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## **中國泛海國際金融有限公司**

**CHINA OCEANWIDE INTERNATIONAL FINANCIAL LIMITED**

*(Formerly known as Quam Limited)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 952)**

### **MAJOR AND CONTINUING CONNECTED TRANSACTIONS**

**Financial Adviser to China Oceanwide International Financial Limited**



**中國泛海企業融資**  
**OCEANWIDE CAPITAL**

#### **THE FRAMEWORK SERVICES AGREEMENTS**

The Board is pleased to announce that the Company entered into the Framework Services Agreements on 21 September 2017 with each of China Oceanwide, Oceanwide Holdings and Tohigh, respectively, pursuant to which, among others, the Group and each of China Oceanwide Group, Oceanwide Holdings Group and Tohigh Group have conditionally agreed to engage in various services, investment and lending transactions with each other. The Framework Services Agreements will be effective from their respective Effective Dates to 31 December 2019.

#### **LISTING RULES IMPLICATIONS**

Oceanwide Holdings IF, the controlling Shareholder, is indirectly wholly owned by Oceanwide Holdings. Tohigh, being a controlling shareholder of both Oceanwide Holdings and China Oceanwide, is owned as to 77.14% by Mr. Lu, therefore each member of the Oceanwide Group is a connected person of the Company and the Transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the (i) China Oceanwide Framework Services Agreement, (ii) Oceanwide Holdings Framework Services Agreement, and (iii) Tohigh Framework Services Agreement based on the relevant proposed annual caps, both on individual and aggregate basis, exceed 5% and the amount of the relevant annual caps are more than HK\$10,000,000, the Transactions and the proposed annual caps in respect thereof are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the

financial assistance transactions under the (i) China Oceanwide Framework Services Agreement, (ii) Oceanwide Holdings Framework Services Agreement, and (iii) Tohigh Framework Services Agreement based on the relevant proposed annual caps, on aggregate basis, are more than 25%, the financial assistance transactions under the (i) China Oceanwide Framework Services Agreement, (ii) Oceanwide Holdings Framework Services Agreement, and (iii) Tohigh Framework Services Agreement also constitute major transactions under Chapter 14 of the Listing Rules and are therefore subject to the announcement, circular and shareholders' approval requirements thereunder.

A circular containing, among others, the particulars of the Framework Services Agreements together with a letter from the Independent Board Committee, a letter from the independent financial adviser and a notice of the SGM is expected to be despatched to the Shareholders on or about 23 October 2017, as additional time is required to prepare relevant information to be included in the circular.

## **A. THE CHINA OCEANWIDE FRAMEWORK SERVICES AGREEMENT**

China Oceanwide and the Company entered into the China Oceanwide Framework Services Agreement on 21 September 2017, pursuant to which, among others, the Group and the China Oceanwide Group have conditionally agreed to engage in various services, investment and lending transactions with each other. The principal terms of the China Oceanwide Framework Services Agreement are summarised below.

### **Date**

21 September 2017

### **Parties**

- (1) China Oceanwide; and
- (2) the Company.

### **Term**

The China Oceanwide Framework Services Agreement will be effective from the China Oceanwide Effective Date to 31 December 2019.

### **Nature of transactions**

#### ***(1) Service transactions***

Brief particulars of the services to be provided (a) by the Group to China Oceanwide Group or (b) by the China Oceanwide Group to the Group as contemplated under the China Oceanwide Framework Services Agreement are summarised below:

#### ***Income***

- (i) **Research:** provision of research reports by the Group to the China Oceanwide Group.

- (ii) **Corporate finance:** corporate finance services including but not limited to placement or public offer of equities, debt securities or derivative products, fund raising, or of financial advisory services provided by the Group to the China Oceanwide Group.
- (iii) **Ancillary services:** ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (ii) above provided by the Group to the China Oceanwide Group.

#### *Expenses*

- (i) **Client referrals (securities trading and financing):** client referrals in relation to securities trading and related financing services referred by the China Oceanwide Group to the Group.
- (ii) **Client referrals (corporate finance):** client referrals in relation to corporate finance services referred by the China Oceanwide Group to the Group for corporate finance services conducted outside the PRC.
- (iii) **Ancillary services:** ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (ii) above provided by the China Oceanwide Group to the Group.

