28,238	28,706
– PT Garda Sayap Garuda ("PT.GSG")	–	60,725	61,746
Others	387	8,598	6,256
	23,103	255,384	368,627
Less: current portion	(23,103)	(166,421)	(278,175)
Total non-current portion	–	88,963	90,452

The carrying amounts of the Indonesian Target Group's and Indonesian Target's other receivables, deposits and prepayments approximate their fair values and are denominated in the following currencies:

	Indonesian Target Group		
	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong Dollars	387	8,598	6,039
Rupiah	6,359	4,733	4,955
United States Dollars	38,300	102,539	108,599
	45,046	115,870	119,593

	Indonesian Target		
	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong Dollars	387	8,598	6,256
United States Dollars	22,716	246,786	362,371
	23,103	255,384	368,627

Amount due from related parties – by companies

	Indonesian Target Group		
	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Zhang Keming – director of PT Mabar	648	1,161	1,163
PT SEPC – subsidiary of non-controlling shareholder of PT Mabar	–	3,873	–
PT China Oceanwide Indonesia – under common control entity	–	526	882
China Oceanwide Power International Co., Ltd – under common control entity	–	7,746	15,507
SEPC – non-controlling shareholder of PT Mabar	1,271	29,086	29,513
PT.GSG – non-controlling shareholder of PT Mabar	1,087	60,725	61,746
	3,006	103,117	108,811

As at 31 December 2013, the amounts due from SEPC and PT.GSG, the non-controlling shareholders of PT Mabar, were interest free and were fully repaid in 2014.

As at 31 December 2014 and 31 March 2015, the amounts due from SEPC amounting to HK$29,086,000 and HK$29,513,000, respectively, are unsecured, of which the amounts of HK$28,238,000 and HK$28,706,000 are interest bearing at 7% per annum and not repayable within 1 year.

As at 31 December 2014 and 31 March 2015, the amounts due from PT.GSG amounting to HK$60,725,000 and HK$61,746,000 are interest bearing at 7% per annum and not repayable within one year. PT.GSG has agreed to and is in the process of pledging all the shares it owned in PT Mabar to the Indonesian Target.

All other receivable balances have no specific due date but are repayable on demand. No impairment loss was recognised during the Relevant Periods and other receivables do not contain impaired assets.

	Indonesian Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
China Oceanwide International Investment Company Limited	22,716	–	–
PT Mabar	–	157,823	271,919
SEPC – non-controlling shareholder of PT Mabar	–	28,238	28,706
PT.GSG – non-controlling shareholder of PT Mabar	–	60,725	61,746
	22,716	246,786	362,371

The carrying amounts of the Indonesian Target's amounts due from related parties are payable on demand, interest free and unsecured, except for the amounts due from SEPC amounting to HK$28,238,000 and HK$28,706,000 and PT.GSG amounting to HK$60,725,000 and HK$61,746,000 as at 31 December 2014 and 31 March 2015, respectively, which are interest bearing at 7%. No impairment loss was recognised during the Relevant Periods and other receivables do not contain impaired assets.

Maximum amount outstanding during the period/year

	Indonesian Target Group		
			As at
	As at 31 December		31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Zhang Keming – director of PT Mabar	648	1,161	1,163
PT SEPC- subsidiary of non-controlling shareholder of PT Mabar	–	3,873	–
PT China Oceanwide Indonesia – under common control entity	–	526	1,099
China Oceanwide Power International Co., Ltd – under common control entity	–	7,746	15,507
SEPC – non-controlling shareholder of PT Mabar	1,271	29,086	29,513
PT.GSG – non-controlling shareholder of PT Mabar	1,087	60,725	61,746

	Indonesian Target		
			As at
	As at 31 December		31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
China Oceanwide International Investment Co., Ltd	22,716	–	–
PT Mabar	–	157,823	271,919
SEPC – non-controlling shareholder of PT Mabar	–	28,238	28,706
PT.GSG – non-controlling shareholder of PT Mabar	–	60,725	61,746

14 Cash and bank balances and restricted cash

	Indonesian Target Group		
			As at
	As at 31 December		31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Cash and bank balances	10,718	61,731	54,628
Restricted cash	–	26,335	26,363
	10,718	88,066	80,991

As at 31 December 2014 and 31 March 2015, restricted cash amounting to HK$26,335,000 and HK$26,363,000, respectively, represents bank deposit in connection with the bank guarantee provided by PT Mabar in favour of PLN as stipulated in the PPA. The guarantee will expire on 20 December 2015, subject to further extension until PT Mabar obtains loan financing for the construction of the power plant.

	Indonesian Target		
	As at 31 December		**As at 31 March**
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Cash and bank balances	–	6,447	6,017

Cash and bank balances and restricted cash are denominated in the following currencies:

	Indonesian Target Group		
	As at 31 December		**As at 31 March**
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong Dollars	–	59	586
Rupiah	775	54	1,427
United States Dollars	9,943	87,953	78,978
	10,718	88,066	80,991

	Indonesian Target		
	As at 31 December		**As at 31 March**
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong Dollars	–	59	586
United States Dollars	–	6,388	5,431
	–	6,447	6,017

15 Other payables and accruals

	Indonesian Target Group		
	As at 31 December		**As at 31 March**
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Consultancy fee payable	–	–	6,355
Payable for acquisition of 60% equity interest in PT Mabar *(Note 23)*	5,422	5,422	–
Consideration payable for land acquired	–	1,866	1,868
Commitment fee payable	–	3,560	–
Interest payable	–	146	260
Accrued staff costs	260	156	2,127
Withholding tax payable	62	13,181	9,313
Amounts due to related parties	454	9,335	9,366
Other payables	768	392	509
	6,966	34,058	29,798

	Indonesian Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Payable for acquisition of 60% equity interest in PT Mabar *(Note 23)*	5,422	5,422	–
Accrued staff costs	–	–	1,875
Amounts due to related parties	606	5,904	5,558
Other payables	82	4,076	577
	6,110	15,402	8,010

Except for the payable for acquisition of 60% equity interest in PT Mabar which is denominated in United States Dollars, the balances above are denominated in Hong Kong dollars.

The carrying amounts of the other payables and accruals approximate their fair values and are denominated in the following currencies:

	Indonesian Target Group		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong Dollars	6,110	15,014	7,793
Rupiah	232	186	613
United States Dollars	624	18,858	21,392
	6,966	34,058	29,798

Amount due to related parties – by companies

	Indonesian Target Group		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
China Oceanwide International Investment Company Limited – immediate holding company	–	131	135
Oceanwide Green Energy Investment Co., Ltd – under common control entity	454	2,929	2,946
PT.GSG – non-controlling shareholder of PT Mabar	–	155	148
Shanghai Power Erection No.2 – controlled by a non-controlling shareholder of PT Mabar	–	3,873	3,877
China Oceanwide Holdings Group Co., Ltd. – intermediate holding company	–	2,247	2,260
	454	9,335	9,366

	Indonesian Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
China Oceanwide International Investment Company Limited – immediate holding company	–	124	135
Oceanwide Green Energy Investment Co., Ltd – under common control entity	454	2,929	2,946
PT China Oceanwide Indonesia – under common control entity	–	217	217
China Oceanwide Power International Company Limited – subsidiary	–	387	–
PT Mabar – subsidiary	152	–	–
China Oceanwide Holdings Group Co., Ltd. – intermediate holding company	–	2,247	2,260
	606	5,904	5,558

16 Bank borrowings

The analysis of bank borrowings is as follows:

	Indonesian Target Group and Indonesian Target		
	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Within one year	–	154,912	271,380
Loan arrangement fee	–	(19,076)	(26,193)
Amortisation	–	2,134	16,197
	–	137,970	261,384

On 18 November 2014, the Indonesian Target entered into a loan agreement from Malayan Banking Berhad with total credit facility amounting to HK$774,560,000 (equivalent to US$100,000,000). The Indonesian Target drew the loan of HK$154,912,000 (equivalent to US$20,000,000) on 19 December 2014 and of HK$116,468,000 (equivalent to US$15,000,000) on 23 January 2015. The term of the loan is twelve months from the date of the facility (i.e. due on 17 November 2015) and bears interest at floating rate.

As at 31 December 2014 and 31 March 2015, the outstanding balance of borrowing amounted to HK$154,912,000 (equivalent to US$20,000,000) and HK$271,380,000 (equivalent to US$35,000,000), respectively. There is no interest payable outstanding as at 31 December 2014 and 31 March 2015. In accordance with the loan agreement, the fund should be used for construction of power plant and its related facilities. The loan was secured by China Oceanwide Holdings Group Co., Ltd., an intermediate holding company and charge over the shares by the private investment owned by China Oceanwide Holdings Group Co., Ltd.

17 Share capital – Indonesian Target Group and Indonesian Target

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Authorised *(Note (a))*			
Ordinary share of US$1.00 each *(Note (b))*	77,456	–	–

	US$'000	*HK$'000*
Ordinary shares issued:		
Balance at 6 September 2013	–	–
Issue of shares to China Oceanwide International Investment Company Limited on 6 September 2013 *(Note (c))*	10,000	77,456
Balance at 31 December 2013 and 1 January 2014	10,000	77,456
Issue of 26,555,000 shares to China Oceanwide International Investment Company Limited on 5 December 2014	26,555	205,779
Balance at 31 December 2014 and 31 March 2015	36,555	283,235

The Indonesian Target was incorporated in Hong Kong on 6 September 2013 with an authorised share capital of US$10,000,000 divided into 10,000,000 shares of US$1.00 each.

(a) Under the Hong Kong Companies Ordinance (Cap.622), which became effective on 3 March 2014, the concept of authorised share capital ceased to exist.

(b) In accordance with section 135 of the Hong Kong Companies Ordinance (Cap.622), the Indonesian Target's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

(c) As at 31 December 2013, share capital of HK$27,407,000 had not been paid up. The amount was subsequently paid up in 2014.

18 Capital commitments

At the end of the reporting period, the Indonesian Target Group had the capital commitments in respect of the following:

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
Authorised but not contracted for			
– Property, plant and equipment	871,303	871,303	872,214
Contracted but not provided for			
– Property, plant and equipment	3,257,027	3,079,878	2,973,725

19 Operating lease commitments

At the end of the reporting period, the Indonesian Target Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of leasing of premises are as follows:

	As at 31 December		As at 31 March
	2013	2014	2015
	HK$'000	*HK$'000*	*HK$'000*
– Not later than one year	271	343	2,457
– Later than one year and no later than 5 years	52	–	4,031
	323	343	6,488

20 Related party transactions

Other than those disclosed elsewhere in the Financial Information, the Indonesian Target Group has the following significant related party transactions.

For the three months ended 31 March 2015, PT China Oceanwide Indonesia, a fellow subsidiary, received rental income from the Indonesian Target Group amounted to HK$388,000.

Support services were provided by China Oceanwide International Investment Company Limited, an intermediate holding company, during the period from 6 September 2013 (date of incorporation) to 31 December 2013 and 2014 for a fee of HK$266,000 and HK$1,265,000 respectively.

Support services were provided by China Oceanwide Holdings Group Co., Ltd., an intermediate holding company, during the year ended 31 December 2014 for a fee of HK$1,728,000.

No fees or other emoluments were paid or are payable to the director, which is regarded as the key management of the Indonesian Target during the Relevant Periods except for as disclosed in Note 7.

The fees of these transactions are mutually agreed by the contracted parties.

21 Notes to the consolidated statements of cash flows

Reconciliation of loss before tax to net cash (outflow)/inflow from operations is shown as below:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Loss before tax	(2,443)	(10,736)	(1,703)	(12,710)
Interest income	(2)	(3,537)	(78)	(1,866)
Depreciation	3	113	12	38
Operating loss before working capital changes	(2,442)	(14,160)	(1,769)	(14,538)
Other receivables, deposits and prepayments	(22,330)	(12,505)	18,056	(3,723)
Other payables and accruals	6,235	22,184	19,151	1,162
Net cash (outflow)/inflow from operations	(18,537)	(4,481)	35,438	(17,099)

Major non-cash transactions:

(a) The other investment of HK$217,000 acquired during the year ended 31 December 2014 was not yet paid but recorded as other payables and accruals as at 31 December 2014 and 31 March 2015.

(b) The capital contribution from the non-controlling shareholders for the period from 6 September 2013 (date of incorporation) to 31 December 2013 and the year ended 2014 amounted to HK$3,382,000 and HK$84,417,000, respectively. The amount of HK$3,382,000 was settled for the year ended 31 December 2014, while the amount of HK$84,417,000 was not settled as at 31 December 2014 and 31 March 2015 respectively.

