

OCEANWIDE HOLDINGS CAPITAL STRUCTURE SUMMARY (CNYm)

Instrument	Issuance date	Coupon	Maturity	Amount Outstanding as at 30 Sep 18 <sup>(1)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Est Annual Interest on Pro Forma amounts	Leverage as of 30 Sep 18
Repurchase agreement (repo)			< 1 year	7,778	7,778	1,131		
Asset-backed securities	Nov-17 to Nov-18	0-8.5%	Oct-18 to Nov-36	3,022	5,669	824		
<b>Total secured debt</b>				<b>10,800</b>	<b>13,447</b>	<b>1,955</b>		<b>2.5x</b>
Revenue-linked securities	Jul-17 to Jun-18	2.5-6.15%	Jun-18 to Jun-21	3,365	3,365	489		
Short term bank and other loans (unclassified)			< 1 year	50,281	50,281	7,308		
Long term bank and other loans (unclassified)			< 1 year	41,108	41,108	5,975		
Onshore bonds and notes	Oct-15 to Sep-18	4.2-9%	Jan-19 to Aug-23	26,070	19,678	2,860		
Offshore bonds and notes	Mar-16 to Dec-18	6-12%	Nov-18 to Dec-23	8,883	8,639	1,256		
<b>Total debt</b>				<b>140,506</b>	<b>136,518</b>	<b>19,843</b>		<b>32.3x</b>
<b>Total debt, adjusted with the Sunac deal</b>				<b>NA</b>	<b>108,598</b>	<b>15,785</b>		
Cash & cash equivalent <sup>(2)</sup>				21,883	16,594	2,412		
External guarantee				10,593	10,593			
Uncommitted credit facilities <sup>(3)</sup>				11,274	15,000			
<b>Net Debt</b>				<b>118,624</b>	<b>119,924</b>	<b>17,431</b>		<b>27.3x</b>
Market capitalization				CNY 7.48 per share	38,868			
<b>Enterprise value</b>					<b>158,792</b>			
<b>LTM Adj. EBITDA</b>					<b>4,350</b>		<b>EV Multiple</b>	<b>37.1x</b>

Source: Debtwire, company filings

(1) No breakdown or footnotes provided for the 3Q18 short-term and long-term borrowings. (2) Pro forma cash adjusted by the bonds and notes repayments, coupon payments between 1 Oct 18 to this report date. (3) Oceanwide Holdings obtained CNY 300m credit facilities from China Minsheng Bank according to [12 Dec 18 announcement](#).

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OVERVIEW

Oceanwide Holdings Co, a Shenzhen-listed property developer-turned-financial services provider, still has a lot of work to do to manage its liabilities in 2019. On 19 March, the company announced the [completion of a deal to sell four land parcels in Beijing and Shanghai -- held via indirect subsidiary Oceanwide Real Estate Holdings -- to Sunac Real Estate for CNY 12.6bn cash](#). As part of the deal, CNY 27.9bn of the subsidiary's debt was transferred to Sunac, including [CNY 10.1bn current debt](#) as of end-November, as per a 20 January valuation report.

However, Oceanwide [still has another CNY 38bn-CNY 39bn debt maturing this year](#)<sup>(1)</sup>, Debtwire reported on 14 March, citing a management briefing for credit investors. That includes the company's USD 400m 8.5% notes due 28 May. Because of China's capital-control restrictions, the company doesn't intend to dip into the Sunac sale proceeds to cover the offshore bonds, management said. Instead, Oceanwide plans to raise funds offshore, possibly via a new bond deal – it has a registered quota to issue offshore USD 1.2bn notes and USD 300 convertible bonds – or

ISSUER SUMMARY

Country	China
Sector	Real Estate
Stock code	000046 SZ
<b>Total assets (30 Sep 18)</b>	<b>CNY 208bn</b>
<b>Total debt (30 Sep 18)</b>	<b>CNY 141bn</b>

MAJOR EVENTS

Next earnings release:	30-Apr-19
Next significant maturity:	28-May-19

Source: Debtwire, company financials

the sale of its US property, the Debtwire article states. To meet the rest of its obligations, Oceanwide touted a number of options, including selling some shares in its financial- services businesses and onshore property holdco **Wuhan CBD Real Estate Investment**, issuing onshore bonds and non-public equity; and attempting to recover CNY 8bn owed by Chinese government departments, the article stated.

Operations, which have increasingly shifted away from property development over the past few years, are unlikely to bring in significant cash inflows in the near term to help cover the maturities. The company has a history of burning through cash and the underlying business performance is unlikely to improve much. The company recorded an accumulated adjusted operating cash outflow of CNY 63.6bn in 2015-9M18.

Oceanwide warned on 31 January that it expects a [55%-70% YoY decline in profit attributable to shareholders](#) for 2018, to CNY 0.9bn-CNY 1.3bn, due to property price curbs and policy tightening.

ASIA CREDIT RESEARCH

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OCEANWIDE HOLDINGS FINANCIAL SUMMARY

Period-end	31-Dec 2015	31-Dec 2016	31-Dec 2017	30-Sep TTM to Sep	30-Sep 9M17	30-Sep 9M18	YoY % Δ
<b>CNY m</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TTM to Sep</b>	<b>9M17</b>	<b>9M18</b>	
Revenue	13,751	24,671	16,876	16,039	8,912	8,075	-9.4%
Adj EBITDA	4,319	5,200	4,576	4,350	1,953	1,727	-11.6%
EBITDA margin	31.4%	21.1%	27.1%	27.1%	21.9%	21.4%	
Operating cash flow	(5,768)	(21,026)	(26,490)	(2,805)	(24,218)	(533)	-
Capex	(647)	(1,033)	(1,018)	(662)	(593)	(237)	-60.0%
Free cash flow	(6,416)	(22,058)	(27,508)	(3,467)	(24,811)	(770)	-
Cash & cash equivalent	31,001	30,133	19,260	21,883	24,216	21,883	-9.6%
<b>Total Debt</b>	<b>73,267</b>	<b>111,980</b>	<b>131,703</b>	<b>141,227</b>	<b>132,946</b>	<b>141,227</b>	<b>6.2%</b>
<b>Total Debt/Adj EBITDA</b>	<b>17.0x</b>	<b>21.5x</b>	<b>28.8x</b>	<b>32.5x</b>	<b>-</b>	<b>-</b>	
<b>Net Debt/Adj EBITDA</b>	<b>9.8x</b>	<b>15.7x</b>	<b>24.6x</b>	<b>27.4x</b>	<b>-</b>	<b>-</b>	
Interest Expense, gross	(5,301)	(6,473)	(8,027)	(8,112)	(5,914)	(5,998)	1.4%
Adj EBITDA/interest expense	0.8x	0.8x	0.6x	0.5x	0.3x	0.3x	

Source: Debtwire, company financials

### BUSINESS DESCRIPTION

**Oceanwide Holdings**, is 70.4% (68.5% direct, 2.39% indirect) held by China Oceanwide Holdings (see parent description on [page 4](#)) which in turn is ultimately controlled by Chairman Lu Zhiqiang.

Oceanwide Holdings predecessor was South Sea Oil Shenzhen Development Services Co., a real estate developer and construction subsidiary of state-owned Shenzhen Nanyou Holdings that was established in 1989 and listed in Shenzhen Stock Exchange in 1994 (000046 SZ). Lu began acquiring a stake in South Sea

Oil in 1998 -- using investment vehicle Oceanwide Energy Investment -- and in that year became the controlling shareholder and then installed himself as Chairman<sup>(1)</sup>, according to Oceanwide's August 2018 onshore bond OC.

Oceanwide Holdings historically focused on property development in tier 1-2 cities as the main business segment. Since 2014, Oceanwide started to diversify its business segments to include financial services and other investments in 2014. By 2017, with the poor

performance in property sales, the financial service segment started to overtake property development segment in revenue generation and became a major business segment (see chart on [page 10](#)).

1) According to Oceanwide August 2018 onshore bond OC, Lu Zhiqiang was the chairman since the third term of the board of directors. *Badu.com* mentioned that the third term of board of directors was [established in November 1998](#).

**Operations:** The 2018 profit warning implies a 64.3%-91.5% YoY profit decline in 4Q18. While non-cash items could have contributed significantly to the decline, the trend up to the quarter hints that 4Q18 cash flow was also mostly squeezed by the bottom-line reduction.

For 9M18, the company reported YoY revenue and EBITDA declines of 9.4% and 11.6%, respectively.

Oceanwide has already disclosed that a major drag on 2H18 was its insurance and trust businesses, which reported a 37.4% YoY decline in revenue and 81.4% YoY drop in net income for 2H18. For 1H18<sup>(4)</sup>, the segment contributed 66.2% of the group's total revenue.

On the other hand, the property business seems to have turned around in 2018, but it was off a disastrous 2017<sup>(2)</sup> and is unlikely anyway to have contributed much cash flow based on the precedents. Though its revenue contribution (17% of 1H18 revenues<sup>(4)</sup>) was smaller than the financial segment, it is still a major segment, accounting for at least 49%<sup>(5)</sup> of the group's total assets as of 30 June, according to *Debtwire* estimates, and 54.1% of total debt as of 31 March 2018<sup>(4)</sup>.

#### Property development

Contracted sales were CNY 8bn in 9M18<sup>(2)</sup>, which already surpassed 2017's full year figure of CNY 5.2bn. If the growth trend continued, 4Q18 sales would be CNY 2.7bn, bringing the full year total to CNY 10.7bn. The 14 March *Debtwire* article states the company expects to generate CNY 10bn in 2019 from selling residential and parking properties in Beijing and Wuhan, indicating that 2019 sales will be roughly flat and is unlikely to move the needle on cash generation. Even in the most optimistic scenario in which Oceanwide maintains the lofty 63.5% gross margin it recorded in 1H18 (gross margin was 37.6% in 2017 and 41.9% in 2016), that segment could bring in at most CNY 6.4bn of cash inflows, and that's without considering operating costs. Oceanwide's history provides plenty of reasons to doubt that figure can be achieved. Even when contracted sales were significantly higher than the current levels, it reported large cash outflows: 2015 contracted sales were CNY 15.1bn while adjusted OCF was negative CNY 5bn; 2016 sales were CNY 12.9bn while adjusted OCF was negative CNY 20.7bn.

A major issue with Oceanwide's property-development segment is the length of time the company takes to complete projects, slowing its cash conversion. As of 30 September, 70.4%<sup>(3)</sup> of its properties under development have been under construction for more than five years. Of those, Oceanwide has only invested 58.3% of its targeted investment amount, implying a lot more needs to be spent in order to bring these projects to a close.

Oceanwide's projects are more time-consuming

than what Chinese developers take on average because much of its focus is on redevelopment and developing the land often requires a demolition process, as per Oceanwide's August 2018 onshore bond OC. One example is [three plots of land it acquired in 2002](#), according to a *Wallstreetcn.com* 21 January report, as part of a roll up to create its vast Shanghai Oceanwide International Residential District project. As of at least early this year, construction on two of the plots has yet to begin and the third only began in 2013, as per the August onshore bond OC. A major impediment to clearing the land was that Oceanwide [offered very low prices to resettle the original residents](#), according to a *Dongdichan Finance Magazine* report in 2013.

Oceanwide is also facing hurdles in the US, where it spent USD 1.8bn purchasing properties in 2015-2016.

For its large LA project, [Oceanwide was being investigated by the FBI](#) along with a number of other Chinese developers in the city in relation to alleged corruption at City Hall, according to *Los Angeles Times*' report on 14 January, which notes that there is nothing to indicate yet that there is any evidence the targeted developers engaged in wrongdoing. Unrelated to the investigation, [Oceanwide's downtown LA Oceanwide Plaza's construction, which was halted since January due to financing shortfalls, was gradually resuming](#), according to *Curbed's* report on 21 March. There are currently nine active mechanic's liens totaling USD 98.6m, as of the report's publication.

While its San Francisco project Oceanwide Center is still in construction, [Oceanwide has been seeking short-term financing](#) for a new partner because Chinese capital controls impeded the developer's ability to rely on onshore support, as per a *San Francisco Chronicle* 9 February report.

All these issue might explain why Oceanwide pulled back from property development. It has not acquired any new land or property projects since 2016.

#### Financial service

Cash flows from the financial-services business are erratic, but either way this division is no cash cow. The segment mainly includes Oceanwide's 51%-owned insurance business **Asia-Pacific Property & Casualty Insurance** (contributed 33.8% of 1H18's total revenues<sup>(4)</sup>), 93.42%-owned asset-management business **Minsheng Trust** (32.3% of total revenues) and 87.65%-owned securities brokerage and advisory business **Minsheng Securities** ( 11.3% of total revenues).

Asia-Pacific Property focuses on providing auto insurance, with commercial auto insurance and compulsory auto liability insurance contributing 48.8% and 32.3% of gross written premiums respectively during 1H18<sup>(4)</sup>. Asia-Pacific Property's

revenue grew 17.6% YoY to CNY 4.1bn in 2018, but the business only generated EBIT of CNY 72m for a 1.8% margin. In 2017 and 2016, insurance revenues failed to cover operating costs, with adjusted EBIT being negative CNY 4m in 2017 and negative CNY 418m in 2016. Return on capital improved to 1.2% in 2018 from 0.5% in 2017.

Minsheng Trust reported CNY 186.3bn of assets under management as of end-1H18<sup>(4)</sup>. Investments are mostly in the following areas: 43.6% of total trust assets in financial institutions, 29.5% in industrial and commercial enterprises and 15.2% in real estate.

Revenue dropped 23.4% YoY in 2018 to CNY 2.6bn, while EBIT fell 22.5% to CNY 1.9bn. Return on capital also fell to 11% in 2018 from 20.4% in 2017.

**Combined Cash Flow:** In the near term, the financial-services and property-development businesses are unlikely to generate significant cash if things stay the same, an analysis shows.

Using the optimistic scenario -- that Oceanwide maintains the strong 63.5% gross margin it recorded in 1H18 -- the property-development segment would generate around CNY 6.4bn of gross profit off around CNY 10bn in sales.

Assuming that the entire amount flows to EBIT, and the main components of the financial services segment -- Asia-Pacific Property and Minsheng Trust -- would have a combined EBIT of CNY 2.5bn (the same level as 2018), the business as a whole would have an EBIT of around CNY 8.9bn based on its current trajectory. On the other side, annual cash interest, based on a loan profile mentioned in an August 2018 onshore OC, was around CNY 8.7bn (*Debtwire* estimate). Assuming that figure falls 22% to 6.7bn (in line with debt reduction under the Sunac deal), it would only leave about CNY 2.2bn of cash after interest is paid versus the CNY 38bn-CNY 39bn of current debt reported in the *Debtwire* article. That figure could be way worse if Oceanwide's history is any guide.

**Liquidity:** Oceanwide burned CNY 10.5bn adjusted operating cash flow during 9M18, though that was less than half of 9M17's outflow. Despite having negative operating cash flows of CNY 63.6bn between 2015 and 9M18, Oceanwide still had a strong appetite for acquisitions. The company spent a total of CNY 31.5bn on net acquisitions between 2015 and 9M18, including CNY 3.8bn in 9M18.

