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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)

CONTINUING CONNECTED TRANSACTIONS ADVISORY AGREEMENTS

THE ADVISORY AGREEMENTS

Reference is made to the announcement of the Company dated 26 April 2019 in which among others, the Management Company entered into Advisory Agreement 1 with the Advisor, pursuant to which the Management Company appointed the Advisor to act as the advisor and to perform investment advisory, research, administrative, operational and other ancillary services for Fund A from 26 April 2019 to 31 December 2019.

On 24 May 2019, the Management Company further entered into Advisory Agreement 2 and Advisory Agreement 3 with the Advisor to appoint the Advisor to act as the advisor and to perform investment advisory, research, administrative, operational and other ancillary services for Fund B and Fund C respectively from 24 May 2019 to 31 December 2019.

LISTING RULES IMPLICATIONS

The Advisor is a subsidiary of China Oceanwide Holdings Group Co., Ltd., which is ultimately controlled by Mr. Lu, the controlling shareholder of the Company. The Advisor is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into Advisory Agreement 2 and Advisory Agreement 3 constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Advisory Fees for Advisory Agreements in aggregate are more than 0.1% but less than 5%, the transactions under the Advisory Agreements are subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 26 April 2019 in which among others, the Management Company entered into Advisory Agreement 1 with the Advisor, pursuant to which the Management Company appointed the Advisor to act as the advisor and to perform investment advisory, research, administrative, operational and other ancillary services for Fund A from 26 April 2019 to 31 December 2019.

THE ADVISORY AGREEMENTS

On 24 May 2019, the Management Company further entered into Advisory Agreement 2 and Advisory Agreement 3 with the Advisor to appoint the Advisor to act as the advisor and to perform investment advisory, research, administrative, operational and other ancillary services for Fund B and Fund C respectively from 24 May 2019 to 31 December 2019.

ADVISORY FEES

The Advisory Fees for respective Advisory Agreements up to 31 December 2019 are as follows:

Advisory Agreement 1	US\$382,651 (equivalent to approximately HK\$2,984,678)
Advisory Agreement 2	US\$126,978 (equivalent to approximately HK\$990,428)
Advisory Agreement 3	US\$53,807 (equivalent to approximately HK\$419,695)

In arriving at the Advisory Fees, the Directors have taken into account the rate of advisory fee applied to the Commitment of the Funds pursuant to the Advisory Agreements during the period.

INFORMATION OF THE GROUP

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

INFORMATION OF THE MANAGEMENT COMPANY AND THE ADVISOR

The Advisor is a company incorporated in PRC with limited liability which is principally engaged in provision of investment management services. As at the date of this announcement, the Advisor is the wholly owned subsidiary of China Oceanwide Holdings Group Co., Ltd., which is ultimately controlled by Mr. Lu, the controlling shareholder of the Company.

The Management Company is a licensed corporation to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and a wholly owned subsidiary of the Company. The Management Company is principally engaged in provision of fund management, discretionary portfolio management and portfolio management advisory services.

REASONS AND BENEFITS OF THE TRANSACTIONS

The Advisor has extensive investments and connections in the PRC. The management team of the Advisor has extensive investments advisory experiences in the field of finance, real estate, consumption evolution, healthcare, new energy and related industries in the PRC. By leveraging on the knowledge and experience in the PRC market of the Advisor, the Directors believe that the Advisor is able to capture good investment opportunities for the Company in managing the underlying investments of the Funds.

The Board (including the independent non-executive Directors) considers that the entering into the Advisory Agreements is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Advisor is a subsidiary of China Oceanwide Holdings Group Co., Ltd., which is ultimately controlled by Mr. Lu, the controlling shareholder of the Company. The Advisor is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into Advisory Agreement 2 and Advisory Agreement 3 constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratios (as defined under the Listing Rules) in respect of the Advisory Fees for Advisory Agreements in aggregate are more than 0.1% but less than 5%, the transactions under the Advisory Agreements are subject to the reporting, annual review and announcement requirements but exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. HAN Xiaosheng, Mr. ZHANG Bo, Mr. ZHANG Xifang, Mr. FENG Henian, Mr. LIU Hongwei, Mr. LIU Bing, Mr. ZHAO Yingwei and Mr. ZHAO Xiaoxia, being Directors nominated to the Board by Oceanwide Holdings IF, were in support of the Advisory Agreements, have abstained from voting on the Advisory Agreements to avoid a perception of a conflict of interest. Save as disclosed above, no other Directors have material interest in the transactions contemplated thereunder.

DEFINITIONS

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

“Advisor”	Oceanwide Investment Group Co., Ltd. (泛海投資集團有限公司), a company incorporated in the PRC
“Advisory Agreement 1”	the agreement dated 26 April 2019 entered into between the Management Company and the Advisor in relation to appointment of the Advisor to act as the advisor of the Management Company for Fund A
“Advisory Agreement 2”	the agreement dated 24 May 2019 entered into between the Management Company and the Advisor in relation to appointment of the Advisor to act as the advisor of the Management Company for Fund B
“Advisory Agreement 3”	the agreement dated 24 May 2019 entered into between the Management Company and the Advisor in relation to appointment of the Advisor to act as the advisor of the Management Company for Fund C
“Advisory Agreements”	Advisory Agreement 1, Advisory Agreement 2 and Advisory Agreement 3

“Advisory Fees”	the estimated advisory fee payable by the Management Company to the Advisor under the Advisory Agreements
“Commitment”	USD105,560,000, the aggregate amount of the capital commitment to the Funds by the partners
“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)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the director(s) of the Company
“Fund A”	Oceanwide Pioneer Limited Partnership, a Cayman Islands exempted limited partnership
“Fund B”	Oceanwide Oceanpine Limited Partnership, a Cayman Islands exempted limited partnership
“Fund C”	Oceanwide Elite Limited Partnership, a Cayman Islands exempted limited partnership
“Funds”	Fund A, Fund B and Fund C
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Company”	China Tonghai Asset Management Limited, a licensed corporation to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and a wholly owned subsidiary of the Company, the management company of the Fund
“Mr. Lu”	Mr. Lu Zhiqiang (盧志強), the ultimate controlling shareholder of the Company
“Oceanwide Holdings IF”	Oceanwide Holdings International Financial Development Co., Ltd. (泛海控股國際金融發展有限公司), a company incorporated in the British Virgin Islands

“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US Dollars, the lawful currency of the United States of America
“%”	per cent

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.80 have been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or US\$ has been, could have been or may be converted at such a rate.

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

Hong Kong, 24 May 2019

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. HAN Xiaosheng (*Chairman*)
 Mr. ZHANG Bo (*Deputy Chairman*)
 Mr. ZHANG Xifang
 Mr. FENG Henian
 Mr. LIU Hongwei
 Mr. Kenneth LAM Kin Hing

Independent Non-executive Directors:

Mr. Roy LO Wa Kei
 Mr. KONG Aiguo
 Mr. LIU Jipeng
 Mr. HE Xuehui
 Mr. HUANG Yajun

Non-executive Directors:

Mr. Bernard POULIOT
 Mr. LIU Bing
 Mr. ZHAO Yingwei
 Mr. ZHAO Xiaoxia