22 Investments in subsidiaries – Indonesian Target

	As at 31 December 2013	As at 31 December 2014	As at 31 March 2015
	HK$'000	*HK$'000*	*HK$'000*
Unlisted shares, at cost	58,092	200,805	200,417
Amount due from a subsidiary *(Note 13)*	–	157,823	271,919

The amount due from a subsidiary is unsecured, interest free and has no fixed terms of repayment.

The carrying amounts of balances with subsidiaries approximate their fair values. As at the date of report of the Relevant Periods, the Indonesian Target has interests in the following subsidiaries:

Name	Place of incorporation/ establishment	Principal activities	Issued/ registered capital	Interest directly held by the Indonesian Target			Effective interest held		
				As at 31 December		As at 31 March	As at 31 December		As at 31 March
				2013	2014	2015	2013	2014	2015
PT Mabar Elektrindo	Indonesia	Construction of power plant	US$18,188,000	60%	60%	60%	60%	60%	60%
China Oceanwide Power International Company Limited	British Virgin Islands	Not yet commence business	US$50,000	100%	100%	–	100%	100%	–

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan is the statutory auditor of PT Mabar Elektrindo for the audited statutory financial statements for the period from 6 September 2013 (date of incorporation) to 31 December 2013 and the year ended 31 December 2014.

No audited statutory financial statements was prepared for China Oceanwide Power International Company Limited as it is not required to issue audited financial statements under the local statutory requirements. On 24 March 2015, China Oceanwide Power International Company Limited was being disposed of to China Oceanwide International Investment Company Limited, the immediate holding company of the Indonesian Target, at a consideration of HK$387,685 (equivalent to US$50,000), and no gain or loss is resulted from the disposal.

Material non-controlling interests

The breakdown of loss attributable to non-controlling interest is as follows:

	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
PT.GSG	(68)	(2,450)	(339)	(1,968)
SEPC	(68)	(2,450)	(339)	(1,968)
Total	(136)	(4,900)	(678)	(3,936)

Summarised financial information of subsidiary with material non-controlling interests

Set out below are the summarised financial information of the subsidiary that has significant non-controlling interests.

Summarised statement of financial position

	PT Mabar		
	As at 31 December		**As at 31 March**
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets	45,950	219,606	359,278
Current assets	36,885	232,120	192,710
Current liabilities	(1,263)	(157,902)	(267,712)
Net current assets/(liabilities)	35,622	74,218	(75,002)
Net assets	81,572	293,824	284,276

Summarised income statement

	PT Mabar			
	Period from 6 September 2013 (date of incorporation) to 31 December	**Year ended 31 December**	**Three months ended 31 March**	
	2013	**2014**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(unaudited)	
Loss before tax	(341)	(12,254)	(1,696)	(9,855)
Other comprehensive (expenses)/income	(1,452)	1,586	1,744	280
Total comprehensive (expenses)/income	(1,793)	(10,668)	48	(9,575)
Total comprehensive (expenses)/income allocated to non-controlling interests	(717)	(4,267)	19	(3,830)

Summarised cash flows

	PT Mabar			
	Period from 6 September 2013 (date of incorporation) to 31 December 2013	Year ended 31 December 2014	Three months ended 31 March 2014	Three months ended 31 March 2015
	HK$'000	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net cash (used in)/generated from operating activities	(19,962)	(19,635)	18,140	(19,431)
Net cash used in investing activities	(302)	(306,323)	(71,926)	(88,020)
Net cash generated from financing activities	30,982	370,519	46,474	100,721
Net increase/(decrease) in cash and cash equivalents	10,718	44,561	(7,312)	(6,730)
Cash and cash equivalents at the beginning of the period/year	–	10,718	10,718	55,279
Cash and bank balances at the end of the period/year	10,718	55,279	3,406	48,549

The information above is the amount before inter-company eliminations.

23 Acquisition of 60% equity interest in PT Mabar

In September 2013, the Indonesian Target Group acquired 60% of the issued share capital in PT Mabar, a company incorporated in Indonesia for a consideration of HK$27,109,000 (equivalent to US$3,500,000).

The acquisition was considered as an asset acquisition as no business operation has started yet as at the date of acquisition. The Indonesian Target Group identified and recognised the individual identifiable assets acquired and allocated the cost of the group of assets to the individual identifiable assets on the basis of their fair values at the date of completion.

The following table summarises the consideration paid to acquire PT Mabar, and the amounts of the assets acquired at the acquisition date.

	HK$'000
Purchase consideration	
– Cash paid in 2013	21,687
– Payable settled in 2015	5,422
	27,109
Assets acquired	
– Construction in progress *(Note 10)*	45,179
Less: share of non-controlling interest	(18,070)
	27,109

24 Subsequent events

On 18 May 2015, PT Mabar entered into a leasing agreement with PT China Oceanwide Indonesia for an office. The contract amount is HK$6,610,000 (equivalent to US$852,500) (excluding 10% VAT).

In June 2015, PT Mabar withdrew HK$775,370,000 (equivalent to US$100,000,000) from Oversea-Chinese Banking Corporation Limited as the whole of the credit facility amounted to HK$775,370,000 (equivalent to US$100,000,000) offered by the bank. The loan is secured by a US$ standby letter of credit in favour of the bank and interest bearing with tenor of 1 year from the drawdown date.

On 4 June 2015, PT Mabar withdrew HK$271,380,000 (equivalent to US$35,000,000) from Malayan Banking Berhad, Singapore Branch of the credit facility of the loan agreement dated 18 November 2014 (Note 16).

On 18 June 2015, PT Mabar entered into a leasing agreement with PT China Oceanwide Indonesia for certain apartments located in Indonesia. The contract amount is HK$6,280,000 (equivalent to US$810,000) (excluding 10% VAT).

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Indonesian Target or any of its subsidiaries in respect of any period subsequent to 31 March 2015 and up to the date of this report. No dividend or distribution has been declared or made by the Indonesian Target or any of its subsidiaries in respect of any period subsequent to 31 March 2015.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE US ENLARGED GROUP

The following unaudited pro forma statement of assets and liabilities of the US Enlarged Group (the "Unaudited Pro Forma Financial Information") has been prepared on the basis of the notes set out below and in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects on the assets and liabilities of the US Enlarged Group as if the US Acquisition had been completed on 30 June 2015.

The Unaudited Pro Forma Financial Information as at 30 June 2015 has been prepared based on (i) the condensed consolidated statement of financial position of the Group as at 30 June 2015, as set out in its interim report for the six months ended 30 June 2015; (ii) the audited consolidated statement of financial position of the US Target Group as at 31 March 2015 as set out in the Appendix IIA to this Circular; and (iii) the pro forma adjustments prepared to reflect the effects of the US Acquisition as explained in the notes set out below that are directly attributable to the US Acquisition, do not relate to future events or decisions, and are factually supportable.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information contained in this circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors of the Group for illustrative purposes only and is based on a number of assumptions, estimates and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the US Enlarged Group had the US Acquisition been completed as at 30 June 2015 or any future date.

(I) UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE US ENLARGED GROUP AS AT 30 JUNE 2015

			Pro forma adjustments		
	The Group as at 30 June 2015	**The US Target Group as at 31 March 2015**			**Unaudited pro forma statement of assets and liabilities of the US Enlarged Group as at 30 June 2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3, 4*	*Note 5*	
ASSETS					
Non-current assets					
Property, plant and equipment	5,657	3,592			9,249
Investment properties	1,031,368	448,650			1,480,018
Leasehold land and land use rights	1,582	–			1,582
Other non-current assets	104,129	–			104,129
Available-for-sale financial assets	1,824,956	–			1,824,956
Total non-current assets	2,967,692	452,242			3,419,934
Current assets					
Properties under development	–	1,133,256			1,133,256
Trade receivables	583	–			583
Deposits, prepayments and other receivables	32,590	9,664			42,254
Loan receivable	700,000	–			700,000
Bank deposits with maturity over three months	171,204	–			171,204
Cash and cash equivalents	3,009,048	6,057	(1,572,257)		1,442,848
Total current assets	3,913,425	1,148,977			3,490,145
Total assets	6,881,117	1,601,219			6,910,079
LIABILITIES					
Non-current liabilities					
Deferred income tax liabilities	191,749	2,830			194,579
Total non-current liabilities	191,749	2,830			194,579
Current liabilities					
Deposits received, other payables and accruals	82,300	37,166	(2,690)	7,500	124,276
Loan from immediate holding company	–	83,460	(83,460)		–
Current income tax liabilities	36,283	–			36,283
Total current liabilities	118,583	120,626			160,559
Total liabilities	310,332	123,456			355,138
NET ASSETS	6,570,785	1,477,763			6,554,941

(II) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE US ENLARGED GROUP

1 The balances were extracted from the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2015 as set out in the Company's published interim report for the six months ended 30 June 2015.

2 The balances were extracted from the audited consolidated statement of financial position of the US Target Group as at 31 March 2015 as set out in Appendix IIA to this circular.

3 Pursuant to the US Sale Agreement, the cash consideration for the proposed acquisition of the US Target Group is approximately US$190,527,000 (equivalent to approximately HK$1,486.1 million). The US Purchaser and the US Vendor have also entered into the US Deed of Assignment for the assignment of US Shareholder Loan from the US Vendor to the US Purchaser. As at 31 March 2015, the US Shareholder Loan amounted to approximately US$11,045,000 (equivalent to approximately HK$86.2 million). Subsequent to 31 March 2015 and up to 20 August 2015, the US Vendor has further advanced approximately US$13,528,000 (equivalent to approximately HK$105.5 million) to the Oceanwide Plaza and the balance of US Shareholder Loan amounted to approximately US$24,573,000 (equivalent to approximately HK$191.7 million) as at 20 August 2015. In accordance with the US Deed of Assignment, the US Shareholder Loan of approximately US$24,573,000 (equivalent to approximately HK$191.7 million) as at 20 August 2015 would be assigned.

For the purpose of the Unaudited Pro Forma Financial Information, the directors assume the US Shareholder Loan of approximately US$11,045,000 (equivalent to approximately HK$86.2 million) as at 31 March 2015 of the US Target Group was assigned; thus, the total cash consideration is approximately US$201,572,000 (equivalent to approximately HK$1,572.3 million).

4 For the purpose of preparing the Unaudited Pro Forma Financial Information, the proposed acquisition of the US Target Group will be accounted for using merger accounting as prescribed in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, given that the US Target Group is under common control of Tohigh Holdings Co., Ltd.* (通海控股有限公司), the ultimate holding company of the Company and the US Target before and after the US Acquisition.

5 The adjustment represents the estimated amounts regarding the legal and professional fees and other expenses incurred for the US Acquisition of approximately HK$7.5 million.

6 The Unaudited Pro Forma Financial Information has not taken into account of the acquisition of properties located in New York, the United States, as mentioned in the announcement of the Company dated 5 August 2015, for which the consideration is US$390,000,000 (equivalent to approximately HK$3,042.0 million).

7 For the purpose of the Unaudited Pro Forma Financial Information, the balances arising from the US Acquisition stated in United States dollars have been converted to Hong Kong dollars at the exchange rate of US$1: HK$7.8.

8 No other adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2015 and the US Target entered into subsequent to 31 March 2015.

* *For identification purpose only*

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

TO THE DIRECTORS OF CHINA OCEANWIDE HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Oceanwide Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") and Oceanwide Real Estate International Investment Company Limited (the "US Target") and its subsidiaries (the "US Target Group") (collectively the "US Enlarged Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2015 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages IIIA-1 to IIIA-3 of the Company's circular dated 25 September 2015, in connection with the proposed acquisition of the US Target Group (the "US Acquisition") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages IIIA-1 to IIIA-3.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the US Acquisition on the Group's financial position as at 30 June 2015 as if the US Acquisition had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months ended 30 June 2015, on which a review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the US Acquisition at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 25 September 2015

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE INDONESIAN ENLARGED GROUP

The following unaudited pro forma statement of assets and liabilities of the Indonesian Enlarged Group (the "Unaudited Pro Forma Financial Information") has been prepared on the basis of the notes set out below and in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects on the assets and liabilities of the Indonesian Enlarged Group as if the Indonesian Acquisition had been completed on 30 June 2015.

The Unaudited Pro Forma Financial Information as at 30 June 2015 has been prepared based on (i) the condensed consolidated statement of financial position of the Group as at 30 June 2015, as set out in its interim report for the six months ended 30 June 2015; (ii) the audited consolidated statement of financial position of the Indonesian Target Group as at 31 March 2015 as set out in the Appendix IIB to this Circular; and (iii) the pro forma adjustments prepared to reflect the effects of the Indonesian Acquisition as explained in the notes set out below that are directly attributable to the Indonesian Acquisition, do not relate to future events or decisions, and are factually supportable.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information contained in this circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors of the Group for illustrative purposes only and is based on a number of assumptions, estimates and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Indonesian Enlarged Group had the Indonesian Acquisition been completed as at 30 June 2015 or any future date.