*Debtwire* compiled a list of Oceanwide's major acquisitions since 2015 on page 12, with USD 1.8bn (CNY 12.1bn) spent on US properties alone between 2015-2016, but none of these projects have generated cash nor are they close to completion. Oceanwide has another big ticket acquisition pending, having agreed in 2016 to [acquire for USD 3.8bn a 100% stake in American mortgage insurer Genworth Financial](#). The deadline

**PROPERTY DEVELOPMENT PERFORMANCE**

Oceanwide's property business appears to have made some turnaround in 2018, although from the lows of 2017. Contracted average selling price (ASP) in 9M18 was CNY 32,317/sqm, well above 2017's CNY 20,242/sqm. Sell-through rate (contracted sales/saleable land at beginning of period) in 9M18 reached 71.4%, already surpassing 2017's 58.7%. Recognized revenue from property sales was CNY 2bn during 9M18,

As of 30 June<sup>(1)</sup>, Oceanwide reported a total land bank GFA of 10.2m sqm, according to the August 2018 USD bond-offering circular, but a chart in the same document provides a different total<sup>(2)</sup>.

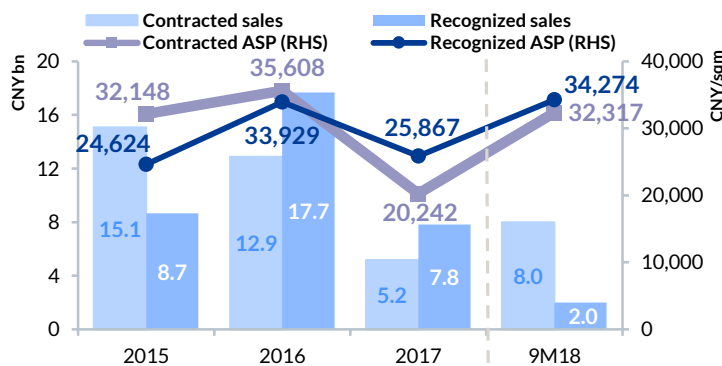
Oceanwide's property-sales revenues were hit by the authorities' housing-price curbs, especially because many of its major projects are in cities most targeted for tightening measures (see contracted sales by cities table

on [page 10](#)), according to the company's financial reports and the August 2018 onshore bond OC. 37% of Oceanwide's property inventories by value were located in Beijing, 19.9% in Wuhan and 14% in Shanghai, as of 30 September 2018. The segment's gross margin in 1H18<sup>(1)</sup> reached 63.5% from 38.8% in 1H17. The company explains in the onshore-bond OC that its high margin is mainly because most of the plots of land in China were acquired before 2016 when land prices were much cheaper, while the average home prices continued to rise in 2018. Also, most of the land was acquired directly from sellers, which was cheaper than acquisition via bidding. The average cost of the existing land bank was CNY 6,385/sqm as of 30 June (see chart on [page 11](#)).

1) The latest data available.

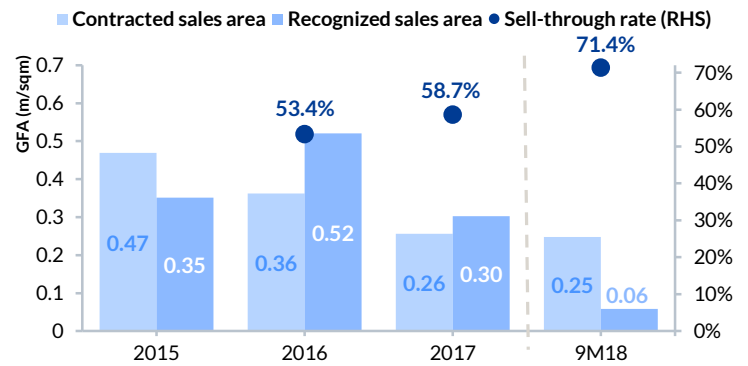
2) Oceanwide reported a total land bank GFA of 10.19m sqm as of 30 June according to the August 2018 USD bond OC, but a major property development projects table in the same document shows that the total of all projects' GFA completed but unsold, GFA under construction and GFA to be constructed was 7.36m sqm. If adding GFA held for long-term investment into this tally, it was 10.87m sqm, closer to the reported figure but still not exactly the same.

**CONTRACTED VS REGONIZED PROPERTY SALES**



Source: Debtwire, China Oceanwide Jan 19 onshore bond OC

**CONTRACTED VS REGONIZED PROPERTY SALES AREA**



Source: Debtwire, China Oceanwide Jan 19 onshore bond OC  
(1) Sell-through rate unavailable for 2015

to complete the deal was recently extended -- for the ninth time -- to 30 April from January in order to allow for regulatory approvals.

In addition to the CNY 38bn-CNY 39bn debt due by 2019 according to the *Debtwire* article, the company reported large other spending needs as of 30 September. These include at least CNY 152.1bn investment required for all of Oceanwide's under-development projects.

Also, parent China Oceanwide reported CNY 9.4bn of signed contracts (mostly construction-related) that haven't been paid, according to a January 2019 onshore bond OC<sup>(6)</sup>. These are likely liabilities related to Oceanwide Holdings, since that is where China Oceanwide houses its property-development activities. The OC doesn't state when the payments are due.

**Debt profile:** Pro forma total debt amounted to CNY 108.6bn after accounting for the Sunac deal, CNY 4.7bn new-notes issuance, CNY 8.7bn bond redemptions and CNY 1.3bn coupon payments between October and this report's date.

Oceanwide reported CNY 140.5bn total debt as of 30 September. Net debt-to-TTM to 30 September EBITDA was at 27.3x, almost 3x of 2015 net leverage of 9.8x, the year when Oceanwide started its acquisition spree. EBITDA-to-interest coverage TTM to 30 September fell to 0.5x, from 0.8x in 2015.

Though Oceanwide guarantees most of the offshore notes, it is only a holdco with most of its assets sitting in the onshore operating subsidiaries which do not guarantee the notes, according to a 31 October report by *Xtract Research*, *Debtwire's* sister publication. Of the total debt, 54.6% was at onshore real-estate subsidiaries as of end-1Q18<sup>(4)</sup>,

of which **Wuhan CBD Real Estate Investment** has the most amount of debt at CNY 28.9bn. **Beijing Oceanwide Dongfeng Real Estate** and Oceanwide Real Estate were next with debt of CNY 13.8bn and CNY 13.3bn, respectively but both of those entities were sold as part of the Sunac deal.

In addition, the company reported CNY 10.6bn of external guarantees as of 30 June 2018, the last time this information was provided.

Of the total assets, 46.9% has been pledged to borrowings as of 30 June<sup>(4)</sup>, including 68.1% of inventories, 90.8% of investment properties and 94.5% of equity investments (see chart on page 8-9). Oceanwide has pledged stakes in some of the major property development subsidiaries. Its 100% stake in Beijing Oceanwide Dongfeng Real Estate, 34.09% stake in Beijing Xinguo Real Estate Development and 46.12% in Oceanwide Real Estate have been pledged to loans as of 30 June 2018. (see table on page 8).

- As of 30 September, Oceanwide reported debt due within one year of CNY 71.1bn, which was 3.3x its CNY 21.9bn cash position as of that time. (mentioned in debt profile)
- 9M17 contracted was undisclosed for a YoY growth calculation, but the CNY 8bn contracted sales in 9M18 had exceeded full year 2017's CNY 5.2bn.
- By value
- The latest data available.
- Property-development segment's total asset was undisclosed. *Debtwire* estimates the figure by taking the group's (total inventories excluding non-property-related inventories and investment properties) / total asset
- Oceanwide's August 2018 onshore bond OC also states Oceanwide had CNY 9.5bn unpaid contractual commitments of as of 31 March 2018, and that most of the commitments are over construction contracts.

**LIQUIDITY FORECAST (CNYm)**

	2019
Cash at the end of 30 Sep 18	21,883
Short-term investment at the end of 30 Sep 18	14,568
EBITDA estimate <sup>(1)</sup>	4,872
New debt raised <sup>(2)</sup>	4,692
New bond & notes issue planned announced <sup>(3)</sup>	11,288
Bond repayments	(13,074)
Coupon payments	(3,316)
Bank loan repayments	(62,782)
Bank loan interest payments	(7,561)
Bonds and notes with put options due	(4,802)
Projected current debt roll over <sup>(4)</sup>	25,886
Cash proceed from disposals <sup>(1)(5)</sup>	41,829
Projected bank loans reduction from disposals <sup>(5)</sup>	10,971
Projected interest paid reduction from disposal <sup>(5)(6)</sup>	1,982
Projected cash balance reduction from disposals <sup>(5)</sup>	(2,505)
Capex estimate <sup>(1)</sup>	(693)
Acquisition <sup>(1)</sup>	(45,935)
Cash tax paid estimated <sup>(1)</sup>	(9,814)
Estimated working capital requirement <sup>(1)</sup>	(2,868)
Other liquidity sources <sup>(7)</sup>	1,714
Revolver avail. (uncommitted)	15,000
<b>Cash at the end of period</b>	<b>(13,666)</b>

Source: Debtwire, company filings

- EBITDA estimate for 2019 takes into account of 9M18 contracted sales for the property segment and assume financial service segment revenue to be flat. For details and other assumptions, see table at the below for assumptions.
- Bond issues between Oct and this report date.
- The company plans to issue HKD 1.1bn private short-term bill as per [5 Dec 18 announcement](#), USD 1.2bn offshore bond, USD 300m convertible bond, as per [22 Feb 19 announcement](#).
- Management said current debt was CNY 38-39bn as per [Debtwire 14 Mar report](#). This figure is the difference between the CNY 39bn and *Debtwire's* projected current debt.
- Including CNY 12.6bn from disposing Oceanwide Real Estate Holding as per [19 Mar 19 announcement](#). A [valuation report dated 20 Jan](#) shows that Oceanwide Real Estate Holding carries CNY 10.1bn current debt, CNY 27.9bn total debt and CNY 2.5bn cash as of end-Nov 18.
- Assume the average interest rate of loans of Oceanwide Real Estate Holding and its subsidiaries under disposal is 7.1%, which was the average rate of these entities as of 31 Mar 18 calculated from the Aug 18 onshore bond OC's loan profile breakdown table.
- Subsidiary Beijing Xinguo Real Estate will receive CNY 1.7bn compensation on land occupied by Jingshen Passenger Railway Line Jingyi Co., Ltd. (京沈铁路客运专线京冀有限公司), as per [29 Jan 19 announcement](#).

## RECENT AND POTENTIAL DISPOSALS

On 19 March, Oceanwide completed the sale of indirect subsidiary [Oceanwide Real Estate Holdings](#) – which owns four land parcels in Beijing and Shanghai – for CNY 12.6bn cash, being 1.4x of net book value as of end-November 2018. The deal also includes buyer Sunac Real Estate assuming CNY 27.9bn debt, as per a valuation report on Oceanwide Real Estate as of end-November 2018. *Debtwire* calculates that the deal would reduce Oceanwide Holdings' CNY 136.5bn pro forma total debt by 20.3%, including a CNY 10.1bn cut on current debt.

Before selling the indirect subsidiary, Oceanwide transferred some assets previously housed under

that unit, including its 100% stake in developer **Zhejiang Oceanwide Real Estate Investment**, 100% in property-investment company **Shanghai Yuzhong Investment Management** and Beijing Oceanwide International Residential District land parcels #2 and 3.

Thus, the [major assets involved in the transaction](#) with Sunac include Beijing Oceanwide International Residential District land parcel #1 and Shanghai Oceanwide International Residential District land parcels #10, 12 and 14, which Oceanwide acquired in 2002.

Oceanwide also put up a [New York property located at 80 South Street](#) on the market, according to a 11 February *Commercial Observer* report. The sale could fetch USD 300m, the report states. Oceanwide acquired the property for USD 390m in March 2016.

The company also mentioned it is [likely to sell property in Hawaii](#), as per the 14 March *Debtwire* report. It is not clear how many properties are to be sold. Oceanwide acquired four Hawaiian properties for total CNY 850m (USD 127m) between 2015 and 2016

Source: Debtwire

## PARENT CHINA OCEANWIDE HOLDINGS GROUP

China Oceanwide is ultimately owned by founder and Chairman Lu Zhiqiang, who owns a 77.14% look-through stake. The remaining 22.86% shares are evenly distributed between the chairman's wife Huang Qiongzi and daughter Lu Xiaoyun.

Financial services is China Oceanwide's largest segment by revenue, making up 48.7% of the CNY 12.6bn total revenues in 9M18, followed by information technology services (22.2%) and property development (16.1%). **Oceanwide Holdings**, which holds the property development arm, **Asia-Pacific Property & Casualty Insurance**, **Minsheng Trust** and **Minsheng Securities**, contributed 64% of the parent's total revenue during 9M18, and made up 62.1% of total debt and 63.9% total assets as of 30 September.

China Oceanwide's other businesses seem to have outperformed Oceanwide Holdings lately as the parent recorded a 115.9% YoY increase in EBITDA during 9M18 to CNY 2.2bn compared with Oceanwide's 11.6% YoY decline to CNY 1.7bn. In 2017, the parent had an EBITDA drop of only 3.9% to CNY 5bn compared with property arm Oceanwide's 12% YoY decline to CNY 4.6bn.

However, despite the EBITDA growth, the parent has liquidity issues of its own. As of 30 September, it had CNY 113.6bn debt (including Oceanwide's) maturing within a year, which is about half of its total debt, but it only had CNY 26.4bn cash and CNY 14.6bn short-term investments. Net debt-to-EBITDA TTM to 30 September was 33.6x, slightly lower than 2017's 39.4x, while EBITDA interest coverage recovered to 0.5x in TTM to 30 September, from 0.4x in 2017.

The parent's [66.82% direct stake in Oceanwide Holdings was pledged to loans](#), as of 4 December 2018. Another 2.39% stake held via Oceanwide Energy was also pledged to loans as of 30 September, latest available disclosures show.

### Controlling Shareholder's Background:

China Oceanwide's founder and chairman Lu Zhiqiang, 66, is a Shandong native and a master's degree holder in Economics from Fudan University. He is currently a standing-committee member of the Twelfth National Committee of the Chinese People's Political Consultative Conference, vice president of the All-China Federation of Industry and Commerce, one of the four vice chairmen of China Minsheng Bank Holding, board member of Legend Holdings (3396 HK), which is the controlling shareholder of PC

maker Lenovo Group (00992 HK), and member of the board of trust of Fudan University, as per the August 2018 USD bond OC.

According to *Debtwire's* key-person-focused sister concern *Capital Profile's* 30 January report, chairman Lu in 1996 [co-founded China Minsheng Banking Corp](#), which is currently China's largest non-government-controlled bank. Lu is the third-largest shareholder in the bank with a combined 6.94% stake held through China Oceanwide and Oceanwide.

