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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)**

## **UPDATE ON THE SETTLEMENT ARRANGEMENTS**

Reference is made to the announcements of China Tonghai International Financial Limited (the “**Company**”) dated 24 August 2021, 30 November 2021, 31 March 2022, 29 July 2022, 21 October 2022, 16 November 2022 and 10 March 2023 (collectively, the “**Announcements**”) and the circular (the “**Circular**”) dated 13 February 2023 in relation to, among other things, the Settlement Arrangements, the Settlement Agreement and the Extension. Capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular unless the context requires otherwise.

As at the date of this announcement, Oceanwide Holdings is an indirect shareholder of the Company. Oceanwide Holdings is an indirect holding company of Oceanwide Holdings IF, which in turn holds 395,254,732 Shares, representing approximately 6.38% of the total issued share capital of the Company.

Pursuant to the Settlement Agreement, Oceanwide Holdings has conditionally agreed to transfer the Tranche A Consideration Shares and the Tranche B Consideration Shares to the Company in order to settle Debt A and Debt B, respectively.

On 25 April 2023, Oceanwide Holdings announced that it has received a notification from Beijing Shiwang Asset Management Co., Ltd.\* 北京獅王資產管理有限公司 (“**Beijing Shiwang**”) that on 21 April 2023 Beijing Shiwang has made an application to the Beijing No. 1 Intermediate People’s Court (the “**PRC Court**”) for the restructuring of Oceanwide Holdings (the “**Restructuring Application**”) on the basis that Oceanwide Holdings is not being able to pay off its debts when due, its assets are not sufficient to settle all outstanding debts but its assets have sufficient value for restructuring. Further, Beijing Shiwang has on the same date made an application to the PRC Court for the pre-restructuring of Oceanwide Holdings (together with the Restructuring Application, the “**Applications**”). Beijing Shiwang is one of the creditors of Oceanwide Holdings. Beijing Shiwang is not related to the Company or to Settlement Arrangements.

On 27 April 2023, Oceanwide Holdings further announced that the PRC Court has issued a decision to commence the pre-restructuring process of Oceanwide Holdings but as at the date of such announcement, Oceanwide Holdings has not received any decision from the PRC Court in relation to any formal restructuring, which remains uncertain.

In light of the Applications and the PRC Court's decision to commence the pre-restructuring process of Oceanwide Holdings, which the Company did not receive any prior notice, the Company has discussed with the management of Oceanwide Holdings, and has been seeking advice from its professional advisers, on the implications of the Applications and the pre-restructuring of Oceanwide Holdings on the Settlement Arrangements, in particular, whether Oceanwide Holdings will be able to transfer the Tranche A Consideration Shares and Tranche B Consideration Shares to the Company in light of the pre-restructuring. The Company understands from the discussions that the pre-restructuring and potential restructuring procedures as ordered by the PRC Court that Oceanwide Holdings may undergo will hinder the effectuation of the Settlement Arrangements as the Tranche A Consideration Shares and Tranche B Consideration Shares may become subject to the pre-restructuring and potential restructuring procedures ordered by the PRC Court which in turn may prevent the transfer of the Tranche A Consideration Shares and Tranche B Consideration Shares to the Company. One of the conditions precedent of the Settlement Agreement is the representation and warranty that Consideration Shares are free from encumbrances as set out in the Settlement Agreement given by Oceanwide Holdings remaining true, accurate, complete and not misleading and missing in any aspect. As the pre-restructuring and potential restructuring of Oceanwide Holdings may have an effect on the transferability of the Tranche A Consideration Shares and Tranche B Consideration Shares, the Board is seeking advice on whether such condition precedent and the other conditions precedent can be fulfilled prior to the Long Stop Date. The Applications have therefore significantly increased the uncertainty of the Completion of the Settlement Arrangements by the Long Stop Date of 30 June 2023. In addition, the Company understands that pre-restructuring is a procedure for the provisional liquidator to assess the restructuring value of Oceanwide Holdings and the possibility of restructuring before proceeding to formal restructuring application and procedures, which is aimed to reduce the cost of restructuring and increase the possibility of a successful restructuring exercise. The provisional liquidator of Oceanwide Holdings will submit a restructuring proposal based on its assessment and application to the PRC court which will then assess and decide whether or not to proceed with the formal restructuring process.

Since the announcement dated 10 March 2023 in relation to the poll results of the Extension SGM, the Company and its professional advisors have been performing due diligence on the Target Group and in discussions with the management of Oceanwide Holdings for the purpose of requesting and coordinating the required information for the updated audit and due diligence on the Target Group in order to fulfil the conditions precedent of the Settlement Agreement. As at the date of this announcement, the information provided by Oceanwide Holdings has been limited while the progress of the aforesaid work has been slow and has not been completed. Furthermore, in light of the Applications, the Company is reassessing the feasibility of the Settlement Arrangements under the current circumstances, and in particular whether it is still viable to continue pursuing the Settlement Arrangements and/or to complete the Settlement Arrangements by or around the Long Stop Date. The Company is in the process of seeking advice from its professional advisors, particularly a PRC legal opinion from its PRC legal advisor regarding the implications of the Applications and the pre-restructuring of Oceanwide Holdings on the Settlement Arrangements, which will be considered by the Company when assessing and determining whether or not the Company should continue to proceed with the Settlement Arrangements. The Company expects to complete such assessment and a decision on whether or not the Company will continue to proceed with the Settlement Arrangements will be made thereafter by or around 12 May 2023. The Company will publish an announcement on the Board's assessment and its decision on whether or not it will continue to proceed with the Settlement Arrangements accordingly.

**As the Settlement Arrangements may or may not be completed, Shareholders and other investors are reminded to exercise caution in dealing in the securities of the Company.**

On behalf of the Board  
**China Tonghai International Financial Limited**  
FANG Zhou  
*Deputy Chairman*

Hong Kong, 4 May 2023

As at the date of this announcement, the Board 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 announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*

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