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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)**

**MAJOR TRANSACTION  
FOURTH SUPPLEMENTAL AGREEMENT IN RELATION TO  
EXTENSION OF LOAN**

**FOURTH SUPPLEMENTAL AGREEMENT**

On 17 April 2020, the Lender and the Borrower entered into the Fourth Supplemental Agreement, pursuant to which, the repayment date of the Loan is further extended to 31 March 2021 together with an increase in the interest rate of the Loan from 8.25% per annum to 8.75% per annum effective for the period from 1 April 2020 and up to and including 31 March 2021. Accrued interest of the Loan will be payable semi-annually on 30 September 2020 and 31 March 2021 respectively. All of the accrued interest on the Loan up to 31 March 2020 was paid prior to the entering of the Fourth Supplemental Agreement. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended and supplemented by the Supplemental Agreements) shall remain in full force and effect.

**LISTING RULES IMPLICATIONS**

The Extension of Loan constitutes provision of financial assistance under the Listing Rules. As the relevant percentage ratios under the Listing Rules in respect of the Extension of Loan exceeds 25%, therefore, the Extension of Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

## **THE SGM**

The SGM will be convened and held, among others, for the Shareholders to consider and, if thought fit, approving the entering into the Fourth Supplemental Agreement and the transactions contemplated thereunder. As at the date of this announcement, to the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, the Borrower holds approximately 4.95% of the issued share capital of the Company and therefore is considered to have material interest in the Fourth Supplemental Agreement. Accordingly, the Borrower and its associates are required to abstain from voting at the SGM on the resolution in respect of the entering into the Fourth Supplemental Agreement and the transactions contemplated thereunder.

## **GENERAL**

A circular setting out, among others, details of the Fourth Supplemental Agreement and other information required to be disclosed under the Listing Rules, will be despatched with the notice of the SGM and a proxy form to the Shareholders on or before 26 May 2020, as additional time is required for the Company to prepare and finalize certain information to be included in the circular.

## **BACKGROUND**

Reference is made to the announcement of Company dated 6 September 2018, 31 December 2018 and 30 December 2019 in relation to the entering of the Supplemental Agreements.

On 23 July 2018, a Loan Facility Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan in an amount of HK\$255 million for 45 days.

On 6 September 2018, the parties entered into the First Supplemental Agreement to extend the repayment date of the Loan to 6 December 2018 and to increase the interest rate of the Loan from 6.75% per annum to 8% per annum. Save as aforesaid, all other terms of the Loan Facility Agreement remained in full force and effect.

On 31 December 2018, the parties entered into the Second Supplemental Agreement to extend the repayment date of the Loan to 25 February 2019 with interest rate remaining at 8% per annum on the Loan as applicable from 7 December 2018 and up to and including 25 February 2019. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended and supplemented by the First Supplemental Agreement) remained in full force and effect.

On 30 December 2019, the parties entered into the Third Supplemental Agreement to extend the repayment date of the Loans to 31 March 2020 and to increase the interest rate of the Loan from 8% per annum to 8.25% per annum for the period from 26 February 2019 and up to and including 31 March 2020. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) remained in full force and effect.

#### **FOURTH SUPPLEMENTAL AGREEMENT**

On 17 April 2020, the Lender and the Borrower entered into the Fourth Supplemental Agreement, pursuant to which, the repayment date of the Loan is further extended to 31 March 2021 together with an increase in the interest rate of the Loan from 8.25% per annum to 8.75% per annum effective for the period from 1 April 2020 and up to and including 31 March 2021. Accrued interest of the Loan will be payable semi-annually on 30 September 2020 and 31 March 2021 respectively. All of the accrued interest on the Loan up to 31 March 2020 was paid prior to the entering of the Fourth Supplemental Agreement. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended and supplemented by the Supplemental Agreements) shall remain in full force and effect.

The Fourth Supplemental Agreement is conditional upon the satisfaction of the following condition:

The Company shall obtain the Shareholders' approval at the SGM in respect of the relevant resolution to approve the Fourth Supplemental Agreement and the transactions contemplated thereunder.

