中泛控股有限公司
CHINA OCEANWIDE HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 715)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

THE BOARD (THE "BOARD") OF DIRECTORS (THE "DIRECTOR(S)") OF CHINA OCEANWIDE HOLDINGS LIMITED ("CHINA OCEANWIDE HOLDINGS" OR THE "COMPANY", TOGETHER WITH ITS SUBSIDIARIES, THE "GROUP") IS PLEASED TO ANNOUNCE THE INTERIM RESULTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2018 (THE "PERIOD").

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended 30 June 2018 HK$'million	 2017 HK$'million	Change
Revenue	**76.7**	71.7	**+7%**
Earnings before interest expense and tax	**25.1**	21.6	**+16%**
Profit attributable to shareholders of the Company	**13.8**	13.6	**+1%**
Earnings per share	**HK0.09 cent**	HK0.08 cent	**+13%**

CHAIRMAN'S STATEMENT

China Oceanwide Holdings, being the major listed platform for the overseas businesses of its parent company, Oceanwide Holdings Co., Ltd.* ("Oceanwide Holdings", the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000046)), has devoted itself to its strategic corporate transformation since 2014, and has successfully developed itself into an established international conglomerate incorporating property investment, real estate development, energy and strategic financial investment. The assets of China Oceanwide Holdings mainly comprise overseas United States dollar ("US$") denominated assets featuring, among others, quality real estate development projects in the United States of America (the "United States" or "U.S.") and energy development projects in the Republic of Indonesia ("Indonesia"). Benefiting from the strengthening U.S. economy and US$, the scale of the Group's US$ denominated assets continued to grow, all construction projects are progressing well and a solid foundation for generating future profits has been laid by leveraging the diversified investment and financing management channels, internationalised capital and excellent professionals in Hong Kong as well as the ample resources, extensive experience and leading vision of its controlling shareholder.

MACRO-ECONOMIC ENVIRONMENT

Since 2018, the overall economies of the People's Republic of China (the "PRC") and Hong Kong maintained a steady pace with favourable outlook. The continuous growing U.S. economy and the promulgation of the U.S. tax reform that directly cut tax rates are beneficial to the overall development of the Group's real estate projects in the U.S. Nevertheless, the global financial market remained volatile and the major stock markets around the globe have undergone striking adjustments due to the recent trade war between the PRC and the U.S. and the increasing import tariff policies and retaliatory measures against trading partners as announced by the U.S., which affect the performance of the Group's strategic financial investment segment. Accordingly, the Group has grasped the opportunity to dispose of a portion of its debt and equity investments.

During the Period, the central government of the PRC announced a new "structural deleveraging" initiative, which poses a serious challenge to both domestic and overseas financing. In view of the uncertainties about U.S. macro-economic policies, rate hikes and balance sheet reduction of the U.S. Federal Reserve and possible reversal of monetary policy, the management has maintained its prudent principle and given the highest priority to risk control, focusing mainly on the sufficiency of capital to support its business development. Through the flexible use of various financing channels, the Group has strengthened overall overseas liquidity and enhanced the efficiency of cash utilisation so as to maintain capital liquidity and sufficiency and prevent over-budget contingent expenses. With the management's sustained effort, the Group successfully raised net financing proceeds of HK$1,428.9 million during the Period. The controlling shareholder also provided the Group with unceasing financial support to maintain sufficient liquid funds. As at 30 June 2018, the Group has drawn loans from the controlling shareholder totalling approximately HK$3,420.1 million (31 December 2017: HK$3,120.5 million).

FINANCIAL RESULTS

During the Period, the scale of the Group's assets continued to grow. As at 30 June 2018, total assets of the Group rose to HK$22,989.8 million, representing an increase of 7% as compared to 31 December 2017. In particular, the scale of investment properties increased by 19% to HK$4,057.5 million as compared to 31 December 2017, while the scale of properties under development increased by 11% to HK$13,465.1 million as compared to 31 December 2017. Mainly located in prime locations in major cities in the U.S., the properties under development will be developed into diversified residential, hotel and commercial properties partly for sale and partly for holding in the future and are expected to bring ample mid to long-term returns to the Group.

Although the real estate development and energy segments of the Group are still in their construction stages with increasing capital expenditure, the management always strives to preserve profitability and therefore maintained generally stable revenue. Revenue for the Period amounted to HK$76.7 million (2017: HK$71.7 million) and earnings before interest expense and tax ("EBIT") for the Period amounted to HK$25.1 million (2017: HK$21.6 million). Excluding other net losses[1] of HK$5.7 million (2017: HK$8.1 million), EBIT for the Period was HK$30.8 million (2017: HK$29.7 million). The increase in EBIT was mainly attributable to the increase in revenue, which was partially offset by an increase in expenses.

Consolidated profits attributable to the shareholders for the Period amounted to HK$13.8 million (2017: HK$13.6 million), while basic earnings per share amounted to HK0.09 cent (2017: HK0.08 cent).

DIVIDEND

In order to retain cash reserve for the Group's business development, the Board does not recommend the payment of any interim dividend for the Period (2017: Nil).

BUSINESS REVIEW OF EACH SEGMENT

Property investment

During the Period, the property investment segment contributed revenue of HK$51.0 million, representing an increase of 15% from HK$44.3 million in the corresponding period of 2017. EBIT amounted to HK$44.4 million, representing an increase of 20% from HK$37.1 million in the corresponding period of 2017. The increase in both revenue and EBIT was mainly attributable to the appreciation of Renminbi ("RMB") and the increase in the occupancy rates of two office and commercial properties in Shanghai during the Period. As at 30 June 2018, the average occupancy rate of these two office and commercial properties was 96%.

The property investment segment continued to contribute stable revenue to the Group. The Group's property investment team has been striving for better segment profit contribution to the Group by expanding income streams and cutting costs by multiple means.

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1 Other net losses for the Period of HK$5.7 million represented net foreign exchange losses of HK$19.1 million, net of fair value gains (before tax) from the revaluation of financial assets at fair value through profit or loss of HK$7.1 million (of which HK$19.5 million was fair value gains from the revaluation of unlisted equity investments and HK$12.4 million was fair value losses from the revaluation of fund investments) and net gains (before tax) from the disposal of financial assets at fair value through other comprehensive income (all being listed debt securities) of HK$6.3 million. Other net losses for the corresponding period of 2017 of HK$8.1 million represented net foreign exchange losses of HK$15.3 million, net of net gains from the disposal of listed equity securities of HK$7.2 million.