(I) UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE INDONESIAN ENLARGED GROUP AS AT 30 JUNE 2015

	The Group as at 30 June 2015	The Indonesian Target Group as at 31 March 2015	Pro forma adjustments			Unaudited pro forma statement of assets and liabilities of the Indonesian Enlarged Group as at 30 June 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3, 4*	*Note 5*	*Note 6*	
ASSETS						
Non-current assets						
Property, plant and equipment	5,657	132,215				137,872
Investment properties	1,031,368	–				1,031,368
Leasehold land and land use rights	1,582	–				1,582
Deposit for construction of power plant	–	201,596				201,596
Deposits, prepayments and other receivables	–	90,452				90,452
Loan to a related party	–	34,892				34,892
Other non-current assets	104,129	217			(217)	104,129
Available-for-sale financial assets	1,824,956	–				1,824,956
Total non-current assets	2,967,692	459,372				3,426,847
Current assets						
Trade receivables	583	–				583
Deposits, prepayments and other receivables	32,590	29,141				61,731
Loan to a related party	–	85,290				85,290
Loan receivable	700,000	–				700,000
Restricted cash	–	26,363				26,363
Bank deposits with maturity over three months	171,204	–				171,204
Cash and cash equivalents	3,009,048	54,628	(289,302)			2,774,374
Total current assets	3,913,425	195,422				3,819,545
Total assets	6,881,117	654,794				7,246,392
LIABILITIES						
Non-current liabilities						
Deferred income tax liabilities	191,749	–				191,749
Total non-current liabilities	191,749	–				191,749
Current liabilities						
Deposits received, other payables and accruals	82,300	29,798	(5,341)	7,500	(217)	114,040
Bank borrowings	–	261,384				261,384
Current income tax liabilities	36,283	–				36,283
Total current liabilities	118,583	291,182				411,707
Total liabilities	310,332	291,182				603,456
NET ASSETS	6,570,785	363,612				6,642,936

(II) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE INDONESIAN ENLARGED GROUP

1 The balances were extracted from the unaudited interim condensed consolidated statement of financial position of the Group as at 30 June 2015 as set out in the Company's published interim report for the six months ended 30 June 2015.

2 The balances were extracted from the audited consolidated statement of financial position of the Indonesian Target Group as at 31 March 2015 as set out in Appendix IIB to this circular.

3 Pursuant to the Indonesian Sale Agreement, the cash consideration for the proposed acquisition of the Indonesian Target Group is approximately US$36,405,000 (equivalent to approximately HK$284.0 million). The Indonesian Purchaser and the Indonesian Vendor have also entered into the Indonesian Deed of Assignment for the assignment of Indonesian Shareholder Loan from the Indonesian Vendor to the Indonesian Purchaser. As at 31 March 2015, the Indonesian Shareholder Loan amounted to US$685,000 (equivalent to approximately HK$5.3 million) and there is no subsequent advance from the Indonesian Vendor up to 20 August 2015. In accordance with the Indonesian Deed of Assignment, the Indonesian Shareholder Loan of approximately US$685,000 (equivalent to approximately HK$5.3 million) as at 20 August 2015 would be assigned.

For the purpose of the Unaudited Pro Forma Financial Information, the directors assume the Indonesian Shareholder Loan as at 31 March 2015 of the Indonesian Target Group was assigned. The amount of the Indonesian Shareholder Loan as at 31 March 2015 approximated to the amount as at 20 August 2015. Therefore, the total cash consideration is US$37,090,000 (equivalent to approximately HK$289.3 million).

4 For the purpose of preparing the Unaudited Pro Forma Financial Information, the proposed acquisition of the Indonesian Target Group will be accounted for using merger accounting as prescribed in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, given that the Indonesian Target Group is under common control of Tohigh Holdings Co., Ltd.*(通海控股有限公司), the ultimate holding company of the Company and the Indonesian Target before and after the Indonesian Acquisition.

5 The adjustment represents the estimated amounts regarding the legal and professional fees and other expenses incurred for the Indonesian Acquisition of approximately HK$7.5 million.

6 The balances represent the transfer of the 10% interest in PT COI held by the Indonesian Target to the Indonesian Vendor at US$30,000 (equivalent to approximately HK$234,000). The net of tax consideration is approximately HK$217,000. Such transfer is one of the conditions precedents for the proposed acquisition of the Indonesian Target Group.

7 The Unaudited Pro Forma Financial Information has not taken into account of the acquisition of properties located in New York, the United States, as mentioned in the announcement of the Company dated 5 August 2015, for which the consideration is US$390,000,000 (equivalent to approximately HK$3,042.0 million).

8 For the purpose of the Unaudited Pro Forma Financial Information, the balances arising from the Indonesian Acquisition stated in United States dollars have been converted to Hong Kong dollars at the exchange rate of US$1: HK$7.8.

9 No other adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2015 and the Indonesian Target Group entered into subsequent to 31 March 2015.

* *For identification purpose only*

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

TO THE DIRECTORS OF CHINA OCEANWIDE HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Oceanwide Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") and China Oceanwide Power Co., Limited (the "Indonesian Target") and its subsidiaries (the "Indonesian Target Group") (collectively the "Indonesian Enlarged Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2015 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages IIIB-1 to IIIB-4 of the Company's circular dated 25 September 2015, in connection with the proposed acquisition of the Indonesian Target Group (the "Indonesian Acquisition") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages IIIB-1 to IIIB-4.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Indonesian Acquisition on the Group's financial position as at 30 June 2015 as if the Indonesian Acquisition had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months ended 30 June 2015, on which a review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Indonesian Acquisition at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 25 September 2015

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma statement of assets and liabilities of the Enlarged Group (the "Unaudited Pro Forma Financial Information") has been prepared on the basis of the notes set out below and in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects on the assets and liabilities of the Enlarged Group as if the Acquisitions had been completed on 30 June 2015.

The Unaudited Pro Forma Financial Information as at 30 June 2015 has been prepared based on (i) the condensed consolidated statement of financial position of the Group as at 30 June 2015, as set out in its interim report for the six months ended 30 June 2015; (ii) the audited consolidated statement of financial position of the US Target Group and Indonesian Target Group as at 31 March 2015 as set out in the Appendix IIA and IIB to this Circular; and (iii) the pro forma adjustments prepared to reflect the effects of the Acquisitions as explained in the notes set out below that are directly attributable to the Acquisitions, do not relate to future events or decisions, and are factually supportable.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information contained in this circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors of the Group for illustrative purposes only and is based on a number of assumptions, estimates and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group had the Acquisitions been completed as at 30 June 2015 or any future date.

(I) UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP AS AT 30 JUNE 2015

				Pro forma adjustments				
	The Group as at 30 June 2015	The US Target Group as at 31 March 2015	The Indonesian Target Group as at 31 March 2015					Unaudited pro forma statement of assets and liabilities of the Enlarged Group as at 30 June 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4, 6*	*Note 5, 6*	*Note 7*	*Note 8*	
ASSETS								
Non-current assets								
Property, plant and equipment	5,657	3,592	132,215					141,464
Investment properties	1,031,368	448,650	–					1,480,018
Leasehold land and land use rights	1,582	–	–					1,582
Deposit for construction of power plant	–	–	201,596					201,596
Other receivables, deposits and prepayments	–	–	90,452					90,452
Loan to a related party	–	–	34,892					34,892
Other non-current assets	104,129	–	217				(217)	104,129
Available-for-sale financial assets	1,824,956	–	–					1,824,956
Total non-current assets	2,967,692	452,242	459,372					3,879,089
Current assets								
Properties under development	–	1,133,256	–					1,133,256
Trade receivables	583	–	–					583
Deposits, prepayments and other receivables	32,590	9,664	29,141					71,395
Loan to a related party	–	–	85,290					85,290
Loan receivable	700,000	–	–					700,000
Restricted cash	–	–	26,363					26,363
Bank deposits with maturity over three months	171,204	–	–					171,204
Cash and cash equivalents	3,009,048	6,057	54,628	(1,572,257)	(289,302)			1,208,174
Total current assets	3,913,425	1,148,977	195,422					3,396,265
Total assets	6,881,117	1,601,219	654,794					7,275,354
LIABILITIES								
Non-current liabilities								
Deferred income tax liabilities	191,749	2,830	–					194,579
Total non-current liabilities	191,749	2,830	–					194,579
Current liabilities								
Deposits received, other payables and accruals	82,300	37,166	29,798	(2,690)	(5,341)	15,000	(217)	156,016
Bank borrowings	–	–	261,384					261,384
Loan from immediate holding company	–	83,460	–	(83,460)				–
Current income tax liabilities	36,283	–	–					36,283
Total current liabilities	118,583	120,626	291,182					453,683
Total liabilities	310,332	123,456	291,182					648,262
NET ASSETS	6,570,785	1,477,763	363,612					6,627,092

(II) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1 The balances were extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2015 as set out in the Company's published interim report for the six months ended 30 June 2015.

2 The balances were extracted from the audited consolidated statement of financial position of the US Target Group as at 31 March 2015 as set out in Appendix IIA to this circular.

3 The balances were extracted from the audited consolidated statement of financial position of the Indonesian Target Group as at 31 March 2015 as set out in Appendix IIB to this circular.

4 Pursuant to the US Sale Agreement, the cash consideration for the proposed acquisition of the US Target Group is approximately US$190,527,000 (equivalent to approximately HK$1,486.1 million). The US Purchaser and the US Vendor have also entered into the US Deed of Assignment for the assignment of US Shareholder Loan from the US Vendor to the US Purchaser. As at 31 March 2015, the US Shareholder Loan amounted to approximately US$11,045,000 (equivalent to approximately HK$86.2 million). Subsequent to 31 March 2015 and up to 20 August 2015, the US Vendor has further advanced approximately US$13,528,000 (equivalent to approximately HK$105.5 million) to the Oceanwide Plaza and the balance of US Shareholder Loan amounted to approximately US$24,573,000 (equivalent to approximately HK$191.7 million) as at 20 August 2015. In accordance with the US Deed of Assignment, the US Shareholder Loan of approximately US$24,573,000 (equivalent to approximately HK$191.7 million) as at 20 August 2015 would be assigned.

For the purpose of the Unaudited Pro Forma Financial Information, the directors assume the US Shareholder Loan of approximately US$11,045,000 (equivalent to approximately HK$86.2 million) as at 31 March 2015 of the US Target Group was assigned; thus, the total cash consideration is approximately US$201,572,000 (equivalent to approximately HK$1,572.3 million).

5 Pursuant to the Indonesian Sale Agreement, the cash consideration for the proposed acquisition of the Indonesian Target Group is approximately US$36,405,000 (equivalent to approximately HK$284.0 million). The Indonesian Purchaser and the Indonesian Vendor have also entered into the Indonesian Deed of Assignment for the assignment of Indonesian Shareholder Loan from the Indonesian Vendor to the Indonesian Purchaser. As at 31 March 2015, the Indonesian Shareholder Loan amounted to US$685,000 (equivalent to approximately HK$5.3 million) and there is no subsequent advance from the Indonesian Vendor up to 20 August 2015. In accordance with the Indonesian Deed of Assignment, the Indonesian Shareholder Loan of approximately US$685,000 (equivalent to approximately HK$5.3 million) as at 20 August 2015 would be assigned.

For the purpose of the Unaudited Pro Forma Financial Information, the directors assume the Indonesian Shareholder Loan as at 31 March 2015 of the Indonesian Target Group was assigned. The amount of the Indonesian Shareholder Loan as at 31 March 2015 approximated to the amount as at 20 August 2015. Therefore, the total cash consideration is US$37,090,000 (equivalent to approximately HK$289.3 million).

6 For the purpose of preparing the Unaudited Pro Forma Financial Information, the proposed acquisition of the US Target Group and the Indonesian Target Group will be accounted for using merger accounting as prescribed in Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, given that the US Target Group and the Indonesian Target Group are under common control of Tohigh Holdings Co., Ltd.*（通海控股有限公司）, the ultimate holding company of the Company, the US Target and the Indonesian Target before and after the Acquisitions.

7 The adjustment represents the estimated amounts regarding the legal and professional fees and other expenses incurred for the Acquisitions of approximately HK$15.0 million.