#### **(2) Investment, lending and other transactions**

Brief particulars of the investment and lending transactions conducted between the Group and the China Oceanwide Group contemplated under the China Oceanwide Framework Services Agreement are summarised below:

- (i) **Fund investment, financial assistance and securities lending:** the Group and/or the China Oceanwide Group investing into investment funds or entities invested by the Group and/or the China Oceanwide Group; the Group providing secured or unsecured financings and/or loans to the China Oceanwide Group, or vice versa; the Group acting as an arranger, agent or lead lender of syndicated loans for the China Oceanwide Group; the Group lending of units/shares to the China Oceanwide Group, or vice versa, all of which shall be subject to payments of the principal amount (if applicable), the relevant fees, expenses and/or interests as incurred due to the provision of, or engagement in, the services/transactions as described herein.
- (ii) **Underwriting:** underwriting arrangements from the Group to the China Oceanwide Group for issue of securities, debt securities or derivative products.
- (iii) **Ancillary services:** ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (ii) above.

#### **Payment and pricing**

For details of payment and pricing for the transactions contemplated under the China Oceanwide Framework Services Agreement, please refer to the section headed “Payment and pricing of the Transactions” in this announcement.

## **Conditions precedent**

Completion of the China Oceanwide Framework Services Agreement is conditional upon the fulfilment of the following conditions precedent on or before 31 December 2017:

- (a) Approval by the Independent Shareholders in accordance with Chapter 14 of the Listing Rules for transactions which constitute notifiable transactions (if any) of the Group and/or Chapter 14A of the Listing Rules for transactions which constitute continuing connected transactions of the Group and the relevant annual caps under the China Oceanwide Framework Services Agreement;
- (b) Approval by the independent shareholders of China Oceanwide in accordance with Chapter 14 of the Listing Rules for transactions which constitute notifiable transactions (if any) of the China Oceanwide Group and/or Chapter 14A of the Listing Rules for transactions which constitute continuing connected transactions of China Oceanwide and the relevant annual caps under the China Oceanwide Framework Services Agreement; and
- (c) Other consents and approvals to be obtained by the Company and China Oceanwide in relation to transactions contemplated under the China Oceanwide Framework Services Agreement in accordance with applicable laws and regulations.

## **Termination**

The China Oceanwide Framework Services Agreement shall not be terminated prior to expiration of its full term unless by mutual agreement in writing by both parties or upon material breach by a party.

## **B. THE OCEANWIDE HOLDINGS FRAMEWORK SERVICES AGREEMENT**

Oceanwide Holdings and the Company entered into the Oceanwide Holdings Framework Services Agreement on 21 September 2017, pursuant to which, among others, the Group and the Oceanwide Holdings Group have conditionally agreed to engage in various services, investment and lending transactions with each other. The principal terms of the Oceanwide Holdings Framework Services Agreement are summarised below.

### **Date**

21 September 2017

### **Parties**

- (1) Oceanwide Holdings; and
- (2) the Company.

### **Term**

The Oceanwide Holdings Framework Services Agreement will be effective from the Oceanwide Holdings Effective Date to 31 December 2019.

## Nature of transactions

### *(1) Service transactions*

Brief particulars of the services to be provided by the Group to the Oceanwide Holdings Group or vice versa as contemplated under the Oceanwide Holdings Framework Services Agreement are summarised below:

- (i) ***Client referrals (securities trading and financing)***: client referrals in relation to securities trading and related financing services.
- (ii) ***Research***: provision of research reports.
- (iii) ***Corporate finance***: corporate finance services including but not limited to placement or public offer of equities, debt securities or derivative products, fund raising or of financial advisory services.
- (iv) ***Client referrals (corporate finance)***: clients referred by (a) the Group to the Oceanwide Holdings Group for corporate finance services conducted in the PRC or (b) the Oceanwide Holdings Group to the Group for corporate finance services conducted outside the PRC.
- (v) ***Asset management***: asset/fund management services including relevant marketing activities for projects/funds initiated by the other party.
- (vi) ***Joint asset management***: asset/fund management services jointly managed by the Group and Oceanwide Holdings Group for projects/funds owned by either party.
- (vii) ***Marketing***: marketing activities including sharing of contents in financial websites, project management and advertising sales services.
- (viii) ***Ancillary services***: ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (vii) above.

