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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
FOURTH SUPPLEMENTAL AGREEMENT IN RELATION TO
EXTENSION OF LOAN

FOURTH SUPPLEMENTAL AGREEMENT

On 5 March 2020, the Lender and the Borrower entered into the Fourth Supplemental Agreement, pursuant to which, the repayment date of the Loan is extended to 27 June 2020 and to change the interest rate of the Loan from 8.5% per annum to 6% per annum for the period from 28 June 2019 and up to and including 27 June 2020. The Borrower has paid a non-refundable extension fee, which is equivalent to 3.75% of the Loan and the accrued interest on the Loan due on the last repayment date of 27 June 2019 prior to the entering of the Fourth Supplemental Agreement. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended by Supplemental Agreements) shall remain in full force and effect.

LISTING RULES IMPLICATIONS

The relevant percentage ratios under the Listing Rules in respect of the Extension of the Loan to the Borrower under the Fourth Supplemental Agreement exceeds 5% but less than 25%, therefore, the Extension of Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement thereunder.

BACKGROUND

Reference is made to the announcement of the Company dated 28 September 2018 and 31 December 2018 in relation to the entering of First Supplemental Agreement and the Second Supplemental Agreement with the Borrower.

On 29 June 2018, a Loan Facility Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan in an amount of HK\$160 million for a period of three months.

On 28 September 2018, the parties entered into the First Supplemental Agreement to extend the repayment date of the Loan to 27 December 2018 and change the interest rate of the Loan from 5.4% per annum to 8.5% per annum. Save as aforesaid, all other terms of the Loan Facility Agreement shall remain in full force and effect.

On 31 December 2018, the parties entered into the Second Supplemental Agreement to further extend the repayment date of Loan to 27 March 2019 at the same interest rate of 8.5% per annum. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended by the First Supplemental Agreement) shall remain in full force and effect.

On 2 April 2019, the parties entered into the Third Supplemental Agreement to increase the principal amount of the Loan to HK\$163.8 million and to further extend the repayment date of Loan to 27 June 2019 at the same interest rate of 8.5% per annum. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) shall remain in full force and effect.

Fourth Supplemental Agreement

On 5 March 2020, the Lender and the Borrower entered into the Fourth Supplemental Agreement, pursuant to which, the repayment date of Loan is extended to 27 June 2020 and to change the interest rate of the Loan from 8.5% per annum to 6% per annum for the period from 28 June 2019 and up to and including 27 June 2020. The Borrower has paid a non-refundable extension fee, which is equivalent to 3.75% of the Loan and the accrued interest on the Loan due on the last repayment date of 27 June 2019 prior to the entering of the Fourth Supplemental Agreement. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended by the Supplemental Agreements) shall remain in full force and effect.

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 (as amended by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement).

REASONS FOR AND BENEFITS OF ENTERING INTO THE FOURTH SUPPLEMENTAL AGREEMENT

The provision of the Loan to the Borrower is in the ordinary course of business of the Lender. The terms of the Fourth Supplemental Agreement are negotiated on an arm's length basis between the Lender and the Borrower and are on normal commercial terms. Taking into consideration of the interest income to be received and the upfront non-refundable extension fee received by the Group, the Directors consider that the terms of the Fourth Supplemental Agreement are fair and reasonable and the entering of the Fourth Supplemental Agreement is in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE BORROWER AND PERSONAL GUARANTOR

The Borrower is Green Giant Energy Limited, a company incorporated in Hong Kong with limited liability. Its principal business is equity investment. It is indirectly wholly-owned by an irrevocable discretionary trust which Mr. SHI Yuzhu and his family members are the beneficiaries and none of the individual beneficiary holds more than 10% vested interest in the trust.

The Personal Guarantor is Mr. SHI Yuzhu, the sole director of the Borrower.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower and its ultimate beneficial owner 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 China Tonghai Finance Limited, 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

The relevant percentage ratios under the Listing Rules in respect of the Extension of Loan to the Borrower under the Fourth Supplemental Agreement exceeds 5% but less than 25%, therefore, the Extension of Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement thereunder.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Green Giant Energy Limited, a company incorporated in Hong Kong with limited liability
“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
“Extension of Loan”	the extension of Loan under the Fourth Supplemental Agreement
“First Supplemental Agreement”	the supplemental agreement dated 28 September 2018 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement, details of which are set out in the announcement of the Company dated 28 September 2018
“Fourth Supplemental Agreement”	the supplemental agreement dated 5 March 2020 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended by the Supplemental Agreements)
“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”	China Tonghai 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 term loan with principal amount of HK\$160 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 and the principal amount of the loan be increased to HK\$163.8 million pursuant to the Third Supplemental Agreement and the Fourth Supplemental Agreement (as the case may be)
“Loan Facility Agreement”	the loan facility agreement dated 29 June 2018 entered into between the Lender and the Borrower in respect of the Loan
“Personal Guarantor”	Mr. SHI Yuzhu, the sole director of the Borrower
“Second Supplemental Agreement”	the supplemental agreement dated 31 December 2018 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended by the First Supplemental Agreement), details of which are set out in the announcement of the Company dated 31 December 2018
“Shareholders”	holders of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement
“Third Supplemental Agreement”	the supplemental agreement dated 2 April 2019 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement)

“%”

per cent

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

Hong Kong, 5 March 2020

As at the date of this announcement, the Board of the Company 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