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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 PROVISION OF FINANCIAL ASSISTANCE

THE PROVISION OF FINANCIAL ASSISTANCE

The Board hereby announces that on 10 January 2022, the Lender (an indirect wholly-owned subsidiary of the Company) entered into the Loan Facility E Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan E in sum of HK\$60 million.

LISTING RULES IMPLICATIONS

The provision of the Loan E constitutes provision of financial assistance under the Listing Rules. As the highest of the applicable percentage ratio under the Listing Rules in respect of the provision of the Loan E exceeds 5% but less than 25%, therefore, the provision of the Loan E constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement but exempted from the shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

PRIOR LOAN FACILITY AGREEMENTS

Background

The Loan A

On 18 November 2020, the Lender entered into the Loan Facility A Agreement with the Borrower, pursuant to which the Lender provided the Borrower with the Loan A in an amount of HK\$190 million for a period of 20 days following the date of utilisation at an interest rate of 8.25% per annum. The Group financed the Loan A by its internal resources. Details of the Loan Facility A Agreement and the Loan A are set out in the announcement of the Company dated 18 November 2020. The Loan A and accrued interest were fully repaid on 3 March 2021.

The Loan B

On 8 April 2021, the Lender entered into the Loan Facility B Agreement with the Borrower, pursuant to which the Lender provided the Borrower with the Loan B in an amount of HK\$65 million for a period of six months following the date of utilisation at an interest rate of 10% per annum. The Group financed the Loan B by its internal resources. The principal amount of the Loan B of approximately HK\$50.3 million and the accrued interest on the Loan B was repaid by the Borrower in November and December 2021 respectively. The remaining balance of the principal amount of the Loan B of approximately HK\$14.7 million was repaid by the Borrower on 10 January 2022.

The Loan C

On 16 April 2021, the Lender entered into the Loan Facility C Agreement with the Borrower, pursuant to which the Lender provided the Borrower with the Loan C in an amount of HK\$45 million for a period of six months following the date of utilisation at an interest rate of 10% per annum. The Group financed the Loan C by its internal resources. All the accrued interest on the Loan C up to and including 18 October 2021 was paid prior to the entering of the Supplemental Loan Facility C Agreement. On 5 January 2022, the Lender and the Borrower entered into the Supplemental Loan Facility C Agreement to extend the repayment date of the Loan C to 18 April 2022 with the interest rate remaining at 10% per annum. Save as aforesaid, all other terms of the Loan Facility C Agreement (as amended and supplemented by the Supplemental Loan Facility C Agreement) remain in full force and effect.

The Loan D

On 14 May 2021, the Lender entered into the Loan Facility D Agreement with the Borrower, pursuant to which the Lender provided the Borrower with the Loan D in an amount of HK\$73 million for a period of six months following the date of utilisation at an interest rate of 10% per annum. The Group financed the Loan D by its internal resources. The Loan D and accrued interest were fully repaid on 29 December 2021.

Calculations

Based on the applicable percentage ratios under Rule 14.07 of the Listing Rules, Loan B, Loan C and Loan D on a standalone basis and the aggregation of Loan B, Loan C and Loan D with Loan A did not trigger any disclosure obligation under the Listing Rules at the time of entering into the Loan Facility B Agreement, Loan Facility C Agreement and Loan Facility D Agreement respectively.

As at the date prior to the entering of the Loan Facility E Agreement, the aggregate outstanding principal amount of the Loan B and the Loan C was approximately HK\$59.7 million.