8 The balances represent the transfer of the 10% interest in PT COI held by the Indonesian Target to the Indonesian Vendor at US$30,000 (equivalent to approximately HK$234,000). The net of tax consideration is approximately HK$217,000. Such transfer is one of the conditions precedents for the proposed acquisition of the Indonesian Target Group.

9 The Unaudited Pro Forma Financial Information has not taken into account of the acquisition of properties located in New York, the United States, as mentioned in the announcement of the Company dated 5 August 2015, for which the consideration is US$390,000,000 (equivalent to approximately HK$3,042.0 million).

10 For the purpose of the Unaudited Pro Forma Financial Information, the balances arising from the Acquisitions stated in United States dollars have been converted to Hong Kong dollars at the exchange rate of US$1: HK$7.8.

11 No other adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2015 and the US Target Group and the Indonesian Target Group entered into subsequent to 31 March 2015.

* *For identification purpose only*

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

TO THE DIRECTORS OF CHINA OCEANWIDE HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Oceanwide Holdings Limited (the "Company") and its subsidiaries (collectively the "Group"), Oceanwide Real Estate International Investment Company Limited (the "US Target") and its subsidiaries (the "US Target Group") and China Oceanwide Power Co., Limited (the "Indonesian Target") and its subsidiaries (the "Indonesian Target Group") (collectively the "Enlarged Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2015 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages IIIC-1 to IIIC-4 of the Company's circular dated 25 September 2015, in connection with the proposed acquisition of the US Target Group and the Indonesian Target Group (collectively, the "Acquisitions") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages IIIC-1 to IIIC-4.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Acquisitions on the Group's financial position as at 30 June 2015 as if the Acquisitions had taken place at 30 June 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months ended 30 June 2015, on which a review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisitions at 30 June 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 25 September 2015

The following is the management discussion and analysis on the Target Companies, which is based on the financial information of the Target Companies as set out in Appendix IIA and Appendix IIB to this circular.

1. THE US TARGET

Financial and business performance

The US Target was incorporated in the BVI on 30 October 2013. The US Target is an investment holding company and together with its subsidiaries, including Oceanwide US and Oceanwide Plaza, are primarily involved in property investment and development.

There is only one principal segment which is related to the real estate development. For the period ended 31 December 2013, the year ended 31 December 2014, and the three months ended 31 March 2015, the US Target Group did not generate any revenue.

For the year ended 31 December 2014, the US Target Group generated net other income of HK$14,409,000 representing the car park rental income arising from the leasing of the US Target Group's vacant land during the period from January 2014 to November 2014.

For the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the US Target Group incurred administrative expenses of HK$1,000, HK$4,211,000 and HK$3,196,000, respectively. The administrative expenses included auditors' remuneration, depreciation, legal and professional fees, rental expenses, employee benefit expenses and others.

The loss of the US Target Group for the period ended 31 December 2013 and the three months ended 31 March 2015 amounted to HK$1,000 and HK$2,001,000. The profit of the US Target Group for the year ended 31 December 2014 amounted to HK$6,040,000.

Capital Structure, Liquidity and Financial Resources

The US Target Group relies on borrowings and the support of its related companies and immediate holding company to obtain funding.

For the period ended 31 December 2013, the US Target Group financed its operations by capital injection from its shareholder. As at 31 December 2013, the US Target Group held bank and cash balances of HK$38,053,000 and had no bank borrowings.

For the year ended 31 December 2014, the US Target Group financed its operations by its borrowings from its immediate holding company. As at 31 December 2014, the US Target Group held bank and cash balances of HK$11,415,000 and had no bank borrowings.

For the three-month period ended 31 March 2015, the US Target Group financed its operations by its borrowings from its immediate holding company. As at 31 March 2015, the US Target Group held bank and cash balances of HK$6,057,000 and had no bank borrowings.

As at 31 March 2015, the current assets of the US Target Group comprised of properties under development of HK$1,133,256,000, other receivables, deposits and prepayments of HK$9,664,000 and cash and bank balances of HK$6,057,000. Its current liabilities consisted of other payables and accruals of HK$37,166,000 and a loan from its immediate holding company of HK$83,460,000. Therefore, the US Target Group recorded net current assets of HK$1,028,351,000 as at 31 March 2015.

Gearing ratio

Consistent with others in the industry, the US Target Group monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances and the total capital is the total equity as shown in the statement of financial position.

As at 31 December 2013, the US Target Group was in a net cash position and therefore it did not have a gearing ratio. As at 31 December 2014 and 31 March 2015, the gearing ratio of the US Target Group was 1.9% and 5.4%, respectively. The increases in gearing ratios were mainly attributable to the increase in total debts borrowed from its immediate holding company for developing the US Target Land.

Foreign Currency Risks

The US Target Group undertakes transactions in US$ and does not have any foreign exchange risk.

Fair Value Interest Rate Risk

The US Target Group's interest rate risk arises from loans payable to the immediate holding company of the US Target.

During the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the loans payable to such immediate holding company charged interest at a fixed rate and exposed the US Target Group to fair value interest rate risk which was insignificant due to the short term maturity of such loans.

Credit Risks

Credit risk of the US Target Group mainly arises from bank balances, other receivables, deposits and prepayment. The US Target Group has no significant concentration of credit risk.

The US Target Group continuously monitors credit risk by regularly assessing the credit ratings of the counterparties, taking into account their financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at 31 December 2013, 31 December 2014 and 31 March 2015, there was no default on the other receivables. To manage the credit risk associated with bank balances, bank balances are placed in banks with sound credit ratings.

The management of the US Target Group does not expect any losses to arise from non-performance by these counterparties.

Liquidity Risks

The US Target Group solely relies on available funding through borrowings and the support of its related companies and immediate holding company.

The financial liabilities of the US Target Group include other payables and accruals, amounts due to immediate holding company and a related company which are due within one year to each of the end of the reporting period during the relevant periods.

Contingent Liabilities and Capital Commitment

As at 31 December 2013, 31 December 2014 and 31 March 2015, the US Target Group had no material contingent liabilities. The capital commitments in respect of the properties under development and investment properties are as follows:

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Authorised but not contracted for	–	6,414,373	6,494,739
Contracted but not provided for	271	146,205	134,346

Charge of Assets

As at 31 March 2015, the US Target Group did not have any charges on assets, except for the shares of the US Target which were pledged as securities in relation to the US$320 Million Notes and the US$400 Million Notes.

Material Investments, Acquisitions or Disposals

During the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the US Target Group did not make any significant investment or acquisition or dispose of any subsidiary or associated company.

Future Plans

The US Target Group has no plans for material investments except for the construction work on the US Target Land for the twelve months ending 31 March 2016.

Employees and Remuneration Policies

As at 31 March 2015 and 31 December 2014, the US Target Group had a total of 7 and 5 employees respectively. As at 31 December 2013, the US Target Group did not have any employees. Remuneration packages (including base salaries, bonuses and benefits-in-kind) are structured by reference to market rates, terms, trends in human resources costs in various regions and employees' contributions based on performance appraisals. Subject to the profit for the US Target Group and the performance of the employees, the US Target may also provide discretionary bonuses to its employees as an incentive for their further contribution.

Litigation

As at 31 March 2015, the US Target Group had no material pending litigation.

2. THE INDONESIAN TARGET

Financial and business performance

The Indonesian Target was incorporated in Hong Kong on 6 September 2013. It is an investment holding company and its principal subsidiary, PT Mabar, is primarily involved in the construction of power plants in Indonesia.

In December 2014, PT Mabar entered into a power purchase agreement with PLN to supply electric power from its power plant to PLN for a 30-year period from the power plant's commercial operation date. Under the agreement, PT Mabar shall buy back a minimum of 25% of the electricity power purchased by PLN in the same billing period and sell to users in PT. Kawasan Industri Medan, an industrial area in Medan, Indonesia. Under such power purchase agreement, to be able to deliver electricity to PLN, the Indonesian Target needs to build two power plants with net capacity of 150 MW each. PT Mabar is currently in the process of constructing the power plants and its ancillary facilities.

There is only one principal segment which is related to energy. For the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the Indonesian Target Group did not generate any revenue.

For the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the Indonesian Target Group generated interest income of HK$2,000, HK$3,537,000 and HK$1,866,000.

For the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the Indonesian Target Group incurred administrative expenses of HK$2,445,000, HK$14,273,000 and HK$14,576,000, respectively. The administrative expenses included auditors' remuneration, depreciation, legal and professional fees, rental expenses, employee benefit expenses, exchange losses and others.

The consolidated loss attributable to shareholders of the Indonesian Target for the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015 amounted to HK$2,307,000, HK$5,836,000 and HK$8,774,000.

Capital Structure, Liquidity and Financial Resources

The Indonesian Target Group relies on bank borrowings and the support of its related companies and immediate holding company to obtain funding.

For the period ended 31 December 2013, the Indonesian Target Group financed its operations by issuance of shares. As at 31 December 2013, the Indonesian Target Group held bank and cash balances of HK$10,718,000 and had no bank borrowings.

For the year ended 31 December 2014, the Indonesian Target Group financed its operations by issuance of shares and bank borrowings. As at 31 December 2014, the Indonesian Target Group held restricted cash of HK$26,335,000, bank and cash balances of HK$61,731,000 and had bank borrowings of HK$137,970,000.

For the three months period ended 31 March 2015, the Indonesian Target Group financed its operations by bank borrowings. As at 31 March 2015, the Indonesian Target Group held restricted cash of HK$26,363,000, bank and cash balances of HK$54,628,000 and had bank borrowings of HK$261,384,000.

As at 31 March 2015, the current assets of the Indonesian Target Group comprised of a loan to a related party of HK$85,290,000, other receivables, deposits and prepayments of HK$29,141,000, restricted cash of HK$26,363,000 and cash and bank balances of HK$54,628,000. Its current liabilities consisted of other payables and accruals of HK$29,798,000 and bank borrowings of HK$261,384,000. The Indonesian Target Group recorded net current liabilities of HK$95,760,000 as at 31 March 2015.

Gearing ratio

Consistent with others in the industry, the Indonesian Target monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total debt less cash and bank balances (excluding restricted cash) and the total capital is the total equity as shown in the statement of financial positions.

As at 31 December 2013, the Indonesian Target Group was in a net cash position and therefore it did not have a gearing ratio. As at 31 December 2014 and 31 March 2015, the gearing ratio of the Indonesian Target Group was 22.8% and 59.4%, respectively. The increase in gearing ratios was mainly attributable to the increase in total debts from bank borrowings for constructing the power plant.

Foreign Currency Risks

The Indonesian Target Group undertakes certain transactions denominated in foreign currencies, mainly in the Indonesian local currency Indonesian Rupiah and is therefore exposed to exchange rate fluctuations. The management manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and by considering hedging significant foreign currency exposure as necessary.

Fair Value Interest Rate Risks

The Indonesian Target Group's interest rate risk arises from bank balances, bank borrowings, a loan to a related party and amounts due from related parties.

The loan to a related company and bank borrowings at variable interest rates expose the Indonesian Target Group to cash flow interest rate risk, while amounts due from related parties issued at fixed interest rates expose the Indonesian Target Group to fair value interest rate risk.

During the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the loan to a related party applied the Jakarta Interbank Offering Rate and amounts due from related parties applied a fixed interest rate of 7%. Bank borrowings applied floating interest rates.

Credit Risks

Credit risk of the Indonesian Target Group mainly arises from other receivables, deposits and prepayment. The Indonesian Target Group has no significant concentration of credit risk.

The Indonesian Target Group continuously monitors credit risk by regularly assessing the credit ratings of the counterparties, taking into account their financial position, past experience and other factors. Where necessary, impairment loss is made for estimated irrecoverable amounts. As at 31 December 2013, 31 December 2014 and 31 March 2015, there was no default on the other receivables. To manage the credit risk associated with bank balances, bank balances are placed in banks with sound credit ratings.

The management of the Indonesian Target Group does not expect any losses from non-performance by these counterparties.

Liquidity Risks

The Indonesian Target Group meets its day to day working capital requirements, capital expenditure and financial obligations through the borrowings and support from its related companies and holding companies. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining committed credit lines.

The Directors closely monitor the Indonesian Target Group's liquidity position and financial performance and have taken steps to improve the Indonesian Target Group's cash flows. Measures include raising additional capital, extending existing loan facilities and obtaining additional financing from banks as necessary. As at 31 March 2015, the Indonesian Target Group held cash and cash equivalents of HK$80,991,000.

The financial liabilities of the Indonesian Target Group include other payables and accruals, amounts due to immediate holding company and related companies which are due within one year to each of the end of the reporting period during the relevant periods.