Real estate development

In view of the recovery of the U.S. economy and the continuing appreciation of US$, the Group maintained its focus on the development of its U.S. real estate projects. All projects are located in prime locations of major cities in the U.S. and are positioned as mid to high-end luxurious property complexes and new regional landmarks. As at 30 June 2018, the Group has five real estate development projects as follows:

Project name	Site area (sqm)	Fund invested as at 30 June 2018 (US$' million)	Current project status	Project development
Los Angeles Project	18,662	936.7	The project is in the main construction stage. The construction of the main structures of the North Tower, the South Tower and the podium has been basically completed. The façade panel installation works of the South Tower has also been basically completed, while that for the 50th floor and above of the North Tower is still proceeding. The installation of interior drywall, frame and electrical systems is at full steam.	Upscale condominiums, a luxury five-star hotel under the "Park Hyatt" brand, a large-scale shopping mall and the largest LED signage panel in the west coast of the U.S.
New York Project	1,367	403.1	Conceptual design has been completed and schematic design is currently in progress.	A mixed use building comprising high-end hotel and residential units
Hawaii Ko Olina No. 2 Land Project	70,000	205.8	Conceptual design is currently in progress.	Two luxury branded hotels and residential condominiums
Hawaii Ko Olina No. 1 Land Project	106,311	290.1	Schematic design is currently in progress.	An international luxury resort under the "Atlantis" brand with luxury residences and a hotel
Hawaii Kapolei Project	2,066,286	118.9	Phase 1 of infrastructure construction is currently in progress.	Commercial properties, residential properties and community facilities

Los Angeles Project

In October 2015, the Group successfully acquired the real estate development project in Los Angeles, the U.S. from a subsidiary of its parent company, Oceanwide Holdings. This project is located in the core of Los Angeles near landmark buildings such as Staples Center (home to the Lakers and the Clippers), Microsoft Theater, Los Angeles Convention Center and The Ritz-Carlton. With considerable flow of people and customers, it is an excellent site for the development of commercial complex. The project covers a total land area of approximately 18,662 square meters ("sqm") with a gross floor area of approximately 138,249 sqm. It is planned to be developed into a large scale mixed use urban commercial complex with three upscale condominiums, a luxury five-star hotel under the “Park Hyatt” brand, which is the topnotch hotel brand under the Hyatt group, a shopping mall with a gross floor area of approximately 15,476 sqm, and the largest LED signage panel in the west coast of the U.S. The construction of the project commenced in the second half of 2014. Currently, the project is in the main construction stage. The construction of the main structures of the North Tower, the South Tower and the podium has been basically completed. The façade panel installation works of the South Tower has also been basically completed, while that for the 50th floor and above of the North Tower is still proceeding. The installation of interior drywall, frame and electrical systems is at full steam. The construction of partitions and the installation of elevators are expected to be finished by the end of 2018. The whole South Tower and North Tower are expected to be completed by the end of 2019 and the beginning of 2020, respectively. Landscaping and site utility infrastructure are expected to be done by the beginning of 2020. Having received the letters of intent to lease from various large and medium-scale enterprises, signing of the lease contracts of the commercial portion has been started. As at 30 June 2018, total funds invested in the project were approximately US$936.7 million (equivalent to approximately HK$7,351.1 million).

New York Project

In March 2016, the acquisition of the sites in New York was completed. This project involves two parcels of land situated in the core area of the Seaport District, Lower Manhattan, the U.S., and are adjacent to the East River and close to the famous Brooklyn Bridge on its east, looking toward the New York Harbour and the Statue of Liberty on its south, facing the World Trade Center on its west and overlooking the skyline of the whole Manhattan Island on its north. With a land area of approximately 1,367 sqm and a development area of 75,975 sqm, the site is well-positioned for hotel and residential development. Certification has been obtained from the City Planning Commission of the City of New York in respect of the project, which is planned to be developed into a mixed use building comprising high-end hotel and residential units. The conceptual design of the project has been completed and the schematic design is currently in progress. As at 30 June 2018, total funds invested in the project were approximately US$403.1 million (equivalent to approximately HK$3,163.5 million).

Hawaii Projects

Ko Olina No. 2 Land

In December 2015, the Group acquired certain parcels of land in Ko Olina District on Oahu Island in Hawaii, the U.S., one of the world’s most popular tourist destinations. These land parcels are one of the scarce sites available for hotel development on Oahu Island and have rich natural resources and beautiful coastline with a land area of approximately 70,000 sqm and an estimated gross floor area of approximately 92,292 sqm. It is planned to be developed into two luxury branded hotel and residential condominiums. The project is currently in its conceptual design stage. As at 30 June 2018, total funds invested in the project were approximately US$205.8 million (equivalent to approximately HK$1,615.1 million).

Ko Olina No. 1 Land

In September 2016, the Group completed the acquisition of three parcels of land in Ko Olina District on Oahu Island in Hawaii, the U.S. with an area of approximately 106,311 sqm. The Group reached an agreement with the holding company of the "Atlantis" brand in December 2016 to develop the land parcels into an international luxury resort under the "Atlantis" brand, which shall consist of a hotel component comprising approximately 800 guestrooms, an aquarium, restaurants, bars, spas, gyms, conference facilities and outdoor pools and bars, etc. as well as a branded residence component which shall contain approximately 524 luxury residences marked in association with the "Atlantis" brand. The project is currently in its schematic design stage. As at 30 June 2018, total funds invested in the project were approximately US$290.1 million (equivalent to approximately HK$2,276.7 million).

Kapolei

In October 2016, the Group completed the acquisition of certain parcels of land in the Kapolei area on Oahu Island in Hawaii, the U.S. with an area of approximately 2.07 million sqm. These parcels of land are adjacent to the above-mentioned land parcels in Ko Olina District on Oahu Island and can create synergies and enhance brand values. The land is planned to be used for the construction of commercial properties, residential properties and community facilities. Phase I of infrastructure construction of this project is currently in progress. As at 30 June 2018, total funds invested in the project were approximately US$118.9 million (equivalent to approximately HK$933.1 million).

