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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)

DISCLOSURE PURSUANT TO RULES 13.14 AND 13.15 OF THE LISTING RULES

This announcement is made by the Board pursuant to Rules 13.14 and 13.15 of the Listing Rules.

Reference is made to a circular dated 31 October 2017 and an announcement dated 20 November 2017 of the Company in respect of the approval of the independent Shareholders of certain continuing connected transactions between the Group and each of Tohigh Group, Oceanwide Holdings Group and China Oceanwide Group and the announcement of the Company in respect of disclosure pursuant to rules 13.14 and 13.15 of the Listing Rules dated 25 April 2018, 21 December 2018 and 22 February 2019.

INFORMATION ON FINANCIAL ASSISTANCE

On 9 August 2019, China Tonghai Finance provided short term loans in the aggregate amount of HK\$30 million with an interest rate of 13% per annum (collectively, the “**New Loans**”) to the following entities, which shall be repaid on the date falling 15 days from the date of drawdown:

- 1) HK\$8 million to China Oceanwide International Investment Company Limited, an indirect subsidiary of Tohigh;
- 2) HK\$15 million to OHIDIII; and
- 3) HK\$7 million to China Oceanwide.

OTHER ADVANCES TO ENTITY

The following short term loans were provided or extended by China Tonghai Finance to China Oceanwide (the “**Existing China Oceanwide Loans**”):

- 1) on 21 March 2019, extended a short term loan in the amount of HK\$8 million with an interest rate of 9.5% per annum and with a maturity date of 30 November 2019;
- 2) on 21 December 2018, extended a short term loan in the amount of HK\$280 million with an adjusted interest rate of 9% per annum to 21 December 2019; and
- 3) on 13 June 2019, provided a short term loan of HK\$5 million with an interest rate of 12% per annum to 12 September 2019.

The following short term loans and margin facility were provided or extended to Tohigh Group (the “**Existing Tohigh Loans**”):

- 1) on 21 March 2019, China Tonghai Finance extended a short term loan in the amount of HK\$35 million with an adjusted interest rate of 9% per annum to China Oceanwide International Investment Company Limited and with a maturity date of 30 November 2019;
- 2) on 29 January 2019, China Tonghai Finance extended a short term loan in the amount of HK\$550 million with a top up loan of HK\$128 million with an adjusted interest rate of 9% per annum to 28 January 2020 to China Oceanwide International Investment Company Limited;
- 3) a margin facility of HK\$64.5 million provided by China Tonghai Securities to Minyun pursuant to the terms of facility agreement dated 30 January 2019 at interest rate ranged from 2% to 3% above prime rate payable by Minyun annually. The facility is secured by the Collateral which shall be charged to or held by China Tonghai Securities for its benefit as a first priority fixed continuing security for the payment and/or discharge to China Tonghai Securities of all and any of the Minyun’s liabilities to China Tonghai Securities pursuant to the terms of the facility;
- 4) on 2 August 2019, China Tonghai Finance extended a short term loan in the amount of HK\$10 million with an interest rate of 12% per annum to China Oceanwide International Investment Company Limited and with a maturity date of 31 October 2019;
- 5) on 2 August 2019, China Tonghai Finance extended a short term loan of HK\$32 million with an interest rate of 12% per annum to China Oceanwide International Investment Company Limited and with a maturity date of 31 October 2019;
- 6) on 2 August 2019, China Tonghai Finance extended a short term loan of HK\$12 million with an interest rate of 9.85% per annum to China Oceanwide International Investment Company Limited and with a maturity date of 31 October 2019; and

- 7) on 2 August 2019, China Tonghai Finance extended a short term loan of HK\$25 million with an interest rate of 9.85% per annum to China Oceanwide International Investment Company Limited and with a maturity date of 31 October 2019.