Contingent Liabilities and Capital Commitment

As at 31 December 2013, 31 December 2014 and 31 March 2015, the Indonesian Target Group had no material contingent liabilities. The capital commitments in respect of the construction of the proposed power plants are as follows:

	As at 31 December		As at 31 March
	2013	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
Authorised but not contracted for			
– Property, plant and equipment	871,303	871,303	872,214
Contracted but not provided for			
– Property, plant and equipment	3,257,027	3,079,878	2,973,725

Charge of Assets

As at 31 March 2015, the Indonesian Target Group did not have any charges on assets.

Material Investments, Acquisitions or Disposals

Other than the acquisition of 60% of the issued share capital of PT Mabar by the Indonesian Target in September 2013, during the period ended 31 December 2013, the year ended 31 December 2014 and the three-month period ended 31 March 2015, the Indonesian Target Group did not make any significant investment or acquisition or dispose of any subsidiary or associated company.

Future Plans

The Indonesian Target Group has no plans for material investments except for the investment in the construction of the proposed power plants for the twelve months ending 31 March 2016.

Employees and Remuneration Policies

As at 31 March 2015, the Indonesian Target Group had a total of 22 employees. As at 31 December 2013 and 31 December 2014, the Indonesian Target Group had a total of 8 and 20 employees respectively. Remuneration packages (including base salaries, bonuses and benefits-in-kind) are structured by reference to market rates, terms, trends in human resources costs in various regions and employees' contributions based on performance appraisals. Subject to the profit for the Indonesian Target Group and the performance of the employees, the Indonesian Target Group may also provide discretionary bonuses to its employees as an incentive for their further contribution.

Litigation

As at 31 March 2015, the Indonesian Target Group had no material pending litigation.

The following is the text of a letter and a valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 June 2015 of the property interest held by Oceanwide Plaza LLC.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

25 September 2015

The Board of Directors
China Oceanwide Holdings Limited
64/F, Bank of China Tower,
No.1 Garden Road, Central,
Hong Kong

Dear Sirs,

In accordance with the instructions of China Oceanwide Holdings Limited (the "instructing party") to value the Property held by Oceanwide Plaza LLC (formerly known as Tohigh Construction Investment, LLC), an indirect wholly owned subsidiary of the US Target, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing our opinion of the market value of the property interest as at 30 June 2015 (the "valuation date").

Our valuation of the property interest represents the "market value" which we would define as intended to mean "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".

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have adopted the market approach in the valuation of property by making reference to comparable market transactions in our assessment of the market value of the property interest. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors. We have also taken into account planning and design cost relevant to the proposed development in our valuation.

We have relied to a very considerable extent on the information given by the owner of the property and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copy of the Grant Deed relating to the property interest and have made relevant enquiries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the instructing party. We have also sought confirmation from the instructing party that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive 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 area in respect of the property but have assumed that the area 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.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 19 May 2015 by Mr. Gilbert Chan, who is a Chartered Surveyor and has over 22 years' experience in the valuation of properties worldwide.

Unless otherwise stated, all monetary figures stated in this report are in the United States Dollar (USD).

Our valuation certificate is hereby enclosed for your attention.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Gilbert C.H. Chan
MRICS MHKIS RPS(GP)
Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 22 years' experience in the valuation of properties worldwide.

VALUATION CERTIFICATE

Property held for future development

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015 *USD*
1101 South Flower Street, Los Angeles, CA, The United States Lots 1, and 3-13 of Tract No. 53384	The property comprises a parcel of land with a site area of approximately 4.6115 acres (200,875 sq.ft. or 18,661.90 sq.m.). A proposed mixed use development of a total gross floor area of 1,488,101 sq.ft. (138,249.11 sq.m.) will be built thereon the site. Please refer to notes 3 & 4 for development details. The property is held under fee simple interest.	The site is vacant and formed pending for development.	228,000,000

Notes:

1. The owner of the property is Oceanwide Plaza LLC (formerly known as Tohigh Construction Investment, LLC) vide Grand Deed No.20131804582 dated 26 December 2013.

2. A general description and market information of the property is summarized as below:

Location	:	The property is bounded by Figueroa Street to the west, 11th Street to the north, Flower Street to the east, and 12th Street to the south and comprises the Figueroa Central Subarea of the Los Angeles Sports and Entertainment District Specific Plan Area.
Nature of Surrounding Area	:	Across Figueroa Street to the west of the property is Staples Center; to the north of the property is a surface parking lot; to the east of the Project Site is the Palm Restaurant, Flower Street Lofts and a vacant building; and to the south is the Figueroa South Subarea, which is proposed to be developed as a mixed-use project with 648 residential condominium units under Case Number DIR-2005-5518-SPP. Microsoft Theater, the Ritz Carlton, Marriott Hotel and Ritz Residences, hotel conference center, Regal Cinema, a central plaza, and various retail/entertainment/restaurant uses are located within the Specific Plan. Olympic East Subarea located diagonally across the intersection of Figueroa Street and 11th Street from the property.
Transportation	:	The property is 1/2 block north of the Pico/Chick Hearn Metro Station and it is also well-served by good facilities and convenient traffic along the main roads.

Residential Market Overview	:	The Greater Los Angeles housing market showed recorded prices, more sales activity along with faster marketing times and less negotiability. According to Elliman Quarterly Survey Report, in the second quarter of 2015, median sales price of residential properties increased 4.8% to US$938,000 from the prior year quarter, a new record for the 11 years tracked. Average sales price expanded 3.3% to a record US$1,464,325 and average price per square foot rose 3.6% to a record of US$745 respectively from the same period last year. After five consecutive quarters of year-over-year declines, the number of sales increased for the second consecutive quarter to the second highest second quarter total in a decade. There were 2,865 sales, up 6.5% from the prior year quarter. In Downtown Los Angeles market, condominium price indicators also set records with median sales price increased 9.3% to US$601,000 from the prior year quarter and average sales price expanded 10.9% to US$670,247. The number of sales improved 27.4% to 135 from previous quarter but still declined 2.9% from the prior year quarter.
Retail Market Overview	:	Los Angeles retail market's diverse offerings range from high-end stores on Rodeo Drive retail to big-box outlets prevalent throughout Southern California. In recent years, many big-box retailers have taken advantage of Los Angeles's favorable long-term lease opportunities to open strategic locations in the region. According to Downtown LA 2015 Q2 Market Report published by Downtown Center Business Improvement District, over 1.8 million square feet of retail space is under construction in Los Angeles Downtown, setting the stage for a shopping and dining boom. The vacancy rate has slightly decreased to 6.2% from 6.7% from the prior year quarter.
Hotel Market Overview	:	The downtown Los Angeles (DTLA) market has historically been driven by corporate and group demand. The success of Los Angeles Live and the JW Marriott and Ritz-Carlton hotels has benefitted average rate in DTLA. These hotels drive up the entire market due to their luxury product offering and brand affiliations with higher price points, and also helped spur renovation and redevelopment projects of other hotels. According to HVS surveys with market participants in 2014, DTLA had an occupancy range of 74-76%, an average rate near US$185, and a RevPAR of approximately US$140, which is an increase from the year prior and a new all-time high. The year-to-date period through March 2015 registered an approximate 7.0% increase in RevPAR over the previous period. DTLA, along with Los Angeles County, is currently experiencing a surge in visitors which can associate with its positive market-wide hotel performance. Los Angeles tourism set records in 2014 with the total visitors up 4.3% to over 44 million, foreign visitors up 5.6% to 6.5 million and direct visitor spending up 6.8% to US$19.6 billion from 2013.

3. Pursuant to a "Modification to Specific Plan Project Permit Compliance and Specific Plan Project Permit Adjustment" vide Tract No. 53384-C dated 16 January 2015, the modification of planning permit for the construction of a 1,488,101 sq.ft. (138,249.11 sq.m.) mixed-use development with three towers has been approved:

	Building Height (feet)	**Storeys**
North Tower	632 (192.64m)	49
South Tower	500 (152.40m)	40
New South Tower	500 (152.40m)	40

The project includes 504 residential units, 183 hotel rooms with ancillary retail, restaurant and entertainment uses, and 166,583 sq.ft. (15,476.07 sq.m.) of retail space. Also, it will provide 1,464 parking spaces and LED signage panels with approximately 40,398 sq.ft. (3,753.10 sq.m.). Other planning details are as follows:–

Location	:	1101 South Flower Street
Council District	:	14 – Huizar
Plan Area	:	Central City Community Plan
Specific Plan	:	Los Angeles Sports and Entertainment District

Land Use	:	High Density Residential, Regional Center, Commercial
Zone	:	LASED

4. According to the development scheme provided by the owner of the property, upon completion, the development will have a total gross floor area of approximately 1,488,101 sq.ft. (138,249.11 sq.m.) and the details are set out as followings:

	Planned Floor Area (sq.ft.)	(sq.m.)
Residential	1,038,171	96,449.24
Retail	166,583	15,476.07
Hotel	283,347	26,323.80
Total:	1,488,101	138,249.11

5. According to the developer's information, construction cost of the proposed development project is estimated to be approximately US$829 million and US$30.57 million had been incurred for planning and design works as at the valuation date.

6. The old existing buildings and structures have been demolished in November 2014 and the proposed new development is planned to be completed in 2018.

7. In our valuation, we have identified and analyzed various relevant sales evidence in the locality which have similar characteristic as the subject property. The unit price on site area of these comparables range from US$522 to US$1,265 per sq.ft. Appropriate adjustments are considered to the differences in location, size and other characters (such as commercial potential, LED signage) between the comparable properties and the subject property to arrive at an assumed unit rate of US$985 per sq.ft. After adding up the planning and design costs of US$30.57 million expended, the valuation of the property is US$228 million.

The following is the text of a letter and a valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 June 2015 of the property interest held by PT Mabar Elektrindo.

JLL
仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

25 September 2015

The Board of Directors
China Oceanwide Holdings Limited
64/F, Bank of China Tower,
No.1 Garden Road, Central,
Hong Kong

Dear Sirs,

In accordance with the instructions of China Oceanwide Holdings Limited (the "**Company**") to value the Property held by PT Mabar Elektrindo ("**PT Mabar**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing our opinion of the market value of the property interest as at 30 June 2015 (the "**valuation date**").

Our valuation of the property interest represents the "market value" which we would define as intended to mean "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".

We adopted market approach with reference to comparable market transactions to estimate the market value of the land. Meanwhile, as the construction over the land is in progress, we therefore adopted cost approach with reference to its depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

In valuing the property which is under development as at the valuation date, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by the Company. In arriving at our opinion of value on the buildings of the property interest, we made reference to the actual construction cost, professional fees expended and the remaining cost for completing the development provided by the owner of the property interest. After our site inspection to the property interest, we then made appropriate adjustments to the actual construction cost, professional fees and remaining cost to arrive at our opinion of replacement cost to reflect the actual stage of construction as at the valuation date.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the owner of the property and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copy of the Grant Deed and other documents relating to the property interest and have made relevant enquiries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment. We have relied considerably on the advice given by the Company's Indonesian legal advisers – Ali Budiardjo, Nugroho, Reksodiputro, concerning the validity of the property interest in Indonesia. We have taken into the advice given by the Company's Indonesian legal advisors that PT Mabar was in the process of applying for the land certificate at the valuation date.

We have conducted the site inspection to the property interest to independently review the construction status and the information provided by the owner of the property interest, a connected party of the Company, and the Company's Indonesian legal advisors. We have had no reason to doubt the truth and accuracy of the information provided to us by the instructing party. We have also sought confirmation from the instructing party that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive 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 area in respect of the property but have assumed that the area 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.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 13 August 2015 by Ms. Josephine Ho, who has over 1 year experience in the valuation of properties worldwide.

Unless otherwise stated, all monetary figures stated in this report are in the United States Dollar (USD).

The exchange rate adopted in our valuations is approximately HK$1 = IDR13,339 which was approximately the prevailing exchange rate as at the valuation date.

Our valuation certificate is hereby enclosed for your attention.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Gilbert C.H. Chan
MRICS MHKIS RPS(GP)
Director

Note: Gilbert C.H. Chan, the property valuer, is a Chartered Surveyor who has 22 years' experience in the valuation of properties in Hong Kong and 21 years of property valuation experience in the Asia-Pacific region including but not limited to Indonesia. He has been working with Jones Lang LaSalle Corporate Appraisal and Advisory Limited since 2008.