Lu also co-founded Minsheng Life Insurance in 2002, but sold out his stake in 2010. He was also a former director of China Minsheng Investment Corp, in which Oceanwide held a 2% stake before selling it in 2017.

OCEANWIDE HOLDINGS CAPITAL STRUCTURE (CNYm)

Instrument	Issuer	Issuance Date	Coupon	Maturity	Amount Outstanding as at 30 Jun 18	Amount Outstanding as at 30 Sep 18 <sup>(1)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Price	Yield	Est Annual Interest on Pro forma amounts	Leverage as of Sep 18	Guarantor
Short-term secured bank loans			1.8-12.1%	< 1 year	8,618	NA	NA	NA					
Long-term secured bank loans			1.8-12.1%	> 1 year	8,129	NA	NA	NA					
Short-term secured guaranteed loans			1.8-12.1%	< 1 year	23,688	NA	NA	NA					
Long-term secured guaranteed loans			1.8-12.1%	> 1 year	28,576	NA	NA	NA					
Repurchase agreement (repo)				< 1 year	9,255	7,778	7,778	1,131					
Senior asset-backed securities- grade 1	Oceanwide Property Management	18-Dec-17	7.40%	25-Oct-18	38	38	0	0			0		
Senior asset-backed securities- grade 2			7.50%	25-Oct-19	79	79	79	11			6		
Senior asset-backed securities- grade 3			8.00%	25-Oct-20	83	83	83	12			7		
Senior asset-backed securities- grade 4			8.00%	25-Oct-21	88	88	88	13			7		
Senior asset-backed securities- grade 5			8.00%	25-Oct-22	94	94	94	14			8		
Senior asset-backed securities- grade 6			8.30%	25-Oct-23	100	100	100	15			8		
Senior asset-backed securities- grade 7			8.50%	25-Oct-24	107	107	107	16			9		
Subordinate asset-backed securities	Oceanwide Property Management	20-Dec-17	0.00%	25-Oct-24	33	33	33	5			0		
Pingan Huitong Oceanwide Minsheng Financial Center senior asset-backed securities 01		24-Nov-17	5.45%	24-Nov-35	1,600	1,600	1,600	233			87		Oceanwide Holdings Co, Oceanwide Real Estate Intl Investment Co
Pingan Huitong Oceanwide Minsheng Financial Center senior asset-backed securities 02		24-Nov-17	5.78%	24-Nov-35	730	730	730	106			42		
Pingan Huitong Oceanwide Minsheng Financial Center subordinate asset-backed securities 02		24-Nov-17	-	24-Nov-35	70	70	70	10			0		
Tianfeng Oceanwide Minsheng Financial Center senior asset-backed securities- grade A		16-Nov-18	6.20%	17-Nov-36	0	0	1,700	247			105		
Tianfeng Oceanwide Minsheng Financial Center senior asset-backed securities- grade B		16-Nov-18	8.50%	17-Nov-36	0	0	935	136			79		
Tianfeng Oceanwide Minsheng Financial Center senior asset-backed securities- grade C		16-Nov-18	-	17-Nov-36	0	0	50	7			0		
<b>Total secured debt</b>					<b>81,288</b>	<b>10,800</b>	<b>13,447</b>	<b>1,955</b>				<b>2.5x</b>	
Short-term guaranteed loans			1.8-12.1%	< 1 year	8,500	NA	NA	NA					
Long-term guaranteed loans			1.8-12.1%	> 1 year	4,090	NA	NA	NA					
Revenue-linked securities		6-Jul-17 to 29-Jun-18	2.5-6.15%	28-Jun-18 to 26-Jun-19	3,226	3,257	3,257	473					
Revenue-linked securities		7-Feb-18 to 29-Jun-18	2.5-6.15%	7-Feb-20 to 29-Jun-21	109	109	109	16					
Short-term financing from banks			1.8-12.1%	< 1 year	1,866	7,061	7,061	1,026					
Short-term financing from non-bank financial institutions			1.8-12.1%	< 1 year	3,900								
Loans unclassified			1.8-12.1%	< 1 year	-	43,220	43,220	6,282					
				> 1 year	-	41,108	41,108	5,975					
<b>Onshore bonds</b>													
CNY 3.2bn 5-year medium-term notes I	Oceanwide Holdings	12-Oct-15	6.90%	14-Oct-20	3,200	3,200	3,200	465			221		
CNY 1.4bn 5-year puttable medium-term notes I <sup>(4)</sup>	Oceanwide Holdings	16-Mar-17	6.49%	20-Mar-22	1,400	1,400	1,400	203			91		
CNY 700m 5-year puttable medium-term notes I <sup>(4)</sup>	Oceanwide Holdings	27-Aug-18	8.50%	29-Aug-23	0	700	700	102			60		
CNY 1.5bn 5-year puttable corporate bond I <sup>(4)(5)</sup>	Oceanwide Holdings	22-Dec-15	5.35%	21-Dec-20	1,500	1,500	89	13			5		
CNY 2.2bn 5-year puttable corporate bond I <sup>(4)(5)</sup>	Oceanwide Holdings	8-Mar-16	5.60%	7-Mar-21	2,200	2,200	106	15			6		
CNY 1.3bn 5-year puttable corporate bond II <sup>(4)(5)</sup>	Oceanwide Holdings	24-Mar-16	5.29%	23-Mar-21	1,300	1,300	3	0			0		
CNY 4bn 3-year puttable private placement bond I <sup>(3)</sup>		24-Sep-15	7.65%	24-Sep-18	4,000	0	0	0			0		
CNY 6.3bn 3-year puttable private placement bond I <sup>(3)</sup>		22-Jan-16	7.65%	22-Jan-19	1,590	1,590	0	0			0		

OCEANWIDE HOLDINGS CAPITAL STRUCTURE (CNYm)

Instrument	Issuer	Issuance Date	Coupon	Maturity	Amount Outstanding as at 30 Jun 18	Amount Outstanding as at 30 Sep 18 <sup>(1)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Price	Yield	Est Annual Interest on Pro forma amounts	Leverage as of Sep 18	Guarantor
CNY 1.7bn 5-year puttable private placement bond II <sup>(6)</sup>	Oceanwide Holdings	10-Aug-16	6.49%	9-Aug-19	1,700	0	0	0			0		
CNY 4bn 3-year private placement bond I		10-Sep-18	9.00%	10-Sep-21	0	4,000	4,000	581			360		
CNY 2.2bn 3-year private placement bond II		13-Sep-18	9.00%	13-Sep-21	0	2,200	2,200	320			198		
CNY 600m 1-year private placement bond I (Type II)	Minsheng Securities	14-Jul-17	5.38%	14-Jul-18	600	0	0	0			0		
CNY 950m 2-year private placement bond I (Type I)		25-Jan-18	6.20%	25-Jan-20	950	950	950	138			59		
CNY 550m 3-year private placement bond I (Type II)		25-Jan-18	6.50%	25-Jan-21	550	550	550	80			36		
CNY 500m 1.5-year private placement bond III		24-Nov-17	5.50%	24-May-19	500	500	500	73			28		
CNY 1.48bn 3-year subordinate bond I		16-Aug-16	4.20%	16-Aug-19	1,480	1,480	1,480	215			62		
CNY 500m 3-year first subordinate bond I		17-Mar-17	5.20%	17-Mar-20	500	500	500	73			26		
CNY 500m 3-year first subordinate bond II		14-Jul-17	5.95%	14-Jul-20	500	500	500	73			30		
CNY 500m 3-year first subordinate bond III		20-Oct-17	5.80%	20-Oct-20	500	500	500	73			29		
CNY 1.8bn 3-year first subordinate bond I (Type I)		24-Apr-18	6.80%	24-Apr-21	1,800	1,800	1,800	262			122		
CNY 1.2bn 2-year first subordinate bond I (Type II)		24-Apr-18	6.50%	24-Apr-20	1,200	1,200	1,200	174			78		
<b>Total onshore bonds</b>					<b>25,470</b>	<b>26,070</b>	<b>19,678</b>	<b>2,860</b>					
<b>Offshore bonds</b>													
USD 600m callable senior notes <sup>(6)</sup>	Oceanwide Holdings Intl 2015	11-Aug-15	9.63%	11-Aug-20	2,752	0	0	0	98.37	10.85%	0		Oceanwide Holdings Co, Oceanwide Real Estate Intl Investment Co
		26-May-16			1,376								
HKD 600m 5-year convertible note	China Oceanwide Holdings	27-Dec-18	6.00%	27-Dec-23	0	0	528	77			32		
HKD 500m 3-year senior notes	China Oceanwide Intl Financial Management	24-Mar-16	8.50%	24-Mar-19	440	440	440	64	99.94	9.02%	37		China Oceanwide Intl Investment Co. (Keepwell: China Oceanwide Holdings Group)
USD 200m 1-year senior notes	Oceanwide Holdings Intl 2017	15-Jul-17	6.50%	15-Jul-18	1,376	0	0	0			0		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate Intl Investment Co
HKD 2.56bn 1-year private placement notes	Oceanwide Holdings Intl Development II	3-Nov-17	6.00%	1-Nov-18	2,251	2,251	0	0			0		Oceanwide Holdings Co.
USD 400m senior notes	Oceanwide Holdings Intl 2017	28-Nov-17	8.50%	28-May-19	2,064	2,064	2,064	300	98.56	17.82%	234		Oceanwide Holdings Co, China Oceanwide Holdings Group Co, Oceanwide Real Estate Intl Investment Co
		19-Dec-17			688	688	688	100					
USD 400m 3-year callable senior notes	Oceanwide Holdings Intl 2017	27-Jul-17	7.75%	27-Jul-20	2,752	2,752	2,752	400	88.85	17.59%	213		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate Intl Co.
USD 400m 3-year callable senior notes	Oceanwide Holdings Intl 2017	27-Jul-17	7.75%	27-Jul-20	2,752	2,752	2,752	400	98.50	12.69%	213		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate Intl Co.

OCEANWIDE HOLDINGS CAPITAL STRUCTURE (CNYm)

Instrument	Issuer	Issuance Date	Coupon	Maturity	Amount Outstanding as at 30 Jun 18	Amount Outstanding as at 30 Sep 18 <sup>(1)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Price	Yield	Est Annual Interest on Pro forma amounts	Leverage as of Sep 18	Guarantor
USD 100m 1-year callable private placement senior notes	Oceanwide Holdings Intl Development II	25-Apr-18	9.25%	24-Apr-19	688	688	688	100			64		
USD 215m 3-year callable puttable senior notes	Oceanwide Holdings Intl Development III	31-Oct-18	12.00%	31-Oct-21	0	0	1,479	215	98.50	12.69%	178		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate Intl Investment Co
<b>Total offshore bonds</b>					<b>14,387</b>	<b>8,883</b>	<b>8,639</b>	<b>1,256</b>					
<b>Total debt</b>					<b>142,835</b>	<b>140,506</b>	<b>136,518</b>	<b>19,843</b>				<b>32.3x</b>	
<b>Total debt, adjusted with the Sunac deal</b>					<b>NA</b>	<b>NA</b>	<b>108,598</b>	<b>15,785</b>					
Cash & cash equivalent <sup>(7)</sup>					16,799	21,883	16,594	2,412					
External guarantee					10,593	10,593	10,593						
Uncommitted credit facilities <sup>(8)</sup>					11,274	11,274	15,000						
<b>Net Debt</b>					<b>126,037</b>	<b>118,624</b>	<b>119,924</b>	<b>17,431</b>				<b>27.3x</b>	
Market capitalization						CNY 7.48 per share	38,868						
<b>Enterprise value</b>							<b>161,366</b>						
<b>LTM Adj. EBITDA</b>							<b>4,350</b>				<b>EV Multiple</b>	<b>37.1x</b>	

Source: Debtwire, company filings

1) No breakdown or footnotes provided for the 3Q18 short-term and long-term borrowings.

2) [CNY 1.296m was sold back](#) on 25 March, and [coupon will adjust to 6.5% for the remaining holders](#).

3) At the end of the second year, issuer has option to adjust coupon rate and the note is puttable for investor.

4) At the end of the third year, issuer has option to adjust coupon rate and the note is puttable for investor.

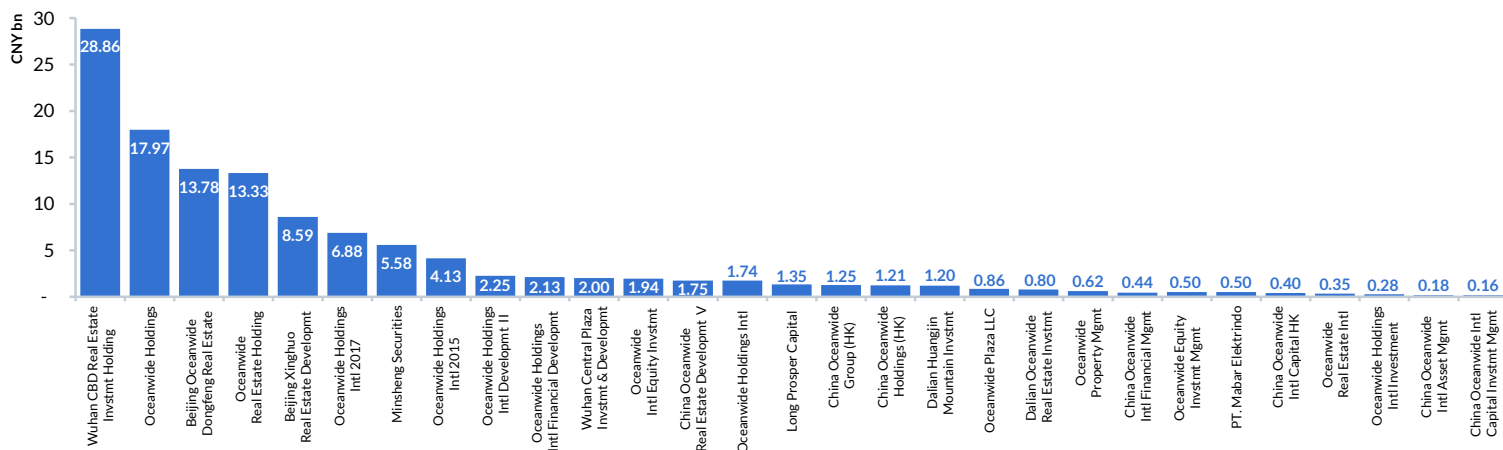
5) Some holders of due-Dec 20 exercised put option and [sold back on 21 Dec 18, and coupon will adjust to 7.5% for the remaining holders](#). Some holders of due-Mar 21 exercised put option and [sold back on 7 Mar 19, and coupon will adjust to 6.5% for the remaining holders](#).

6) Oceanwide [redeemed the USD 600m due-Aug 20](#) as ifeng.com reported on 12 Aug 18.

7) Pro forma cash adjusted by the bonds and notes repayments, coupon payments between 1 Oct 18 to this report date.

