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CHINA OCEANWIDE INTERNATIONAL FINANCIAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 952)

**DISCLOSEABLE TRANSACTION
PROVISION OF CORPORATE GUARANTEE**

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The Board is pleased to announce that on 20 April 2018, the Company, the Fund Company, Manager A, Manager B, and Manager B Parent entered into the Investment Management Agreement relating to the setting up of the Fund pursuant to which, among other things, the Company agrees to provide the Corporate Guarantee to guarantee the Guaranteed Obligations in favour of the Investor(s) in an amount of up to HK\$1,635,000,000.

LISTING RULES IMPLICATIONS

As at least one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the Corporate Guarantee by the Company is more than 5% but all are less than 25%, the provision of the Corporate Guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement thereunder.

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THE CORPORATE GUARANTEE

The Fund is set up by the Fund Company, whose management shares are held by Oceanwide Asset Management (BVI) Ltd., which in turn is held as to 100% by Manager A, a wholly-owned subsidiary of the Company. The Fund, which is co-managed by Manager A and Manager B, offers the Investor(s) a guarantee on the Redemption Price and the Guaranteed Return pursuant to the terms of the Investment Management Agreement.

The Corporate Guarantee is provided by the Company in the event the assets of the Fund Company attributable to the Fund are insufficient to effect payment of the Redemption Price and the Guaranteed Return to the Investor(s) pursuant to the terms of the Investment Management Agreement. The salient terms of the Corporate Guarantee are summarised below:

Date of the Investment Management Agreement:	20 April 2018
Parties to the Investment Management Agreement:	the Company, the Fund Company, Manager A, Manager B and Manager B Parent
Term of the Fund:	two (2) years, subject to extension by one (1) year upon consent of the directors of the Fund Company and the Investor(s)
Maximum Total Size of the Fund:	HK\$1,500,000,000, injected by way of subscription by the Investor(s) for Class A Shares attributed to the Fund
Management Fees:	The Fund Company for and on behalf of the Fund shall pay to Manager A and Manager B such fees as from time to time agreed between themselves
Beneficiary of the Corporate Guarantee:	the Investor(s)
Guarantor:	the Company

Guaranteed Obligations: With respect to the payment of the Redemption Price and the Guaranteed Return by the Fund Company to the Investor(s) pursuant to the Investment Management Agreement, should the assets attributable to the Fund be insufficient to effect the payment of such Redemption Price and Guaranteed Return on the conclusion of the initial two (2) years of the term of the Fund to any redeeming Investor(s), the Company shall be liable to pay to the Fund Company for the account of the Fund an amount equal to the Redemption Price together with any outstanding balance of the Guaranteed Return which shall be subject to a cap of 4.5% per annum of the aggregate subscription price paid for the Class A Shares (the “**4.5% Cap**”). The maximum amount payable by the Company pursuant to the Corporate Guarantee is HK\$1,635,000,000.

Undertakings: If the Company is liable to perform the Guaranteed Obligations and the outstanding balance of the Guaranteed Return exceeds the 4.5% Cap, Manager B Parent undertakes to pay the portion of the outstanding balance of the Guaranteed Return which exceeds the 4.5% Cap but which shall in any event not be more than 2% per annum on the aggregate of subscription price for the Class A Shares.

REASONS FOR AND THE BENEFITS OF PROVIDING THE CORPORATE GUARANTEE

The setting up of investment funds, fund management, and portfolio management advisory services, form an important part of the core business of the Group and is an area which the Group would like to continue to grow and develop. The provision of the Corporate Guarantee by the Company for the Fund which was set up by Manager A, a wholly-owned subsidiary of the Company, is in line with such business strategy of the Group and the terms of the Corporate Guarantee were arrived at after arm’s length negotiations between the Parties.

Taking into consideration of, among other things, (i) the management fees to be received by Manager A, a wholly-owned subsidiary of the Company; (ii) the anticipated carried interests to be received by Manager A; and (iii) the resulting enhancement of the attractiveness of the Fund to potential Investor(s) given the profile and the reputation of

the Company in the market, the Directors consider that the terms of the Corporate Guarantee are fair and reasonable and the provision of the Corporate Guarantee is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing and money lending services, insurance broking and wealth management services; (ii) corporate finance advisory and general advisory services; (iii) fund management, discretionary portfolio management and portfolio management advisory services; (iv) financial media services; and (v) investment holding and securities trading.

