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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)

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

Financial adviser to China Tonghai International Financial Limited



**中國泛海企業融資
OCEANWIDE CAPITAL**

SUPPLEMENTAL AGREEMENT

On 22 October 2018, the parties to the Facility Agreement entered into a supplemental agreement in respect of the extension of the Repayment Date to the Extended Repayment Date and amendments of certain terms and conditions of the Facility Agreement.

LISTING RULES IMPLICATIONS

The Extension constitutes provision of financial assistance under the Listing Rules. As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Extension exceeds 25%, the Extension constitutes a major transaction of the Company and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, the Controlling Shareholder, which is interested in approximately 72.39% of the issued share capital of the Company, has given the written approval of the Supplemental Agreement and such written approval has been accepted in lieu of holding a general meeting for the approval of the Supplemental Agreement pursuant to Rule 14.44 of the Listing Rules. Therefore, no general meeting of the Company for the approval of the Supplemental Agreement and the transactions contemplated thereunder will be convened and held.

A circular will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules setting out, among others, details of the Supplemental Agreement and other information. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company will apply to the Stock Exchange for an extension of time for despatch of the circular by no later than 23 November 2018.

Reference is made to the announcement of the Company dated 20 October 2017 in relation to the Facility Agreement entered into among the Lender, the Borrower and the Arranger, pursuant to which the Lender agreed to provide the Borrower the Loan Facility in an amount of HK\$290,000,000.

The Borrower has drawn down a loan of HK\$290,000,000.

Pursuant to the Facility Agreement, at the request of the Borrower, the Lender may at its sole discretion to extend the Repayment Date to the Extended Repayment Date at such interest rate and pursuant to such terms and conditions to be agreed between the Borrower and the Lender.

On 22 October 2018, the parties to the Facility Agreement entered into a supplemental agreement in respect of the Extension.

THE SUPPLEMENTAL AGREEMENT

The principal terms of the Supplemental Agreement are set out below:

Date: 22 October 2018

Parties: Oceanwide Finance Limited (as the lender of the Loan and the arranger of the Supplemental Agreement);
Company A (as the borrower); and
Oceanwide Securities Company Limited (as the arranger of the Facility Agreement).

- Amount of the Loan: The amount of the Loan is reduced from HK\$290,000,000 to HK\$270,000,000 as HK\$20,000,000 was repaid on 22 October 2018.
- Repayment date of the Loan: The repayment date of the Loan shall be extended from the Repayment Date, being 22 October 2018, to the Extended Repayment Date, being 22 October 2019.
- Interest rate: The interest rate on the Loan shall be 10% p.a. effective from 23 October 2018 and up to and including the Extended Repayment Date.
- Arrangement fee: A non-refundable fee of 3% of the Loan of HK\$270,000,000, being HK\$8,100,000, shall be paid by the Borrower to the Arranger on or before the Repayment Date.
- Conditions precedent: The Supplemental Agreement shall be conditional upon the following:
- (a) Duly executed Supplemental Agreement;
 - (b) A certified true copy of a board resolution of the Borrower approving the terms and conditions of the Supplemental Agreement and the transactions contemplated thereunder and authorising the due execution, delivery and performance of the Supplemental Agreement;
 - (c) Evidence that the accrued interest of approximately HK\$2,600,000 due on the Loan has been paid on or before the Repayment Date;
 - (d) The Personal Guarantor is required to sign an acknowledgement confirming the extension of the repayment of the Loan from the Repayment Date to the Extended Repayment Date and that the personal guarantee continues in full force and effect as continuing support in respect of the Loan advanced under the Facility Agreement as amended by the Supplemental Agreement;

- (e) The Mortgagor is required to sign an acknowledgement confirming the extension of the repayment of the Loan from the Repayment Date to the Extended Repayment Date and that the mortgage continues in full force and effect as security in respect of the Loan advanced under the Facility Agreement as amended by the Supplemental Agreement;
- (f) Payment of the arrangement fee and administration fee to the Lender on or before the Repayment Date;
- (g) Written approval having been obtained from the Controlling Shareholder in respect of the Supplemental Agreement and the transaction contemplated thereunder;
- (h) The extension of the Repayment Date of the Loan to the Extended Repayment Date is subject to the Company complying with relevant Listing Rules requirements on or before the Repayment Date; and
- (i) Such other documentation which is reasonably required by the Lender.