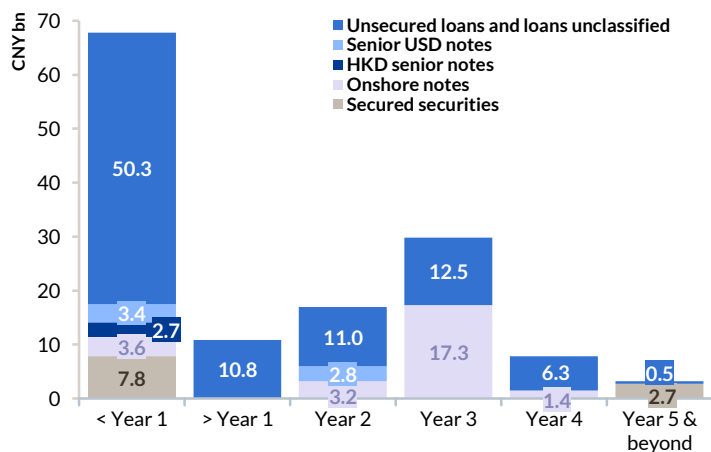
8) According to Debtwire [14 Mar 19 report](#).

## DEBT BY OCEANWIDE ENTITIES (AS OF 31 MAR 18)<sup>(1)</sup>



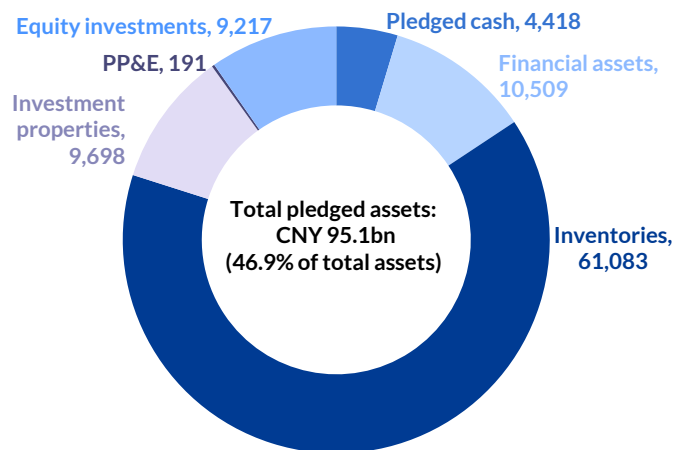
Source: Debtwire, Oceanwide Holdings Aug 18 Onshore OC  
1) The latest data available

## DEBT MATURITY PROFILE (AS OF 30 SEP 18)



Source: Debtwire, company filings

## RESTRICTED ASSETS (AS OF 30 JUN 18)<sup>(1)</sup>



Source: Debtwire, company filings  
1) The latest data available

## SUBSIDIARIES WITH SHARES PLEDGED TO LOANS (AS OF 30 JUN 18)<sup>(1)</sup>

Subsidiaries	Shares owned (%)	Shares pledged (%)
Beijing Oceanwide Dongfeng Real Estate Co	100%	100%
Dalian Oceanwide Real Estate Investment Co	100%	100%
Dalian Huangjin Mountain Investment Co	100%	100%
Oceanwide Real Estate International Co	100%	100%
Asia-Pacific Property & Casualty Insurance Co	51%	51%
Beijing Xinghuo Real Estate Development Co	100%	34.09%
Oceanwide Real Estate Holding Co	100%	46.12%
Minsheng Securities Co	87.65%	71.75%
China Oceanwide Holdings (HK)	74.95%	56.10%
China Tonghai International Financial	72.24%	51.43%

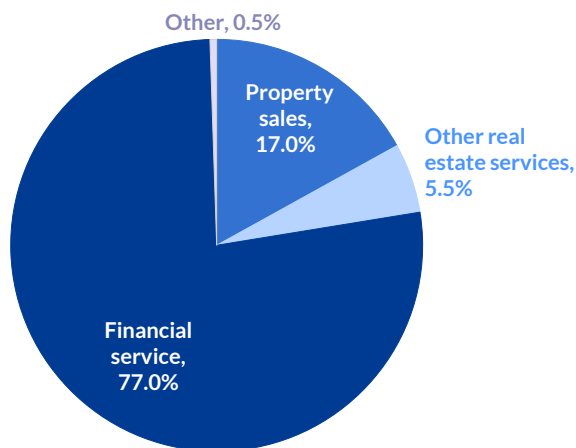
Source: Debtwire, Oceanwide Holdings' 1H18 report  
1) The latest data available



RESTRICTED ASSET LIST						
Asset type	Asset	Book value as of 31 Mar 18	Book value as of 30 Jun 18	Pledgee	Pledging starts	Pledging ends
Cash & cash equivalent	Restricted cash from contractual obligations	9	NA	-	-	-
	Relocation special funds	0	NA	-	-	-
	Trust guarantee fund	-	NA	-	-	-
	Cash pledged to guarantee	4,159	NA	-	-	-
	Other cash	0	NA	-	-	-
<b>Cash &amp; cash equivalent</b>	<b>Total</b>	<b>4,168</b>	<b>4,418</b>	<b>-</b>	<b>-</b>	<b>-</b>
Inventories	Beijing Oceanwide International Residential District Phase II (land parcel #1, 2 & 3)	14,870	14,870	Trust company 1	18-Aug-16	18-Feb-19
				Bank 1	6-Jan-17	29-Jul-21
	Beijing Oceanwide International Residential District #4-1 land parcel	3,591	3,591	Bank 1	10-Jul-15	9-Jul-20
	Beijing Oceanwide International Residential District #4-2 land parcel					
	Beijing Oceanwide International complementary facilities land site project					
	Land plot #20	293	293	Bank 3	1-Aug-08	31-Jul-22
	Fairmont Hotel construction in progress	488	0	Asset management company 1	16-Jun-16	30-Jun-18
	Land plot #14	743	743	Trust company 2	28-Sep-17	28-Jan-20
	Land plot #15	1,854	1,854	Asset management company 2	25-Jan-17	30-Sep-22
	Land plot #16A	385	385	Bank 3	1-Aug-08	31-Jul-22
	Land plot #16C	478	478			
	Land plot #16D	481	481			
	Land plot #16E	488	488			
	Land plot #16F	377	377			
	Land plot #17	965	965	Trust company 3	1-Aug-17	1-Aug-21
	Land plot #24A	2,029	2,029	Trust company 4	27-Jul-16	26-Jul-19
	Land plot #16B	3,401	3,401	Trust company 1	28-Jul-16	27-Jul-18
	Oceanwide Wealth Center	573	573	Trust company 5	18-May-17	18-May-20
	Land parcel #10 at Dongjiadu, Huangpu District, Shanghai	5,512	5,512	Trust company 6	1-Nov-17	8-Oct-19
	Land parcel #12 at Dongjiadu, Huangpu District, Shanghai	6,341	6,341	Bank 4	26-Jul-16	25-Jul-21
Diaoyutai Hotel Hangzhou Phase II (already pledged)	708	708	Trust company 7	20-Oct-16	20-Oct-18	
Oceanwide Plaza, LA, USA	6,274	6,274	Offshore entity I	20-Jul-15	20-Jul-20	
Other	-	11,720	NA	2Q18	NA	
<b>Inventories</b>	<b>Total</b>	<b>49,851</b>	<b>61,083</b>			
Investment properties	Qingdao Oceanwide International Shopping Center (commercial)	703	0	Asset management company 1	30-Jun-16	29-Jun-18
	Qingdao Oceanwide International Shopping Center (office building)	285	0	Asset management company 1	30-Jun-16	29-Jun-18
	Beijing Guangcai International Mansion	655	655	Trust company 8	23-Dec-16	22-Dec-18
	Sheraton Grand Wuhan Hankou Hotel (Chengguang Phase I)	1,188	1,188	Trust company 9	23-Jun-17	22-Jun-20
	Chengguang Phase I - office building	446	446	Asset management company 3	17-Nov-16	31-Dec-18
	Chengguang Phase I - shopping center	1,555	1,555			
	Diaoyutai Hotel Hangzhou Phase I (already pledged)	1,108	1,108	Trust company 7	20-Oct-16	20-Oct-18
	Minsheng Financial Center, Hangzhou	982	982	Trust company 7	20-Oct-16	20-Oct-18
	31F & 32F properties at Shanghai Harbour Ring Plaza & the land use right	55	55	Bank 5	24-Aug-16	7-Jun-21
	Shanghai Harbour Ring Plaza & Huangpu Center properties and the land use rights	1,007	1,007	Bank 5	27-Mar-17	7-Jun-21
Oceanwide International Residential District #2 land parcel's buildings #11, 12	593	593	Asset management company 1	17-Aug-17	16-Aug-18	
Other	-	2,110	NA	2Q18	NA	
<b>Investment properties</b>	<b>Total</b>	<b>8,577</b>	<b>9,698</b>			
PP&E	Chengguang Phase I - self-use office floor	159	159	Asset management company 3	17-Nov-16	31-Dec-18
	Unit 5A, Minsheng Financial Center, Hangzhou (self-use) (already pledged)	25	25	Trust company 7	20-Oct-16	20-Oct-18
	Oceanwide Plaza, LA, USA	5	5	Offshore entity I	20-Jul-15	20-Jul-20
	Other	-	1	NA	2Q18	NA
<b>PP&amp;E</b>	<b>Total</b>	<b>190</b>	<b>191</b>			
Financial assets available-for-sale	Stocks	505	NA	Bank 6	27-Jun-14	NA (revolver)
	Bonds	256	NA	Bank 7	NA (Long-term)	
	Funds	249	NA	Bank 6	12-Jan-18	NA (revolver)
<b>Financial assets available-for-sale</b>	<b>Total</b>	<b>1,010</b>	<b>575</b>			
Financial assets measure at FV	Bonds	156	NA	Offshore entity II	5-Mar-18	Loan repayment date
	Bonds (Minsheng Securities' repurchase agreement pledged)	9,917	NA	Bank, security company, etc	NA	NA
<b>Financial assets measure at FV</b>	<b>Total</b>	<b>10,073</b>	<b>9,934</b>			
Held-to-maturity investments	Bonds	200	NA	Offshore entity II	22-Dec-17	Loan repayment date
<b>Held-to-maturity investments</b>	<b>Total</b>	<b>200</b>	<b>-</b>			
Long-term equity investments	Minsheng Bank equity	8,444	8,444	Bank 8, security company 1 & 2	30-Dec-16	30-Dec-19
	Other	-	773	NA	2Q18	NA
<b>Long-term equity investments</b>	<b>Total</b>	<b>8,444</b>	<b>9,217</b>			
<b>Total</b>	<b>Total</b>	<b>82,513</b>	<b>95,115</b>			

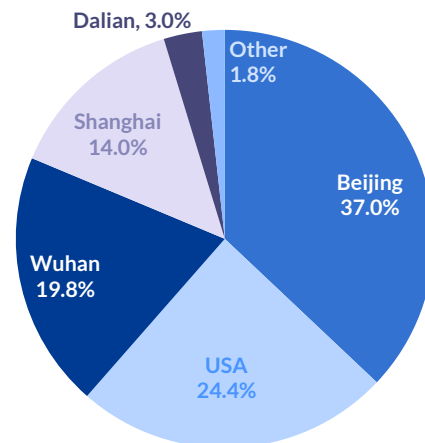
Source: Debtwire, Oceanwide Aug 18 onshore bond OC, 1H18 report

## OCEANWIDE HOLDINGS REVENUE BY SEGMENT IN 1H18



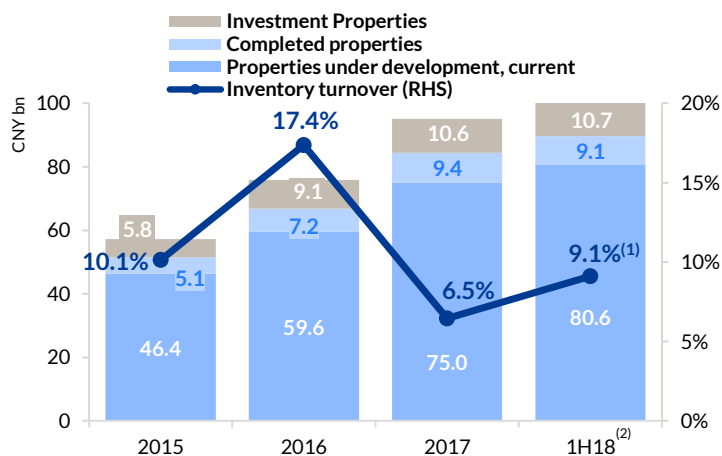
Source: Debtwire, company filings

## INVENTORIES VALUE BY CITIES (AS OF 30 SEP 18)



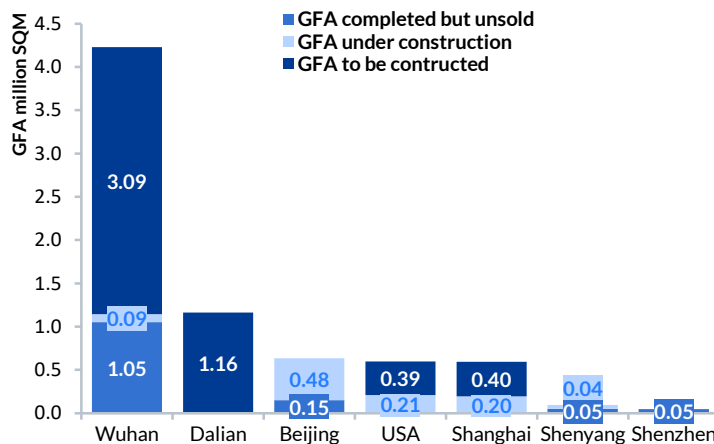
Source: Debtwire, China Oceanwide Jan 19 onshore bond OC  
1) Other includes Hangzhou, Shenyang, Shenzhen, Xiongfang and Qingdao

## INVENTORIES BREAKDOWN



Source: Debtwire, company financials  
1) Annualized rate  
2) 1H18 is the latest data available for inventory turnover ratio calculation

## MAJOR PROPERTY PROJECTS GFA BY CITIES (AS OF 30 JUN 18)



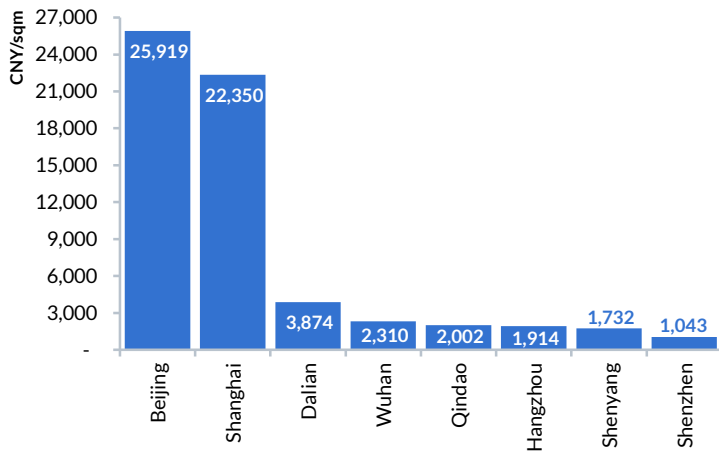
Source: Debtwire, Oct 18 USD bond OC  
1) The latest data available  
2) Oceanwide reported a total land bank GFA of 10.19m sqm as of 30 June in the Oct 18 USD bond OC, but a major property development projects table in the same document shows that the total of all projects' GFA completed but unsold, GFA under construction and GFA to be constructed was 7.36m sqm. If adding GFA held for long-term investment into this tally, it was 10.87m sqm, closer to the reported figure but still unmatched.

