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中國通海國際金融有限公司

CHINA TONGHAI INTERNATIONAL FINANCIAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 952)

**DISCLOSEABLE TRANSACTION
SUPPLEMENTAL AGREEMENT IN RELATION TO
EXTENSION OF THE LOAN**

**SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF THE
LOAN**

On 28 December 2017, a Loan Facility Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the arranger, pursuant to which the Lender agreed to provide the Borrower the Loan in an amount of HK\$90 million for a period of three months. It was subsequently renewed on 27 March 2018 to extend the repayment date to 27 September 2018 with all other terms and provisions of the Loan Facility Agreement remained in full force and effect. On 27 September 2018, the parties entered into a Second Supplemental Agreement to the Loan Facility Agreement to further extend the repayment date to 27 March 2019 and change the interest rate on the Loan from 8% per annum to 9% per annum. Save as disclosed herein, all other terms and provisions of the Loan Facility Agreement shall remain in full force and effect. As a condition of the extension, all the interest of the Loan accrued up to 27 September 2018 under the Loan Facility Agreement has been repaid.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the aggregated interest income to the Group and the total amount of financial assistance granted to the Borrower under the Loan Facility Agreements exceeds 5% but less than 25%, the extension of the Loan under the Second Supplemental Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

PROVISION OF FINANCIAL ASSISTANCE

On 28 December 2017, a Loan Facility Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the arranger, pursuant to which the Lender agreed to provide the Borrower the Loan in an amount of HK\$90 million for a period of three months. It was subsequently renewed on 27 March 2018 to extend the repayment date to 27 September 2018 with all other terms and provisions of the Loan Facility Agreement remained in full force and effect. The principal terms of the Loan Facility Agreement are set out below:

Principal terms of the Loan Facility Agreement

Date:	28 December 2017
Lender:	Oceanwide Finance Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
Borrower:	The Borrower
Principal Loan Amount:	HK\$90 million
Interest Rate:	8% per annum
Repayment:	Subject as otherwise provided in the Loan Facility Agreement, the Borrower shall repay on the date falling three months following the date of utilisation
Personal Guarantee:	A deed of guarantee was given by a Personal Guarantor in favour of the Lender to guarantee the Borrower's repayment of all monies due under the Loan

SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF THE LOAN

On 27 September 2018, the parties entered into a Second Supplemental Agreement to the Loan Facility Agreement to further extend the repayment date to 27 March 2019 and change the interest rate on the Loan from 8% per annum to 9% per annum. Save as disclosed herein, all other terms and provisions of the Loan Facility Agreement shall remain in full force and effect. As a condition of the extension, all the interest of the Loan accrued up to 27 September 2018 under the Loan Facility Agreement has been repaid.

The personal guarantee given by the Personal Guarantor in favour of the Lender will remain as the continuing security for the due performance of the obligation of the Borrower under the Loan Facility Agreement.

REASONS FOR AND THE BENEFITS OF PROVISION OF THE FINANCIAL ASSISTANCE

The granting of the Loan to the Borrower is in the ordinary course of business of the Lender and on normal commercial terms and is arrived at arm's length negotiations. Taking into consideration of the increase in the interest income to be received by the Group, the Directors consider that the terms and the further extension of the Loan is fair and reasonable and is in the best interest of the Company and its shareholders as a whole.

The Loan was funded by internal resources of the Company.

INFORMATION ON THE BORROWER AND PERSONAL GUARANTOR

The Borrower is a company incorporated in Hong Kong. Its principal business is investment management.

The Personal Guarantor is a director and ultimate beneficial owner of the Borrower.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower (together with its ultimate beneficial owner) and the Personal Guarantor are Independent Third Parties.

INFORMATION ON THE GROUP AND THE LENDER

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

The Lender is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the aggregated interest income to the Group and the total amount of financial assistance granted to the Borrower under the Loan Facility Agreements exceeds 5% but less than 25%, the extension of the Loan under the Second Supplemental Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Borrower”	a company incorporated in Hong Kong with limited liability
“Business Day”	means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong
“Company”	China Tonghai International Financial Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 952)
“Directors”	the director(s) of the Company
“First Supplemental Agreement”	the supplemental agreement dated 27 March 2018 entered into between the Lender and the Borrower to extend the repayment date to 27 September 2018 with all other terms and provisions of the Loan Facility Agreement remained in full force and effect
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person or company who/which are not connected with (within the meaning of the Listing Rules) and are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Lender”	Oceanwide Finance Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	the short term loan with principal amount of HK\$90 million granted by the Lender to the Borrower pursuant to the Loan Facility Agreement as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement
“Loan Facility Agreement”	the short term loan facility agreement dated 28 December 2017 entered into between the Lender, the Borrower and the arranger in respect of the Loan
“Loan Facility Agreements”	the Loan Facility Agreement, the First Supplemental Agreement and the Second Supplemental Agreement
“Personal Guarantor”	Mr. A, a director and ultimate beneficial owner of the Borrower
“Second Supplemental Agreement”	the supplemental agreement dated 27 September 2018 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement and the First Supplemental Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 27 September 2018

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