### *(2) Investment, lending and other transactions*

Brief particulars of the investment and lending transactions contemplated under the Oceanwide Holdings Framework Services Agreement are summarised below:

- (i) ***Fund investment, financial assistance and securities lending***: the Group and/or the Oceanwide Holdings Group investing into investment funds or entities invested by the Group and/or the Oceanwide Holdings Group; the Group providing secured or unsecured financings and/or loans to the Oceanwide Holdings Group, or vice versa; the Group acting as an arranger, agent or lead lender of syndicated loans for the Oceanwide Holdings Group; the Group lending of units/shares to the Oceanwide Holdings Group, or vice versa, all of which shall be subject to payments of the principal amount (if applicable), the relevant fees, expenses and/or interests as incurred due to the provision of, or engagement in, the services/transactions as described herein.
- (ii) ***Underwriting***: underwriting arrangement from the Group to the Oceanwide Holdings Group for issue of securities, debt securities or derivative products.

- (iii) *Ancillary services*: ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (ii) above.

### **Payment and pricing**

For details of payment and pricing for the transactions contemplated under the Oceanwide Holdings Framework Services Agreement, please refer to the section headed “Payment and pricing of the Transactions” in this announcement.

### **Conditions precedent**

Completion of the Oceanwide Holdings Framework Services Agreement is conditional upon the fulfilment of the following conditions precedent on or before 31 December 2017:

- (a) Approval by the Independent Shareholders in accordance with Chapter 14 of the Listing Rules for transactions which constitute notifiable transactions (if any) of the Group and/or Chapter 14A of the Listing Rules for transactions which constitute continuing connected transactions of the Group and the relevant annual caps under the Oceanwide Holdings Framework Services Agreement;
- (b) Fulfilment of all applicable listing rules relevant to the Shenzhen Stock Exchange for transactions and co-operation between the Oceanwide Holdings Group and the Group contemplated under the Oceanwide Holdings Framework Services Agreement; and
- (c) Other consents and approvals to be obtained by the Company and Oceanwide Holdings in relation to transactions contemplated under the Oceanwide Holdings Framework Services Agreement in accordance with applicable laws and regulations.

### **Termination**

The Oceanwide Holdings Framework Services Agreement shall not be terminated prior to expiration of its full term unless by mutual agreement in writing by both parties or upon material breach by a party.

## **C. THE TOHIGH FRAMEWORK SERVICES AGREEMENT**

Tohigh and the Company entered into the Tohigh Framework Services Agreement on 21 September 2017, pursuant to which, among others, the Group and the Tohigh Group have conditionally agreed to engage in various services, investment and lending transactions with each other. The principal terms of the Tohigh Framework Services Agreement are summarised below.

### **Date**

21 September 2017

### **Parties**

- (1) Tohigh; and
- (2) the Company



## Term

The Tohigh Framework Services Agreement will be effective from the Tohigh Effective Date to 31 December 2019.

## Nature of transactions

### (1) *Service transactions*

Brief particulars of the services to be provided (a) by the Group to the Tohigh Group or (b) by the Tohigh Group to the Group as contemplated under the Tohigh Framework Services Agreement are summarised below:

#### *Income*

- (i) ***Research***: provision of research reports by the Group to the Tohigh Group.
- (ii) ***Corporate finance***: corporate finance services including but not limited to placement or public offer of equities, debt securities or derivative products, fund raising or of financial advisory services provided by the Group to the Tohigh Group.
- (iii) ***Asset management***: asset/fund management services including relevant marketing activities provided by the Group to the Tohigh Group for projects/funds initiated by the Tohigh Group.
- (iv) ***Joint asset management***: asset/fund management services jointly managed by the Group and Tohigh Group for projects/funds owned by the Tohigh Group.
- (v) ***Marketing***: marketing activities including sharing of contents in financial websites, project management and advertising sales services provided by the Group to the Tohigh Group.
- (vi) ***Ancillary services***: ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (v) above provided by the Group to the Tohigh Group.