## CONTRACTED SALES BY CITIES (CNY m)

	Wuhan	Shenzhen	Beijing	Shanghai	Fushun
2015	6,600	851	7,140	491	3
2016	6,472	518	5,816	84	-
2017	4,884	218	78	-	-
1Q18 <sup>(1)</sup>	212	15	-	-	-

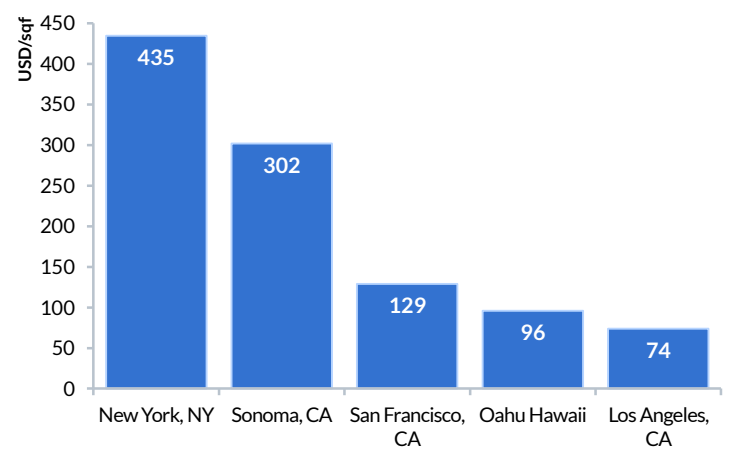
Source: Debtwire, Oceanwide Holdings Aug 18 Onshore OC  
1) The latest data available

## AVERAGE LAND COST FOR CHINESE PROJECTS (AS OF 30 JUN 18)



Source: Debtwire, Oct 18 USD bond OC

## AVERAGE LAND COST FOR AMERICAN PROJECTS (AS OF 30 JUN 18)



Source: Debtwire, Oct 18 USD bond OC

## PROPERTY DEVELOPMENT PROJECTS AS OF 30 SEP 18

Developing entities	Project	Cities	Status	Construction started	GFA planned (m sqm)	Expected investment (CNY bn)	Accumulated investment (CNY bn)	Expected completion
Beijing Xinghuo Real Estate Development	Xinhuo Station Complex	Beijing	Future development	-	0.50 <sup>(2)</sup>	-	-	-
Beijing Oceanwide Dongfeng Real Estate Development	Oceanwide International Residential District land parcel #1	Beijing	Under construction	-	0.67	43.13	13.70	2022
	Oceanwide International Residential District land parcel #2	Beijing	Under construction & partially completed	-	0.26			2019
	Oceanwide International Residential District land parcel #3	Beijing	Under construction & partially completed	Mar-11	0.23	6.62	0.37	-
	Beijing Oceanwide International Residential District Phase II (land parcel #4)	Beijing	Under construction & partially completed	Mar-11	0.23	6.62	0.37	-
Oceanwide Real Estate Holding	Shanghai Oceanwide International Residential District land parcel #10 (Dongjiadu, Huangpu District)	Shanghai	Under construction & partially completed	Aug-13	0.23	10.49	5.19	2020
	Shanghai Oceanwide International Residential District land parcel #12, 14 (Dongjiadu, Huangpu District)	Shanghai	Future development	-	0.40 <sup>(3)</sup>	-	-	-
Shenyang Oceanwide Real Estate Investment	Shenyang Oceanwide International Residential District	Shenfu New Town	Under construction & partially completed	Apr-13	0.17	0.51	0.27	TBD
Wuhan CBD Real Estate Investment & subsidiaries	Wuhan CBD project	Wuhan	Under construction & partially completed	-	8.19	41.96	12.32	-
Zhejiang Oceanwide Real Estate Investment	Diaoyutai Hotel Hangzhou	Hangzhou	Completed	Jun-12	0.10	1.00	0.73	Dec-18
Oceanwide Plaza LLC	Oceanwide Plaza, LA	Los Angeles, USA	Under construction	Nov-14	0.25	12.38	5.58	Jan-20
Oceanwide Center NY LLC	Oceanwide Center, SF	San Francisco, USA	Under construction	Dec-16	0.21	19.95	4.29	Mar-23
<b>Total</b>					<b>11.21</b>	<b>136.04</b>	<b>42.42</b>	

Source: Debtwire, China Oceanwide Jan 19 onshore OC

- Denote [assets to be sold](#) to Sunac Real Estate
- Estimated figure stated at [Oceanwide website](#)
- Estimated figures

## RECENT DISPOSALS BETWEEN OCT 18 TO THIS REPORT DATE

Announced date	Disposal targets (stake)	Consideration (CNY m)	Net cash payment (after repaying relate debt required)	Net book value (CNY m)	Status	Purchaser
12-Dec-18	Hailai (Tianjin) Lifestyle service (45.45%)	30	30	25.7 (As of 30 Sep 18)	Pending	Oceanwide Investment Group
22-Jan-19	Oceanwide Real Estate Holding (100%) excluding the following assets: Zhejiang Oceanwide Constructure Investment (100%); Shanghai Yuzhong Investment Management (100%); Beijing Oceanwide Intl Residence land parcel #2, 3 (100%)	14,887	12,553	8,959 (As of 30 Nov 18)	Completed	Sunac Real Estate
12-Feb-19	80 South Street building	2,007	2,007	NA <sup>(1)</sup>	Listed on sales	NA
	<b>Total</b>	<b>16,924</b>	<b>14,590</b>	<b>11,520</b>		

Source: Debtwire, company filings

- Oceanwide bought for USD 390m in 2016

### OCEANWIDE KNOWN ACQUISITION SPENDING SINCE 2015

Completed (announced) date	Target (stake)	Sector	Purchaser	Consideration (USDm)	Status
30-Jan-15	Sonoma Country Inn, San Francisco: 1.46m sqm area	Property	Tohigh Property Investment	40.8	Completed
	Graywood Ranch Subdivision, San Francisco	Property		5.6	Completed
2-Mar-15	CuDeco Ltd (ASX: CDU)(19.99%)	Copper mining	China Oceanwide International Investment	23.1	Completed
18-Mar-15	China Huiyuan Juice Group (1886 HK) (7.9%)	Fruit juice	China Oceanwide Intl Asset Management	49.9	Completed
9-Apr-15	GF Securities (1776 HK) (0.03%)	Financial service	China Oceanwide Intl Asset Management	6.0	Completed
2015	China Minsheng Investment Holding (2%) <sup>(1)</sup>	Financial service	Oceanwide Holdings	154.3	Completed
2015	Oceanwide Center, San Francisco (residential & hotel): at First and Mission Streets, San Francisco, with about 5,100sqm area and est. GFA 213,200 sqm	Property	Oceanwide Holdings	296.0	Completed
22-Oct-15	LA Property project near Staples Center (commercial property): about 18,662 sqm area and est. GFA 138,249 sqm	Property	China Oceanwide Real Estate Development I	215.1	Completed
Nov-15	Asia-Pacific Property & Casualty Insurance Co (51%)	Insurance	Oceanwide Holdings	275.5	Completed
Dec-15	Hawaii Ko Olina No. 2 Project (hotel): land parcels in Ko Olina District, Oahu Island, with about 70,000 sqm area and est. GFA 92,292 sqm	Property	China Oceanwide Real Estate Development IV	191.9	Completed
Jul-16	Playtika, Israel (unknown stake)	Gaming	Consortium including Jack Ma's PE firm Yunfeng Capital, China Oceanwide Holdings, China Minsheng Trust, CDH China HF Holdings, Hony Capital Fund	< 4,400 <sup>(2)</sup>	Completed
Sep-16	Hawaii Ko Olina No.1 Project (resort): 3 land parcels in Ko Olina District, Oahu Island, with about 106,311 sqm area and GFA 149,400 sqm	Property	Oceanwide Holdings	280.0	Completed
Oct-16	Hawaii Kapolei Project (commercial & residential properties): land parcels in Kapolei area, Oahu Island with about 2.07m sqm area	Property	Oceanwide Holdings	98.0	Completed
2015	China Minsheng Bank (1.38%)	Bank	Oceanwide Intl Equity Investment	576.6	Completed
28-Dec-15	PT Mabar Elektrindo (60%)	Power plant	China Oceanwide International Investment	37.1	Completed
Mar-16	New York property project at 80 South St, New York (mixed use building hotel & residential units): 2 land parcels in Seaport District, Lower Manhattan with about 1,367 sqm area and est. GFA 75,975 sqm	Property	China Oceanwide Real Estate Development III	390.0	Completed
Mar-16	Wanda Film Media Co (6.61%) <sup>(3)</sup>	Film & television production	Oceanwide Equity Investment Management	162.8	Completed
Mar-16	Qingdao Wanda Film Investment Co (7.59%) <sup>(3)</sup>	Film & television production	Oceanwide Equity Investment Management	221.8	Completed
NA	Wanda Film Media Co (2.21%)	Film & television production	Oceanwide Equity Investment Management	NA	NA
Mar-16	China Minsheng Trust (93.42%) <sup>(4)</sup>	Trust	Wuhan Central Business District Construction Investment Holding	1,288.9	Completed
Aug-16	26.27 acre land in Hawaii (unspecified stake)	Property	China Oceanwide Real Estate Development V	280.0	Completed
(Oct-16)	Genworth Financial [GNW NYSE] (100%) <sup>(5)</sup>	Insurance	China Oceanwide Holdings Group	3,800.0	Pending
2016	WeWork Companies (0.61%) <sup>(6)</sup>	Service office	Oceanwide Equity Investment Management	100.0	Completed
2016	Beijing Electric Vehicle Co (1.56%)	Automobile	Oceanwide Equity Investment Management	18.6	Completed
	Beijing Electric Vehicle Co (1.65%)			93.8	Completed
Jan-17	Quam Ltd (952 HK) (52.45%) <sup>(7)</sup>	Financial service	Oceanwide Holding Intl Finacial Development	672.9	Completed
2017 to Jun-18	Quam Ltd (952 HK) (21.76%) <sup>(7)</sup>				Completed
29-Mar-17	International Data Corporation (90%); IDG Communications (90%)	Market research	Oceanwide Holdings	< 1,000	Completed
Apr-17	Shanghai Pu Gang (20%)	Real estate investment	China Oceanwide Property Sino	11.1	Completed
Apr-17	Shanghai Gang Lu (12%)	Real estate investment	China Oceanwide Property Intl	19.0	Completed
Aug-17	Beijing Youfan Technology Co (3.24%)	IT service	Oceanwide Holdings	10.0	Completed
2017 to Jun-18	Beijing Youfan Technology Co (0.17%)			NA	Completed
22-Jan-18	Long Prosper Capital (100%); China Minsheng Bank H Shares (1988 HK) (0.932%)	Investment holding	Oceanwide International Equity Investment	142.8	Completed
<b>Total offshore property spending</b>				<b>1,797.5</b>	
<b>Total spending for completed acquisitions and offshore property<sup>(8)</sup></b>				<b>5,661.7</b>	

Source: Debtwire, company filings, USD note Oct 18 OC

1) Sold the 2% stake for CNY 1.35bn by end-Apr-17. 2) The consortium paid USD 4.4bn for the deal but China Oceanwide's stake is unknown. 3) Following the purchase, Wanda Film and Qingdao Wanda Film combined. Oceanwide held an 8.82% stake in the combined entity Wanda Film as of end-June 2018. 4) As of end-2015, Oceanwide Holdings held 25% stake in Minsheng Trust. Wuhan bought 59.65% shares in Minsheng Trust for CNY 2.73bn from parent China Oceanwide in Mar 16, and also invested CNY 5.69bn to raise registered capital of Minsheng Trust by CNY 4bn, resulting in 93.42% shares holding in Minsheng Trust. China Oceanwide acquired Minsheng Trust in 2013. 5) Consideration includes USD 2.7bn cash and USD 1.1bn cash injection. 6) As of 30 Jun 18, Oceanwide's stake in WeWork is 0.55%. 7) Renamed to China Tonghai International Financial in May 18. 8) The total figure is based on Oceanwide's acquisitions that have been made public. The company's cash flow statements indicate a significantly higher figure, showing acquisition spending of USD 26.2bn between 2015 and 9M18. Also, the total figure does not include any amount for the Playtika acquisition, because Oceanwide was part of a consortium and its stake was not disclosed.

ASIA-PACIFIC PROPERTY & CASUALTY INSURANCE FINANCIAL SUMMARY				
Period-end	31-Dec	31-Dec	31-Dec	YoY % Δ
USD m	2016	2017	2018 (Unaudited)	
<b>Revenue</b>	<b>3,058</b>	<b>3,460</b>	<b>4,070</b>	<b>17.6%</b>
Insurance business revenue	2,879	3,157	3,784	19.8%
Reinsurance revenue	24	32	58	83.5%
Investment income	165	283	258	-8.8%
Other service revenues	14	19	28	46.2%
<b>Insurance business costs</b>	<b>(1,957)</b>	<b>(1,769)</b>	<b>(2,041)</b>	<b>15.4%</b>
Reinsurance ceded	(160)	(151)	(135)	-10.9%
Unearned premium reserve withdrawal	(266)	(70)	(358)	408.4%
Claims paid	(1,490)	(1,586)	(1,887)	19.0%
Other reserves and costs	(42)	39	339	769.4%
Operating expenses	(1,517)	(1,692)	(1,955)	15.6%
Other services expenses	(2)	(3)	(1)	-50.6%
<b>Net revenue from insurance service</b>	<b>922</b>	<b>1,388</b>	<b>1,743</b>	<b>25.5%</b>
Of which: net reinsurance revenue	(135)	(120)	(77)	-35.7%
<b>Adj EBIT</b>	<b>(418)</b>	<b>(4)</b>	<b>72</b>	<b>-</b>
EBIT margin	-13.7%	-0.1%	1.8%	
Interest expense	(20)	0	0	
<b>Pre-tax net income</b>	<b>(428.90)</b>	<b>13.09</b>	<b>32.78</b>	<b>150.4%</b>
Pre-tax net income margin	-14.0%	0.4%	0.8%	
Net income	(428)	14	33	139.9%
<b>Operating cash flow</b>	<b>2</b>	<b>(206)</b>	<b>NA</b>	<b>NA</b>
Capex	(52)	(55)	NA	NA
<b>Free cash flow</b>	<b>(50)</b>	<b>(261)</b>	<b>NA</b>	<b>NA</b>
Cash & cash equivalent	3,056	748	606	-19.1%
Premium receivable	65	100	456	358.6%
Reinsurance receivable	27	28	76	171.8%
Contracted unearned premium reserve of reinsurance receivable	63	58	59	0.8%
Outstanding losses reserve of contracted unearned reinsurance receivable	106	92	100	8.8%
Financial assets	871	1,600	1,360	-15.0%
PP&E	68	63	54	-14.2%
<b>Total Assets</b>	<b>5,456</b>	<b>5,553</b>	<b>5,761</b>	<b>3.7%</b>
<b>Total Debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Premiums received in advance	102	108	129	19.2%
Reinsurance payable	43	72	85	18.0%
Claims payable	26	15	38	151.6%
Premium reserve & other insurance reserve	0	0	1	
Unearned premium reserve	1,135	1,201	1,559	29.8%
Outstanding losses reserve	1,177	1,233	1,017	-17.5%
<b>Total liabilities</b>	<b>2,760</b>	<b>2,860</b>	<b>3,135</b>	<b>9.6%</b>
<b>Total Debt/Adj EBIT</b>	<b>0.0x</b>	<b>0.0x</b>	<b>0.0x</b>	<b>-</b>
<b>Net Debt/Adj EBIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Return on capital	-	0.5%	1.2%	
Total debt/ capital	0.0x	0.0x	0.0x	
EBIT/ (interest expense + preferred stock dividends)	-	-	NA	-

