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Quam Tonghai Holdings Limited
華新通有限公司

*(incorporated in Hong Kong with
limited liability)*



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)

JOINT ANNOUNCEMENT

- (1) COMPLETION OF THE DEED OF SHARE PURCHASE;
(2) MANDATORY UNCONDITIONAL CASH OFFER;
(3) DELAY IN DESPATCH OF COMPOSITE DOCUMENT;**

AND

- (4) MONTHLY UPDATE ON THE MANDATORY
UNCONDITIONAL CASH OFFER BY**

HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED

AND

RED SUN CAPITAL LIMITED

FOR AND ON BEHALF OF QUAM TONGHAI HOLDINGS LIMITED

TO ACQUIRE ALL THE ISSUED SHARES IN

CHINA TONGHAI INTERNATIONAL FINANCIAL LIMITED

(OTHER THAN THOSE ALREADY OWNED OR AGREED

TO BE ACQUIRED BY

QUAM TONGHAI HOLDINGS LIMITED AND

PARTIES ACTING IN CONCERT WITH IT

(OTHER THAN THE VENDOR GROUP))

Joint financial advisers to the Offeror



紅日資本有限公司
RED SUN CAPITAL LIMITED

References are made to (i) the joint announcement issued by China Tonghai International Financial Limited (the “**Company**”) and Quam Tonghai Holdings Limited (the “**Offeror**”) dated 15 September 2022 in relation to the Deed of Share Purchase and the possible Offer (the “**Rule 3.5 Joint Announcement**”); (ii) the joint announcement dated 6 October 2022 issued by the Company and the Offeror in relation to the delay in despatch of the Composite Document (the “**October Announcement**”); and (iii) the joint announcements dated 4 November 2022, 6 December 2022 and 5 January 2023 in relation to the update on the Offer. Unless the context otherwise required, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Rule 3.5 Joint Announcement.

COMPLETION OF THE DEED OF SHARE PURCHASE

The Board (as informed by the Offeror) is pleased to announce that all the conditions precedent to the Deed of Share Purchase set out in the section headed “THE DEED OF SHARE PURCHASE — Conditions precedent to the Deed of Share Purchase” of the Rule 3.5 Joint Announcement had been fulfilled and the Completion took place on 3 February 2023. Pursuant to the terms of the Deed of Share Purchase, a total of 4,098,510,000 Sale Shares were transferred by the Vendor to the Offeror at an aggregate consideration of HK\$819,702,000 (equivalent to HK\$0.2 per Sale Share). The Surrender Notes, the Surrender Interests and the Released Indebtedness had been surrendered, released and discharged by the Offeror in accordance with the terms of the Deed of Share Purchase at Completion. The Offeror had assigned its interests in the Remaining Notes to Nautical League Limited towards the part payment of the Loan.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately upon Completion and as at the date of this joint announcement, the Offeror is interested in 4,098,510,000 Shares, representing approximately 66.14% of the entire issued share capital of the Company; and the Offeror and parties acting in concert with it (other than the Vendor Group) own 4,211,582,833 Shares, representing approximately 67.96% of the entire issued share capital of the Company.

Set out below is a table showing the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately upon Completion and as at the date of this joint announcement:

Shareholders	Immediately before Completion		Immediately upon Completion and as at the date of this joint announcement	
	Number of Shares	Approximately %	Number of Shares	Approximately %
The Offeror and parties acting in concert with it				
— The Offeror (<i>Note 1</i>)	—	—	4,098,510,000	66.1365
— Mr. LAM (<i>Notes 1 and 2</i>)	113,072,833	1.8246	113,072,833	1.8246
— The Vendor Group	4,493,764,732	72.5146	395,254,732	6.3781
	(<i>Notes 3, 4 and 5</i>)		(<i>Note 3</i>)	
Sub-total	<u>4,606,837,565</u>	<u>74.3392</u>	<u>4,606,837,565</u>	<u>74.3392</u>
Calvin CHIU Chun Kit, director of subsidiaries of the Company, and his close associates	10,000	0.0002	10,000	0.0002
Public Shareholders (<i>Note 6</i>)	<u>1,590,201,655</u>	<u>25.6606</u>	<u>1,590,201,655</u>	<u>25.6606</u>
Total	<u>6,197,049,220</u>	<u>100.00</u>	<u>6,197,049,220</u>	<u>100.00</u>

Notes:

1. The Offeror is a company incorporated in Hong Kong with limited liability, which is owned as to 51% by Mr. LAM and 49% by Mr. HAN.
2. Mr. LAM is an executive Director and the chief executive officer of the Company, and he is interested in 51% of the entire issued share capital of the Offeror and a director of the Offeror. Immediately prior to Completion and as at the date of this joint announcement, Mr. LAM is the beneficial owner of 113,072,833 Shares. Other than as disclosed above, no other Directors or directors of subsidiaries of the Company hold any Shares or relevant securities of the Company (as defined under Note 4 to Rule 22 of the Takeovers Code).