The following short term loans and unsecured private notes were provided or extended to OHIDIII (the “**Existing Oceanwide Loans and Notes**”):

- 1) on 18 April 2019, China Tonghai Capital Holdings and China Tonghai Securities subscribed unlisted senior notes issued by the Issuer in the subscription amount of US\$91 million (equivalent to approximately HK\$709.8 million) with coupon interest rate of 10.8% per annum, payable semi-annually and with a maturity date of 17 April 2020;
- 2) on 6 June 2019, China Tonghai Capital Holdings extended an unsecured private notes issued by the Issuer in the subscription amount of US\$12 million (equivalent to approximately HK\$93.6 million) with coupon interest rate of 10% per annum and with a maturity date of 4 June 2020;
- 3) on 31 May 2019, China Tonghai Finance extended and consolidated into short term loan in an aggregate of HK\$240,739,228 (which represented short term loan of US\$2,514,583.33 (equivalent to approximately HK\$19.6 million), short term loans of HK\$20 million, HK\$31 million and HK\$40 million and short terms notes of HK\$50 million and HK\$80 million) with an adjusted interest rate of 9.85% per annum and with a maturity date of 30 November 2019;
- 4) on 2 August 2019, China Tonghai Finance extended a short term loan of HK\$3 million with an interest rate of 12% per annum and with a maturity date of 31 October 2019; and
- 5) on 2 August 2019, China Tonghai Finance extended a short term loan of HK\$35 million with an interest rate of 9.85% per annum and with a maturity date of 31 October 2019.

REASONS FOR AND BENEFITS OF THE FINANCIAL ASSISTANCE

The Directors confirm that each of the Loans and Notes has been entered into on normal commercial terms. As such, the Directors consider that each of the Loans and Notes would provide the Group with a stable return under the present economic environment. Taking into consideration of, among other things, the income to be received by the Group as a result of each of the Loans and Notes, the Directors considers each of the Loans and Notes are reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON CHINA TONGHAI CAPITAL HOLDINGS, CHINA TONGHAI FINANCE, CHINA TONGHAI SECURITIES AND THE GROUP

China Tonghai Capital Holdings, a wholly-owned subsidiary of the Company, was incorporated in Hong Kong with limited liability. It is principally engaged in investment holding.

China Tonghai Finance, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability, 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.

China Tonghai Securities Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability, is a corporation licensed to carry out type 1 regulated activity (dealing in securities), type 2 regulated activity (dealing in futures contracts), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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.

INFORMATION ON OHIDIII AND OCEANWIDE HOLDINGS

OHIDIII is a company incorporated in the British Virgin Islands with limited liability and a subsidiary of Oceanwide Holdings. It is principally engaged in investment holding.

Oceanwide Holdings is a joint stock company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000046). It is principally engaged in investment and investment management, finance, strategic investment, asset management, real estate business operation and property management, property development and investment, self-owned property leasing, corporate management consultation and sale of building materials, decoration materials and mechanical equipment in the PRC, Hong Kong and the United States of America. Oceanwide Holdings controls the entire issued share capital of Oceanwide Holdings IF, the controlling Shareholder and is therefore a connected person of the Company under the Listing Rules.

INFORMATION ON CHINA OCEANWIDE AND THE CHINA OCEANWIDE GROUP

China Oceanwide was incorporated in Bermuda with limited liability and is listed on the Stock Exchange (Stock Code: 715). The China Oceanwide Group is principally engaged in property investments in the PRC, real estate development in the United States of America and development in the energy sector in Indonesia, as well as finance investment. It is a subsidiary of Oceanwide Holdings and is therefore a connected person of the Company under the Listing Rules.

INFORMATION ON TOHIGH, CHINA OCEANWIDE INTERNATIONAL INVESTMENT COMPANY LIMITED, MINYUN AND THE TOHIGH GROUP

Tohigh is a company incorporated in the PRC with limited liability. The Tohigh Group is principally engaged in industrial investment, asset management and economic-technological management advisory service. Each of China Oceanwide International Investment Company Limited and Minyun is investment holding company and indirect subsidiaries of Tohigh, which in turn is an indirect holding company of Oceanwide Holdings IF, the controlling Shareholder. China Oceanwide International Investment Company Limited and Minyun are therefore a connected person of the Company under the Listing Rules.

LISTING RULES IMPLICATIONS

As each of OHIDIII, China Oceanwide, China Oceanwide International Investment Company Limited and Minyun is a connected person of the Company, each of the Loans and Notes constitutes a connected transaction under Chapter 14A of the Listing Rules.