Source: Debtwire, company financials

MINSHENG TRUST FINANCIAL SUMMARY				
Period-end	31-Dec	31-Dec	31-Dec	YoY % Δ
USD m	2016	2017	2018 (Unaudited)	
<b>Revenue</b>	<b>1,951</b>	<b>3,427</b>	<b>2,624</b>	<b>-23.4%</b>
Interest income	93	50	47	-5.9%
Service charge & commission income	1,206	1,646	1,838	11.7%
Investment income	385	1,232	540	-56.2%
Other service income	267	498	198	-60.2%
Interest expense	(28)	(117)	(234)	99.4%
Service charge & commission expense	(620)	(863)	(624)	-27.7%
Operating expenses	(30)	(15)	(15)	2.9%
Other services expenses	(7)	(0)		-
<b>Net interest income</b>	<b>64</b>	<b>(67)</b>	<b>(187)</b>	<b>177.8%</b>
<b>Net non-interest revenue</b>	<b>1,201</b>	<b>2,499</b>	<b>1,938</b>	<b>-22.5%</b>
<b>Net revenue</b>	<b>1,266</b>	<b>2,432</b>	<b>1,751</b>	<b>-28.0%</b>
<b>Adj EBIT</b>	<b>1,201</b>	<b>2,499</b>	<b>1,938</b>	<b>-22.5%</b>
EBIT margin	61.6%	72.9%	73.9%	-
Net interest margin	69.4%	-	-	
Net non-interest margin	64.7%	74.0%	75.2%	
Net margin	64.9%	71.0%	66.7%	
<b>Pre-tax net income</b>	<b>1,277</b>	<b>2,432</b>	<b>1,458</b>	<b>-40.0%</b>
Pre-tax net income margin	65.5%	71.0%	55.6%	
Net income	951	1,815	1,088	-40.0%
<b>Operating cash flow</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Capex	NA	NA	NA	NA
<b>Free cash flow</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
Cash & cash equivalent	2,420	2,774	1,352	-51.3%
Loans & advances	0	482	198	-58.9%
PP&E <sup>(1)</sup>	18	20	26	29.4%
Financial asset available for sale	10,007	9,800	13,374	36.5%
<b>Total Asset</b>	<b>12,647</b>	<b>13,336</b>	<b>15,221</b>	<b>14.1%</b>
<b>Total Debt</b>	<b>1,803</b>	<b>1,003</b>	<b>3,720</b>	<b>270.8%</b>
Total liabilities	2,715	2,289	4,485	95.9%
<b>Total Debt/Adj EBIT</b>	<b>1.5x</b>	<b>0.4x</b>	<b>1.9x</b>	<b>-</b>
<b>Net Debt/Adj EBIT</b>	<b>-</b>	<b>-</b>	<b>1.2x</b>	<b>-</b>
Pre-tax net income/ average asset	14.7%	18.7%	10.2%	
Cost to income ratio	36.7%	29.5%	33.8%	
Return on capital	16.0%	20.4%	11.0%	
Tangible common equity	9,622	10,606	10,165	-4.2%
Total debt/ tangible common equity	0.2x	0.1x	0.4x	
Adj EBIT/interest expense	42.4x	21.3x	8.3x	-

Source: Debtwire, company financials  
1) Including construction in progress

OCEANWIDE HOLDINGS FINANCIAL SUMMARY (CNYm)

Period-end	31-Dec	31-Dec	31-Dec	30-Sep	30-Sep	30-Sep
	2015	2016	2017	TTM to Sep	9M17	9M18
<b>INCOME STATEMENT</b>						
Revenue <sup>(1)</sup>	13,751	24,671	16,876	16,039	8,912	8,075
Change since last year	-	79.4%	-31.6%	-5.0%	-	-9.4%
Cost of sales <sup>(1)(2)</sup>	(5,745)	(13,446)	(7,318)	(6,256)	(3,898)	(2,835)
Gross profit	8,006	11,224	9,558	9,784	5,014	5,240
Gross profit margin	58.2%	45.5%	56.6%	61.0%	56.3%	64.9%
Operating expenses	(3,767)	(6,152)	(5,134)	(5,618)	(3,174)	(3,657)
<b>EBIT</b>	<b>4,239</b>	<b>5,072</b>	<b>4,424</b>	<b>4,166</b>	<b>1,840</b>	<b>1,583</b>
EBIT margin	30.8%	20.6%	26.2%	26.0%	20.7%	19.6%
<b>Adjusted EBITDA</b>	<b>4,319</b>	<b>5,200</b>	<b>4,576</b>	<b>4,350</b>	<b>1,953</b>	<b>1,727</b>
Change since last year	-	20.4%	-12.0%	-4.9%	-	-11.6%
Adjusted EBITDA margin	31.4%	21.1%	27.1%	27.1%	21.9%	21.4%
Interest expense, gross <sup>(4)</sup>	(5,301)	(6,473)	(8,027)	(8,112)	(5,914)	(5,998)
Other income and gains (losses)	4,695	5,659	7,040	7,358	5,179	5,496
Share of profits and losses of JV & associates	(7)	(1)	612	1,058	481	928
Net income (loss)	2,660	3,057	3,093	3,679	1,308	1,895
<b>BALANCE SHEET</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TTM to Sep</b>	<b>9M17</b>	<b>9M18</b>
Cash & equivalents	31,001	30,133	19,260	21,883	24,216	21,883
Accounts receivable	1,188	429	2,075	1,527	1,230	1,527
Prepayments and other receivables	6,323	7,580	7,904	11,378	7,629	11,378
<b>Inventories, expected turnover &lt;1Y</b>	<b>51,629</b>	<b>66,830</b>	<b>84,514</b>	<b>92,668</b>	<b>81,792</b>	<b>92,668</b>
Properties under development	46,364	59,569	75,020	NA	NA	83,717
Completed properties	5,120	7,207	9,442	NA	NA	8,634
Non-property inventories	144	54	52	NA	NA	317
<b>Total current assets</b>	<b>102,267</b>	<b>125,846</b>	<b>135,672</b>	<b>148,534</b>	<b>136,532</b>	<b>148,534</b>
<b>Non-current assets</b>	<b>20,103</b>	<b>41,990</b>	<b>52,103</b>	<b>59,375</b>	<b>50,058</b>	<b>59,375</b>
PP&E net	696	885	1,026	1,020	973	1,020
Construction in progress (non-property development sector)	607	1,731	2,468	2,819	2,341	2,819
Investment Properties	5,780	9,072	10,637	10,696	9,137	10,696
Investments in JV, associates and equity	36	4,164	5,629	9,759	5,440	9,759
Investments and advances	6,827	18,554	22,648	25,393	21,627	25,393
Intangible assets	74	86	105	105	101	105
Of which: Land use rights	12	12	12	NA	NA	NA
Goodwill	2,371	2,418	3,048	3,120	3,070	3,120
<b>Total assets</b>	<b>122,370</b>	<b>167,836</b>	<b>187,775</b>	<b>207,909</b>	<b>186,589</b>	<b>207,909</b>
Accounts payable	6,173	8,252	8,106	6,905	6,311	6,905
Accrued and other current liabilities	24,469	21,868	19,434	29,331	20,621	29,331
Total current liabilities	49,569	54,121	89,734	108,730	74,585	108,730
<b>Total debt (incl. perpetual bond)</b>	<b>73,267</b>	<b>111,980</b>	<b>131,703</b>	<b>141,227</b>	<b>132,946</b>	<b>141,227</b>
Short term debt <sup>(5)</sup>	18,927	24,001	62,193	72,495	47,653	72,495
Long term debt	54,340	87,980	69,510	68,732	85,293	68,732
<b>Net debt (incl. perpetual bond)</b>	<b>42,266</b>	<b>81,847</b>	<b>112,443</b>	<b>119,344</b>	<b>108,729</b>	<b>119,344</b>
Total liabilities	104,310	142,942	160,279	178,533	160,733	178,533
Shareholder's equity	18,060	24,894	27,496	29,376	25,856	29,376
Minority Interest	5,426	6,569	7,426	8,208	7,673	8,208
<b>CASH FLOW STATEMENT</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TTM to Sep</b>	<b>9M17</b>	<b>9M18</b>
Funds from operations	2,799	2,653	2,145	NA	NA	NA
Changes in working capital	(147)	(14,041)	(18,782)	NA	NA	NA
Interest paid (incl. dividend paid for capital securities) <sup>(6)</sup>	(5,295)	(5,797)	(7,232)	(8,638)	(5,655)	(7,061)
Cash tax	(3,126)	(3,841)	(2,621)	(2,985)	(2,369)	(2,733)
<b>Operating cash flow, adjusted</b>	<b>(5,768)</b>	<b>(21,026)</b>	<b>(26,490)</b>	<b>(2,805)</b>	<b>(24,218)</b>	<b>(533)</b>
Changes in working capital, reconciled from balance sheet	(891)	(16,221)	(22,234)	(5,619)	(18,999)	(2,384)
Operating cash flow, reconciled from balance sheet	(4,993)	(20,659)	(27,511)	(12,891)	(25,071)	(10,451)
Capital expenditures	(647)	(1,033)	(1,018)	(662)	(593)	(237)
<b>Free cash flow</b>	<b>(6,416)</b>	<b>(22,058)</b>	<b>(27,508)</b>	<b>(3,467)</b>	<b>(24,811)</b>	<b>(770)</b>
Net acquisitions & increase investments in subsidiaries, JV, equity investments	(6,832)	(16,094)	(5,100)	(4,065)	(4,552)	(3,518)
Net borrowings (incl. capital securities) <sup>(7)</sup>	28,224	31,545	17,753	1,685	18,715	2,647
Equity raised (excl. capital securities)	1,228	7,169	1,215	1,137	1,227	1,148
Cash flow from investing activities, adjusted	(6,771)	(16,304)	(2,495)	(2,850)	(2,515)	(2,870)
Cash flow from financing activities, adjusted	29,832	36,003	15,023	2,167	16,027	3,172
<b>RATIO ANALYSIS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TTM to Sep</b>	<b>9M17</b>	<b>9M18</b>
Net debt / Adj. EBITDA	9.8x	15.7x	24.6x	27.4x	-	-
Total debt / Adj. EBITDA	17.0x	21.5x	28.8x	32.5x	-	-
Adj. EBITDA / Interest expense	0.8x	0.8x	0.6x	0.5x	0.3x	0.3x
Current ratio	2.1x	2.3x	1.5x	1.4x	1.8x	1.4x
Quick ratio	1.0x	1.1x	0.6x	0.5x	0.7x	0.5x

Source: Debtwire, Company filings

(1) Gross basis, include sales tax. (2) No breakdown on taxes and additives provided for 9M17 and 9M18. Sales taxes of 9M17 and 9M18 are estimated by applying the sales taxes as a percentage of revenue in 2017 to the total revenues in the corresponding period. (3) Depreciation & amortization (D&A) expense is not reported for 9M17 and 9M18. Debtwire estimated the D&A expense by applying 2017's depreciation rate to average PP&E for 9M17's, and 1H18's rate for 9M18. (4) Including capitalized interest. Capitalized interests for 2015-2017, 1H17 & 1H18 are calculated from reported EBITDA interest coverage and reported EBITDA, and 9M17 & 9M18's are calculated by assuming the interest capitalization rate in 2017 to be the same as 9M17 & 9M18. (5) As there is no breakdown for 9M18's current liability- other payable, which includes interest payable since 2018, assume 1H18 interest payable to be the same as 9M18. As there are no breakdown for 9M17 & 9M18's other current liabilities, and in 2017 and 1H18 the majority of their current liabilities are short-term bill payables, the entire amount of other current liabilities are included into 9M17 & 9M18's short-term debt. (6) Interest paid is calculated from "distribution of dividends, profits and interest repayment" subtracted by equity statement's "distribution of profits to shareholders". However for 2017, equity statement's "distribution of profits to shareholders" report smaller figures than cash flow statements' "distribution of dividends and profits to minority shareholders," hence the latter one is used instead. For 9M17 & 9M18, equity statement's "distribution of profits to shareholders" is not provided hence only cash flow statements' "distribution of dividends and profits to minority shareholders" is accounted. (7) No breakdown on other financing activities for 9M17 and 9M18, which included some debt instrument issuances historically, but the figures has take into account of the debt instrument issuances in 1H17 and 1H18.