#### *Expenses*

- (i) ***Client referrals (securities trading and financing)***: client referrals in relation to securities trading and related financing services referred by the Tohigh Group to the Group.
- (ii) ***Client referrals (corporate finance)***: client referrals in relation to corporate finance services referred by the Tohigh Group to the Group for corporate finance services conducted outside the PRC.
- (iii) ***Asset management***: asset/fund management services including relevant marketing activities provided by the Tohigh Group to the Group for projects/funds initiated by the Group.
- (iv) ***Joint asset management***: asset/fund management services jointly managed by the Group and Tohigh Group for projects/funds owned by the Group.

- (v) **Ancillary services:** ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (iv) above provided by the Tohigh Group to the Group.

## **(2) Investment, lending and other transactions**

Brief particulars of the investment and lending transactions contemplated under the Tohigh Framework Services Agreement are summarised below:

- (i) **Fund investment, financial assistance and securities lending:** the Group and/or the Tohigh Group investing into investment funds or entities invested by the Group and/or the Tohigh Group; the Group providing secured or unsecured financings and/or loans to the Tohigh Group, or vice versa; the Group acting as an arranger, agent or lead lender of syndicated loans for the Tohigh Group; the Group lending of the units/shares to the Tohigh Group, or vice versa, all of which shall be subject to payments of the principal amount (if applicable), the relevant fees, expenses and/or interests as incurred due to the provision of, or engagement in, the services/transactions as described herein.
- (ii) **Underwriting:** underwriting arrangements from the Group to Tohigh Group for issue of securities, debt securities or derivative products.
- (iii) **Ancillary services:** ancillary services which are ancillary, related or supplementary to any one or more of the services described in (i) to (ii) above.

### **Payment and pricing**

For details of payment and pricing of the transactions contemplated under the Tohigh Framework Services Agreement, please refer to the section headed “Payment and pricing of the Transactions” in this announcement.

### **Conditions precedent**

Completion of the Tohigh Framework Services Agreement is conditional upon the fulfilment of the following conditions precedent on or before 31 December 2017:

- (a) Approval by the Independent Shareholders in accordance with Chapter 14 of the Listing Rules for transactions which constitute notifiable transactions (if any) of the Group and/or Chapter 14A of the Listing Rules for transactions which constitute continuing connected transactions of the Group and the relevant annual caps under the Tohigh Framework Services Agreement; and
- (b) Other consents and approvals to be obtained by the Company and Tohigh in relation to transactions contemplated under the Tohigh Framework Services Agreement in accordance with applicable laws and regulations.

### **Termination**

The Tohigh Framework Services Agreement shall not be terminated prior to expiration of its full term unless by mutual agreement in writing by both parties or upon material breach by a party.



## D. PAYMENT AND PRICING OF THE TRANSACTIONS

Pricing in respect of transaction amounts receivable/payable by the Group from/to the Oceanwide Group will follow the Group's pricing standard applicable to independent third parties in comparable transactions. Accordingly the amounts to be charged by the Group against the Oceanwide Group or charged by the Oceanwide Group against the Group (as the case may be) will be on the same scale as those charged against independent third parties by the Group or charged against the Group by independent third parties (as the case may be) for similar transactions.

The Transactions shall be entered into on normal commercial terms and the services fees will be charged at rates no less favourable to the Group than rates at which the Group charge/pay to independent third parties for comparable transactions. The Group and the Oceanwide Group shall from time to time enter into specific agreements for the particular transactions contemplated under the Framework Services Agreements. Detailed payment terms will be specified in the individual agreement governing the particular transactions. Payments for service transactions will be settled in cash.

With respect to each category of service transactions and investment and lending transactions, the fees charged/chargeable or paid/payable (as the case may be) shall be determined with reference to, among other things:

- (i) the Group's internal policy which is applicable to all clients or business partners;
- (ii) fees charged/paid or chargeable/payable for historical services/transactions of similar nature and the then prevailing market rates of each type of service/transaction;
- (iii) size of the relevant services/transactions;
- (iv) resources estimated to be spent on providing/receiving the relevant services/transactions; and
- (v) fees charged/paid or chargeable/payable for comparable transactions of independent third parties in the market if such comparable transactions are available.