As the above projects are currently in their initial stage and have not commenced any operation, loss before interest expense and tax ("LBIT") of the real estate development segment was HK$13.4 million, representing an increase of 42% as compared to HK$9.5 million in the corresponding period of 2017. The increase in LBIT was mainly attributable to the absence of rental income in 2018, as well as the increase in employee costs and operating expenses with the commencement of project development. Rental income of HK$2.0 million from Ko Olina No.1 Land in Hawaii was recorded in the corresponding period of last year.

Energy

In 2015, the Group acquired an energy project to develop two coal-fired steam power plants (with a net capacity of 150 megawatt each) in the Medan industrial zone of Indonesia (the "Medan Project"). The project company for the Medan Project, PT. Mabar Elektrindo ("PT Mabar"), has entered into a power purchase agreement with the local state-owned power grid company, PT Perusahaan Listrik Negara (Persero). The foundation work of the Medan Project has been completed and the structural construction has commenced. The equipment of the power plants has been moved in successively for installation. As at 30 June 2018, total funds invested in the Medan Project were approximately US$362.0 million (equivalent to approximately HK$2,840.9 million).

As the Medan Project is still in the construction stage, LBIT of the energy segment for the Period was HK$2.6 million, representing a decrease of 47% as compared to HK$4.9 million in the corresponding period of 2017. The decrease was primarily attributable to the increased capitalisation of operating costs.

Finance investment and others

Revenue of the finance investment and others segment for the Period was HK$25.7 million, representing an increase of 1% as compared to HK$25.4 million in the corresponding period of 2017. LBIT for the Period was HK$3.3 million (2017: HK$1.1 million). Excluding other net losses[1] for 2018 and 2017, EBIT was HK$2.5 million (2017: HK$7.0 million). The decrease was mainly due to the increase in operating costs.

As at 30 June 2018, the fair value of the Group's equity, fund and debt investments was HK$780.9 million (31 December 2017: HK$989.4 million), representing 2.32%, 0.58% and 0.49% of total assets of the Group respectively. During the Period, the Group grasped the opportunity to realise net gains of HK$6.3 million from the disposal of some listed debt securities. In July this year, the Company disposed of its entire equity interest in a former wholly-owned subsidiary which held an equity investment in an unlisted company prior to the disposal, to a connected person of the Company for a consideration of US$12.8 million (equivalent to approximately HK$100.5 million). Details of the disposal are disclosed in the announcement of the Company dated 30 July 2018. Based on the disposal consideration, the Group recorded a fair value gain of HK$19.5 million arising from the revaluation of the equity investment in the unlisted company on 30 June 2018.

OUTLOOK

During the Period, the Group focused on developing all its business segments, and the development and operation teams for each project are on track. Looking forward, in view of the upcoming business expansion and increasing capital expenditure, the management will concentrate on maintaining sufficient capital reserve through multiple fund raising activities such as shareholder's or external loans, debt financing and equity financing. The management will also monitor all capital and operational risks arising from the Group's business growth, and complete the development of the projects as soon as possible in order to generate investment returns. Meanwhile, the management will strictly control the capital expenditures and costs of the projects and ensure the timely completion of the projects and thus profit contribution to the Group as planned. While committed to the development of its existing businesses, the Group will also keep an eye on other opportunities to expand its financial, real estate and energy businesses in the PRC and overseas and gather diversified development resources so as to enhance its profitability, increase returns to the shareholders, enlarge the scale of its assets and lay a solid foundation for its future development.

The property investment segment will strive to contribute stable RMB revenue and profit to the Group by boosting the occupancy rates of and revenues from the two office and commercial properties in Shanghai.

Guided by its established long-term development plan and the extensive experience of the management team of Oceanwide Holdings, the Group will make every effort to develop the acquired projects in the face of new opportunities and challenges brought by the U.S. economic development. The management is cautiously optimistic about the future and is confident that with its stringent cost and risk control, the projects will be completed and launched for sale as scheduled so as to realise profit for the Group.

The energy segment will also endeavor to facilitate the construction of the Medan Project, enforce stringent quality, safety and cost control, procure the lawful and orderly commission of the project on schedule, and thus provide a stable source of income to the Group.

Subject to the availability of sufficient capital, the Group will continue to identify investment and business expansion opportunities in a prudent and diligent manner, deliver efficient and stable business expansion and optimise its asset portfolio. With the experience of and support from the Company's controlling shareholder, the Group undertakes to strengthen and expand the property investment, real estate development, energy, finance investment and others segments with the aim of enhancing the long-term returns for the Company's shareholders.

APPRECIATION

On behalf of the Board, I would like to express sincere gratitude to all of our staff for their hard work and dedication and to thank all our shareholders, business partners and customers for their continuous support.

HAN Xiaosheng
Chairman

Hong Kong, 30 August 2018

CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the six months ended 30 June 2018

	Note	Unaudited Six months ended 30 June 2018 HK$'000	2017 HK$'000
Revenue	*3*	**76,680**	71,688
Cost of sales		**(4,297)**	(4,248)
Gross profit		**72,383**	67,440
Other net losses	*4*	**(5,724)**	(8,103)
Administrative expenses		**(38,444)**	(36,674)
Selling and distribution costs		**(3,139)**	(1,034)
Profit before tax	*4*	**25,076**	21,629
Income tax expense	*5*	**(11,909)**	(7,763)
Profit for the period		**13,167**	13,866
Profit/(loss) attributable to:			
Shareholders of the Company		**13,755**	13,596
Non-controlling interests		**(588)**	270
		13,167	13,866
Basic and diluted earnings per share attributable to shareholders of the Company	*7*	**HK0.09 cent**	HK0.08 cent

Details of interim dividend are set out in Note 6.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2018