On 20 November 2017, the entering into of the Oceanwide Holdings Framework Services Agreement, China Oceanwide Framework Services Agreement, and Tohigh Framework Services Agreement, the transactions contemplated thereunder and in connection therewith, and the proposed annual caps set out in the circular of the Company dated 31 October 2017 were duly passed by the independent Shareholders by way of poll at the special general meeting of the Company held on 20 November 2017. The maximum outstanding balances pursuant to each of the Loans and Notes are within the relevant annual caps for provision of financial assistance by the Group under respectively the Oceanwide Holdings Framework Services Agreement, China Oceanwide Framework Services Agreement, and Tohigh Framework Services Agreement, for the years ending 31 December 2017, 2018 and 2019, which were approved by independent Shareholders on 20 November 2017.

Each of the Loans and Notes constitutes an advance to an entity and is required to be aggregated under Rule 13.11 and Rule 13.14 of the Listing Rules (the “**Aggregation**”). Upon the Aggregation, a general disclosure obligation arises pursuant to Rule 13.14 of the Listing Rules. Therefore, the Company makes this announcement in compliance with Rule 13.14 and Rule 13.15 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“China Oceanwide”	China Oceanwide Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 715)
“China Oceanwide Framework Services Agreement”	the framework services agreement entered into between the Company and China Oceanwide on 21 September 2017 in relation to the provision and receipt of various services, and conducting of investment and lending transactions between the Group and the China Oceanwide Group
“China Oceanwide Group”	China Oceanwide and its subsidiaries
“China Tonghai Capital Holdings”	China Tonghai Capital (Holdings) Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“China Tonghai Finance”	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
“China Tonghai Securities”	China Tonghai Securities Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and is a corporation licensed to carry out type 1 regulated activity (dealing in securities), type 2 regulated activity (dealing in futures contracts), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Collateral”	means all monies and Securities of Minyun which are now or which shall at any time hereafter be deposited with, transferred or caused to be transferred to or held by China Tonghai Securities or its associates or nominees, or transferred to or held by any other person in circumstances where China Tonghai Securities accepts the same as security for Minyun’s obligations under the facility agreement
“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
“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 PRC
“Issuer/OHIDIII”	Oceanwide Holdings International Development III Co., Ltd., a company incorporated in the British Virgin Islands with limited liability and a subsidiary of Oceanwide Holdings
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans and Notes”	the New Loans, Existing China Oceanwide Loans, Existing Tohigh Loans and Existing Oceanwide Loans and Notes
“Minyun”	Minyun Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect subsidiary of Tohigh
“Oceanwide Holdings”	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司), a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000046)
“Oceanwide Holdings Framework Services Agreement”	the framework services agreement entered into between the Company and Oceanwide Holdings on 21 September 2017 in relation to the provision and receipt of various services, and conducting of investment and lending transactions between the Group and the Oceanwide Holdings Group
“Oceanwide Holdings Group”	Oceanwide Holdings and its subsidiaries (excluding China Oceanwide Group and the Group)

“Oceanwide Holdings IF”	Oceanwide Holdings International Financial Development Co., Ltd., a company incorporated in the British Virgin Islands
“PRC”	the People’s Republic of China
“Securities”	has the meaning ascribed to the term “securities” in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tohigh”	Tohigh Holdings Co., Ltd.* (通海控股有限公司), a company incorporated in the PRC with limited liability
“Tohigh Framework Services Agreement”	the framework services agreement entered into between the Company and Tohigh on 21 September 2017 in relation to the provision and receipt of various services, and conducting of investment and lending transactions between Group and the Tohigh Group
“Tohigh Group”	Tohigh and its subsidiaries (excluding China Oceanwide Group, Oceanwide Holdings Group and the Group)
“US\$”	United States Dollar(s), the lawful currency of the United States of America
“%”	per cent

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.8 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in HK\$ or US\$ has been, could have been or may be converted at such a rate.

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

Hong Kong, 9 August 2019

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

Executive Directors:

Mr. HAN Xiaosheng (*Chairman*)
Mr. ZHANG Bo (*Deputy Chairman*)
Mr. ZHANG Xifang
Mr. FENG Henian
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. Bernard POULIOT
Mr. LIU Bing
Mr. ZHAO Yingwei
Mr. ZHAO Xiaoxia

* *For identification purpose only*