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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 LOAN**

On 20 April 2020, the Lender, an indirect wholly-owned subsidiary of the Company, the Borrower and the Personal Guarantor entered into the Loan Agreement pursuant to which the Lender agreed to provide the Borrower the Loan in the amount of HK\$3,000,000 for 6 months to be repaid on 19 October 2020 at the interest rate of 12% per annum. The accrued interest on the Loan due on 19 October 2020 has been paid.

On 19 February 2021, the Lender, the Borrower and the Personal Guarantor entered into the Supplemental Agreement pursuant to which the parties have conditionally agreed on the Loan Extension at the same interest rate of 12% per annum. Save as aforesaid, all the material terms and conditions of the Loan Agreement (as amended by the Supplemental Agreement) shall remain in full force and effect.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the Listing Rules in respect of the aggregated interest income to the Group under the Loan and the Loan Extension within 12 months exceeds 5% but less than 25%, the Loan Extension under the Supplemental Agreement constitute 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 AND SUPPLEMENTAL AGREEMENT IN RELATION TO THE LOAN AND THE EXTENSION OF LOAN

On 20 April 2020, the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower and the Personal Guarantor entered into the Loan Agreement pursuant to which the Lender agreed to provide the Borrower the Loan for 6 months to be repaid on 19 October 2020 at the interest rate of 12% per annum. The accrued interest on the Loan due on 19 October 2020 has been paid. The principal terms of the Loan Agreement are set out below:

Date:	20 April 2020
Lender:	China Tonghai Finance Limited
Borrower:	Tung Kee Development Limited
Loan Amount:	HK\$3,000,000
Interest Rate:	12% per annum
Default Interest:	18% per annum
Repayment Date:	19 October 2020
Personal Guarantor:	Mr. YUNG Man Tung
Security:	(i) a share mortgage dated 20 April 2020 granted and executed by the Personal Guarantor as mortgagor in favour of the Lender in respect of the entire issued share capital of the Borrower (“Share Mortgage”); (ii) a account charge dated 20 April 2020 granted and executed by the Borrower as chargor in favour of the Lender in respect of a bank account maintained in the name of the Borrower with a licensed bank in Hong Kong (“Account Charge”); and (iii) a mortgage dated 15 June 2020 over all the title, rights and interest in and to a piece of landed property situated in Canada executed by Tung Kee Canada as mortgagee in favour of the Lender (“Property Mortgage”).

On 19 February 2021, the Lender, the Borrower and the Personal Guarantor entered into the Supplemental Agreement pursuant to which the parties have conditionally agreed on the Loan Extension at the same interest rate of 12% per annum. The interest on the Loan

Extension due and payable on 19 April 2021 has been paid in advanced by the Borrower. Save as disclosed herein, all the material terms and conditions of the Loan Agreement (as amended by the Supplemental Agreement) shall remain in full force and effect.

The Loan Extension shall become effective only upon the Borrower providing the following conditions precedent documents within 30 days from the date of the Supplemental Agreement (unless waived by the Lender) to the Lender's absolute satisfaction:

- (i) a copy of the board resolution of the Borrower approving the Loan Extension and the Supplemental Agreement;
- (ii) a duly signed acknowledgment by Tung Kee Canada that the Property Mortgage continues to be valid and binding and shall have full force and effect as continuing security for the Loan under the Loan Agreement for the Loan Extension;
- (iii) various due diligence documents in respect of the Borrower and the Personal Guarantor; and
- (iv) such other documentation as reasonably required by the Lender.

As at the date of this announcement, conditions (i) and (ii) are fulfilled.

PURPOSE

The purpose of the Loan to the Borrower is to repay the shareholders' loan as stated in the Loan Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The provision of the Loan to the Borrower is in the ordinary course of business of the Lender. The Lender conducted due diligence and assessment on the Borrower after the Borrower requested an extension of the repayment date of the Loan. The terms and conditions of the Supplemental Agreement are negotiated on an arm's length basis among the Lender, the Borrower and the Personal Guarantor and are on normal commercial terms. Taking into account of the interest income received by the Group and the value of the security, the Directors consider that the terms and conditions of the Supplemental Agreement are fair and reasonable and is in the best interest of the Company and its shareholders as a whole.

INFORMATION ON THE BORROWER AND PERSONAL GUARANTOR

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

The Personal Guarantor is the sole director, sole shareholder and the ultimate beneficial owner of the Borrower. The Personal Guarantor has provided an irrevocable and unconditional guarantee and indemnity to secure the due performance of the Borrower's obligations under the Loan Agreement and in the Supplemental Agreement. The Personal Guarantor has confirmed that the said guarantee and indemnity continues in full force and effect in respect of the Loan under the Loan Extension.

In the Supplemental Agreement, the Personal Guarantor and the Borrower have each confirmed that their respective Share Mortgage and Account Charge continue in full force and effect as continuing security in respect of the Loan under the Loan Extension.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Personal Guarantor, 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 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 licence 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 under the Listing Rules in respect of the aggregated interest income to the Group under the Loan and the Loan Extension within 12 months exceeds 5% but less than 25%, the Loan Extension under the Supplemental Agreement constitute 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 content otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Borrower”	Tung Kee Development 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
“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)”	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 Group or any of their 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 licence 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 loan with principal amount of HK\$3,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 20 April 2020 entered into among the Lender, the Borrower and the Personal Guarantor in respect of the Loan
“Loan Extension”	the extension of the repayment date of the Loan to 19 April 2021 under the Supplemental Agreement

“Personal Guarantor”	Mr. YUNG Man Tung, the sole shareholder and sole director of the Borrower
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 19 February 2021 entered into among the Lender, the Borrower and the Personal Guarantor in respect of the Loan Extension
“Tung Kee Canada”	Tung Kee Investment Canada Limited, a company incorporated in Canada with limited liability, The Personal Guarantor is the sole shareholder of Tung Kee Canada
“%”	per cent.

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

Hong Kong, 19 February 2021

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

Executive Directors:

Mr. HAN Xiaosheng (*Chairman*)
Mr. FANG Zhou (*Deputy Chairman*)
Mr. ZHANG Xifang
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. LIU Bing
Mr. ZHAO Yingwei
Mr. ZHAO Xiaoxia