VALUATION CERTIFICATE

Property to be held under development

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015 *USD*
A parcel of land and construction in progress located at Paluh Kurau Village, Hamparan Perak Sub District, Deli Serdang, Medan, North Sumatera, Indonesia	The property comprises a parcel of land and construction in progress with a site area of approximately 119.89 Ha (12,904,852 sq.ft. or 1,198,900 sq.m.). A proposed power plant development of a total gross floor area of 96,457.33 sq.m. (1,038,258.05 sq.ft) will be built thereon the site. The buildings mainly include power generation buildings, administration buildings, warehouses, guardrooms, dormitories, etc. The construction has been commenced and is scheduled to be completed in 2017. The property is held under fee simple interest.	The site is currently under construction.	33,544,000

Notes:

1. Pursuant to the Deed of Agreement No. 36 dated 26 June 2014 entered between Ali Sutomopt ("Vendor") and PT Mabar Elektrindo ("Purchaser"), the Purchaser agreed to acquire the Property for a total consideration of IDR60,000,000,000.

2. A general description and market information of the property is summarized as below:

Location	:	The land is located at Desa Paluh Kurau, Sub District Hamparan Perak, District Deli Serdang, Medan, North Sumatera. The property is located on the north of Belawan estuary, or about 4.5 kilometers straight distance from Belawan boat port.
Nature of Surrounding Area	:	Inhabitants living in the neighborhood mostly are low middle income families. Traditional market, serving daily shopping needs is unavailable near from the property.
Transportation	:	There is no access road to the site, the only access to the site is by ship/boat through the Belawan Estuary To access to the property from the port of Belawan by boat from the small boat harbor along the mouth of the sea/river Belawan to the west with a travel time of approximately 45 minutes.
Public and Community Facilities Overview	:	Electrical connection from PLN and telephone connection are unavailable in the neighborhood. Public transportation in the area is unavailable.

3. According to the company's information, construction cost of the proposed development project is estimated to be approximately USD400.85 million of which USD29.77 million had been incurred as at the valuation date. In our valuation, we have taken into consideration the expended construction costs.

4. Upon the completion of the development, the estimated completed value of the property would be approximately USD494.87 million

5. As at the valuation date, the land title certificate application is in progress and therefore the official title has not been vested in PT Mabar. Therefore, we have attributed no commercial value to the land. However, for reference purpose, we are of the opinion that the land value of the property as at the valuation date would be USD4.32 million, on condition that the relevant title certificate has been obtained by the PT Mabar and PT Mabar is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.

6. Pursuant to the Minutes of Meeting of the Land Technical Consideration Team No.466/BA-02.04/XII/2014 dated 18 December 2014, it is stated that 15.34 Ha out of the Proposed Land ("Plot A"), is classified as buffer zone and will be kept as mangrove forest and thus no land title will be granted over the said area. The remaining 104.55 Ha out of the Proposed Land ("Plot B") can be used by PT Mabar for its power plant activity. "Buffer Zone" area is a reserved/ conservation area and thus no construction can be made over the said land.

7. We have been provided with a legal opinion regarding the property interest by the Company's Indonesia legal advisers, which contains, the following:

   a) PT Mabar has obtained the land use allocation permit from the Regent of Deli Serdang for the construction of the power plant as stated in letter No. 591/4135 dated 6 June 2014. However, the land use allocation permit is a license for PT Mabar to proceed with the acquisition of the land but not an evidence of ownership of the land;

   b) PT Mabar has purchased a plot of land with total area of ±120 Ha from Mr. Ali Sutomo as set out in Deed of Agreement No. 36 dated 26 June 2014 made before Yusrizal, S.H., Notary in Medan. The deed serves as evidence that it holds some rights on such land and such right is "transferred" to the purchaser (i.e. PT Mabar). PT Mabar shall become the owner when it holds the land title after the issuance of the HGB land title certificate;

   c) Pursuant to BPN Letter 2015, PT Mabar has submitted the Hak Guna Bangunan ("HGB"), application for the right of ownership in Indonesia to the land agency on 23 July 2014 for a total land area of 119.89 Ha;

   d) Pursuant to the Minutes of Meeting of the Land Technical Consideration Team No.466/BA-02.04/XII/2014 dated 18 December 2014, it is stated that 15.34 Ha out of the Proposed Land ("Plot A"), is classified as buffer zone and will be kept as mangrove forest and thus no land title will be granted over the said area. The remaining 104.55 Ha out of the Proposed Land ("Plot B") can be used by PT Mabar for its power plant activity. "Buffer Zone" area is a reserved/conservation area and thus no construction can be made over the said land;

   e) On the entitlement of the land that was purchased by PT Mabar, since the Plot A area cannot be certified, then it will depend on the status of the land in the future. Currently, it can be concluded that the Plot A land, belong to PT Mabar and if there is any changes to the spatial plan of the land (i.e. no longer constitute as a buffer zone), then PT Mabar should be able to submit the HGB application on the basis that it has purchased the said land from the previous seller;

   f) Further, assuming that there is a change to the spatial plan of the land, then if there is other party that intend to utilize the said plot of land and has also secured the location permit on it that covers such plot of land, the said party should be able to purchase it from PT Mabar;

   g) Pursuant to the Minutes of Data Processing for HGB Application of PT Mabar No. 65/RPD/HTPT/HGB/1/2015 dated 21 January 2015, both plots of land (i.e. Plot A and B) are possessed by PT Mabar. However, HGB title can only be granted over the Plot B area and Plot A should be maintained as mangrove forest;

   h) The A Land Examination Committee has completed their examination toward PT Mabar's land. However, no further information on whether the land office has issued the decree for granting the HGB right to PT Mabar is received;

   i) The assurance on the provision of HGB right on the Land to PT Mabar can only be obtained once the Decree of the Granting of HGB Right is issued;

j) After reviewing the documents, it is concluded that that PT Mabar has no rights to use the Plot A, and therefore PT Mabar also has no right to assign the legal rights to possess and use the Plot A land other than as a buffer zone area (i.e. as a mangrove forest) to third parties. If within the period of time where PT Mabar's Location Permit is still valid, the zoning (i.e. spatial plan) of Plot A has changed and Plot A no longer classified as buffer zone, PT Mabar may be able to apply for the land title over Plot A;

k) PT Mabar has also obtained the building permit (Izin Mendirikan Bangunan – IMB) for the construction of the power plant, and based on the said permit, PT Mabar should already be able to start the construction of the power plant;

l) As at the Valuation Date, the architectural plans of the proposed power plants have been approved by PLN and PT Mabar has obtained the construction permit for the construction of the proposed power plants. The construction of the proposed power plant must be consistent with the design conditions as agreed under the power purchase agreement and the construction must be completed within 23 months as of the financing date (as defined under the power purchase agreement).

8. The property interest mainly comprises i) freehold land and ii) construction in progress. They are classified as property, plant and equipment in accordance with Hong Kong Accounting Standard 16 "Property, Plant and Equipment".

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
6/F Three Pacific Place 1 Queen's Road East Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

The Board of Directors
China Oceanwide Holdings Ltd.
64th Floor
Bank of China Tower
1 Garden Road
Hong Kong

Dear Sirs,

In accordance with the instructions received from China Oceanwide Holdings Ltd. ("China Oceanwide" or the "Company"), we have undertaken a valuation exercise which requires us to express an independent opinion on the market value of the Net Assets (as defined as total assets minus total liabilities) of PT Mabar Elektrindo (the "Indonesian Company") as at 30 June 2015 (the "Valuation Date"). This letter summarizes the principal conclusions stated in our valuation report dated 25 September 2015.

The purpose of this valuation is to express an independent opinion of the market value of the Net Assets in the Indonesian Company as at 30 June 2015 for public disclosure.

Our valuation was carried out on a market value basis. Market value 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*".

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion of the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

INTRODUCTION

PT. Mabar Elektrindo is an Indonesian company based in South Jakarta that was established on 14 December 2011. Currently it is held by China Oceanwide Power Co. Limited (60%), Shanghai Electric Power Construction Co., Ltd (20%) and PT. Garda Sayap Garuda (20%). PT. Mabar Elektrindo's primary operations are building two coal fired power plants with net capacity of 150MW each in Hamparan Perak Deli Serdang, North Sumatera Province. In 2013, PT. Mabar Elektrindo signed a heads of agreement with PT Perusahaan Listrik Negara (Persero) and PT Kawasan Industri Medan (Persero) to develop and supply electricity to the Medan Industrial Park for 30 years. The project is currently in the land-clearing and levelling stage.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. The valuation procedures employed include a review of legal status and economic condition of the Indonesian Company and an assessment of key assumptions, estimates, and representations made by the proprietor. All matters essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and history of the operation concerned;
- The financial condition and projected financial performance of the Indonesian Company;
- Market-driven returns of companies engaged in similar lines of business;
- Financial and business risk of the business including continuity of income and the projected future results;
- Consideration and analysis on the micro and macro economy affecting the subject asset;
- Analysis on tactical planning, management standard and synergy of the subject asset; and
- Assessment of the leverage and liquidity of the subject asset.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the Indonesian Company.

VALUATION ASSUMPTIONS

In determining the value of the equity interest in the Indonesian Company, we made the following key assumptions:

- We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Indonesian Company;
- We have assumed that the Indonesian Company has obtained and will be able to obtain all the necessary licenses and permits to operate its business;
- We have assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- We have been provided with copies of the operating licenses and company incorporation documents. We have assumed such information to be reliable and legitimate. We have relied to a considerable extent on such information provided in arriving at our opinion of value;

- We have assumed the accuracy of the financial and operational information provided to us by the Indonesian Company and the Company and relied to a considerable extent on such information in arriving at our opinion of value; and

- We have assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

VALUATION APPROACH AND METHODOLOGY

The purpose of this valuation is to determine the Net Assets value of the Indonesian Company. We have therefore adopted the asset-based approach for the valuation.

In this valuation exercise, we have considered three generally accepted approaches, namely, market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach.

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject asset.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

This approach allows for the prospective calculation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

In this report, we have considered the type of assets and liabilities and their conditions when arriving at the values of the subject items. We adopted appropriate valuation methodology for each different class of assets and liabilities.

Assets	**Valuation Approach & Methodology**
Cash on hand and in bank, restricted cash, other receivables, interest receivables, prepaid expenses, advance payment, deposit for construction of power plant	Cost Approach
Property, plant and equipment – Land	Market Approach ("note 1")
Property, plant and equipment – Others including construction in progress, furniture and office equipment and motor vehicles	Cost Approach
Non-current assets – Izin Usaha Penyediaan Tenaga Listrik ("IUPTL") (translated as Electricity Supply Business License) and the Power Purchase and Sale Agreement ("PPSA") *(note 2)*	Cost Approach

Liabilities	**Valuation Approach & Methodology**
Bank borrowing, account payable, employee benefits payable, tax payables, other payables	Cost Approach

Note 1:

As comparable land could be identified in the nearby area, market approach is considered the most appropriate and adopted in valuing the land.

We understand that the Indonesian Company is in the process of applying the right of ownership (Hak Guna Bangunan) for the land after the A Land Examination Committee has completed their examination toward the land. We further understand that the Indonesian Company has been granted the building permit for the power plant. It is assumed in this valuation, as a going concern basis, that Indonesian Company will be able to obtain the ownership of the land and thus the land value is considered in this valuation.

Note 2:

In order to be able to operate as a power generation company, Indonesian Company should obtain the Electricity Supply Business License (Izin Usaha Penyediaan Tenaga Listrik or "IUPTL").

Before applying for such IUPTL, Indonesian Company must first obtained approval on the allocation of electricity distribution area from the Minister of Energy and Mineral Resources ("Minister of ESDM"). It is noted that Indonesian Company has obtained such approval as stipulated in Decree of Minister of ESDM No. 557 K/20/DJL.3/2014 dated 9 June 2014.

If Indonesian Company is able to fulfill the administrative and preliminary technical requirement of the activities, a provisional IUPTL will be granted which shall be valid for a maximum of 2 years and can be extended for one time. Indonesian Company has obtained the said Provisional IUPTL as stipulated in Decree of the Head of Integrated Licensing Services of North Sumatera No. 671.21/84/BPPTSU/2/11.2/VII/2014 dated 25 July 2014 which shall be valid for 2 years as of its issuance.

Indonesian Company has also obtained (i) the Environmental Permit as stipulated in Decision of Deli Serdang Regent No. 227 Tahun 2015 dated 11 February 2015, and (ii) Approval on the sales price of the electricity as stipulated in Letter of Minister of ESDM to PT Perusahaan Listrik Negara (Persero) ("PLN") under No. 8257/26/MEM.L/2014 dated 19 December 2014 on the Approval of Sales Price of Power through Power Sales and Purchase Cooperation between PLN and Indonesian Company.

In valuing the IUPTL and the PPSA, cost approach is adopted. Based on our discussion with Indonesian Company, USD2.1 million has been spent on activities related to obtaining the IUPTL and the PPSA.