In particular, the pricing standard of each transaction contemplated under the Framework Services Agreements are summarised below:

### (1) Service transactions

- (i) ***Client referrals (securities trading and financing)***: the referral fees in relation to securities trading and related financing services of the referred clients will be based on arm's length negotiations by the parties with reference to market rates for client referrals of similar services/transactions with independent third parties, which generally range from 20% to 40% of the net commissions received from clients and 10% to 20% of the net financing interest received from clients.
- (ii) ***Research***: the fees will be determined through arm's length negotiations by the parties with reference to the type and timing of services and deliverables required.

- (iii) **Corporate finance:** the fees will be determined through arm's length negotiations by the parties with reference to the size, complexity and timing of subject transactions/services and the then prevailing market rates for comparable transactions with independent third parties.
- (iv) **Client referrals (corporate finance):** the referral fees will be determined through arm's length negotiations by the parties with reference to the type and timing of services and based on market rates for client referrals of similar services/transactions with independent third parties. Commission rates for client referrals generally range from 10% to 40%.
- (v) **Asset management:** the fees will be determined through arm's length negotiations by the parties with reference to the expected setup and operation costs as a baseline plus a margin based on the overall size, scope and period of the investment to be managed, rate of return of the project and advisory scope, as is appropriate, for comparable transactions in the market, which generally range from 50% to 70% of the net asset management fees received from clients.
- (vi) **Joint asset management:** the fees will be determined through arm's length negotiations by the parties with reference to the expected setup and operation costs as a baseline plus a margin based on the overall size, scope and period of the investment to be managed, rate of return of the project and advisory scope, as is appropriate, for comparable transactions in the market, which is generally 50% of the net asset management fees received from clients.
- (vii) **Marketing:** the fees will be determined through arm's length negotiations by the parties with reference to the type and timing of services and deliverables required and also the size of the relevant services/transactions.
- (viii) **Ancillary services:** the fees will be determined through arm's length negotiations by the parties with reference to the type and timing of services and deliverables required and also the size of the relevant services/transactions.

## (2) Investment and lending transactions

- (i) **Fund investment, financial assistance and securities lending:**
  - (a) **fund investment:** the amount payable to the funds and the size of investment will be determined based on arm's length negotiations between the Group and the Oceanwide Group;
  - (b) **financial assistance (not including margin financing):** the terms of the financial assistance (not including margin financing) transactions conducted between the Group and the Oceanwide Group will be based on normal commercial terms, with interest rates calculated with reference to, the currency-specific HIBOR/LIBOR for the relevant lending period plus approximately 1.5% to 3.0%, or with reference to market rate for the relevant lending period;
  - (c) **syndicated loans arranger, agent or lead lender:** the terms will make reference to the terms of transactions with independent third parties of similar nature and be determined through arm's length negotiations by the parties.

- (d) ***securities lending***: the margin-financing transactions will be conducted with reference to the standard reference interest rates such as the prime rate applicable for different tiers of stock collateral.
- (ii) ***Underwriting***: the underwriting commitment will be determined through arm's length negotiations by the parties with reference to the Group's or the Oceanwide Group's then financial capacity and resources allocated for such purpose.
- (iii) ***Ancillary services***: the relevant fees will be determined through arm's length negotiations by the parties with reference to the type and timing of services and deliverables required and also the size of the relevant services/transactions.

#### **E. REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK SERVICES AGREEMENTS**

Following the change in control of the Company in January 2017, the Group has started bilateral business development meetings with the respective business units of the Oceanwide Group with a view to learning from one another, increasing cross selling in the fields of securities and futures trading, asset management and corporate finance as well as exploring investment opportunities. The net proceeds of the rights issue of the Company, which completed on 7 August 2017, of approximately HK\$5,127 million has strengthened the Group's capital base which enable it to undertake a larger volume of business as a result of the anticipated collaborations with the Oceanwide Group.

