

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**REVISION OF THE EXISTING ANNUAL CAPS FOR  
MAJOR AND CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE FRAMEWORK SERVICES AGREEMENTS**

**Financial adviser to China Tonghai International Financial Limited**



**中國通海企業融資**  
**CHINA TONGHAI CAPITAL**

Reference is made to the circular of the Company dated 24 September 2019 in relation to, among other things, the Framework Services Agreements entered into between the Company and each of Oceanwide Holdings and Tohigh and the respective annual caps of the continuing connected transactions mentioned therein.

**REVISION OF THE EXISTING ANNUAL CAPS**

Pursuant to the Framework Services Agreements, among other things, the Group provides financial assistance and service transactions to each of the Oceanwide Holdings Group and the Tohigh Group. Based on the amounts of the historical maximum daily outstanding balance of the financial assistance provided by the Group to the Oceanwide Holdings Group and the Tohigh Group and the projected demand of financial assistance from the Oceanwide Holdings Group and the Tohigh Group, the Company expects that the existing annual caps for (i) the provision of financial assistance by the Group; and (ii) the income from service transactions to each of the Oceanwide Holdings Group and the Tohigh Group for the years ending 31 December 2021 and 31 December 2022 will not be sufficient to meet the requirements of the Group. Hence, the Company proposes to revise the relevant annual caps for the years ending 31 December 2021 and 31 December 2022.

## **IMPLICATIONS UNDER THE LISTING RULES**

Oceanwide Holdings IF, the controlling Shareholder, is indirectly wholly owned by Oceanwide Holdings. Oceanwide Holdings is indirectly non-wholly owned by Tohigh. Accordingly, each of Oceanwide Holdings and Tohigh is a connected person (as defined under the Listing Rules) of the Company.

Pursuant to rule 14A.54(1) of the Listing Rules, before an annual cap is exceeded or an issuer proposes to renew the agreement in respect of continuing connected transactions, the Company is required to re-comply with the relevant announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The income from service transactions provided and the provision of financial assistance by the Group to the Oceanwide Holdings Group and the Tohigh Group under the Framework Services Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps on an aggregate basis exceeds 5% and the aggregated value of Revised Annual Caps is more than HK\$10,000,000, the Revised Annual Caps are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps on an aggregate basis is more than 25%, the relevant financial assistance and service transactions also constitute major transactions under Chapter 14 of the Listing Rules and are therefore subject to the announcement, circular and shareholders' approval requirements thereunder.

## **GENERAL**

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Revised Annual Caps.

As additional time is required for the Company to prepare and finalise certain information to be included in the circular, it is expected that the circular containing, among others, (i) the particulars of the Revised Annual Caps; (ii) the recommendation of the Independent Board Committee in respect of the Revised Annual Caps; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice on the Revised Annual Caps; (iv) a notice of the SGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders on or before 8 February 2021.

## **INTRODUCTION**

Reference is made to the circular of the Company dated 24 September 2019 in relation to, among other things, the Framework Services Agreements entered into between the Company and each of Oceanwide Holdings and Tohigh and the respective annual caps of the continuing connected transactions mentioned therein.

## REVISION OF THE EXISTING ANNUAL CAPS

Pursuant to the Framework Services Agreements, among other things, the Group provides financial assistance and service transactions to each of the Oceanwide Holdings Group and the Tohigh Group. The Group provides secured or unsecured financings and/or loans to each of the Oceanwide Holdings Group and the Tohigh Group; the Group acts as an arranger, agent or lead lender of syndicated loans for each of the Oceanwide Holdings Group and the Tohigh Group, all of which shall be subject to payments of the principal amounts, the relevant fees, expenses and/or interests arising from the provision of, or engagement in, the services or transactions.

Based on the amounts of the historical maximum daily outstanding balance of the financial assistance and the projected demand of the Oceanwide Holdings Group and the Tohigh Group, the Company expects that the relevant existing annual caps for the financial assistance and service transactions provided by the Group to each of the Oceanwide Holdings Group and the Tohigh Group for the years ending 31 December 2021 and 2022 will not be sufficient to meet the requirements of the Group. Hence, the Company proposes to revise the relevant annual caps. The table below sets out the historical amounts for the 11 months ended 30 November 2020 based on the management accounts of the Group, the existing annual caps and the Revised Annual Caps:

	11 months ended 30 November 2020	For the year ended 31 December 2020	For the year ending 31 December 2021      2022		For the year ending 31 December 2021      2022	
	Historical amounts (HK\$ million)	Existing annual caps (HK\$ million)	Existing annual caps (HK\$ million)	Existing annual caps (HK\$ million)	Revised Annual Caps (HK\$ million)	Revised Annual Caps (HK\$ million)

### Existing annual caps

Maximum daily outstanding balance of the financial assistance provided by the Group to the following parties:

(a) the Oceanwide Holdings Group	1,290	1,300	1,300	1,300	1,500	1,500
(b) the Tohigh Group	988	1,000	1,000	1,000	1,200	1,200

Income from service transactions<sup>(Note)</sup> provided by the Group to the following parties:

(a) the Oceanwide Holdings Group	143	234	234	234	264	264
(b) the Tohigh Group	100	181	181	181	211	211

*Note:* Income from provision of financial assistance is included in income from service transactions.

