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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 is pleased to announce that on 21 December 2018, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Facility Agreement with the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan Facility in an amount of HK$180,000,000.

LISTING RULES IMPLICATIONS

The provision of the Loan Facility constitutes provision of financial assistance under the Listing Rules. As the highest of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Loan Facility granted under the Facility Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE FACILITY AGREEMENT

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

Date:	21 December 2018
Lender:	China Tonghai Finance Limited
Borrower:	The Borrower
Principal Amount of the Loan Facility:	HK$180,000,000
Drawdown:	subject to the fulfilment of the conditions precedent (see below) and (i) the Lender having received from the Borrower not later than 10:00 a.m. three (3) Banking Days before the proposed Drawdown Date (or such other time and date as the Lender may agree) a drawdown notice duly completed and signed by the Borrower specifying, *inter alia*, the amount and the intended Drawdown Date, (ii) no actual or potential event of default has occurred on or before the intended Drawdown Date, or will occur as a result of making that Drawing, (iii) each of the representations and warranties contained in the Facility Agreement being true and correct in all respects if repeated on the intended Drawdown Date by reference to the circumstances then existing and (iv) not later than 10:00 a.m. on the intended Drawdown Date, the Lender has received and found satisfactory such additional information and/or other documents relevant in the context of or relating to the Facility Agreement as the Lender may reasonably request as a result of circumstances which have arisen or come to its attention since the date of the Facility Agreement, the Borrower may make one Drawing of HK$180,000,000 (subject to the Arrangement Fee) under the Loan Facility on any Banking Day during the Availability Period
Purpose:	the Drawing will only be used for the purposes of general working capital and investments (excluding investments in listed securities) of the Borrower

Interest Rate:	6.5% per annum applicable to all or any part of an interest period (each of six (6) months). If the parties agree to extend the Repayment Date for another 12 months (subject to the consent of the Lender), the rate of interest applicable to all or any part of an interest period following the extension (i.e. after 12 months from the Drawdown Date) shall be 9% per annum. All interest shall accrue from day to day during the said interest period and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days. Interest accrued on the Drawing or an overdue sum during the said interest period shall, subject as otherwise provided in the Facility Agreement, be payable in arrears by the Borrower on the last day of the interest period.
Conditions Precedent of the Loan Facility:	drawdown of the Loan Facility is conditional upon, among other things, the fulfilment of the followings: (i) provision by the Borrower to the Lender of the certified true copies of resolutions of the board of directors of each of the Chargors approving and authorising the entry into and performance by the Chargors of the Financing Agreements to which it is a party, and any other documents ancillary to the Financing Agreements and authorising the execution of the Financing Agreements and any other documents ancillary to the Financing Agreements; and (ii) each of the Financing Agreements duly executed by the Borrower, the Chargors and/or the Personal Guarantor to which it is a party together with all documents ancillary or incidental thereto duly signed and completed
Arrangement Fee:	a sum equivalent to 2.5% of the amount of the Drawing, which shall be paid on the date falling three (3) months from the Drawdown Date

Repayment: without prejudice to the provision of the Facility Agreement and subject to the followings, the Borrower shall repay the Drawing and interest thereon and all other sums payable by the Borrower to the Lender under the Facility Agreement in full on the Repayment Date. On the date falling 9 months from the Drawdown Date, the Borrower shall repay 10% of the Loan Facility amount (i.e. HK$18,000,000). The Borrower shall repay the outstanding 90% of the Loan Facility amount (i.e. HK$162,000,000) on the Repayment Date. At the request of the Borrower (upon giving to the Lender prior written request at least 1 month before the Repayment Date), the Lender may at its sole and absolute discretion (but not obligated to do so) extend the Repayment Date for another 12 months; if the Repayment Date is extended for another 12 months, the Borrower shall repay the outstanding 90% of the Facility amount (i.e. HK$162,000,000) on the aforesaid extended Repayment Date.

Prepayment: after 3 months from the Drawdown Date, the Borrower may prepay all of the Drawing (and all accrued interests due) by giving not less than three (3) Banking Days irrevocable notice which shall also specify the date for such prepayment to that effect to the Lender or otherwise as expressly provided for in the Facility Agreement. The Borrower may not reborrow any amount prepaid. Upon receipt of all prepayment amounts, the Lender shall refund within three (3) Banking Days of the prepayment date, such portion of the Arrangement Fee to the Borrower on a pro rata basis based on the actual days in unutilized period of the Loan Facility (i.e. between the prepayment date to the Repayment Date). For the avoidance of doubt, there shall not be any refund of the Arrangement Fee if the said prepayment occurs during the period of the extended Repayment Date.

Security: the Loan Facility is secured by the following share charges:

(i) a charge over the entire issued share capital of Subsidiary No. 1 (a wholly-owned subsidiary of the Borrower) to be executed by the Borrower in favour of the Lender as security for the Secured Indebtedness;

(ii) a charge over the entire issued share capital of Subsidiary No. 2 (which is wholly owned by Subsidiary No. 1 and also an indirect wholly-owned subsidiary of the Borrower) to be executed by Subsidiary No. 1 in favour of the Lender as security for the Secured Indebtedness;

(iii) a charge over the entire issued share capital of Subsidiary No. 3 (which is wholly owned by Subsidiary No. 2 and also an indirect wholly-owned subsidiary of the Borrower), to be executed by Subsidiary No. 2 in favour of the Lender as security for the Secured Indebtedness; and

(iv) a charge over the entire registered capital of Subsidiary No. 4 (which is wholly owned by Subsidiary No. 3 and also an indirect wholly-owned subsidiary of the Borrower), to be executed by Subsidiary No. 3 in favour of the Lender as security for the Secured Indebtedness.