The Transactions are expected to be of recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group. The Transactions are expected to (i) increase the client base and business volume of the Group and thus increase the revenue of the Group; and (ii) increase in access to investment opportunities, in particular, in the PRC. The Group considers that the Transactions will secure a long-term and reliable business collaboration between the Group and the Oceanwide Group and entering into the Framework Services Agreements is in the interests of the Company and the Shareholders as a whole.

The Board (excluding the independent non-executive Directors whose views will be given after considering the advice to be given by the independent financial adviser) is of the opinion that the Transactions are in the ordinary and usual course of business of the Group, the terms of the Framework Services Agreements are on normal commercial terms and fair and reasonable and entering into the Framework Services Agreements is in the interests of the Company and the Shareholders as a whole.

No Director has material interest in the Framework Services Agreements, the transactions contemplated thereunder and the proposed annual caps, but as each of Mr. HAN Xiaosheng, Mr. ZHANG Bo, Mr. ZHANG Xifang, Mr. LIU Hongwei, Mr. LIU Bing, Mr. FENG Henian and Mr. ZHAO Xiaoxia, is also a director or officer (as the case may be) of certain members of the Oceanwide Group, they have voluntarily abstained from voting on the relevant Board resolution(s) approving the Framework Services Agreements.

## F. THE PROPOSED ANNUAL CAPS

The proposed annual caps in respect of the Transactions for the three financial years ending 31 December 2017, 2018 and 2019 are shown below:

Transactions	Proposed annual caps		
	For the financial year ending 31 December		
	2017 (HK\$ million)	2018 (HK\$ million)	2019 (HK\$ million)
<b>(1) China Oceanwide</b>			
(a) Income from service transactions provided to the China Oceanwide Group	6.5	65	65
(b) Expenses for service transactions provided by the China Oceanwide Group	0.5	5	5
(c) Maximum daily amount/outstanding balance from investment and lending transactions provided to the China Oceanwide Group	300	500	500
(d) Maximum daily amount/outstanding balance from investment and lending transactions provided by the China Oceanwide Group	100	200	200
<b>(2) Oceanwide Holdings</b>			
(a) Income from service transactions provided to the Oceanwide Holdings Group	129.5	80	100
(b) Expenses for service transactions provided by the Oceanwide Holdings Group	63.5	70	70
(c) Maximum daily amount/outstanding balance from investment and lending transactions provided to the Oceanwide Holdings Group	1,400	1,400	1,500
(d) Maximum daily amount/outstanding balance from investment and lending transactions provided by the Oceanwide Holdings Group	200	200	200
<b>(3) Tohigh</b>			
(a) Income from service transactions provided to the Tohigh Group	70	80	90
(b) Expenses for service transactions provided by the Tohigh Group	30	30	30
(c) Maximum daily amount/outstanding balance from investment and lending transactions provided to the Tohigh Group	800	800	1,000
(d) Maximum daily amount/outstanding balance from investment and lending transactions provided by the Tohigh Group	200	200	200

*Note:* Save as the connected transaction in relation to the subscription of interest of US\$20 million (equivalent to approximately HK\$155.6 million) in a fund controlled by the general partner, which is indirectly owned by Mr. Lu, and continuing connected transactions in relation to investment management services from the Group to the general partner with annual caps of HK\$15,560,000, HK\$11,670,000 and HK\$11,670,000 for the three years ending 19 September 2020 and investment advisory services from the advisor, a subsidiary of Oceanwide Holdings, to the Group with annual caps of HK\$11,670,000, HK\$7,780,000 and HK\$7,780,000 for the three years ending 19 September

2020 as disclosed in the announcement of the Company on 20 September 2017, there was no other historical transaction of the Group with members of the Oceanwide Group which was subject to disclosure requirements under Chapter 14A of the Listing Rules.

The respective proposed annual caps were determined by reference to, among other things, (a) the proposed annual or annualized amount of payment in respect of the transactions to be conducted between the Group and member(s) of the Oceanwide Group; (b) the potential growth both of the businesses between the Group and the Oceanwide Group in the future; (c) the increased capital base and enhanced balance sheet position of the Group after the recent rights issue of the Company completed on 7 August 2017; and (d) for transaction flexibility, a reasonable buffer to cater for unexpected business growth, inflation and currency fluctuations and on the principal assumptions that, during the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group and the Oceanwide Group.