The Personal Guarantor confirms the personal guarantee in favour of the Lender will remain as the continuing security for the due performance of the obligation of the Borrower under the Loan Facility Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement) upon the satisfaction of the above condition.

#### **REASONS FOR AND THE BENEFITS OF ENTERING INTO FOURTH SUPPLEMENTAL AGREEMENT**

The Extension of Loan to the Borrower is in the ordinary course of business of the Lender. The terms of the Fourth Supplemental Agreement are negotiated on an arm's length basis between the Lender and the Borrower and are on normal commercial terms. Taking into consideration of the interest income to be received by the Group and the intention of maintaining a long term business relationship with the Borrower, the Directors consider that the terms of the Fourth Supplemental Agreement is fair and reasonable and the entering into the Fourth Supplemental Agreement is in the interest of the Company and its shareholders as a whole.

## **INFORMATION ON THE BORROWER AND PERSONAL GUARANTOR**

The Borrower is Sunny Chance Investment Limited, a company incorporated in Hong Kong with limited liability. Its principal business is overseas immigration services and equity investments. To the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, the Borrower holds approximately 4.95% of the issued share capital of the Company as at the date of this announcement.

The Personal Guarantor is Mr. CHENG Kwok Yue, a director, a sole shareholder and the ultimate beneficial owner of the Borrower.

To the best of the Director's knowledge, information, belief and having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are Independent Third Parties.

## **INFORMATION ON 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 China Tonghai Finance Limited, 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 Extension of the Loan constitutes provision of financial assistance under the Listing Rules. As the relevant percentage ratios under the Listing Rules in respect of the Extension of Loan exceeds 25%, therefore, the Extension of Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

## **THE SGM**

The SGM will be convened and held, among others, for the Shareholders to consider and, if thought fit, approving the Fourth Supplemental Agreement and the transactions contemplated thereunder. As at the date of this announcement, to the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, the Borrower holds approximately 4.95% of the issued share capital of the Company and

therefore is considered to have material interest in the Fourth Supplemental Agreement. Accordingly, the Borrower and its associates are required to abstain from voting at the SGM on the resolution in respect of the entering into the Fourth Supplemental Agreement and the transactions contemplated thereunder.

## **GENERAL**

A circular setting out, among others, details of the Fourth Supplemental Agreement and other information required to be disclosed under the Listing Rules, will be despatched with the notice of the SGM and a proxy form to the Shareholders on or before 26 May 2020, as additional time is required for the Company to prepare and finalize certain information to be included in the circular.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Borrower”	Sunny Chance Investment Limited, a 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)
“Directors”	the director(s) of the Company
“Extension of Loan”	the extension of the Loan under the Fourth Supplemental Agreement
“First Supplemental Agreement”	the supplemental agreement dated 6 September 2018 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement, details of which are set out in the announcement of the Company dated 6 September 2018
“Fourth Supplemental Agreement”	the supplemental agreement dated 17 April 2020 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended and supplemented by the Supplemental Agreements)
“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
“Independent Third Party(ies)”	person or company who/which are not connected with (within 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”	the short term loan with principal amount of HK\$255 million granted by the Lender to the Borrower pursuant to the Loan Facility Agreement (as amended and supplemented by the Supplemental Agreements)
“Loan Facility Agreement”	the loan facility agreement dated 23 July 2018 entered into between the Lender and the Borrower in respect of the Loan
“Personal Guarantor”	Mr. CHENG Kwok Yue, a director, a sole shareholder and the ultimate beneficial owner of the Borrower
“Second Supplemental Agreement”	the supplemental agreement dated 31 December 2018 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended and supplemented by the First Supplemental Agreement), details of which are set out in the announcement of the Company dated 31 December 2018
“SGM”	the special general meeting of the Company to be convened for the purpose of, considering and if thought fit, approving the Fourth Supplemental Agreement and the transactions contemplated thereunder
“Shareholders”	holders of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement

“Third Supplemental Agreement” the supplemental agreement dated 30 December 2019 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement), details of which are set out in the announcement of the Company dated 30 December 2019

“%” per cent

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

Hong Kong, 17 April 2020

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