	Unaudited Six months ended 30 June 2018 HK$'000	2017 HK$'000
Profit for the period	**13,167**	13,866
Other comprehensive income/(expenses):		
Items that may be reclassified subsequently to profit or loss:		
Translating financial statements of foreign operations:		
— Gains taken to reserves	**41,134**	104,317
Debt investments at fair value through other comprehensive income:		
— Net valuation losses taken to reserves	**(6,330)**	–
— Net gains previously in reserves recognised in statement of income	**(6,281)**	–
Investments classified as available-for-sale financial assets:		
— Net valuation losses taken to reserves	**–**	(4,255)
— Net gains previously in reserves recognised in statement of income	**–**	(7,198)
Items that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income:		
— Net valuation losses taken to reserves	**(39,376)**	–
Other comprehensive (expenses)/income for the period, net of tax**	**(10,853)**	92,864
Total comprehensive income for the period	**2,314**	106,730
Total comprehensive (expenses)/income attributable to:		
Shareholders of the Company	**(417)**	99,811
Non-controlling interests	**2,731**	6,919
	2,314	106,730

** *There was no tax effect on each component of the other comprehensive (expenses)/income for the six months ended 30 June 2018 and 2017.*

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2018

	Note	**Unaudited 30 June 2018 HK$'000**	Audited 31 December 2017 HK$'000
ASSETS			
Non-current assets			
Properties, plant and equipment		**2,865,207**	2,749,420
Investment properties		**4,057,535**	3,400,473
Leasehold land and land use rights		**2,430**	1,359
Available-for-sale financial assets		**–**	908,746
Financial assets at fair value through other comprehensive income		**517,776**	–
Financial assets at fair value through profit or loss		**71,518**	80,670
Deposits, prepayments and other receivables		**600,634**	506,311
Deferred income tax assets		**12,853**	9,211
		8,127,953	7,656,190
Current assets			
Properties under development		**13,465,117**	12,131,649
Trade receivables	*8*	**277**	292
Deposits, prepayments and other receivables		**56,234**	75,939
Financial assets at fair value through other comprehensive income		**28,228**	–
Financial assets at fair value through profit or loss		**163,359**	–
Restricted cash		**875,282**	880,642
Cash and cash equivalents		**273,317**	713,397
		14,861,814	13,801,919
Total assets		**22,989,767**	21,458,109

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
At 30 June 2018

	Unaudited 30 June 2018 HK$'000	Audited 31 December 2017 HK$'000
EQUITY		
Equity attributable to shareholders of the Company		
Share capital	**1,614,265**	1,614,265
Reserves	**9,092,657**	9,093,074
	10,706,922	10,707,339
Non-controlling interests	**471,192**	468,461
Total equity	**11,178,114**	11,175,800
LIABILITIES		
Non-current liabilities		
Other loan	**1,071,238**	1,067,007
Deferred income tax liabilities	**275,450**	268,787
	1,346,688	1,335,794
Current liabilities		
Deposits received, other payables and accruals	**1,632,094**	1,539,332
Bank and other loans	**5,387,807**	4,261,357
Amount due to an intermediate holding company	**3,420,101**	3,120,506
Current income tax liabilities	**24,963**	25,320
	10,464,965	8,946,515
Total liabilities	**11,811,653**	10,282,309
Total equity and liabilities	**22,989,767**	21,458,109

Notes:

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

This unaudited condensed consolidated interim financial information ("Interim Financial Statements") is prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited. These Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017.

These Interim Financial Statements have been prepared under the historical cost convention except for investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which are stated at fair values.

The accounting policies applied and methods of computation used in the preparation of these Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2017, except for the adoption of the standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for accounting periods beginning 1 January 2018.

The Group has adopted Hong Kong Financial Reporting Standard ("HKFRS") 15 using the full retrospective approach with which the relevant accounting policies have been consistently applied to the Group's Interim Financial Statements throughout the years and periods presented. The Group has also adopted HKFRS 9 using the modified retrospective approach with which the cumulative impact of the adoption, if any, will have been recognised in the retained earnings as of 1 January 2018 and that comparatives will not be restated.

Pursuant to the adoption of HKFRSs 9 and 15, there have been changes to certain of the Group's accounting policies.

HKFRS 15 replaces both the provisions of HKASs 18 and 11 and the related interpretations that relate to the recognition, classification and measurement of revenue and cost. The adoption of HKFRS 15 by the Group did not result in any impact on the timing of recognition of rental income, interest income and dividend income. Further, since the pre-sales and sales of properties under real estate development business segment are yet to commence, the Group is not required to make any retrospective adjustments.

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities, and a new impairment model for financial assets. The adoption of HKFRS 9 did not result in any restatement of comparative financial information but impact to the retained earnings as of 1 January 2018 and impact to these Interim Financial Statements during the six months ended 30 June 2018.

As at 30 June 2018, the Group had properties under development of HK$13,465,117,000 which were classified as current assets while expected to be completed and recovered after one year. Excluding these properties under development, which are illiquid in nature, the Group's current liabilities exceeded its current assets by HK$9,068,268,000 as at 30 June 2018. This is mainly because certain bank and other loans of HK$5,387,807,000 will fall due within twelve months of the date of statement of financial position and an amount due to an intermediate holding company of HK$3,420,101,000 is repayable on demand. In addition, the Group's businesses in real estate development in the U.S. and energy sector in Indonesia are capital intensive in nature and funding the continuous development of these businesses would require access to substantial capital in the foreseeable future.

Notes: (Continued)

1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In view of these circumstances, the Directors have taken careful consideration to the future liquidity, the construction progress of the projects in the U.S. and Indonesia and its available sources of financing in assessing whether the Group has sufficient working capital for the next twelve months from the date of statement of financial position. In order to improve the Group's financial position and alleviate the liquidity pressure, the Directors have been implementing various measures as follows:

(i) On 23 July 2018, the Company entered into a facility agreement with a licensed bank, as the lender relating to a HK$784,670,000 million facility;

(ii) On 9 August 2018, the Company entered into a facility agreement relating to a term loan facility in the aggregate amount of US$215,000,000 (equivalent to approximately HK$1,687,299,000) (subject to adjustment) of which China Oceanwide Real Estate Development Holdings Limited, a wholly-owned subsidiary of the Company being the borrower, and Global Max Opportunity IV Limited, an independent third party being the lender;

(iii) The Group is currently negotiating with the banks and financial institutions to renew or extend the existing facilities;

(iv) The Group is able to utilise the undrawn facilities as at 30 June 2018 amounting to HK$6,144,136,000 (including undrawn facilities from an intermediate holding company); and

(v) The Group will also continue to seek other alternative financing and bank borrowings to finance the settlement of its future financial obligations, operating and capital expenditures.