Save as disclosed above, all other terms and provisions of the Facility Agreement including (i) the Mortgagor charged the Property to the Lender to secure all monies due on the Loan; and (ii) the personal guarantee provided by the Personal Guarantor to guarantee the Borrower's repayment of all monies due on the Loan shall remain in full force and effect.

REASONS FOR AND BENEFITS OF THE EXTENSION

The terms of the Supplemental Agreement were arrived at after arm's length negotiations between the Lender and the Borrower. Taking into consideration of, among other things, (i) the appraised value of the Property as determined by an independent property valuer; (ii) the loan-to-value ratio of the Property charged and (iii) interest income and the arrangement fee income to be received by the Group, the Directors consider that the terms of the Supplemental Agreement are fair and reasonable and the Extension is in the interests of the Company and the Shareholders as a whole.

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.

INFORMATION ON THE OBLIGORS

The Borrower is a company incorporated in Hong Kong with limited liability. Its principal business is investment holding.

The Mortgagor is a director of the Borrower and the sole owner of the Property.

The Personal Guarantor is a director and the sole shareholder of the Borrower.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Obligors are Independent Third Parties.

LISTING RULES IMPLICATIONS

The Extension constitutes provision of financial assistance under the Listing Rules. As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Extension exceeds 25%, the Extension constitutes a major transaction of the Company and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

No Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the Supplemental Agreement and the transactions contemplated thereunder. As at the date of this announcement, the Controlling Shareholder, which is interested in approximately 72.39% of the issued share capital of the Company, has given the written approval of the Supplemental Agreement and such written approval has been accepted in lieu of holding a general meeting for the approval of the Supplemental Agreement pursuant to Rule 14.44 of the Listing Rules. Therefore, no general meeting of the Company for the approval of the Supplemental Agreement and the transactions contemplated thereunder will be convened and held.

A circular will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules setting out, among others, details of the Supplemental Agreement and other information. As it is expected that additional time will be required to prepare the relevant information to be included in the circular, the Company will apply to the Stock Exchange for an extension of time for despatch of the circular by no later than 23 November 2018.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 20 October 2017 in respect of the Loan Facility
“Arranger”	Oceanwide Securities Company Limited, an indirect wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong and a corporation licensed to carry out type 1 regulated activity (dealing in securities), type 2 regulated activity (dealing in futures contracts), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the SFO, being the arranger of the Facility Agreement
“Board”	the board of Directors
“Borrower”	Company A, a company incorporated under the laws of 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)
“Controlling Shareholder”	Oceanwide Holdings International Financial Development Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
“Director(s)”	the director(s) of the Company
“Extended Repayment Date”	22 October 2019
“Extension”	the extension of the Repayment Date to the Extended Repayment Date and amendments of certain terms and conditions of the Facility Agreement under the Supplemental Agreement

“Facility Agreement”	the facility agreement dated 20 October 2017 entered into among the Lender, the Borrower and the Arranger in relation to the provision of the Loan Facility
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Independent Third Parties”	persons or companies 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 Company and its subsidiaries or any of their respective associates
“Lender”	Oceanwide Finance Limited, an indirect wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong 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, being the lender of the Loan and the arranger of the Supplemental Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of HK\$290,000,000 under the Facility Agreement or HK\$270,000,000 under the Facility Agreement as amended by the Supplemental Agreement (as the case may be)
“Loan Facility”	a secured term loan facility in an amount of HK\$290,000,000
“Mortgagor”	Mr. B
“Obligors”	the Borrower, the Mortgagor and the Personal Guarantor
“Personal Guarantor”	Ms. C
“Property”	a residential property in Hong Kong
“Repayment Date”	22 October 2018
“Shareholders”	shareholders of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 22 October 2018 entered into among the Lender, the Borrower and the Arranger in respect of the Extension
“%”	per cent

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

Hong Kong, 22 October 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.