BOOK VALUES OF ASSETS AND LIABILITIES

The table below summarizes the book values of the assets and liabilities of the Indonesian Company as at the Valuation Date, which was provided by the management of China Oceanwide.

PT. Mabar Elektrindo	Book Values *(USD)*
Current Assets	
Cash and cash equivalents	99,154,229
Restricted cash	3,400,000
Other receivables	18,421,426
Interest receivables	1,230,414
Prepaid expenses	916,513
Advance Payment	435,512
Non-Current Assets	
Deposit for construction of power plant	42,435,140
Property, plant and equipment – Land	5,471,808
Property, plant and equipment – Others including construction in progress, furniture and office equipment and motor vehicles	30,520,490
Total Assets	**201,985,532**
Current Liabilities	
Bank borrowing	166,292,152
Accounts payable	1,710,205
Employee benefits payable	37,875
Tax payables	451,300
Other payables	504,493
Accrued Expenses	1,180,033
Total Liabilities	**170,176,058**
Net Assets	**31,809,474**

VALUATION COMMENTS

In general, we have undertaken the necessary and appropriate valuation procedures in the valuation of the subject items as at 30 June 2015. The methodologies adopted are generally considered being suitable with regard to the nature of the relevant assets and liabilities.

We have been provided with a legal opinion regarding the property interest by the Company's Indonesian legal advisers, "Ali Budiardjo, Nugroho, Reksodiputro", which contains, based on their review, *inter alia*, the following:

1. Indonesian Company has obtained the land use allocation permit from the Regent of Deli Serdang for the construction of the power plant as stated in letter No. 591/4135 dated 6 June 2014. However, the land use allocation permit is a license for Indonesian Company to proceed with the acquisition of the land but not an evidence of ownership of the land;

2. Indonesian Company has purchased a plot of land with total area of ±120 Ha from Mr. Ali Sutomo as set out in Deed of Agreement No. 36 dated 26 June 2014 made before Yusrizal, S.H., Notary in Medan. The deed serves as evidence that it holds some rights on such land and such right is "transferred" to the purchaser (i.e. Indonesian Company). Indonesian Company shall become the owner when it holds the land title; after the issuance of the HGB land title certificate;

3. Pursuant to BPN Letter 2015, Indonesian Company has submitted the Hak Guna Bangunan ("HGB"), application for the right of ownership in Indonesia to the land agency on 23 July 2014 for a total land area of 119.89 Ha;

4. Pursuant to the Minutes of Meeting of the Land Technical Consideration Team No.466/BA-02.04/XII/2014 dated 18 December 2014, it is stated that 15.34 Ha out of the Proposed Land ("Plot A"), is classified as buffer zone and will be kept as mangrove forest and thus no land title will be granted over the said area. The remaining 104.55 Ha out of the Proposed Land ("Plot B") can be used by Indonesian Company for its power plant activity. "Buffer Zone" area is a reserved/conservation area and thus no construction can be made over the said land;

5. On the entitlement of the land that was purchased by Indonesian Company, since the Plot A area cannot be certified, then it will depend on the status of the land in the future. Currently, it can be concluded that the Plot A land, belong to Indonesian Company and if there is any changes to the spatial plan of the land (i.e. no longer constitute as a buffer zone), then Indonesian Company should be able to submit the HGB application on the basis that it has purchased the said land from the previous seller.

6. Further, assuming that there is a change to the spatial plan of the land, then if there is other party that intend to utilize the said plot of land and has also secured the location permit on it that covers such plot of land, the said party should be able to purchase it from Indonesian Company.

7. Pursuant to the Minutes of Data Processing for HGB Application of Indonesian Company No. 65/RPD/HTPT/HGB/1/2015 dated 21 January 2015, both plots of land (i.e. Plot A and B) are possessed by Indonesian Company. However, HGB title can only be granted over the Plot B area and Plot A should be maintained as mangrove forest;

8. The A Land Examination Committee has completed their examination toward Indonesian Company's land. However, no further information on whether the land office has issued the decree for granting the HGB right to Indonesian Company is received;

9. The assurance on the provision of HGB right on the Land to Indonesian Company can only be obtained once the Decree of the Granting of HGB Right is issued;

10. After reviewing the documents, it is concluded that that Indonesian Company has no rights to use the Plot A, and therefore Indonesian Company also has no right to assign the legal rights to possess and use the Plot A land other than as a buffer zone area (i.e. as a mangrove forest) to third parties. If within the period of time where Indonesian Company's Location Permit is still valid, the zoning (i.e. spatial plan) of Plot A has changed and Plot A no longer classified as buffer zone, Indonesian Company may be able to apply for the land title over Plot A;

11. Indonesian Company has also obtained the building permit (Izin Mendirikan Bangunan – IMB) for the construction of the power plant, and based on the said permit, Indonesian Company should already be able to start the construction of the power plant.

OPINION OF VALUE

Based on the results of our investigation and analysis outlined in the Valuation Report, we are of the opinion that the Net Assets value of the Indonesian Company as at 30 June 2015 is **USD36.09 million**. The details are as follows:

PT. Mabar Elektrindo	**Values** *(USD)*
Current Assets	
Cash and cash equivalents	99,154,229
Restricted cash	3,400,000
Other receivables	18,421,426
Interest receivables	1,230,414
Prepaid expenses	916,513
Advance payment	435,512
Non-Current Assets	
Deposit for construction of power plant	42,435,140
Property, plant and equipment – Land	4,318,000
Property, plant and equipment – Others including construction in progress, furniture and office equipment and motor vehicles	33,856,509
Intangible asset – IUPTL and PPSA	2,100,000
Total Assets	**206,267,743**
Current Liabilities	
Bank borrowing	166,292,152
Accounts payable	1,710,205
Employee benefits payable	37,875
Tax payables	451,300
Other payables	504,493
Accrued expenses	1,180,033
Total Liabilities	**170,176,058**
Net Assets	**36,091,685**

The valuation of the land of approximately US$4,318,000 is included in the item "Property, plant and equipment – Land" stated above. As mentioned in the previous section "Valuation Comments", the Indonesian Company has paid Mr. Ali Sutomo for some rights on the land and shall become the owner of the land when the HGB land title certificate (which is under application) is granted to the Indonesian Company.

We further understand that the Indonesian Company will not need to pay further land cost in order to obtain the title of the land. As a going concern basis, it is assumed that the Indonesian Company will be able to obtain the HGB land title without any further payment on the land price and thus the land value is included in the valuation.

The appreciation of the value of the fixed asset is mainly due to the appreciation of the value of the construction in progress, which is valued by using the replacement cost method.

LIMITING CONDITIONS

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Indonesian Company, the Company and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Indonesian Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Simon M.K. Chan
Regional Director

Note: Simon M.K. Chan is a CPA Fellow member of the Hong Kong Institute of Certified Public Accountants, a CPA Fellow member of CPA Australia and a Certified Valuation Analyst, who has extensive experience in valuation and corporate advisory business. He has provided a wide range of valuation services to numerous listed and private companies in different industries, in Mainland China and Hong Kong for over 10 years.

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	9,900,000	0.09

Long positions in the shares of the Company's associated corporation

Long positions in the shares of Shenzhen Listco, namely Oceanwide Holdings Co., Ltd. (泛海控股股份有限公司)*

Name of Director	Capacity	Nature of interests	Number of ordinary shares in Shenzhen Listco	Approximate percentage of shareholding in Shenzhen Listco (%)
Han Xiaosheng	Beneficial owner	Personal interest	2,880,000	0.06
Zheng Dong	Beneficial owner	Personal interest	2,880,000	0.06
Liu Hongwei	Beneficial owner	Personal interest	30,000	0.0007

Save as disclosed above, none of the Directors or chief executives 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.

Save as disclosed in the notes to paragraph 2.2 and paragraph 3 below, 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 Division 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 and the chief executive of the Company, 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（盧志強）	Interest of controlled corporations	6,559,883,847 *(Note 5)*	60.96
Huang Qiongzi（黃瓊姿）	Interest of controlled corporations	6,559,883,847 *(Note 5)*	60.96
Tohigh Holdings Co., Ltd.*（通海控股有限公司）	Interest of controlled corporations	6,559,883,847 *(Note 4)*	60.96
Oceanwide Group Co., Ltd.*（泛海集團有限公司）	Interest of controlled corporations	6,559,883,847 *(Note 3)*	60.96
China Oceanwide Holdings Group Co., Ltd.*（中國泛海控股集團有限公司）	Interest of controlled corporations	6,559,883,847 *(Note 2)*	60.96
Oceanwide Holdings Co., Ltd.*（泛海控股股份有限公司）	Interest of controlled corporations	6,559,883,847 *(Note 1)*	60.96
China Oceanwide Group Limited（中泛集團有限公司）	Interest of controlled corporations	6,559,883,847 *(Note 1)*	60.96

Name	Capacity	Number of Shares held	Approximate percentage of shareholding in the Company (%)
Oceanwide Holdings International Co., Ltd(泛海控股國際有限公司)	Beneficial owner	6,559,883,847 *(Note 1)*	60.96
CTI Capital Management Limited (中信信惠國際資本有限公司)	Interest of security interest in shares	1,650,608,520 *(Note 6)*	15.34
CITIC Corporation Limited (中國中信有限公司)	Interest of controlled corporations	1,650,608,520	15.34
CITIC Group Corporation (中國中信集團有限公司)	Interest of controlled corporations	1,650,608,520	15.34
CITIC Limited(中國中信股份有限公司)	Interest of controlled corporations	1,650,608,520	15.34
CITIC Polaris Limited (中信盛星有限公司)	Interest of controlled corporations	1,650,608,520	15.34
CITIC Securities Company Limited	Interest of controlled corporations	1,650,608,520	15.34
CITIC Securities International Company Limited (中信證券國際有限公司)	Interest of controlled corporations	1,650,608,520	15.34
CITIC Trust Co.,Ltd. (中信信托有限責任公司)	Interest of controlled corporations	1,650,608,520	15.34
Kwok Sau Po	Beneficial owner	820,036,000 *(Note 7)*	7.62

Notes:

(1) Oceanwide Holdings International Co., Ltd(泛海控股國際有限公司), Oceanwide Holdings International Finance Limited(泛海控股國際金融有限公司) and Oceanwide Real Estate International Company Limited(泛海建設國際有限公司) are the wholly-owned subsidiaries of China Oceanwide Group Limited(中泛集團有限公司), which in turn is a wholly owned subsidiary of Oceanwide Holdings Co., Ltd.*(泛海控股股份有限公司). By virtue of the SFO, China Oceanwide Group Limited(中泛集團有限公司) and Oceanwide Holdings Co., Ltd.*(泛海控股股份有限公司) are deemed to be interested in an aggregate of 6,559,883,847 Shares, including (i) 6,419,491,847 Shares held by Oceanwide Holdings International Co., Ltd(泛海控股國際有限公司); (ii) 87,396,000 Shares held by Oceanwide Holdings International Finance Limited(泛海控股國際金融有限公司); and (iii) 53,026,000 Shares held by Oceanwide Real Estate International Company Limited(泛海建設國際有限公司). Oceanwide Holdings International Co., Ltd(泛海控股國際有限公司) has charged its equity interest in 6,419,461,847 Shares to secure a loan facility and The Ka Wah Bank (Nominees) Limited is the registered owner of such 6,419,461,847 Shares. Mr Han Xiaosheng, Mr Liu Guosheng and Mr Zheng Dong are Directors and are also directors of Oceanwide Holdings International Co., Ltd(泛海控股國際有限公司), Oceanwide Holdings International Finance Limited(泛海控股國際金融有限公司) and Oceanwide Real Estate International Company Limited(泛海建設國際有限公司).

(2) China Oceanwide Holdings Group Co., Ltd.*(中國泛海控股集團有限公司) directly and indirectly holds 76.54% interest in the issued share capital of Oceanwide Holdings Co., Ltd.*(泛海控股股份有限公司). By virtue of the SFO, China Oceanwide Holdings Group Co., Ltd.*(中國泛海控股集團有限公司) is deemed to be interested in all the Shares held by Oceanwide Holdings Co., Ltd.*(泛海控股股份有限公司).

(3) Oceanwide Group Co., Ltd.*(泛海集團有限公司) holds 97.44% interest in the issued share capital of China Oceanwide Holdings Group Co., Ltd.*(中國泛海控股集團有限公司). By virtue of the SFO, Oceanwide Group Co., Ltd.*(泛海集團有限公司) is deemed to be interested in all the Shares held by China Oceanwide Holdings Group Co., Ltd.*(中國泛海控股集團有限公司).