Nonetheless, whether management of the Group is able to achieve its plans and measures as described above would depend upon (i) the ability to obtain continuous financial support from the Group's holding companies and controlling shareholders; (ii) the successful negotiation with the banks and financial institutions to renew the Group's facilities upon its expiry; and (iii) the ability to seek other alternative financing and bank borrowings.

In light of the above, taking into account all the financial resources currently available to the Group, including the banking facilities currently available (subject to renewal and extension) as well as further borrowings currently under negotiation with potential lenders and the continuous financial support from the Company's intermediate holding companies (when necessary), in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2018.

These Interim Financial Statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated.

These Interim Financial Statements were approved for issue on 30 August 2018.

Notes: (Continued)

2 CHANGES IN ACCOUNTING POLICIES

HKFRS 9 Financial Instruments

Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

The main effects resulting from this reclassification of financial assets are as follows:

	Note	**Financial assets at fair value through profit or loss** HK$'000	**Financial assets at fair value through other comprehensive income** HK$'000	**Available-for-sale financial assets** HK$'000
Opening balance 1 January 2018 — HKAS 39		80,670	–	908,746
Reclassify listed debt securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	*(i)*	–	332,338	(332,338)
Reclassify listed equity securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	*(ii)*	–	500,042	(500,042)
Reclassify non-publicly traded fund investments from available-for-sale financial assets to financial assets at fair value through profit or loss	*(iii)*	76,366	–	(76,366)
Opening balance 1 January 2018 — HKFRS 9		157,036	832,380	–

Notes: (Continued)

2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 9 Financial Instruments (Continued)

Impact of adoption (Continued)

The impact of these changes on the Group's equity is as follows:

	Note	**Investment revaluation reserve** HK$'000	**Fair value through other comprehensive income reserve** HK$'000	**Retained profits** HK$'000
Opening balance 1 January 2018 — HKAS 39		(24,194)	–	724,674
Reclassify listed debt securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	*(i)*	(15,719)	15,719	–
Reclassify listed equity securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income	*(ii)*	38,209	(38,209)	–
Reclassify non-publicly traded fund investments from available-for-sale financial assets to financial assets at fair value through profit or loss	*(iii)*	1,704	–	(1,704)
Opening balance 1 January 2018 — HKFRS 9		–	(22,490)	722,970

Notes:

(i) Reclassification of listed debt securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income

Listed debt securities were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income, as the Group's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest. As a result, listed debt securities with a fair value of HK$332,338,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income and fair value gains of HK$15,719,000 were reclassified from the investment revaluation reserve to the fair value through other comprehensive income reserve on 1 January 2018.

Notes: (Continued)

2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

HKFRS 9 Financial Instruments (Continued)

Impact of adoption (Continued)

Notes: (Continued)

(ii) Reclassification of listed equity securities from available-for-sale financial assets to financial assets at fair value through other comprehensive income

The Group elected to present in other comprehensive income changes in the fair value of all its listed equity securities previously classified as available-for-sale financial assets, because these investments are held as strategic investments. As a result, listed equity securities with fair values of HK$500,042,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income and fair value losses of HK$38,209,000 were reclassified from the investment revaluation reserve to the fair value through other comprehensive income reserve on 1 January 2018. Other income for the six months ended 30 June 2018 was HK$3,797,000 higher as there is no longer any reclassification of accumulated amounts from reserves to profit or loss on the disposal of these investments.

(iii) Reclassification of non-publicly traded fund investments from available-for-sale financial assets to financial assets at fair value through profit or loss

The Group's non-publicly traded fund investments were reclassified from available-for-sale financial assets to financial assets at fair value through profit or loss (HK$76,366,000 as at 1 January 2018). They do not meet the HKFRS 9 criteria for classification at amortised cost or at fair value through other comprehensive income, because their cash flows do not represent solely payments of principal and interest.

Related fair value loss of HK$1,704,000 were transferred from the investment revaluation reserve to retained profits on 1 January 2018. During the six months ended 30 June 2018, net fair value losses of HK$5,151,000 relating to these investments were recognised in profit or loss.

3 REVENUE AND SEGMENT INFORMATION

Revenue represents rental income, interest income and dividend income. The amounts of revenue recognised during the period is as follows:

	Unaudited Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Rental income from investment properties	**50,979**	44,272
Rental income from properties under development *(Note)*	**–**	2,035
Interest income	**16,914**	23,186
Dividend income	**8,787**	2,195
	76,680	71,688

Note:

Revenue of HK$2,035,000 for the six months ended 30 June 2017 represented rental income from leasing of properties acquired for development before the commencement of the development.

The senior management comprising the Company's executive directors and the chief financial officer are the Group's chief operating decision-maker ("CODM"). Management has determined operating segments for the purposes of allocating resources and assessing performance.

Segments are managed separately as each business segment has different business objectives and is subject to risks and returns that are different from one another.

Earnings/(losses) before interest expense and tax ("EBIT/(LBIT)") is regarded as segment results in respect of the Group's reportable segments as the CODM considers that this can better reflect the performance of each segment. EBIT/(LBIT) is used in the Group's internal financial and management reporting to monitor business performances.

Notes: (Continued)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information:

a. Condensed consolidated statement of income and other significant information

	Unaudited Six months ended 30 June 2018				
	Property investment HK$'000	**Real estate development HK$'000**	**Energy HK$'000**	**Finance investment and others HK$'000**	**Total HK$'000**
Segment revenue	**50,979**	**–**	**–**	**25,701**	**76,680**
Segment results before other net losses	**44,392**	**(13,436)**	**(2,615)**	**2,459**	**30,800**
Other net losses *(Note 4a)*	**–**	**–**	**–**	**(5,724)**	**(5,724)**
EBIT/(LBIT)	**44,392**	**(13,436)**	**(2,615)**	**(3,265)**	**25,076**
Income tax expense					**(11,909)**
Profit for the period					**13,167**
Depreciation of properties, plant and equipment	**190**	**388**	**55**	**933**	**1,566**
Amortisation of leasehold land and land use rights	**27**	**–**	**–**	**–**	**27**
Additions to non-current segment assets *(Note)*	**23,242**	**635,977**	**197,043**	**45**	**856,307**

Note:

The additions to non-current segment assets include additions to properties, plant and equipment, investment properties, prepayments for construction of power plants and prepayments for property development projects.

