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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 DESPATCH OF CIRCULAR  
IN RELATION TO  
THE DEBT C SETTLEMENT ARRANGEMENT**

Reference is made to the announcement of China Tonghai International Financial Limited (the “**Company**”) dated 28 April 2023 (the “**Debt C Announcement**”) in relation to the settlement arrangement entered by the Company, Quam Overseas Investment Limited, China Oceanwide Holdings Group Co., Ltd. and Tonghai International Development Limited in relation to Debt C (the “**Debt C Settlement Arrangement**”).

Reference is also made to the announcement of the Company dated 18 May 2023 (the “**Debt A and Debt B Update Announcement**”) in relation to the further update on the settlement arrangements in relation to Debt A and Debt B.

Reference is also made to the joint announcement issued by the Company and Quam Tonghai Holdings Limited (the “**Offeror**”) dated 15 September 2022 (the “**Rule 3.5 Joint Announcement**”), 3 February 2023 and 3 May 2023 in relation to the deed of share purchase dated 15 September 2022 entered into among Messrs. Tsui Chi Chiu and So Kit Yee Anita of Ernst & Young Transactions Limited, Oceanwide Holdings IF and the Offeror relating to the sale and purchase of the 4,098,510,000 Shares (the “**Deed of Share Purchase**”) and the mandatory unconditional cash offer made by Haitong International Securities and Red Sun, on behalf of the Offeror, to acquire all the issued shares in the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it (other than Oceanwide Holdings International Financial Development Co., Ltd., China Oceanwide Group Limited, Oceanwide Holdings, Oceanwide Energy Holdings Co., Ltd.\* (泛海能源控股股份有限公司), China Oceanwide Holdings Group Co., Ltd.\* (中國泛海控股集團有限公司), Oceanwide Group Co., Ltd.\* (泛海集團有限公司), Tohigh Holdings Co., Ltd.\* (通海控股有限公司), Mr. Lu Zhiqiang, Ms. Lu Xiaoyun and Nautical League Limited) (the “**Offer**”).

The Offer was completed on 3 May 2023. As at the date of this announcement, the Offeror and parties acting in concert with it (other than the Vendor Group) were interested in 4,329,882,404 Shares (of which 4,216,809,571 Shares were held by the Offeror and 113,072,833 Shares were held by Mr. LAM), representing approximately 69.87% of all the issued Shares.

Capitalised terms used herein shall have the same meanings as those defined in the Debt C Announcement and the Debt A and Debt B Update Announcement unless the context requires otherwise.

## **BACKGROUND**

On 21 September 2017 and 30 August 2019, the Company and Tohigh entered into the Tohigh Framework Agreements, pursuant to which, among others, the Group shall provide guarantees, secured or unsecured financings and/or loans, including margin financing, acting as arranger, agent or lead lender of syndicated loans to Tohigh and the Tohigh Group or vice versa.

## **SETTLEMENT AGREEMENT**

On 28 April 2023, the Company entered into the Debt C Settlement Agreement with Quam Overseas (a wholly-owned subsidiary of the Company), COHG and Tonghai International Development, pursuant to which Tonghai International Development (as a transferor) has conditionally agreed to transfer the Sale Shares, being 100% of the issued shares of the Target Companies free from all Encumbrances and with all rights attached to the Sale Shares as at the Completion, to Quam Overseas (as the transferee) with effect from the Completion, in full and final settlement of all outstanding accrued interests on the Debt C up to the date of Completion and settlement of part of outstanding principal of the Debt C.

After (i) full and final settlement of all outstanding accrued interests on the Debt C up to the date of Completion and (ii) partial settlement of the outstanding principal of the Debt C upon Completion, the remaining outstanding principal amount of the Debt C will remain as other loans of the Group.

## **IMPLICATIONS OF THE PRE-RESTRUCTURING AND RESTRUCTURING OF OCEANWIDE HOLDINGS ON THE DEBT C SETTLEMENT AGREEMENT**

As disclosed in the Debt A and Debt B Update Announcement, the Company obtained legal opinion from its PRC legal adviser regarding the implications of the Pre-restructuring and Restructuring of Oceanwide Holdings. Based on the PRC legal opinion, the Board understands that the Pre-restructuring and the Restructuring will not have any impact to the Debt C Settlement Agreement, as such agreement only involves the transfer of assets which are not held by Oceanwide Holdings or its subsidiaries and therefore are not subject to the Pre-restructuring or the Restructuring.

## **UPDATE ON THE DESPATCH OF CIRCULAR**

As disclosed in the Debt C Announcement, given the Debt C Settlement Arrangement constitutes a major transaction under the Listing Rules and a special deal under Rule 25 of the Takeovers Code, the Company will include in one circular, among other things, (i) information of the terms of the Settlement Agreement; (ii) a letter from the Independent Board Committee in respect of the Debt C Settlement Arrangement; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice and recommendation on the Debt C Settlement Arrangement in compliance with the relevant requirement under the Listing Rules and the Takeovers Code; (iv) the financial information of the Group; (v) the audited financial information of the Target Companies; (vi) the unaudited pro forma financial information of the Group; (vii) the Valuation Report prepared by Masterpiece Valuation Advisory Limited; and (viii) a notice convening the SGM will be despatched to the Shareholders on or before 31 May 2023.

As additional time is required to prepare and finalise certain information to be disclosed in the Circular including, among other things, the financial information of the Group, the audited financial information of the Target Companies, the information in the letter from the Board and the letter of advice and recommendation from the Independent Financial Adviser, the Company shall delay the despatch of the Circular to a date on or before 23 June 2023.

Save from the above, there are no other material updates on the information in relation to the Debt C Settlement Arrangement disclosed in the Debt C Announcement. Further announcement will be made in accordance with the Listing Rules and the Takeovers Code regarding any material development on the Debt C Settlement Arrangement as and when appropriate.

**As the Debt C Settlement Arrangement 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**  
**HAN Xiaosheng**  
*Co-Chairman*

Hong Kong, 29 May 2023

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

***Executive Directors:***

Mr. HAN Xiaosheng (*Co-Chairman*)  
Mr. LIU Hongwei  
Mr. Kenneth LAM Kin Hing (*Co-Chairman*)  
Mr. LAM Wai Hon

***Independent Non-executive Directors:***

Mr. Roy LO Wa Kei  
Mr. LIU Jipeng

***Non-executive Director:***

Mr. FANG Zhou

*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.*