INFORMATION ON THE FUND COMPANY

The Fund Company is an exempted company incorporated and registered as segregated portfolio company under the laws of the Cayman Islands for and on behalf of the Fund. All of its management shares are held by Oceanwide Asset Management (BVI) Ltd., a company incorporated in the British Virgin Islands, which in turn is held as to 100% by Manager A.

INFORMATION ON MANAGER A

Manager A, a limited liability company incorporated under the laws of Hong Kong, is a wholly-owned subsidiary of the Company and the asset management arm of the Group. It is licensed by the Securities and Futures Commission in Hong Kong to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

INFORMATION ON MANAGER B

Manager B is a limited liability company incorporated under the laws of Hong Kong specialising in private equity investment and management, and is an Independent Third Party. It is licensed by the Securities and Futures Commission in Hong Kong to conduct Type 9 (asset management) regulated activity.

INFORMATION ON MANAGER B PARENT

Manager B Parent, an Independent Third Party, is an investment holding company incorporated under the laws of Hong Kong and is the parent company holding 100% of the equity interest of Manager B.

LISTING RULES IMPLICATIONS

As at least one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the Corporate Guarantee is more than 5% but all are less than 25%, the provision of the Corporate Guarantee constitutes a

discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements thereunder.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

- “Class A Shares” the shares of a nominal or par value of US\$0.001 each in the capital of the Fund Company designated as “Class A Shares” and attributed to the Fund
- “Company” China Oceanwide International Financial Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 952)
- “Corporate Guarantee” the guarantee of the Guaranteed Obligations by the Company in the amount of up to HK\$1,635,000,000 payable by the Company pursuant to the Investment Management Agreement
- “Directors” the directors of the Company
- “Fund” Oceanwide Kilmorey Guaranteed Return Segregated Portfolio, a segregated portfolio of the Fund Company, and the assets and liabilities attributable to such segregated portfolio, with a total maximum size of HK\$1,500,000,000
- “Fund Company” Oceanwide Funds SPC Limited, an exempted company incorporated and registered as segregated portfolio company under the laws of the Cayman Islands for and on behalf of the Fund, with all of its management shares held by Oceanwide Asset Management (BVI) Ltd., a company incorporated in the British Virgin Islands, which in turn is held as to 100% by Manager A
- “Group” the Company and its subsidiaries
- “Guaranteed Obligations” the obligations of the Fund Company which the Company has guaranteed to perform in the place of the Fund Company in the event of the failure of the Fund Company to perform pursuant to the Investment Management Agreement
- “Guaranteed Return” the return payable to investor(s) of the Fund pursuant to the terms of the Fund

“Guarantor”	a party which guarantees certain obligations which are required to be performed by the Fund Company pursuant to the terms of the Investment Management Agreement
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	person or company who/which are not connected with (within the meaning of the Listing Rules) and are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Investment Management Agreement”	the agreement entered into by the Parties dated 20 April 2018 relating to the setting up and management of the Fund
“Investor(s)”	holder(s) of the Class A Shares, each of whom is an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager A”	Oceanwide Asset Management Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company
“Manager B”	Kilmorey Asset Management Limited, a limited liability company incorporated under the laws of Hong Kong and an Independent Third Party
“Manager B Parent”	Kilmorey International Holdings Limited, which is an Independent Third Party, a limited liability company incorporated under the laws of Hong Kong and which holds 100% of the equity interest of Manager B
“Parties”	the Company, the Fund Company, Manager A, Manager B and Manager B Parent
“Principal Guarantee”	HK\$100 per Class A Share
“Redemption Price”	the price paid upon the redemption of an Investor which shall be the aggregate of the Principal Guarantee per Class A Share being redeemed by such Investor

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

On behalf of the Board
China Oceanwide International Financial Limited
HAN Xiaosheng
Chairman

Hong Kong, 20 April 2018

As at the date of this announcement, the board of directors of China Oceanwide International Financial Limited comprises six executive directors, namely Mr. HAN Xiaosheng, Mr. ZHANG Bo, Mr. ZHANG Xifang, Mr. FENG Henian, Mr. LIU Hongwei and Mr. Kenneth LAM Kin Hing; four non-executive directors, namely Mr. Bernard POULIOT, Mr. LIU Bing, Mr. ZHAO Yingwei and Mr. ZHAO Xiaoxia; and five independent non-executive directors, namely Mr. Roy LO Wa Kei, Mr. KONG Aiguo, Mr. LIU Jipeng, Mr. HE Xuehui and Mr. HUANG Yajun.