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information: (Continued)

a. Condensed consolidated statement of income and other significant information (Continued)

	Unaudited Six months ended 30 June 2017				
	Property investment HK$'000	Real estate development HK$'000	Energy HK$'000	Finance investment and others HK$'000	Total HK$'000
Segment revenue	44,272	2,035	–	25,381	71,688
Segment results before other net losses	37,137	(9,482)	(4,936)	7,013	29,732
Other net losses *(Note 4a)*	–	–	–	(8,103)	(8,103)
EBIT/(LBIT)	37,137	(9,482)	(4,936)	(1,090)	21,629
Income tax expense					(7,763)
Profit for the period					13,866
Depreciation of properties, plant and equipment	208	273	41	1,145	1,667
Amortisation of leasehold land and land use rights	25	–	–	–	25
Additions to non-current segment assets *(Note)*	–	422,006	556,266	25	978,297

Note:

The additions to non-current segment assets include additions to properties, plant and equipment, investment properties, prepayments for construction of power plants and prepayments for property development projects.

Notes: (Continued)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Segment information: (Continued)

b. Condensed consolidated statement of financial position

	Unaudited As at 30 June 2018				
	Property investment HK$'000	**Real estate development HK$'000**	**Energy HK$'000**	**Finance investment and others HK$'000**	**Total HK$'000**
Segment assets	**1,592,433**	**16,972,250**	**3,550,415**	**861,816**	**22,976,914**
Deferred income tax assets	**–**	**12,853**	**–**	**–**	**12,853**
Total assets					**22,989,767**
Segment liabilities	**76,241**	**1,327,104**	**187,822**	**40,927**	**1,632,094**
Bank and other loans	**–**	**3,264,738**	**619,984**	**2,574,323**	**6,459,045**
Amount due to an intermediate holding company	**1,643,065**	**980,133**	**–**	**796,903**	**3,420,101**
Current income tax liabilities	**24,963**	**–**	**–**	**–**	**24,963**
Deferred income tax liabilities	**271,305**	**1,948**	**–**	**2,197**	**275,450**
Total liabilities					**11,811,653**

	Audited As at 31 December 2017				
	Property investment HK$'000	Real estate development HK$'000	Energy HK$'000	Finance investment and others HK$'000	Total HK$'000
Segment assets	1,614,030	15,036,106	3,481,907	1,316,855	21,448,898
Deferred income tax assets	–	9,211	–	–	9,211
Total assets					21,458,109
Segment liabilities	77,415	1,282,734	156,538	22,645	1,539,332
Bank and other loans	–	3,232,269	617,535	1,478,560	5,328,364
Amount due to an intermediate holding company	1,178,241	–	–	1,942,265	3,120,506
Current income tax liabilities	25,320	–	–	–	25,320
Deferred income tax liabilities	266,851	1,936	–	–	268,787
Total liabilities					10,282,309

Notes: (Continued)

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information:

The Group operates primarily in Hong Kong, the PRC, the U.S. and Indonesia. In presenting information of geographical segments, segment revenue is based on the geographical location of the provision of services, interest and dividend income.

Revenue and total assets by geographical location are as follows:

	U.S. HK$'000	Indonesia HK$'000	PRC HK$'000	Hong Kong HK$'000	Total HK$'000
Revenue					
30 June 2018 (Unaudited)	**1,321**	**7,214**	**53,975**	**14,170**	**76,680**
30 June 2017 (Unaudited)	2,326	6,686	46,432	16,244	71,688
Total assets					
30 June 2018 (Unaudited)	**16,985,103**	**3,549,504**	**1,588,412**	**866,748**	**22,989,767**
31 December 2017 (Audited)	15,045,317	3,480,988	1,580,722	1,351,082	21,458,109

4 PROFIT BEFORE TAX

Profit before tax is stated after crediting and charging the following:

	Unaudited Six months ended 30 June 2018 HK$'000	2017 HK$'000
Crediting		
Net fair value gains on revaluation of financial assets at fair value through profit or loss *(Note a)*	**7,137**	–
Net realised gains on disposal of financial assets at fair value through other comprehensive income *(Note a)*	**6,281**	–
Net realised gains on disposal of available-for-sale financial assets *(Note a)*	**–**	7,198
Charging		
Staff costs (including Directors' emoluments) *(Note b)*	**22,959**	19,914
Depreciation of properties, plant and equipment *(Note c)*	**1,566**	1,667
Amortisation of leasehold land and land use rights	**27**	25
Operating lease charges in respect of properties *(Note d)*	**5,843**	5,153
Net foreign exchange losses *(Note a)*	**19,142**	15,301

Notes: (Continued)

4 PROFIT BEFORE TAX (CONTINUED)

Notes:

a. *Other net losses of HK$5,724,000 for the six months ended 30 June 2018 represented (i) the net foreign exchange losses of HK$19,142,000; net of (ii) the net fair value gains on revaluation of financial assets at fair value through profit or loss of HK$7,137,000; and (iii) the net realised gains on disposal of financial assets at fair value through other comprehensive income of HK$6,281,000.*

   Other net losses of HK$8,103,000 for the six months ended 30 June 2017 represented (i) the net foreign exchange losses of HK$15,301,000; net of (ii) the net realised gains on disposal of available-for-sale financial assets of HK$7,198,000.

b. *For the six months ended 30 June 2018, staff costs amounting to HK$26,753,000 (2017: HK$17,697,000), HK$6,368,000 (2017: HK$4,914,000) and HK$2,185,000 (2017: HK$2,581,000) were capitalised into properties under development, investment properties and properties, plant and equipment respectively.*

c. *For the six months ended 30 June 2018, depreciation charges amounting to HK$1,303,000 (2017: HK$653,000), HK$163,000 (2017: HK$161,000) and HK$490,000 (2017: HK$252,000) were capitalised into properties under development, investment properties and properties, plant and equipment respectively.*

d. *For the six months ended 30 June 2018, operating lease charges amounting to HK$3,960,000 (2017: HK$3,062,000), HK$1,031,000 (2017: HK$571,000) and HK$3,077,000 (2017: HK$3,392,000) were capitalised into properties under development, investment properties and properties, plant and equipment respectively.*

5 INCOME TAX EXPENSE

	Unaudited	
	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Current income tax		
— Outside Hong Kong	**6,889**	5,831
Deferred income tax charge	**5,020**	1,932
	11,909	7,763

The Group's subsidiaries in the PRC are subject to Enterprise Income Tax at a standard rate of 25% for the six months ended 30 June 2018 (2017: 25%).

