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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
FIFTH SUPPLEMENTAL AGREEMENT IN RELATION TO
EXTENSION OF LOAN**

FIFTH SUPPLEMENTAL AGREEMENT

On 7 April 2021, the Lender and the Borrower entered into the Fifth Supplemental Agreement, pursuant to which, the repayment date of the Loan is further extended to 31 March 2022 with the interest rate remaining at 8.75% per annum on the Loan from 1 April 2021 and up to and including 31 March 2022. The principal amount of the Loan was subsequently reduced in March 2021 by the Borrower from HK\$255 million to HK\$150.5 million. Accrued interest on the Loan will be payable semi-annually on 30 September 2021 and 31 March 2022 respectively. All of the accrued interest on the Loan up to 31 March 2021 was paid prior to the entering of the Fifth 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 relevant percentage ratios under the Listing Rules in respect of Extension of the Loan under the Fifth Supplemental Agreement exceeds 5% but less than 25%, therefore, the Extension of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement thereunder.

INTRODUCTION

Reference is made to the announcement of the Company dated 17 April 2020 and the circular dated 26 May 2020 in relation to, among others, the entering into the Fourth Supplemental Agreement II (as defined therein) in relation to the Extension of the Loan II (as defined therein) and the poll results announcement of the special general meeting of the Company dated 26 June 2020.

THE FIFTH SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF THE LOAN

Background

On 23 July 2018, the Loan Facility Agreement was entered into between the Lender 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. The Group financed the Loans by its internal resources.

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 Loan 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.

On 17 April 2020, the parties entered into the Fourth Supplemental Agreement to extend the repayment date of the Loan to 31 March 2021 and to increase in the interest rate of the Loan from 8.25% per annum to 8.75% per annum for the period from 1 April 2020 and up to and including 31 March 2021. Save as aforesaid, all other terms of the Loan Facility Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement) remained in full force and effect.

The Fifth Supplemental Agreement

On 7 April 2021, the Lender and the Borrower entered into the Fifth Supplemental Agreement, pursuant to which, the repayment date of the Loan is further extended to 31 March 2022, with the interest rate remaining at 8.75% per annum on the Loan from 1 April 2021 and up to and including 31 March 2022. The principal amount of the Loan was subsequently reduced in March 2021 by the Borrower from HK\$255 million to HK\$150.5 million. Accrued interest of the Loan will be payable semi-annually on 30 September 2021 and 31 March 2022 respectively. All of the accrued interest on the Loan up to 31 March 2021 was paid prior to the entering of the Fifth 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.

Pursuant to the Loan Facility Agreement as supplemented by the Supplemental Agreements and the Fifth Supplemental Agreement, an event of default shall happen if the Borrower fails to repay the loan obligation in relation to the Loan when it falls due. Default interest rate of 18% per annum shall apply from the date the Borrower fails to discharge its repayment obligation.

The Personal Guarantor has acknowledged and confirmed 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 Supplemental Agreements and the Fifth Supplemental Agreement).

REASONS FOR AND BENEFITS OF THE EXTENSION OF THE LOAN

The Extension of the Loan is in the ordinary course of business of the Lender. The terms of the Fifth Supplemental Agreement are negotiated on an arm's length basis respectively between the Lender and the Borrower and are on normal commercial terms determined with reference to the commercial practice and the terms of conducting money lending business in Hong Kong. Taking into consideration of (i) the interest income to be received by the Group, (ii) the intention of maintaining a long term business relationship with the Borrower and (iii) the credit assessment of the background of the Borrower and the Personal Guarantor, the Directors consider that the terms of the Fifth Supplemental Agreement are fair and reasonable and the entering into the Fifth Supplemental Agreement is in the best interest of the Company and the shareholders of the Company 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, the Borrower held approximately 4.95% of the issued share capital of the Company. The Personal Guarantor is Mr. CHENG Kwok Yue, a director, the sole shareholder and the ultimate beneficial owner of the Borrower. To the best of the knowledge, information and belief of the Directors 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) corporate finance advisory and general advisory services; (ii) fund management, discretionary portfolio management and portfolio management advisory services; (iii) discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing, insurance broking and wealth management services; (iv) money lending services; (v) financial media services; and (vi) 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 licence 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 relevant percentage ratios under the Listing Rules in respect of the Extension of the Loan under the Fifth Supplemental Agreement exceeds 5% but less than 25%, therefore, the Extension of the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement thereunder.

DEFINITIONS

Unless the content otherwise requires, capitalized 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, being the borrower of the Loan
“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 directors of the Company
“Extension of the Loan”	the extension of the Loan under the Fifth Supplemental Agreement
“Fifth Supplemental Agreement”	the supplemental agreement dated 7 April 2021 entered into between the Lender and the Borrower to supplement the Loan Facility Agreement (as amended and supplemented by the Supplemental Agreements)
“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 First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement), details of which are set out in the announcement of the Company dated 17 April 2020 and the circular of the Company dated 26 May 2020
“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 Parties”	persons or companies 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 licence 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 Agreement”	the loan facility agreement dated 23 July 2018 entered into between the Lender and the Borrower in respect of the Loan
“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 (the principal amount of the Loan was subsequently reduced by the Borrower from HK\$255 million to HK\$150.5 million in March 2021) (as amended and supplemented by the Supplemental Agreements)
“Personal Guarantor”	Mr. CHENG Kwok Yue, a director, the 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth 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

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

Hong Kong, 7 April 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