Personal Guarantee: a personal guarantee shall be executed by the Personal Guarantor in favour of the Lender to guarantee unconditionally and irrevocably the Borrower's repayment of all monies due under the Loan Facility

The terms of the Facility Agreement were arrived at after arm's length negotiations between the Lender and the Borrower, determined with reference to the commercial practice and the terms of conducting money lending business in Hong Kong.

REASONS FOR AND THE BENEFITS OF PROVISION OF THE FINANCIAL ASSISTANCE

The granting of the Loan Facility to the Borrower is in the ordinary course of business of the Company and on normal commercial terms. Taking into consideration of the interest income to be received by the Group and the security to be provided under the Financing Agreements, the Directors consider that the terms of the Loan are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

INFORMATION OF THE BORROWER AND THE PERSONAL GUARANTOR

The Borrower is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange. The Borrower and its subsidiaries are principally engaged in theme-based leisure and consumption business, focusing on the design, development and operation of integrated large-scale tourist complex projects in key cities in and outside the PRC that comprise of theme parks, hotels, shopping and leisure facilities as well as other theme based consumption.

The Personal Guarantor is the Chairman and Chief Executive Officer of the Borrower.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Borrower and the Personal Guarantor are Independent Third Parties.

INFORMATION OF 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 license 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

The provision of the Loan Facility constitutes provision of financial assistance under the Listing Rules. As the highest of the applicable percentage ratios under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Loan Facility granted under the Facility Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Arrangement Fee"	a sum equivalent to 2.5% of the amount of Drawing, which shall be paid on the date falling three (3) months from the Drawdown Date
"Availability Period"	the period commencing from the date of the Facility Agreement and ending on the earlier of (1) the date falling 90 days from the date of the Facility Agreement or such other date as the Lender may agree; and (2) the date on which the Loan Facility commitment is reduced to zero
"Banking Day(s)"	a day (excluding Saturday and Sunday) on which commercial banks are open for business in Hong Kong and Hong Kong Dollar deposits may be dealt with in the Hong Kong inter-bank market
"Board"	the board of Directors

"Borrower"	a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"Chargors"	Subsidiary No. 1, Subsidiary No. 2 and Subsidiary No. 3
"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)
"Director(s)"	the director(s) of the Company
"Drawing"	depending on the context, (1) a drawing made by the Borrower under the Loan Facility; or (2) the principal amount of a drawing made by the Borrower under the Loan Facility, as may from time to time be reduced by repayment(s) and/or prepayment(s) (as the case may be) made by the Borrower under the Facility Agreement
"Drawdown Date"	the date, being a Banking Day, on which an advance is drawn by the Borrower within the Availability Period
"Facility Agreement"	the secured term loan facility agreement dated 21 December 2018 entered into between the Lender and the Borrower in relation to the provision of the Loan Facility
"Financing Agreements"	the Facility Agreement, the share charges to be executed by the Borrower and the Chargors in favour of the Lender, the deed of guarantee to be executed by the Personal Guarantor and all other document(s) executed or which may be executed from time to time by any person as further security for, or which is/are ancillary to, all or any part of the Borrower's obligations under the Facility Agreement or under the respective said agreements
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong Dollar(s), the lawful currency of Hong Kong
"Independent Third Parties"	persons or companies who/which are not connected with (with 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 license 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 Facility"	a secured term loan facility in an amount of HK$180,000,000
"Personal Guarantor"	Mr. A, the Chairman and Chief Executive Officer of the Borrower
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Repayment Date"	the date falling 12 months from the Drawdown Date and, if requested by the Borrower, such date could be further extended for another 12 months upon obtaining the consent of the Lender in writing (or any other date as may be agreed by the Lender and the Borrower in writing)
"Secured Indebtedness"	all moneys due and/or to become due, or otherwise outstanding or owing, or covenanted to be paid by the Borrower, the Chargors, Subsidiary No. 4 or the Personal Guarantor to the Lender whether under the Financing Agreements or otherwise
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary No. 1"	a company incorporated in the British Virgin Islands with limited liability, and is wholly owned by the Borrower
"Subsidiary No. 2"	a company incorporated in the British Virgin Islands with limited liability, and is wholly owned by Subsidiary No. 1 and also an indirect wholly-owned subsidiary of the Borrower
"Subsidiary No. 3"	a company incorporated in Hong Kong with limited liability, and is wholly owned by Subsidiary No. 2 and is also an indirect wholly-owned subsidiary of the Borrower

"Subsidiary No. 4"	a wholly-owned foreign enterprise incorporated in the PRC with limited liability, and is wholly owned by Subsidiary No. 3 and also an indirect wholly-owned subsidiary of the Borrower; its indirect wholly-owned subsidiary in the PRC is undertaking a commercial property development project in Qingdao, Shandong Province that will have a total gross floor area of about 110,000 square metre and is expected to be completed in 2021
"%"	per cent

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

Hong Kong, 21 December 2018

As at the date of this announcement, the board of directors of China Tonghai International Financial Limited comprises six executive directors, namely Mr. HAN Xiaosheng, Mr. ZHANG Bo, Mr. ZHANG Xifang, Mr. FENG Henian, Mr. LIU Hongwei and Mr. Kenneth LAM Kin Hing; four non-executive directors, namely Mr. Bernard POULIOT, Mr. LIU Bing, Mr. ZHAO Yingwei and Mr. ZHAO Xiaoxia; and five independent non-executive directors, namely Mr. Roy LO Wa Kei, Mr. KONG Aiguo, Mr. LIU Jipeng, Mr. HE Xuehui and Mr. HUANG Yajun.