For the six months ended 30 June 2018 and 2017, no U.S. Federal or State Income Tax was provided as the Group had no estimated assessable profits.

For the six months ended 30 June 2018 and 2017, no Hong Kong profits tax was provided as the Group had no estimated assessable profits.

6 INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2018 (2017: Nil).

7 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2018	2017
Weighted average number of ordinary shares in issue	**16,142,653,060**	16,142,653,060
Profit attributable to shareholders of the Company (HK$'000)	**13,755**	13,596
Basic earnings per share attributable to shareholders of the Company (HK cent per share)	**0.09**	0.08

Diluted earnings per share for the six months ended 30 June 2018 and 2017 were the same as the basic earnings per share as there were no dilutive instruments during the six months ended 30 June 2018 and 2017.

8 TRADE RECEIVABLES

At 30 June 2018 and 31 December 2017, the Group's trade receivables represented rental receivables for which no credit terms have been granted. The aging analysis of trade receivables, net of provision, based on the date of invoices are as follows:

	Unaudited	Audited
	30 June	31 December
	2018	2017
	HK$'000	HK$'000
0-30 days	**277**	292

9 PLEDGE OF ASSETS

At 30 June 2018 and 31 December 2017, certain assets of the Group were pledged to secure borrowings of the Group as follows:

	Unaudited	Audited
	30 June	31 December
	2018	2017
	HK$'000	HK$'000
Pledged bank deposits	**221,949**	228,482
Financial assets at fair value through profit or loss	**–**	80,670
Financial assets at fair value through other comprehensive income	**113,776**	–
Available-for-sale financial assets	**–**	400,721
Properties under development	**5,087,322**	4,024,411
Properties, plant and equipment	**8,174**	6,178
Leasehold land and land use rights	**2,430**	1,359
Investment properties	**4,057,535**	3,400,474
	9,491,186	8,142,295

Save as the pledged assets disclosed above, the issued shares of two subsidiaries of the Company were also pledged to secure borrowings of the Group as at 30 June 2018 (31 December 2017: Nil).

FINANCIAL OVERVIEW

FUND MANAGEMENT

The primary treasury and funding policies of the Group focus on liquidity management and maintaining an optimum level of liquidity, while funding subsidiary operations in a cost-efficient manner. Management closely monitors the liquidity position of the Group to ensure the assets, liabilities and liquidity structure of the Group can meet its funding requirements. The Group's finance department will source funding by borrowings and issuance of debts and new shares when necessary. Operating as a centralised service, the finance department manages the Group's funding needs and monitors financial risks, such as those relating to interest and foreign exchange rates, as well as counterparty.

During the six months ended 30 June 2018, the Group did not enter into any interest or currency swaps or other financial derivatives transactions.

Foreign currency risk

The Group's revenue and operating costs are denominated in HK$, US$ and RMB. The Group is exposed to other currency movements, primarily in terms of investments in the United States and Indonesia, bank deposits, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, loans and interest receivables, amount due to an intermediate holding company and bank and other loans denominated in US$. Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

Market price risk

The Group's main market price risk exposures relate to its financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which mainly comprise debt securities, equity securities and funds. The Group closely monitors the price movement and changes in market conditions that may have an impact on the value of these financial assets.

Interest rate risk

The Group has no significant interest-bearing assets except for cash and bank deposits, listed debt securities included under financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets) and loans receivables. The Group has no significant interest-bearing liabilities except for bank and other loans and amount due to an intermediate holding company. The interest rates for the loans receivables, listed debt securities, amount due to an intermediate holding company and other loans are fixed.

Credit risk

Surplus of the Group's capital are to be managed in a prudent manner, usually in the form of bank deposits with financial institutions with good credit ratings. The senior management of the Group regularly monitors price movements of financial institutions and its counterparties, credit ratings and sets limits for the total amount of credit for each of its counterparties, in order to manage and control default and credit risks.

The Group's investments in debt securities are listed in Singapore with credit rating of A2/A- as rated by Moody's and Standard & Poor's as at 30 June 2018. The credit risk on loans receivables from a non-controlling shareholder of PT Mabar, a subsidiary of the Company, is limited as PT Mabar is entitled to withhold 70% of each dividend distribution to the borrower for repayment of outstanding loan receivables. The maximum exposure to credit risk for the Group and the Company at the reporting date is the carrying amount of each class of financial assets.

LIQUIDITY AND WORKING CAPITAL

As at 30 June 2018, the Group's total unsecured and unrestricted cash, liquid funds and listed investments amounted to HK$705.5 million (31 December 2017: HK$1,221.4 million), 24.2% (31 December 2017: 26.7%), 62.3% (31 December 2017: 64.6%) and 13.3% (31 December 2017: 8.6%) of which were denominated in the US$, HK$ and RMB respectively and the remainder were denominated in in various other currencies.

As at 30 June 2018, the Group had bank and other loans of HK$6,459.0 million (31 December 2017: HK$5,328.4 million), of which HK$5,107.8 million (31 December 2017: HK$3,981.4 million) were floating-rate borrowings repayable within one year, HK$280.0 million (31 December 2017: HK$280.0 million) was fixed-rate borrowing repayable within one year, and HK$1,071.2 million (31 December 2017: HK$1,067.0 million) was fixed-rate borrowings repayable in two to five years. The Group also had an amount due to an intermediate holding company of HK$3,420.1 million (31 December 2017: HK$3,120.5 million) as at 30 June 2018 which was fixed-rate borrowing repayable on demand. The Group's gearing ratio (being calculated as total bank and other loans divided by total equity) as at 30 June 2018 was 57.8% (31 December 2017: 47.7%).

The Group will seek to secure additional financing for its continuous development and construction. The management team expects to obtain adequate new financing through bank loans to finance the committed construction costs and the operations of the Group. In the event that any or all of the above loans cannot be secured, the Group will be able to obtain additional working capital through alternative fund raising activities, such as equity financing and/or loans from the Company's intermediate holding companies and/or any other parties, with the financial support of the Company's controlling shareholder.