LOAN FACILITY E AGREEMENT

The principal terms of the Loan Facility E Agreement are set out below:

Date:	10 January 2022
Lender:	China Tonghai Finance Limited
Borrower:	the Borrower
Loan Amount:	HK\$60 million
Interest Rate:	9% per annum
Repayment:	without prejudice to the provision of the Loan Facility E Agreement, the Borrower shall repay the Loan E together with accrued interest thereon and all other amounts due by it under the Loan Facility E Agreement in full on the earlier of (a) the Repayment Date; or (b) within one Business Day of written demand by the Lender on the Borrower in the event of a material adverse effect on the Borrower or on the occurrence of an event of default.
Early Repayment:	without prejudice to the provision of the Loan Facility E Agreement, the Borrower may on any Business Day prior to the Repayment Date, upon giving to the Lender two Business Days prior written notice, make early repayment of the Loan E in full provided that accrued interest shall be paid on early repayment of the Loan E and to be calculated at the interest rate up to and including the actual date of early repayment.
Availability Period:	the period from and including the date of the Loan Facility E Agreement up to and including 31 March 2022, or such longer period as the Lender may agree in writing.

Default Interest: if the Borrower fails to pay any sum payable to the Lender under the Loan Facility E Agreement when due, it shall pay interest on such sum from and including the due date up to and including the date of actual payment at the default rate of 12% per annum.

The Loan E is financed by the internal resources of the Group.

REASONS FOR AND BENEFITS OF PROVISION OF FINANCIAL ASSISTANCE

The provision of the Loan E to the Borrower is in the ordinary course of business of the Lender. The terms and conditions of the Loan Facility E Agreement are negotiated between the Lender and the Borrower on an arm's length basis and are on normal commercial terms. Taking into consideration of (i) the interest income to be received by the Group and (ii) the credit assessment of the financial strength of the Borrower and the credit history of the Borrower to meet its payment obligation, the Directors consider that the terms of the Loan Facility E Agreement are fair and reasonable and the entering into the Loan Facility E Agreement by the Lender is in the best interest of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE BORROWER

The Borrower is Hong Kong Hoi Hing International Limited, a company incorporated in Hong Kong with limited liability and is principally engaged in the business of investment holdings. Its ultimate beneficial owner is Mr. MO Li Jun, who is also the 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) corporate finance advisory and general advisory services; (ii) fund management, discretionary portfolio management and portfolio management advisory services; (iii) discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing, insurance broking and wealth management services; (iv) money lending services; (v) financial media services; and (vi) 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 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

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DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Hong Kong Hoi Hing International Limited, a company incorporated in Hong Kong with limited liability
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business 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 directors 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)”	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 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 A”	the unsecured loan with a principal amount of HK\$190 million granted by the Lender to the Borrower pursuant to the Loan Facility A Agreement
“Loan B”	the unsecured loan with a principal amount of HK\$65 million granted by the Lender to the Borrower pursuant to the Loan Facility B Agreement
“Loan C”	the unsecured loan with a principal amount of HK\$45 million granted by the Lender to the Borrower pursuant to the Loan Facility C Agreement (as amended and supplemented by the Supplemental Loan Facility C Agreement)
“Loan D”	the unsecured loan with a principal amount of HK\$73 million granted by the Lender to the Borrower pursuant to the Loan Facility D Agreement
“Loan E”	the unsecured loan with a principal amount of HK\$60 million granted by the Lender to the Borrower pursuant to the Loan Facility E Agreement
“Loan Facility A Agreement”	the loan facility agreement dated 18 November 2020 entered into between the Lender and the Borrower in respect of the Loan A, details of which are set out in the announcement of the Company dated 18 November 2020
“Loan Facility B Agreement”	the loan facility agreement dated 8 April 2021 entered into between the Lender and the Borrower in respect of the Loan B
“Loan Facility C Agreement”	the loan facility agreement dated 16 April 2021 entered into between the Lender and the Borrower in respect of the Loan C
“Loan Facility D Agreement”	the loan facility agreement dated 14 May 2021 entered into between the Lender and the Borrower in respect of the Loan D
“Loan Facility E Agreement”	the loan facility agreement dated 10 January 2022 entered into between the Lender and the Borrower in respect of the Loan E
“Repayment Date”	the date falling 12 months from the first utilization date of the Loan E
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Loan Facility C Agreement” the supplemental agreement dated 5 January 2022 entered into between the Lender and the Borrower to amend and supplement the Loan Facility C Agreement

“%” per cent

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

Hong Kong, 10 January 2022

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. 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