3. Immediately prior to Completion, the Vendor is the beneficial owner of 4,493,764,732 Shares and as at the date of this joint announcement, the Vendor is the beneficial owner of 395,254,732 Shares. The Vendor is wholly-owned by COGL, which is wholly-owned by Oceanwide Holdings, which is directly and indirectly (through Oceanwide Energy Holdings Co., Ltd.* (泛海能源控股股份有限公司)) held by China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司) as to approximately 58.35%. China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司) is held by Oceanwide Group Co., Ltd.* (泛海集團有限公司) as to approximately 98% and Oceanwide Group Co., Ltd.* (泛海集團有限公司) is wholly-owned by Tohigh Holdings Co., Ltd* (通海控股有限公司). Mr. LU Zhiqiang held 77.14% of the interests in Tohigh Holdings Co., Ltd* (通海控股有限公司) and the other 22.86% of the interests in Tohigh Holdings Co., Ltd.* (通海控股有限公司) is held by 泛海公益基金會 (Oceanwide Foundation), a charitable foundation which was founded by China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司).
4. Prior to Completion, the Vendor had pledged the Sale Shares (being 4,098,510,000 Shares) to Spring Progress. Based on the 2022 interim report of the Company published on 15 September 2022, Spring Progress is an indirect subsidiary of Haitong International Securities Group Limited, which is held by Haitong International Holdings Limited indirectly as to 63.08% and Haitong International Holdings Limited is wholly-owned by Haitong Securities Co., Ltd. Haitong International Finance Company Limited is a direct subsidiary of Haitong International Securities Group Limited.
5. On 20 October 2021, Messrs. TSUI Chi Chiu and SO Kit Yee Anita of Ernst & Young Transactions Limited were appointed by Spring Progress as joint and several receivers over 4,098,510,000 Shares held by the Vendor pursuant to the Deed of Appointment of Receivers.
6. Include the (i) 271,910,000 Shares, representing approximately 4.39% of the entire issued share capital of the Company immediately prior to the Completion and as at the date of this joint announcement, held by Grand Profit under the Grand Profit's Irrevocable Undertaking, and (ii) 306,852,000 Shares, representing approximately 4.95% of the entire issued share capital of the Company immediately prior to the Completion and as at the date of this joint announcement, held by Sunny Chance under the Sunny Chance's Irrevocable Undertaking. Other than the Grand Profit's Irrevocable Undertaking and the Sunny Chance's Irrevocable Undertaking, there is no other undertakings nor relationships between each of Grand Profit and Sunny Chance and the Offeror.
7. Percentage figures may not add up to the total due to rounding.

MANDATORY UNCONDITIONAL CASH OFFER

As Completion has taken place, the Offeror is required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (other than the Vendor Group)). Haitong International Securities and Red Sun will make the Offer, for and on behalf of the Offeror on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

DELAY IN DESPATCH OF COMPOSITE DOCUMENT

As disclosed in the Rule 3.5 Joint Announcement and the October Announcement, pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of the Rule 3.5 Joint Announcement, i.e. on or before 6 October 2022, or such later date as the Executive may consent to. On 6 October 2022, the Company disclosed in the October Announcement that the Offeror had applied for, and the Executive had granted, its consent to extend the latest time for the despatch of the Composite Document to seven days after the Initial Long Stop Date or 30 June 2023, whichever is earlier.

Pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules, the Directors are prohibited from dealing in the securities of the Company during the period from 27 January 2023 to 28 March 2023 (the “**Blackout Period**”). As the Company currently expects to publish its annual results for the year ended 31 December 2022 (the “**2022 Annual Results**”) on 28 March 2023, the despatch of the Composite Document during the Blackout Period would be considered as dealing in the securities of the Company by Mr. LAM (an executive Director and the chief executive officer of the Company and a shareholder of the Offeror) and Mr. HAN (an executive Director and the chairman of the Company and a shareholder of the Offeror), which is prohibited under the Model Code because they would be considered as having made an offer to acquire the Offer Shares under the Composite Document. Accordingly, the Composite Document cannot be despatched within seven days after the Initial Long Stop Date.

An application has been made by the Offeror to seek for the Executive’s consent, and the Executive has indicated that it is minded to grant its consent under Rule 8.2 of the Takeovers Code to extend the latest time for the despatch of the Composite Document from seven days after the Initial Long Stop Date to a date falling on or before 14 April 2023.

Further monthly announcement(s) will be jointly made by the Offeror and the Company in accordance with the Takeovers Code on the status and progress in connection with the Offer, as and when appropriate.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

By order of the board of
Quam Tonghai Holdings Limited

Kenneth LAM Kin Hing
Director

By order of the Board
China Tonghai International
Financial Limited
FANG Zhou
Deputy Chairman

Hong Kong, 3 February 2023

As at the date of this joint 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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it, the Vendor (save for the information relating to the Vendor Group and the information set out in Notes 3, 4 and 5 in the section headed “Shareholding Structure of the Company”) and the parties acting in concert with it, and the Receivers), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. Kenneth LAM Kin Hing and Mr. HAN Xiaosheng. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group and the information relating to the Vendor Group and the information set out in Notes 3, 4 and 5 in the section headed “Shareholding Structure of the Company”), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.

** The English name is a transliteration of the relevant Chinese name and are included here for identification purposes only.*