CASH FLOWS

During the six months ended 30 June 2018, net cash used in operating activities and investing activities amounted to HK$1,063.8 million (2017: HK$633.4 million) and HK$592.7 million (2017: HK$314.3 million), respectively. Net cash generated from financing activities during the six months ended 30 June 2018 amounted to HK$1,202.7 million (2017: HK$833.4 million) mainly included proceeds from bank loans and borrowings from an intermediate holding company.

CHARGES AND CONTINGENT LIABILITIES

The details of the pledged assets of the Group as at 30 June 2018 are set out in Note 9 to the condensed consolidated financial statements in this announcement.

Apart from those disclosed in Note 9, the Group had not created any other guarantee or other contingent liabilities during the six months ended 30 June 2018 and year ended 31 December 2017.

HUMAN RESOURCES

As at 30 June 2018, the Group employed 127 employees (30 June 2017: 123). Total employee costs (including Directors' emoluments) for the six months ended 30 June 2018 amounted to HK$58.3 million (2017: HK$45.1 million). The Group's remuneration management policy remains the same as those described in the 2017 annual report of the Company.

EVENTS AFTER THE REPORTING PERIOD

Entering into a facility agreement relating to a facility in the amount of approximately HK$784.7 million

On 23 July 2018, the Company entered into a facility agreement with a licensed bank in Macau, as lender relating to a facility in the amount of approximately HK$784.7 million. The facility has a term of one year.

For details, please refer to the announcement of the Company dated 23 July 2018.

Disposal of a wholly-owned subsidiary

On 30 July 2018, the Company entered into a sale and purchase agreement with Oceanwide Sigma Limited, a connected person of the Company, for disposal of the entire equity interest in China Oceanwide International Limited, the former wholly-owned subsidiary of the Company which owned equity interests in an unlisted company ("Unlisted Company"), at a consideration of US$12.8 million (equivalent to approximately HK$100.5 million) (the "Consideration"). Completion of the disposal has taken place simultaneously with the signing of the agreement.

As at 30 June 2018, the equity interests in the Unlisted Company were classified as financial assets at fair value through profit or loss in these Interim Financial Statements and the Group has recognised net fair value gains on revaluation of investment in the Unlisted Company of HK$19.5 million for the six months ended 30 June 2018 with reference to the Consideration.

For details, please refer to the announcement of the Company dated 30 July 2018.

Entering into a facility agreement relating to a US$215.0 million facility

On 9 August 2018, the Company, as a parent guarantor, entered into (i) a facility agreement relating to a term loan facility in the aggregate amount of US$215.0 million (equivalent to approximately HK$1,687.3 million) (subject to adjustment) with, among others, China Oceanwide Real Estate Development Holdings Limited, a wholly-owned subsidiary of the Company as borrower (the "Borrower") and Global Max Opportunity IV Limited, an independent third party as lender (the "Lender"); and (ii) a keepwell deed (the "Keepwell Deed") with the Borrower, the Lender and Oceanwide Holdings. The maturity date of the loan is the date falling 364 days after the first utilisation date of the loan.

The securities for the loan facility include (i) mortgage on certain properties of the Group located in Hawaii, U.S.; (ii) the Keepwell Deed; and (iii) share charge or share pledge (as the case may be) over all of the issued shares of the Borrower and certain subsidiaries of the Company, being the subsidiary guarantors (subject to the terms and conditions of the facility agreement).

For details, please refer to the announcement of the Company dated 9 August 2018.

OTHER CORPORATE INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES

During the Period, the Company had no material acquisition or disposal of subsidiaries.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the Period, the Company has complied with all applicable code provisions ("Code Provision(s)") of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviations:

Code Provision A.2.1

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Han Xiaosheng currently performs the two roles of the Company's chief executive and chairman of the Board. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership with the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decision promptly and efficiently. The Board will regularly review the effectiveness of this structure to ensure that such structure is appropriate in view of the Company's prevailing circumstances.

Code Provision A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should, inter alia, attend general meetings.

Due to other business engagements, the non-executive Director Mr. Zhao Yingwei and the independent non-executive Directors Mr. Liu Jipeng and Mr. Cai Hongping did not attend the annual general meeting (the "AGM") of the Company held on 17 May 2018. The remaining non-executive Director and independent non-executive Directors were present at the AGM to enable the Board to develop a balanced understanding of the views of the Company's shareholders (the "Shareholders").

Code Provision E.1.2

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. He should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend.

Due to other business engagements, the chairman of audit committee (the "Audit Committee") under the Board Mr. Liu Jipeng and the chairman of the remuneration committee under the Board Mr. Cai Hongping did not attend the AGM.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted its own Model Code for Securities Transactions by Directors (the "Securities Code") regulating Directors' dealings in securities of the Company on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Specific enquiries have been made to all the Directors and each of the Directors have confirmed that he has complied with the Securities Code and the Model Code throughout the Period.

REVIEW OF FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information of the Group for the Period has been reviewed by the Audit Committee.

CORPORATE STRATEGY

The primary objective of the Group is to enhance long-term total returns for the Shareholders. To achieve this objective, the strategy of the Group is to deliver sustainable returns with solid financial fundamentals. The Chairman's Statement contains discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value over the longer term and the strategy for delivering the objective of the Group.

PUBLICATION OF 2018 UNAUDITED INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of Hong Kong Exchange and Clearing Limited at http://www.hkexnews.hk and the website of the Company at http://www.oceanwide.hk. The 2018 interim report of the Company will be available on the above websites and despatched to the Shareholders in due course.

PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operations of the Group contained in this announcement are historical in nature, and past performance is no guarantee for the future results of the Group. Any forward-looking statements and opinions contained in this announcement are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (i) no obligation to correct or update the forward-looking statements or opinions contained in this announcement; and (ii) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

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

Hong Kong, 30 August 2018

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

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

Non-executive Directors:
Mr. ZHAO Yingwei
Mr. Zhang Fubiao

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

Unless otherwise specified, in this announcement, conversions of US$ into HK$ are based on the exchange rate of US$1.00 = HK$7.8479 for illustration purpose only. No representation is made that any amounts in US$ or HK$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

* *for identification purpose only*