## **G. INFORMATION OF 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) investor relation, online advertising and financial information services; and (v) investment holding and securities trading.

## **H. INFORMATION OF CHINA OCEANWIDE, OCEANWIDE HOLDINGS AND TOHIGH**

China Oceanwide was incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 715). The China Oceanwide Group is principally engaged in property investments in the PRC, real estate development in the United States of America and the development in the energy sector in Indonesia, as well as finance investment and others. Tohigh is a controlling shareholder of China Oceanwide and Tohigh is owned by Mr. Lu as to 77.14%, therefore China Oceanwide is a connected person of the Company under the Listing Rules.

Oceanwide Holdings is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000046). The Oceanwide Holdings Group 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 United States of America. Oceanwide Holdings controls the entire issued share capital of Oceanwide Holdings IF, the controlling Shareholder, therefore Oceanwide Holdings is a connected person of the Company under the Listing Rules.

Tohigh is a company incorporated in the PRC with limited liability. The Tohigh Group is principally engaged in industrial investment, asset management and economic-technological management advisory. Tohigh is owned by Mr. Lu as to 77.14%, therefore Tohigh is a connected person of the Company under the Listing Rules.



## I. LISTING RULES IMPLICATIONS

Oceanwide Holdings IF, the controlling Shareholder, is indirectly wholly owned by Oceanwide Holdings. Tohigh, being a controlling shareholder of both Oceanwide Holdings and China Oceanwide, is owned as to 77.14% by Mr. Lu therefore each member of the Oceanwide Group is a connected person of the Company and the Transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the (i) China Oceanwide Framework Services Agreement, (ii) Oceanwide Holdings Framework Services Agreement, and (iii) Tohigh Framework Services Agreement based on the relevant proposed annual caps, both on individual and aggregate basis, exceed 5% and the amount of the relevant annual caps are more than HK\$10,000,000, the Transactions and the proposed annual caps in respect thereof are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the financial assistance transactions under the (i) China Oceanwide Framework Services Agreement, (ii) Oceanwide Holdings Framework Services Agreement, and (iii) Tohigh Framework Services Agreement based on the relevant proposed annual caps, on aggregate basis, are more than 25%, the financial assistance transactions under the (i) China Oceanwide Framework Services Agreement, (ii) Oceanwide Holdings Framework Services Agreement, and (iii) Tohigh Framework Services Agreement also constitute major transactions under Chapter 14 of the Listing Rules and are therefore subject to the announcement, circular and shareholders' approval requirements thereunder.

The Independent Board Committee (comprising all independent non-executive Directors) has been appointed to advise the Independent Shareholders as to whether the terms of the Framework Services Agreements (including the proposed annual caps) are on normal commercial terms and fair and reasonable, and whether the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and whether to vote in favour of the resolutions to be proposed at the SGM to approve the Framework Services Agreements and the transactions contemplated thereunder. Mr. Roy Lo Wa Kei, who is also an independent non-executive director of China Oceanwide, will not opine on the China Oceanwide Framework Services Agreement and the related matters contemplated thereunder, and Mr. Kong Aiguo, who is also an independent non-executive director of Oceanwide Holdings, will not opine on the Oceanwide Holdings Framework Services Agreement and the related matters contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among others, the particulars of the Framework Services Agreements together with a letter from the Independent Board Committee, a letter from the independent financial adviser and a notice of the SGM is expected to be despatched to the Shareholders on or about 23 October 2017, as additional time is required to prepare relevant information to be included in the circular.



