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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 IN RELATION TO SUBSCRIPTION OF NOTES

SUBSCRIPTION

On 10 December 2019, China Tonghai Capital Holdings, a wholly-owned subsidiary of the Company received confirmation that the Notes in the principal amount of US\$30,000,000 (equivalent to approximately HK\$234,000,000) was allocated to the order placed by China Tonghai Capital Holdings. The Subscription is part of an offering of the Notes in the aggregate principal amount of US\$80,500,000 (equivalent to approximately HK\$627,900,000) to be issued by the Issuer.

LISTING RULES IMPLICATIONS

The Subscription constitutes financial assistance under Rule 14.04(1)(e) of the Listing Rules. As the relevant percentage ratios in relation to the Subscription exceeds 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

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PRINCIPAL TERMS OF THE SUBSCRIPTION AND THE NOTES

The principal terms of the Subscription and the Notes are set out as follows:

Issuer	:	Tahoe Group Global (Co.,) Limited, a company incorporated in the British Virgin Islands with limited liability
Parent Guarantor	:	Tahoe Group Co., Ltd. (泰禾集团股份有限公司), the parent company of the Issuer and a joint stock company established in the PRC with limited liability, the shares of which are listed on the SZSE (stock code: 000732)
Issue price	:	100% of the aggregate principal amount of the Notes
Issue date	:	12 December 2019
Issue size	:	US\$80,500,000
Principal amount of Subscription	:	US\$30,000,000
Maturity date	:	10 December 2020
Interest	:	The Notes will bear interest from and including 12 December 2019 at the rate of 11% per annum, payable on 11 June 2020 and 10 December 2020 in arrears.
Interest Payment Dates	:	11 June 2020 and 10 December 2020
The ranking of the Notes	:	The Notes are (a) general obligations of the Issuer; (b) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; (c) at least <i>pari passu</i> in right of payment with the existing notes and all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured, unsubordinated obligations pursuant to applicable law); (d) guaranteed by the Notes Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis; (e) effectively subordinated to the secured obligations of the Issuer, the Notes Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (f) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

Parent Guarantee : The Parent Guarantor will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

Subsidiary Guarantee : Each of the Subsidiary Guarantors, if any, will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under the Notes. There will be no initial Subsidiary Guarantors on the issue date of the Notes

The Parent Guarantor will cause each of its future restricted subsidiaries (other than persons organized under the laws of the PRC, exempted subsidiaries or listed subsidiaries), as soon as practicable (and in any event within 30 days) after such person becomes a restricted subsidiary, and each exempted subsidiary or listed subsidiary that ceases to be an exempted subsidiary or a listed subsidiary, as soon as practicable and in any event within 30 days after it ceases to be an exempted subsidiary or a listed subsidiary, as the case may be, to execute and deliver to the trustee a supplemental indenture to the indenture pursuant to which such entity will guarantee the payment of the Notes as either a Subsidiary Guarantor or a JV Subsidiary Guarantor.

Redemption : (a) At any time and from time to time prior to 10 December 2020, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

- (b) At any time and from time to time prior to 10 December 2020, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Parent Guarantor in an Equity Offering at a redemption price of 111% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

- Repurchase of Notes upon a change of control triggering event** : Not later than 30 days following a change of control triggering event, the Issuer or the Parent Guarantor will make an offer to purchase all outstanding amount of each series of the Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the offer to purchase payment date.
- Listing** : Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST

INFORMATION OF THE GROUP AND CHINA TONGHAI CAPITAL HOLDINGS

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) investment and trading of various investment products.

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

INFORMATION OF THE ISSUER AND PARENT GUARANTOR

The Issuer is a company incorporated in the British Virgin Islands with limited liability. The Issuer is a special purpose vehicle for the sole purpose of issuing Notes and engaging in related transactions. The Parent Guarantor is a joint stock company established in the

PRC with limited liability, the shares of which are listed on the SZSE (stock code: 000732) and is principally engaged as a property developer that focuses on the development of quality residential and commercial properties in the economically developed areas in China, covering the first-tier and core second-tier cities in Beijing-Tianjin-Hebei Region (京津冀城市圈), Yangtze River Delta Region (長三角城市圈) and Pearl River Delta Region (珠三角城市圈) and certain core cities in Fujian Province such as Fuzhou and Xiamen and Central China Region (華中地區) including Changsha, Wuhan and Hefei.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Issuer, the Parent Guarantor and its ultimate beneficial owners are independent third parties from the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription will provide the Group with investment opportunity which enables the Group to enhance its income stream as well as providing a stable investment return while utilising its capital resources with commensurate risk. Having considered the terms of the Subscription, the Directors consider that the terms of the Subscription are fair and reasonable and on normal commercial terms, and the Subscription is in the ordinary course of business of the Group and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Subscription constitutes financial assistance under Rule 14.04(1)(e) of the Listing Rules. As the relevant percentage ratios in relation to the Subscription exceeds 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

DEFINITIONS

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

“Board”	the board of Directors
“China Tonghai Capital Holdings”	China Tonghai Capital (Holdings) Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“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)

“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Offering”	(i) any underwritten primary public offering or private placement of common stock of the Parent Guarantor after the issue date of the Notes or (ii) any underwritten secondary public offering or secondary private placement of common stock of the Parent Guarantor beneficially owned by a permitted holder, after the issue date of the Notes
“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 People’s Republic of China
“Issuer”	Tahoe Group Global (Co.,) Limited, a company incorporated in the British Virgin Islands with limited liability
“JV Subsidiary Guarantee(s)”	limited-recourse JV Subsidiary Guarantee(s) to be provided by JV Subsidiary Guarantor(s) that can be used to replace the Subsidiary Guarantee(s)
“JV Subsidiary Guarantor(s)”	certain subsidiaries of the Parent Guarantor to provide a JV Subsidiary Guarantee in future (if applicable)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$80,500,000 aggregate principle amount of 11% guaranteed senior note due 10 December 2020
“Notes Guarantors”	Parent Guarantor and Subsidiary Guarantor(s)
“Parent Guarantee”	the guarantee for the Notes provided by the Parent Guarantor
“Parent Guarantor”	Tahoe Group Co., Ltd. (泰禾集團股份有限公司), a joint stock company established in the PRC with limited liability, the shares of which are listed on the SZSE (stock code: 000732)
“PRC”	the People’s Republic of China
“SGX-ST”	The Singapore Exchange Securities Trading Limited
“SFO”	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
“Subscription”	the subscription of the Notes in the principal amount of US\$30,000,000 by China Tonghai Capital Holdings
“Subsidiary Guarantee(s)”	guarantee(s) for the Notes to be provided by the Subsidiary Guarantor(s)
“Subsidiary Guarantor(s)”	certain subsidiaries of the Parent Guarantor (other than JV Subsidiary Guarantor(s) to provide a Subsidiary Guarantee)
“SZSE”	Shenzhen Stock Exchange
“US\$”	the lawful currency of United States of America
“%”	per cent.

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.80 have 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, 10 December 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