CHINA OCEANWIDE CAPITAL STRUCTURE (CNYm)

Instrument	Issuer	Issuance Date	Coupon	Maturity	Amount Outstanding as at 30 Jun 18	Amount Outstanding as at 30 Sep 18 <sup>(12)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Price	Yield	Est Annual Interest on Pro forma amounts	Leverage as of 30 Sep 18	Guarantor
Short-term secured bank loans				< 1 year	10,872	NA	NA	NA					
Long-term secured bank loans				> 1 year	42,460	NA	NA	NA					
Short-term secured guaranteed loans				< 1 year	5,007	NA	NA	NA					
Long-term secured guaranteed loans				> 1 year	28,576	NA	NA	NA					
Repurchase agreement (repo)				< 1 year	9,255	7,778	7,778	1,131					
Financing leases				> 1 year	336	330	330	48					
Senior asset-backed securities- grade 1	Oceanwide Property Management	18-Dec-17	7.40%	25-Oct-18	38	38	0	0			0		
Senior asset-backed securities- grade 2			7.50%	25-Oct-19	79	79	79	11			6		
Senior asset-backed securities- grade 3			8.00%	25-Oct-20	83	83	83	12			7		
Senior asset-backed securities- grade 4			8.00%	25-Oct-21	88	88	88	13			7		
Senior asset-backed securities- grade 5			8.00%	25-Oct-22	94	94	94	14			8		
Senior asset-backed securities- grade 6			8.30%	25-Oct-23	100	100	100	15			8		
Senior asset-backed securities- grade 7			8.50%	25-Oct-24	107	107	107	16			9		
Subordinate asset-backed securities			Oceanwide Property Management	20-Dec-17	0.00%	25-Oct-24	33	33	33	5			0
Pingan Huitong Oceanwide Minsheng Financial Center senior asset-backed securities O1		24-Nov-17	5.45%	24-Nov-35	1,600	1,600	1,600	233			87		
Pingan Huitong Oceanwide Minsheng Financial Center senior asset-backed securities O2		24-Nov-17	5.78%	24-Nov-35	730	730	730	106			42		
Pingan Huitong Oceanwide Minsheng Financial Center subordinate asset-backed securities O2		24-Nov-17	-	24-Nov-35	70	70	70	10			0		
Tianfeng Oceanwide Minsheng Financial Center senior asset-bank securities- grade A		16-Nov-18	6.20%	17-Nov-36	0	0	1,700	247			105		
Tianfeng Oceanwide Minsheng Financial Center senior asset-bank securities- grade B		16-Nov-18	8.50%	17-Nov-36	0	0	935	136			79		
Tianfeng Oceanwide Minsheng Financial Center senior asset-bank securities- grade C		16-Nov-18	-	17-Nov-36	0	0	50	7			0		
<b>Total secured debt</b>					<b>99,529</b>	<b>11,131</b>	<b>13,778</b>	<b>2,003</b>				<b>1.8x</b>	
Short-term guaranteed loans				< 1 year	2,432	NA	NA	NA					
Long-term guaranteed loans				> 1 year	4,090	NA	NA	NA					
Revenue-linked securities		6-Jul-17 to 29-Jun-18	2.5-6.15%	28-Jun-18 to 26-Jun-19	3,226	3,257	3,257	473					
Revenue-linked securities		7-Feb-18 to 29-Jun-18	2.5-6.15%	7-Feb-20 to 29-Jun-21	109	109	109	16					
Transfer of yields securities <sup>(1)</sup>				< 1 year	5,390	5,390	5,390	783					
Short-term bank loans				< 1 year	1,866	NA	NA	NA					
Short-term loans from non-bank financial institutions				< 1 year	3,900	NA	NA	NA					
Other loans unclassified				< 1 year	51,699	77,405	77,405	11,251					
				> 1 year	-	74,455	74,455	10,822					
<b>Onshore bonds</b>													
CNY 1bn 10-year puttable corporate bond II <sup>(2)</sup>	China Oceanwide	13-Dec-11	8.9%	13-Dec-21	1,000	1,000	1,000	145			89		
CNY 3bn 6-year puttable corporate bond I <sup>(4)(5)</sup>	China Oceanwide	14-Sep-15	5.10%	14-Sep-21	3,000	0	0	0			0		
CNY 1bn 6-year puttable corporate bond I <sup>(4)(5)</sup>	China Oceanwide	21-Sep-15	4.85%	21-Sep-21	1,000	1,000	33	5			2		
CNY 1bn 5-year 1bn puttable corporate bond I <sup>(4)</sup>	China Oceanwide	5-Jun-18	7.55%	5-Jun-23	1,000	1,000	1,000	145			76		
CNY 1.7bn 5-year 1bn corporate bond II	China Oceanwide	14-Jun-18	7.80%	14-Jun-23	1,700	1,700	1,700	247			133		
CNY 6bn 3-year puttable private placement bond <sup>(3)</sup>	China Oceanwide	14-Aug-15	7.90%	14-Aug-18	6,000	0	0	0			0		
CNY 5bn 5-year private placement bond II	China Oceanwide	18-Dec-15	8.25%	18-Dec-20	5,000	5,000	5,000	727			413		
CNY 1.4bn 5-year puttable private placement bond I <sup>(4)(6)</sup>	China Oceanwide	8-Mar-16	7.80%	8-Mar-21	1,400	1,400	1,400	203			109		
CNY 2.44bn 5-year puttable private placement bond II <sup>(4)</sup>	China Oceanwide	29-Mar-16	7.80%	29-Mar-21	2,440	2,440	2,440	355			190		
CNY 730m 5-year puttable private placement bond III <sup>(4)</sup>	China Oceanwide	18-Jul-16	7.79%	18-Jul-21	730	730	730	106			57		
CNY 430m 5-year puttable private placement bond IV <sup>(4)</sup>	China Oceanwide	8-Aug-16	7.70%	8-Aug-21	430	430	430	63			33		
CNY 1bn 3-year puttable private placement bond I <sup>(3)</sup>	China Oceanwide	30-May-18	7.80%	30-May-21	1,000	1,000	1,000	145			78		
CNY 300m 3-year puttable private placement bond II <sup>(3)</sup>	China Oceanwide	20-Jun-18	7.80%	20-Jun-21	300	300	300	44			23		
CNY 1bn 3-year puttable private placement bond III <sup>(3)</sup>	China Oceanwide	8-Aug-18	7.80%	8-Aug-21	0	1,000	1,000	145			78		
CNY 3.2bn 5-year medium-term notes I	Oceanwide Holdings	12-Oct-15	6.90%	14-Oct-20	3,200	3,200	3,200	465			221		
CNY 1.4bn 5-year puttable medium-term notes I <sup>(4)</sup>	Oceanwide Holdings	16-Mar-17	6.49%	20-Mar-22	1,400	1,400	1,400	203			91		
CNY 700m 5-year puttable medium-term notes I <sup>(4)</sup>	Oceanwide Holdings	27-Aug-18	8.50%	29-Aug-23	0	700	700	102			60		
CNY 1.5bn 5-year puttable corporate bond I <sup>(4)(7)</sup>	Oceanwide Holdings	22-Dec-15	7.50%	21-Dec-20	1,500	1,500	89	13			7		
CNY 2.2bn 5-year puttable corporate bond I <sup>(4)(7)</sup>	Oceanwide Holdings	8-Mar-16	5.60%	7-Mar-21	2,200	2,200	106	15			123		
CNY 1.3bn 5-year puttable corporate bond II <sup>(4)</sup>	Oceanwide Holdings	24-Mar-16	5.29%	23-Mar-21	1,300	1,300	3	0			0		

CHINA OCEANWIDE CAPITAL STRUCTURE (CNYm)

Instrument	Issuer	Issuance Date	Coupon	Maturity	Amount Outstanding as at 30 Jun 18	Amount Outstanding as at 30 Sep 18 <sup>(12)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Price	Yield	Est Annual Interest on Pro forma amounts	Leverage as of 30 Sep 18	Guarantor
CNY 4bn 3-year puttable private placement bond I <sup>3</sup>	Oceanwide Holdings	24-Sep-15	7.65%	24-Sep-18	4,000	0	0	0			0		
CNY 6.3bn 3-year puttable private placement bond I <sup>3</sup>	Oceanwide Holdings	22-Jan-16	7.65%	22-Jan-19	1,590	1,590	0	0			0		
CNY 1.7bn 5-year puttable private placement bond II <sup>6</sup>	Oceanwide Holdings	10-Aug-16	6.49%	9-Aug-19	1,700	0	0	0			0		
CNY 4bn 3-year private placement bond I	Oceanwide Holdings	10-Sep-18	9.00%	10-Sep-21	0	4,000	4,000	581			360		
CNY 2.2bn 3-year private placement bond II	Oceanwide Holdings	13-Sep-18	9.00%	13-Sep-21	0	2,200	2,200	320			198		
CNY 600m 1-year private placement bond I (Type II)	Minsheng Securities	14-Jul-17	5.38%	14-Jul-18	600	0	0	0			0		
CNY 950m 2-year private placement bond I (Type I)	Minsheng Securities	25-Jan-18	6.20%	25-Jan-20	950	950	950	138			59		
CNY 550m 3-year private placement bond I (Type II)	Minsheng Securities	25-Jan-18	6.50%	25-Jan-21	550	550	550	80			36		
CNY 500m 1.5-year private placement bond III	Minsheng Securities	24-Nov-17	5.50%	24-May-19	500	500	500	73			28		
CNY 1.48bn 3-year subordinate bond I	Minsheng Securities	16-Aug-16	4.20%	16-Aug-19	1,480	1,480	1,480	215			62		
CNY 500m 3-year first subordinate bond I	Minsheng Securities	17-Mar-17	5.20%	17-Mar-20	500	500	500	73			26		
CNY 500m 3-year first subordinate bond II	Minsheng Securities	14-Jul-17	5.95%	14-Jul-20	500	500	500	73			30		
CNY 500m 3-year first subordinate bond III	Minsheng Securities	20-Oct-17	5.80%	20-Oct-20	500	500	500	73			29		
CNY 1.8bn 3-year first subordinate bond I (Type I)	Minsheng Securities	24-Apr-18	6.80%	24-Apr-21	1,800	1,800	1,800	262			122		
CNY 1.2bn 2-year first subordinate bond I (Type II)	Minsheng Securities	24-Apr-18	6.50%	24-Apr-20	1,200	1,200	1,200	174			78		
<b>Total onshore bonds</b>					<b>50,470</b>	<b>43,070</b>	<b>35,711</b>	<b>5,191</b>					
<b>Offshore bonds</b>													
USD 600m senior notes <sup>(9)</sup>	Oceanwide Holdings Intl 2015	11-Aug-15	9.63%	11-Aug-20	2,752	0	0	0			0		Oceanwide Holdings Co, Oceanwide Real Estate International Investment Co
USD 600m senior notes <sup>(9)</sup>	Oceanwide Holdings Intl 2015	26-May-16	9.63%	11-Aug-20	1,376	0	0	0			0		Oceanwide Holdings Co, Oceanwide Real Estate International Investment Co
HKD 600m 5-year convertible note	China Oceanwide Holdings Ltd	27-Dec-18	6.00%	27-Dec-23	0	0	528	77			32		
HKD 500m 3-year senior notes	China Oceanwide Intl Financial Management	24-Mar-16	8.50%	24-Mar-19	440	440	440	64			37		China Oceanwide Intl Investment Co. (Keepwell: China Oceanwide Holdings Group)
USD 200m 1-year senior notes	Oceanwide Holdings Intl 2017	15-Jul-17	6.50%	15-Jul-18	1,376	0	0	0			0		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate International Investment Co
HKD 2.56bn 1-year private placement notes	Oceanwide Holdings Intl Development II	3-Nov-17	6.00%	3-Nov-18	2,251	2,251	0	0			0		
USD 400m senior notes	Oceanwide Holdings Intl 2017	28-Nov-17	8.50%	28-May-19	2,064	2,064	2,064	300	98.56	17.82%	234		Oceanwide Holdings Co, China Oceanwide Holdings Group Co, Oceanwide Real Estate International Investment Co
		19-Dec-17			688	688	688	100					
USD 400m 3-year callable senior notes	Oceanwide Holdings Intl 2017	27-Jul-17	7.75%	27-Jul-20	2,752	2,752	2,752	400	88.85	17.59%	213		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate International Co.



CHINA OCEANWIDE CAPITAL STRUCTURE (CNYm)

Instrument	Issuer	Issuance Date	Coupon	Maturity	Amount Outstanding as at 30 Jun 18	Amount Outstanding as at 30 Sep 18 <sup>(12)</sup>	Pro Forma amount	Pro Forma amount (USD m)	Price	Yield	Est Annual Interest on Pro forma amounts	Leverage as of 30 Sep 18	Guarantor
USD 100m 1-year callable private placement senior notes	Oceanwide Holdings Intl Development II	25-Apr-18	9.25%	24-Apr-19	688	688	688	100			64		
USD 215m 3-year puttable senior notes	Oceanwide Holdings Intl Development III	31-Oct-18	12.00%	31-Oct-21	0	0	1,479	215	98.50	12.69%	178		Oceanwide Holdings Co, China Oceanwide Group, Oceanwide Real Estate International Investment Co
<b>Total offshore bonds</b>					<b>14,387</b>	<b>8,883</b>	<b>8,639</b>	<b>1,256</b>					
<b>Total debt<sup>(10)</sup></b>					<b>237,097</b>	<b>223,699</b>	<b>144,289</b>	<b>20,972</b>				<b>36.3x</b>	
<b>Total debt, adjusted with the Sunac deal</b>					<b>NA</b>	<b>NA</b>	<b>116,369</b>	<b>16,914</b>					
Cash & cash equivalent <sup>(11)</sup>					21,389	26,403	6,891	1,002					
External guarantee					10,696	10,038	10,038						
Uncommitted credit facilities					11,509	12,724	12,724						
<b>Net Debt</b>					<b>215,708</b>	<b>197,296</b>	<b>137,398</b>	<b>19,971</b>				<b>32.0x</b>	
<b>LTM Adj. EBITDA</b>								<b>6,158</b>					

Source: Debtwire, company filings

1) The type of assets of which the yields are transferred is undisclosed. 2) At the end of the fifth year, issuer has option to adjust coupon rate and the note is puttable for investor. 3) At the end of the second year, issuer has option to adjust coupon rate and the note is puttable for investor. 4) At the end of the third year, issuer has option to adjust coupon rate and the note is puttable for investor. 5) On 14-Sep-18, the issuer adjusted the coupon rate of due-14-Sep-21s to 8.6% but investors put all of CNY 3bn amount issued. On 21-Sep-18, the issuer adjusted the coupon rate of due-21-Sep-21s to 8.6% but investors put CNY 966.997m of the amount issued. 6) No disclosure on the put results in 8 Mar 19. 7) Some holders of due-Dec 20 exercised put option and [sold back on 21 Dec 18, and coupon will adjust to 7.5% for the remaining holders](#). Some holders of due-Mar 21 exercised put option and [sold back on 7 Mar 19, and coupon will adjust to 6.5% for the remaining holders](#). 8) [CNY 1,296m was sold back](#) on 25 March, and [coupon will adjust to 6.5% for the remaining holders](#). 9) Oceanwide [redeemed the USD 600m due-Aug 20](#) as ifeng.com reported on 12 Aug 18. 10) Total debt as of 30 Sep 18 compiled is slightly about 1.7% difference from the total debt reported in balance sheet, however there are not footnotes, detail breakdown nor new bonds and notes issued disclosed in the 3Q18 report. 11) Pro forma cash adjusted by the bonds and notes repayments, coupon payments between 1 Oct 18 to this report date. 12) No breakdown or footnotes provided for the 3Q18 short-term and long-term borrowings.