## DEFINITIONS

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

“Board”	the board of Directors
“China Oceanwide”	China Oceanwide Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 715)
“China Oceanwide Framework Services Agreement”	the framework services agreement entered into between the Company and China Oceanwide on 21 September 2017 in relation to the provision and receipt of various services, and conducting of investment and lending transactions between the parties
“China Oceanwide Effective Date ”	the effective date of the China Oceanwide Framework Services Agreement, being the date on which all the conditions precedent of the China Oceanwide Framework Services Agreement have been fulfilled on or before 31 December 2017
“China Oceanwide Group”	China Oceanwide and its subsidiaries
“Company”	China Oceanwide International Financial Limited (formerly known as Quam Limited), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 952)
“connected person(s)”	the meaning ascribed in the Listing Rules
“continuing connected transactions”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Dates”	The China Oceanwide Effective Date, the Oceanwide Holdings Effective Date and the Tohigh Effective Date
“Group”	the Company and its subsidiaries
“Framework Services Agreements”	China Oceanwide Framework Services Agreement, Oceanwide Holdings Framework Services Agreement and Tohigh Framework Services Agreement
“HIBOR”	Hong Kong Inter-bank Offered Rate, the annualised rate charged for inter-bank lending on HK\$ denominated instruments
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board (which comprises Mr. Roy Lo Wa Kei, Mr. Kong Aiguo, Mr. He Xuehui and Mr. Huang Yajun, all being the independent non-executive Directors) established to advise the Independent Shareholders with regard to the terms of the Framework Services Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders, other than Oceanwide Holdings IF and its associates (as defined under the Listing Rules)
“LIBOR”	the London Interbank Offered Rate, the average of interest rates estimated by each of the leading banks in London that it would be charged to borrow to other banks
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lu”	Mr. Lu Zhiqiang (盧志強), the ultimate controlling Shareholder
“Oceanwide Group”	Tohigh Group, Oceanwide Holdings Group and China Oceanwide Group
“Oceanwide Holdings”	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司), a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000046)
“Oceanwide Holdings Framework Services Agreement”	the framework services agreement entered into between the Company and Oceanwide Holdings on 21 September 2017 in relation to the provision and receipt of various services, and conducting of investment and lending transactions between the parties
“Oceanwide Holdings Effective Date ”	the effective date of the Oceanwide Holdings Framework Services Agreement, being the date on which all the conditions precedent of the Oceanwide Holdings Framework Services Agreement have been fulfilled on or before 31 December 2017
“Oceanwide Holdings Group”	Oceanwide Holdings and its subsidiaries, which for the purpose of the Oceanwide Holdings Framework Services Agreement, excluding China Oceanwide Group and the Group
“Oceanwide Holdings IF”	Oceanwide Holdings International Financial Development Co., Ltd. (泛海控股國際金融發展有限公司), a company incorporated in the British Virgin Islands
“PRC”	the People’s Republic of China which for the purpose of this announcement shall exclude Hong Kong and Macau
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company

“SGM”	the special general meeting to be convened and held by the Company to consider and, if thought fit, approve the Framework Services Agreements, the transactions contemplated thereunder and the proposed annual caps
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tohigh”	Tohigh Holdings Co., Ltd.* (通海控股有限公司), a company incorporated in the PRC with limited liability
“Tohigh Effective Date”	the effective date of the Tohigh Framework Services Agreement, being the date on which all the conditions precedent of the Tohigh Framework Services Agreement have been fulfilled on or before 31 December 2017
“Tohigh Framework Services Agreement”	the framework services agreement entered into between the Company and Tohigh on 21 September 2017 in relation to provision and receipt of various services, and conducting of investment and lending transactions between the parties
“Tohigh Group”	Tohigh and its subsidiaries which for the purpose of the Tohigh Framework Services Agreement, excluding the China Oceanwide Group, the Oceanwide Holdings Group and the Group
“Transactions”	the transactions contemplated under the Framework Services Agreements
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“%”	per cent

*For the purpose of this announcement, unless otherwise specified or the context requires otherwise, “\*” denotes an English translation of a Chinese name and is for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

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

Hong Kong, 21 September 2017

*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. Bernard POULIOT, Mr. ZHANG Xifang, Mr. LIU Hongwei and Mr. Kenneth LAM Kin Hing; three non-executive directors, namely Mr. LIU Bing, Mr. FENG Henian and Mr. ZHAO Xiaoxia; and four independent non-executive directors, namely Mr. Roy LO Wa Kei, Mr. KONG Aiguo, Mr. HE Xuehui and Mr. HUANG Yajun.*