(4) Tohigh Holdings Co., Ltd.*(通海控股有限公司) holds the entire issued share capital of Oceanwide Group Co., Ltd.*(泛海集團有限公司). By virtue of the SFO, Tohigh Holdings Co., Ltd.*(通海控股有限公司) is deemed to be interested in all the Shares held by Oceanwide Group Co., Ltd.*(泛海集團有限公司).

(5) Mr. Lu Zhiqiang(盧志強) and Ms. Huang Qiongzi(黃瓊姿)(spouse of Mr. Lu Zhiqiang(盧志強)) together holds more than one-third of the voting power at general meetings of Tohigh Holdings Co., Ltd.*(通海控股有限公司). By virtue of the SFO, Mr. Lu Zhiqiang(盧志強) and Ms. Huang Qiongzi(黃瓊姿) are deemed to be interested in all the Shares held by Oceanwide Group Co., Ltd.*(泛海集團有限公司).

(6) CTI Capital Management Limited(中信信惠國際資本有限公司) is interested in 1,650,608,520 Shares. By virtue of the SFO, CITIC Group Corporation(中國中信集團有限公司), CITIC Polaris Limited(中信盛星有限公司), CITIC Limited(中國中信股份有限公司), CITIC Corporation Limited(中國中信有限公司), CITIC Trust Co., Ltd.(中信信託有限責任公司) and CITIC Securities Company Limited(中信証券股份有限公司) are deemed to be interested in the same parcel of Shares in which CTI Capital Management Limited(中信信惠國際資本有限公司) is interested.

CTI Capital Management Limited(中信信惠國際資本有限公司) is owned by CITIC Trust Co., Ltd.(中信信託有限責任公司) and CITIC Securities International Company Limited(中信証券國際有限公司) as to 51% and 49% respectively. CITIC Trust Co., Ltd.(中信信託有限責任公司) is 80% owned by CITIC Corporation Limited(中國中信有限公司) and 20% by CITIC Industrial Investment Group(中信興業投資集團有限公司). CITIC Industrial Investment Group(中信興業投資集團有限公司) is a wholly-owned subsidiary of CITIC Corporation Limited(中國中信有限公司). CITIC Corporation Limited(中國中信有限公司) is a wholly-owned subsidiary of CITIC Limited(中國中信股份有限公司), which is indirectly owned as to 67.90% by CITIC Group Corporation(中國中信集團有限公司), among which 38.00% is held through CITIC Polaris Limited(中信盛星有限公司). CITIC Securities International Company Limited(中信証券國際有限公司) is wholly owned by CITIC Securities Company Limited(中信証券股份有限公司).

(7) As at the Latest Practicable Date, Mr. Kwok Sau Po held 820,036,000 Shares, representing approximately 7.62% of the total issued share capital of the Company.

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 required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Name of Director	Name of Company	Nature of Interest	Nature of Competing Business
Han Xiaosheng	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Director	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Director	Property development and investment
Liu Bing	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Vice President, Chief Risk Control Officer	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Vice President	Property development and investment

Name of Director	Name of Company	Nature of Interest	Nature of Competing Business
Liu Hongwei	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Vice President	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Supervisor	Property development and investment
Liu Guosheng	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Chief Financial Officer	Property development and investment
Qin Dingguo	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Director, Vice President	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Director	Property development and investment
Zheng Dong	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Supervisor	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Director	Property development and investment
Zhao Yingwei	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Director, Vice President, Chief Financial Officer	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Director	Property development and investment
Qi Zixin	China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Director	Property development and investment
	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Director	Property development and investment
Yan Fashan	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)	Director	Property development and investment

China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)(China Oceanwide) is a joint stock company established in 1988 in the PRC with limited liability. It is the controlling shareholder of Shenzhen Listco 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, management consulting services relating to the aforementioned businesses. Based on the audited financials of China Oceanwide as of 31 December 2014, it had total assets of approximately RMB127,230 million and generated a total revenue of approximately RMB8,901 million.

The businesses of Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司)(Shenzhen Listco) are mentioned in the "Letter from the Board" in the paragraph headed "Shenzhen Listco" under the section headed "Information on the Parties".

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 property development and investment, no competition is considered to exist among the Enlarged Group (which will focus on offshore investments) and the above entities (which will focus 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 Enlarged 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 EXPERTS' INTEREST IN ASSETS

As at the Latest Practicable Date, none of the Directors or experts named in this circular had any direct or indirect interest in any asset which had been, since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, 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 Enlarged Group.

6. DIRECTORS' AND EXPERTS' INTEREST IN CONTRACTS

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

7. LITIGATION

As at the Latest Practicable Date, no member of the Enlarged 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 Enlarged Group.

8. INTENTION OF THE GROUP

As at the Latest Practicable Date, the Company does not intend to, and has not entered into any negotiations, agreement, arrangement or understanding (concluded or otherwise) with respect to:

(a) any disposal, scaling-down and/or termination of its existing businesses and/or major operating assets;

(b) any acquisition/investment of new business or injection of any new business to the Group; and

(c) any changes in the Company's board composition and shareholding structure.

9. EXPERTS AND CONSENTS

(a) The following are the qualification of the experts who have given opinion or advice contained in this circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Somerley Capital Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	independent property valuer
Ali Budiardjo, Nugroho, Reksodiputro	counsellors at law in Indonesia

(b) As at the Latest Practicable Date, each of PwC, Somerley, JLL and Ali Budiardjo, Nugroho, Reksodiputro did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) Each of PwC, Somerley, JLL and Ali Budiardjo, Nugroho, Reksodiputro 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.

10. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business of the Group, were entered into by the Enlarged Group within two years immediately preceding the issue of this circular and which are or may be material:

(a) the trust & agency deed dated 22 March 2015 entered into between China Oceanwide International Asset Management Limited and Geoswift Investment Limited in relation to the subscription for H shares of GF Securities Co., Ltd. for an aggregate value of not more than US$100,000,000;

(b) the placing agreement dated 29 April 2015 entered into between the Company and Haitong International Securities Company Limited in relation to the private placing of a maximum of 1,793,628,000 new Shares at the placing price of HK$0.961 each under general mandate;

(c) the loan agreement dated 15 June 2015 entered into between China Oceanwide International Capital Investments Management Limited (as lender) and the Able China Investments Limited (as borrower) in respect of a loan in the principal amount of up to HK$700,000,000;

(d) the deed of charge of the shares and all related rights dated 15 June 2015 entered into between China Oceanwide International Capital Investments Management Limited and Able China Investments Limited, pursuant to which Able China Investments Limited charged 270,000,000 ordinary shares of HK$0.001 each in the issued share capital of Simsen International Corporation Limited legally and beneficially owned by Able China Investments Limited in favour of China Oceanwide International Capital Investments Management Limited;

(e) the sale and purchase agreement dated 5 August 2015 entered into between China Oceanwide Real Estate Development III Limited (as purchaser), and 80 South, LLC and Seaport Development Holdings, LLC (as sellers) in relation to the acquisition of certain properties located in New York, the US at a consideration of US$390,000,000 (equivalent to approximately HK$3,042.0 million);

(f) the US Sale Agreement;

(g) the Indonesian Sale Agreement;

(h) the US Deed of Assignment; and

(i) the Indonesian Deed of Assignment.

11. 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, 26 Burnaby Street, Hamilton HM11, Bermuda.

(d) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(e) The company secretary of the Company is Liang Yanyu, who is a practicing solicitor in Hong Kong.

(f) The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at 64/F, Bank of China Tower, 1 Garden Road, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day from the date of this circular up to and including 14 October 2015:

(a) the memorandum of association and bye-laws of the Company;

(b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 38 to 39 of this circular;

(c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out from pages 40 to 61 of this circular;

(d) the annual reports of the Company for the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014;

(e) the accountant's report of the Target Companies, the text of which is set out in Appendix IIA and Appendix IIB to this circular;

(f) the report from PwC on unaudited pro forma financial information of the US Enlarged Group, the Indonesian Enlarged Group and the Enlarged Group, the text of which is set out in Appendix IIIA, Appendix IIIB and Appendix IIIC to this circular;

(g) the Valuation Reports from JLL, the text of which is set out on Appendix VA, Appendix VB and Appendix VI to this circular;

(h) the written consents of the experts as referred to in the section headed "Experts and Consents" in this appendix;

(i) the material contracts referred to in the section headed "Material Contracts" in this appendix;

(j) the circular dated 25 September 2015 relating to the major transaction in relation to acquisition of certain properties in New York, the US; and

(k) this circular.

中泛控股有限公司
CHINA OCEANWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 715)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of the shareholders of China Oceanwide Holdings Limited (the "**Company**") will be held at Taishan Room, Level 5, Island Shangri-La, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 14 October 2015 at 2:30 p.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

"**THAT**

1. (a) the US Sale Agreement dated 20 August 2015 (as defined in the circular of the Company dated 25 September 2015 (the "**Circular**")), entered into between the US Purchaser (as defined in the Circular) and the US Vendor (as defined in the Circular), pursuant to which the US Purchaser has conditionally agreed to acquire from the US Vendor 100% of the issued share capital in the US Target (as defined in the Circular) and the US Shareholder Loan (as defined in the Circular) and the US Vendor has conditionally agreed to sell 100% of the issued share capital in the US Target and the US Shareholder Loan to the US Purchaser at an aggregate consideration of US$215,100,000, subject to the terms and conditions of the US Sale Agreement, a copy of which has been produced at the SGM marked "A" and signed by the chairman of the SGM for identification purpose, be confirmed, approved and ratified;

   (b) all the transactions contemplated under the US Sale Agreement be approved, confirmed and ratified;

   (c) any director of the Company ("**Director**") (or where execution under the common seal of the Company is required, any two Directors or any one Director and any one secretary of the Company) be authorised to do such acts and execute such other documents and/or deeds with or without amendments and/or take all such steps as he/she may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or for the completion of the US Sale Agreement;

2. (a) the Indonesian Sale Agreement dated 20 August 2015 (as defined in the Circular) entered into between the Indonesian Purchaser (as defined in the Circular) and the Indonesian Vendor (as defined in the Circular), pursuant to which the Indonesian Purchaser has conditionally agreed to acquire from the Indonesian Vendor 100% of the issued share capital in the Indonesian Target (as defined in the Circular) and the Indonesian Shareholder Loan (as defined in the Circular) and the Indonesian Vendor has conditionally agreed to sell 100% of the issued share capital in the Indonesian Target and the Indonesian Shareholder Loan to the Indonesian Purchaser at an aggregate consideration of US$37,090,000, subject to the terms and conditions of the Indonesian Sale Agreement, a copy of which has been produced at the SGM marked "B" and signed by the chairman of the SGM for identification purpose, be confirmed, approved and ratified;

   (b) all the transactions contemplated under the Indonesian Sale Agreement be approved, confirmed and ratified; and

   (c) any Director (or where execution under the common seal of the Company is required, any two Directors or any one Director and any one secretary of the Company) be authorised to do such acts and execute such other documents and/or deeds with or without amendments and/or take all such steps as he/she may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or for the completion of the Indonesian Sale Agreement."

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

Hong Kong, 25 September 2015

Notes:

1. The resolutions proposed at the SGM are subject to the approval by the Independent Shareholders (as defined in the Circular) and will be voted by way of poll.

2. A member entitled to attend and vote at the SGM convened by the above notice shall be entitled to appoint another person as his proxy to attend and, subject to the provisions of the articles of association of the Company, vote instead of him. A proxy need not be a shareholder of the Company.

3. Where there are joint holders of any Share (as defined in the Circular), any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the SGM the vote of the joint holder whose name stands first on the register of members of the Company in respect of the joint holding who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

4. In order to be valid, the form of proxy for use at the SGM must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event not less than forty-eight (48) hours before the time for holding the SGM (or at any adjournment thereof) (as the case maybe).

5. If tropical cyclone warning signal no. 8 or above remains hoisted or a black rainstorm warning signal is in force at 11:00 a.m. on the date of the SGM, the SGM will be postponed. Shareholders may visit the website of the Company at www.oceanwide.hk for details of the postponement and alternative SGM arrangements. The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the SGM under bad weather conditions bearing in mind their own situations and if they should choose to so do, they are advised to exercise care and caution.

6. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the Board comprises the following Directors:

Executive Directors:
Mr HAN Xiaosheng *(Chairman)*
Mr LIU Bing
Mr LIU Hongwei
Mr LIU Guosheng

Non-executive Directors:
Mr QIN Dingguo *(Deputy Chairman)*
Mr ZHENG Dong *(Deputy Chairman)*
Mr ZHAO Yingwei
Mr QI Zixin

Independent Non-executive Directors:
Mr LIU Jipeng
Mr CAI Hongping
Mr YAN Fashan
Mr LO Wa Kei Roy