CHINA OCEANWIDE CREDIT FACILITIES BY BANKS (CNYm)

Banks	Total credit facilities	Used	Remaining unused
<b>As of 30 Jun 18</b>			
Xiamen International Bank	4,650	4,426	224
China Minsheng Bank	11,600	6,450	5,150
China Zheshang Bank	3,440	3,240	200
China Merchants Bank	13,000	12,310	690
China CITIC Bank	11,362	8,110	3,252
China Development Bank	1,992	1,600	392
Bank of Dalian	900	881	19
HSBC	331	280	51
Chiyu Banking Corp	329	67	262
UBS	562	367	195
Credit Suisse	331	52	279
ICBC	1,985	1,861	124
Industrial Bank, Hong Kong	1,323	840	483
Shanghai Commerical & Savings Bank, International Finance Branch	662	651	11
China Merchants Bank, Hong Kong Branch	662	485	177
<b>Total</b>	<b>53,129</b>	<b>41,620</b>	<b>11,509</b>
<b>As of 30 Sep 18</b>			
<b>Total</b>	<b>58,207</b>	<b>45,483</b>	<b>12,724</b>

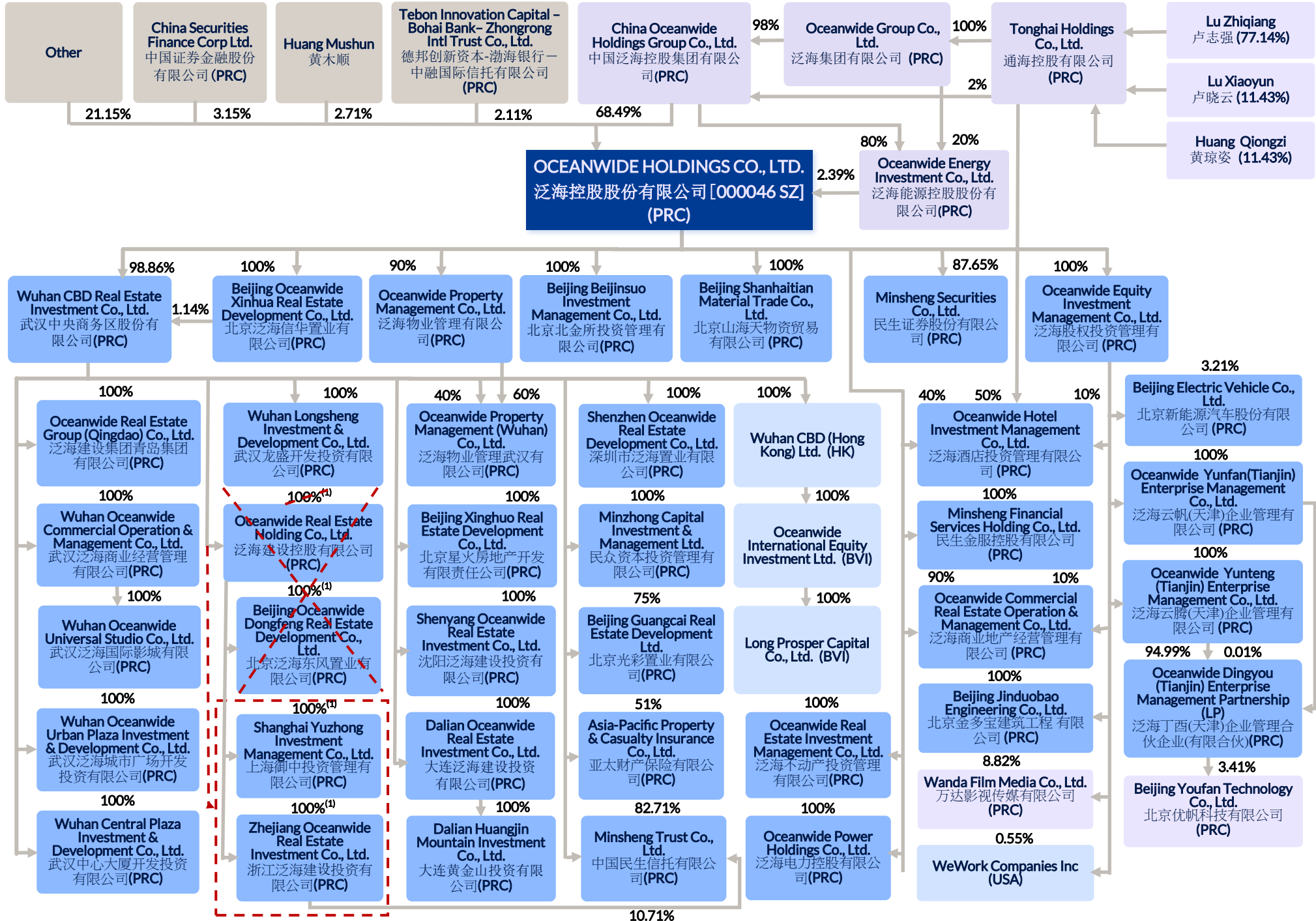
Source: Debtwire, China Oceanwide 1H18 report, China Oceanwide Jan 19 onshore bond OC

CHINA OCEANWIDE FINANCIAL SUMMARY (CNYm)

Period-end	31-Dec	31-Dec	31-Dec	30-Sep	30-Sep	30-Sep
INCOME STATEMENT	2015	2016	2017	TTM to Sep	9M17	9M18
Revenue <sup>(1)</sup>	14,098	26,001	22,236	24,195	10,661	12,620
Change since last year	-	84.4%	-14.5%	8.8%	NA	18.4%
Cost of sales <sup>(1)</sup>	(5,903)	(13,861)	(9,911)	(10,347)	(4,519)	(4,956)
Gross profit	8,195	12,140	12,325	13,848	6,141	7,664
Gross profit margin	58.1%	46.7%	55.4%	57.2%	57.6%	60.7%
Operating expenses	(4,373)	(7,236)	(7,640)	(8,035)	(5,329)	(5,725)
<b>EBIT</b>	<b>3,822</b>	<b>4,904</b>	<b>4,685</b>	<b>5,813</b>	<b>812</b>	<b>1,939</b>
EBIT margin	27.1%	18.9%	21.1%	24.0%	7.6%	15.4%
<b>Adjusted EBITDA</b>	<b>4,043</b>	<b>5,174</b>	<b>4,970</b>	<b>6,158</b>	<b>1,025</b>	<b>2,214</b>
Change since last year	-	28.0%	-3.9%	23.9%	-	115.9%
Adjusted EBITDA margin	28.7%	19.9%	22.4%	25.5%	9.6%	17.5%
Interest expense, gross <sup>(2)</sup>	(8,516)	(10,843)	(12,870)	(13,491)	(9,611)	(10,232)
Other income and gains (losses)	14,088	11,742	7,788	6,580	7,880	6,672
Share of profits and losses of JV & associates	114	1,072	2,904	3,477	2,332	2,905
Net income (loss)	9,127	6,470	2,098	2,374	659	935
BALANCE SHEET	2015	2016	2017	TTM to Sep	9M17 <sup>(3)</sup>	9M18
Cash & equivalents	38,427	41,876	30,374	26,403	NA	26,403
Accounts receivable	1,530	1,020	3,547	3,104	NA	3,104
Prepayments and other receivables	37,741	43,977	53,100	48,994	NA	48,994
<b>Inventories, expected turnover &lt;1Y</b>	<b>51,432</b>	<b>66,672</b>	<b>84,338</b>	<b>92,508</b>	<b>NA</b>	<b>92,508</b>
Properties under development	45,987	59,191	74,643	83,717	NA	83,717
Completed properties	5,298	7,362	9,570	8,634	NA	8,634
Non-property inventories	147	119	126	157	NA	157
<b>Total current assets</b>	<b>142,091</b>	<b>174,851</b>	<b>193,877</b>	<b>196,422</b>	<b>NA</b>	<b>196,422</b>
<b>Non-current assets</b>	<b>57,263</b>	<b>98,258</b>	<b>122,908</b>	<b>129,376</b>	<b>NA</b>	<b>129,029</b>
PP&E net	1,468	1,607	2,095	2,010	NA	2,025
Construction in progress (non-property development sector)	1,355	2,546	3,297	3,506	NA	3,668
Investment Properties	17,181	20,537	23,863	23,910	NA	25,280
Investments in JV, associates and equity	55	19,904	23,693	28,259	NA	28,901
Investments and advances	29,216	42,621	51,321	53,656	NA	50,051
Intangible assets	140	153	193	192	NA	196
Of which: Land use rights	13	19	19	19	NA	NA
Goodwill	2,728	2,776	7,446	7,507	NA	7,771
<b>Total assets</b>	<b>199,353</b>	<b>273,110</b>	<b>316,785</b>	<b>325,798</b>	<b>NA</b>	<b>325,450</b>
Accounts payable	6,168	8,587	8,345	7,959	NA	7,190
Accrued and other current liabilities	26,303	22,964	22,463	24,552	NA	34,057
Total current liabilities	66,981	84,521	127,465	156,096	NA	154,865
<b>Total debt (incl. perpetual bond)</b>	<b>127,529</b>	<b>197,108</b>	<b>226,079</b>	<b>233,194</b>	<b>NA</b>	<b>227,444</b>
Short term debt	34,510	52,969	96,657	123,585	NA	113,618
Long term debt	93,019	144,138	129,422	109,609	NA	113,825
<b>Net debt (incl. perpetual bond)</b>	<b>89,102</b>	<b>155,232</b>	<b>195,705</b>	<b>206,792</b>	<b>NA</b>	<b>201,041</b>
Total liabilities	162,949	229,562	259,860	267,640	NA	271,067
Shareholder's equity	36,404	43,547	56,925	53,209	NA	54,383
Minority Interest	8,844	15,867	24,631	25,454	NA	25,502
CASH FLOW STATEMENT	2015	2016	2017	TTM to Sep	9M17	9M18
Funds from operations	3,584	8,326	1,555	NA	NA	NA
Changes in working capital	(4,190)	(14,327)	(20,193)	NA	NA	NA
Interest paid (incl. dividend paid for capital securities) <sup>(3)</sup>	(8,468)	(10,418)	(12,850)	(13,814)	(9,775)	(10,739)
Cash tax	(3,379)	(4,061)	(2,878)	(3,338)	(2,647)	(3,107)
<b>Operating cash flow, adjusted</b>	<b>(12,452)</b>	<b>(20,480)</b>	<b>(34,366)</b>	<b>2,776</b>	<b>(36,236)</b>	<b>906</b>
Capital expenditures	(1,535)	(1,119)	(1,237)	(492)	(1,120)	(375)
<b>Free cash flow</b>	<b>(13,987)</b>	<b>(21,599)</b>	<b>(35,602)</b>	<b>2,284</b>	<b>(37,356)</b>	<b>531</b>
Asset sales	1	1	1	2	0	1
Free cash flow, net	(13,986)	(21,598)	(35,602)	2,286	(37,356)	532
Net acquisitions & increase investments in subsidiaries, JV, equity investments	(14,476)	(44,657)	(17,938)	(15,856)	(5,979)	(3,897)
Net borrowings (incl. capital securities)	47,660	62,141	28,380	3,981	17,681	(6,718)
Equity raised (excl. capital securities)	1,205	8,358	8,747	1,137	8,759	1,148
Cash flow from investing activities, adjusted	(15,588)	(51,986)	(11,154)	(8,497)	(2,827)	(170)
Cash flow from financing activities, adjusted	50,166	67,698	33,512	5,033	23,447	(5,032)
RATIO ANALYSIS	2015	2016	2017	TTM to Sep	9M17	9M18
Net debt / Adj. EBITDA	22.0x	30.0x	39.4x	33.6x	-	-
Total debt / Adj. EBITDA	31.5x	38.1x	45.5x	37.9x	-	-
Adj. EBITDA / Interest expense <sup>(2)</sup>	0.5x	0.5x	0.4x	0.5x	0.1x	0.2x
Adj. EBITDA / Cash interest paid <sup>(3)</sup>	0.5x	0.5x	0.4x	0.4x	0.1x	0.2x
Current ratio	2.1x	2.1x	1.5x	1.3x	NA	1.3x
Quick ratio	1.4x	1.3x	0.9x	0.7x	NA	0.7x

Source: Debtwire, Company filings

1) Gross basis, include sales tax. 2) Including capitalized interest. Capitalized interests for 2015-2017 & 9M17 are calculated from reported EBITDA interest coverage and reported EBITDA disclosed in the onshore Dec 18 OC, and 1H17 & 1H18 are calculated by the assuming the interest capitalization rate of 2017 to be same as 1H17 and 1H18. 9M18 capitalized interest is calculated from reported EBITDA interest coverage and reported EBITDA disclosed in the onshore Jan 19 OC. 3) Interest paid is calculated from "distribution of dividends, profits and interest repayment" subtracted by equity statement's "distribution of profits to shareholders". However for 2017 and 1H18, equity statement's "distribution of profits to shareholders" report smaller figures than cash flow statements' "distribution of dividends and profits to minority shareholders," hence the latter one is used instead. For 9M17 & 9M18, equity statement's "distribution of profits to shareholders" is not provided hence only cash flow statements' "distribution of dividends and profits to minority shareholders" is accounted. 4) Depreciation & amortization (D&A) expense is not reported for 9M17 and 9M18. Debtwire estimated the D&A expense by taking 2017's D&A expense times 3/4 for 9M17's, and applying 1H18's depreciation rate to average PP&E for 9M18. 5) No balance sheet for 9M17 as financial report for the period is not available.





**ORGANIZATION CHART FOOTNOTE**

Source: Debtwire, State Administration for Industry & Commerce, company filings, offering circulars.

- 1) Oceanwide signed an agreement with Sunac Real Estate on 20 January to [sell 100% stake in Oceanwide Real Estate Holding](#), excluding the following assets: 100% stake in Zhejiang Oceanwide Real Estate Investment, 100% stake in Shanghai Yuzhong Investment Management, and Beijing Oceanwide International Residential District land parcels #2 and 3. It is undisclosed which Oceanwide entity these excluded assets would be transferred to.
- 2) Look-through stake
- 3) Oceanwide Holdings 1H18 report shows that these entities are indirectly held by Oceanwide Holdings. China Oceanwide Holdings (715 HK) 2017 annual report listed these entities as its subsidiaries
- 4) According to China Huiyuan Juice Group 2017 interim report
- 5) According to company filing in [March 2015](#), the last time when the shareholding was disclosed. Oceanwide Holding 1H18 report shows that the company still holds the security.
- 6) According to China Oceanwide website, [0.23% stake in CITIC](#) was acquired for HKD 775m. Although it wasn't specified which Oceanwide entity holds the stake, Oceanwide Holdings 1H18 report lists this security holdings and also that it has sold CNY 18.9m value of the securities during 1H18 for an unknown stake.
- 7) Consortium including Jack Ma's PE firm Yunfeng Capital, China Oceanwide Holdings, China Minsheng Trust, CDH China HF Holdings, Hony Capital Fund invested an undisclosed stake in Playtika in 2016, according to [Reuters' 21 Jul 16 report](#).
- 8) Genworth and China Oceanwide [extend merger agreement to 30 Apr 19](#).

**USEFUL LINKS**

Oceanwide 9M18 Report: [10-Oct-18](#)

Oceanwide Insurance & Trust Businesses 2018 Results: [12-Jan-19](#)

Oceanwide USD Bond OC: [29-Oct-18 Part 1](#), [Part 2](#)

Oceanwide Onshore Bond OC: [20-Aug-18](#)

Oceanwide Xtract Report: [31-Oct-18](#)

China Oceanwide Onshore Bond OC: [25-Jan-19](#)

Capital Profile Lu Zhiqiang Family- China Oceanwide: [26-Jan-18](#)

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