## **Basis of the Revised Annual Caps**

Based on the unaudited management accounts of the Group for the 11 months ended 30 November 2020, the amounts of the maximum daily outstanding balance of financial assistance provided by the Group to each of the Oceanwide Holdings Group and the Tohigh Group are approaching the limits of the existing annual caps for the years ending 31 December 2021 and 31 December 2022. The Revised Annual Caps have been determined after taking consideration of (i) the projected demand of such financial assistance for the years ending 31 December 2021 and 31 December 2022; and (ii) the prevailing interest rates charged on financial assistance by the Group.

## **Pricing basis**

As set out in the circular of the Company dated 24 September 2019, the terms of the financial assistance transactions will be based on normal commercial terms, with interest rates calculated with reference to market rates for the relevant tenure, the size of financings/loans, the terms of the loans (including the quality of collaterals for secured loans and type of guarantees (if any)), credit risk assessment and the then prevailing market condition at that time.

## **Benefits of the Revised Annual Caps**

Provision of financial assistance is one of the principal businesses of the Group. The Revised Annual Caps will allow the Group to capture the financing needs of the Oceanwide Holdings Group and the Tohigh Group for the years ending 31 December 2021 and 31 December 2022. The provision of financial assistance will be on normal commercial terms and will generate additional income for the Group. As such, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the Independent Financial Adviser) are of the view that the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP**

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 OF OCEANWIDE HOLDINGS AND TOHIGH**

Oceanwide Holdings is 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). 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.

Tohigh is a company incorporated in the PRC with limited liability. Its principal business is investment holding. Tohigh is an indirect holding company of the Company and is therefore a connected person of the Company under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

Oceanwide Holdings IF, the controlling Shareholder, is indirectly wholly owned by Oceanwide Holdings. Oceanwide Holdings is indirectly non-wholly owned by Tohigh. Accordingly, each of Oceanwide Holdings and Tohigh is a connected person (as defined under the Listing Rules) of the Company.

Pursuant to rule 14A.54(1) of the Listing Rules, before an annual cap is exceeded or an issuer proposes to renew the agreement in respect of continuing connected transactions, the Company is required to re-comply with the relevant announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The income from service transactions and the financial assistance provided by the Group to the Oceanwide Holdings Group and the Tohigh Group under the Framework Services Agreements constitute continuing connected transactions under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps on an aggregate basis exceeds 5% and the aggregated value of the Revised Annual Caps is more than HK\$10,000,000, the Revised Annual Caps are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, as the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Revised Annual Caps is more than 25%, the relevant financial assistance and service transactions also constitute major transactions under Chapter 14 of the Listing Rules and are therefore subject to the announcement, circular and shareholders' approval requirements thereunder.

## GENERAL

The Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the Revised Annual Caps. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened and held, for the Independent Shareholders to consider and, if thought fit, approve the Revised Annual Caps.

As additional time is required for the Company to prepare and finalise certain information to be included in the circular, it is expected that the circular containing, among others, (i) the particulars of the Revised Annual Caps; (ii) the recommendation of the Independent Board Committee in respect of the Revised Annual Caps; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice on the Revised Annual Caps; (iv) a notice of the SGM; and (v) other information required under the Listing Rules, will be despatched to the Shareholders on or before 8 February 2021.

## 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 Group”	China Oceanwide and its subsidiaries
“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
“Framework Services Agreements”	Oceanwide Holdings Framework Services Agreement and Tohigh Framework Services Agreement
“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 Board Committee”	an independent committee of the Board (which comprises Mr. Roy LO Wa Kei, Mr. KONG Aiguo, Mr. LIU Jipeng, Mr. HE Xuehui, and Mr. HUANG Yajun, all being the independent non-executive Directors) established to advise the Independent Shareholders with regard to the Revised Annual Caps
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise to the Independent Board Committee and the Independent Shareholders with regard to the Revised Annual Caps
“Independent Shareholders”	the Shareholders, other than Oceanwide Holdings IF and its associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 30 August 2019 in relation to various services, investment, lending and underwriting transactions with each other
“Oceanwide Holdings Group”	Oceanwide Holdings and its subsidiaries which for the purpose of the Oceanwide Holdings Framework Services Agreement, exclude China Oceanwide Group and the Group
“Oceanwide Holdings IF”	Oceanwide Holdings International Financial Development Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
“PRC”	the People’s Republic of China, for the purpose of this announcement exclude Hong Kong



“Revised Annual Caps”	the revised annual caps for the financial assistance and the income from service transactions provided by the Group to each of the Oceanwide Holdings Group and the Tohigh Group under the Framework Services Agreements for the years ending 31 December 2021 and 2022
“SGM”	the special general meeting of the Company to be held for the purpose of, considering and if thought fit, approving the Revised Annual Caps
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	Ordinary share(s) of Hong Kong one third of one cent each in the share capital 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 30 August 2019 in relation to various services, investment, lending and underwriting transactions with each other
“Tohigh Group”	Tohigh and its subsidiaries which for the purpose of the Tohigh Framework Services Agreement, exclude the China Oceanwide Group, the Oceanwide Holdings Group and the Group
“%”	per cent

*For the purpose of this announcement, unless otherwise specified or the context requires otherwise, “\*” denotes an English translation of a Chinese name and is for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

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

Hong Kong, 15 January 2021



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

***Executive Directors:***

Mr. HAN Xiaosheng (*Chairman*)  
Mr. FANG Zhou (*Deputy Chairman*)  
Mr. ZHANG Xifang  
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. LIU Bing  
Mr. ZHAO Yingwei  
Mr. ZHAO Xiaoxia