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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
SIXTH SUPPLEMENTAL AGREEMENTS IN RELATION
TO EXTENSION OF LOANS**

SIXTH SUPPLEMENTAL AGREEMENTS

On 7 April 2021, the Lender and the Borrower entered into the Sixth Supplemental Agreements, pursuant to which, the repayment date of the Loans are further extended to 31 March 2022, together with an increase in the interest rate from 9.75% per annum to 10.75% per annum on the Loans from 1 April 2021 and up to and including 31 March 2022. Accrued interest on the Loans will be payable semi-annually on 30 September 2021 and 31 March 2022 respectively. All of the accrued interest on the Loans up to 31 March 2021 were paid prior to the entering of the Sixth Supplemental Agreements. Save as aforesaid, all other terms of the Loan Facility Agreements (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 the Extension of the Loans under the Sixth Supplemental Agreements exceeds 5% but less than 25%, therefore, the Extension of the Loans 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 Fifth Supplemental Agreements III (as defined therein) in relation to the Extension of Loans III (as defined therein), and the poll results announcement of the special general meeting of the Company dated 26 June 2020.

THE SIXTH SUPPLEMENTAL AGREEMENTS IN RELATION TO EXTENSION OF THE LOANS

Background

On 23 July 2018, the Loan Facility Agreement — First Loan was entered into between the Lender and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loans — First Loan in an amount of HK\$225 million for a period of two months. On 9 August 2018 the Loan Facility Agreement — Second Loan was entered into between the Lender and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loans — Second Loan in an amount of HK\$120 million for a period of two months. The Group financed the Loans by its internal resources.

On 23 September 2018, the parties entered into the First Supplemental Agreements to extend the repayment date of the Loans — First Loan and the Loans — Second Loan to 21 December 2018 and to increase the interest rate on the Loans — First Loan from 6.25% per annum to 9.5% per annum, which was the same as the interest rate of the Loans — Second Loan. Save as aforesaid, all other terms of the Loan Facility Agreements remained in full force and effect.

On 15 January 2019, the parties entered into the Second Supplemental Agreements to extend the repayment date of the Loans to 21 March 2019. The principal amount of the Loans — First Loan was partially settled by the Borrower and reduced from HK\$225 million to HK\$125 million. The interest rate of 9.5% per annum on the Loans remained the same and was applicable from 22 December 2018 and up to and including 21 March 2019. Save as aforesaid, all other terms of the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements) remained in full force and effect. After the partial repayment of the Loans — First Loan by the Borrower, the principal amount of the Loans was reduced from HK\$345 million to HK\$245 million.

On 10 April 2019, the parties entered into the Third Supplemental Agreements to extend the repayment date of the Loans to 30 June 2019. The interest rate of 9.5% per annum on the Loans remained the same and was applicable from 22 March 2019 and up to and including 30 June 2019. Save as aforesaid, all other terms of the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements and the Second Supplemental Agreements) remained in full force and effect.

On 27 December 2019, the parties entered into the Fourth Supplemental Agreements to extend the repayment date of the Loans to 31 March 2020. The interest rate of 9.5% per annum on the Loans remained the same and was applicable from 1 July 2019 and up to and including 31 March 2020. Save as aforesaid, all other terms of the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements, the Second Supplemental Agreements and the Third Supplemental Agreements) remained in full force and effect.

On 17 April 2020, the parties entered into the Fifth Supplemental Agreements to extend the repayment date of the Loans to 31 March 2021 and to increase in the interest rate of the Loans from 9.5% per annum to 9.75% 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 Agreements (as amended and supplemented by the First Supplemental Agreements, the Second Supplemental Agreements, the Third Supplemental Agreements and the Fourth Supplemental Agreements) remained in full force and effect.

The Sixth Supplemental Agreements

On 7 April 2021, the Lender and the Borrower entered into the Sixth Supplemental Agreements, pursuant to which, the repayment date of the Loans is further extended to 31 March 2022, together with an increase in the interest rate from 9.75% per annum to 10.75% per annum on the Loans from 1 April 2021 and up to and including 31 March 2022. Accrued interest on the Loans will be payable semi-annually on 30 September 2021 and 31 March 2022 respectively. All of the accrued interest on the Loans up to 31 March 2021 was paid prior to the entering of the Sixth Supplemental Agreements. Save as aforesaid, all other terms of the Loan Facility Agreements (as amended and supplemented by the Supplemental Agreements) shall remain in full force and effect.

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

REASONS FOR AND BENEFITS OF THE EXTENSION OF THE LOANS

The Extension of the Loans is in the ordinary course of business of the Lender. The terms of the Sixth Supplemental Agreements 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 Sixth Supplemental Agreements are fair and reasonable and the entering into the Sixth Supplemental Agreements 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 Grand Profit International Investment Limited, a company incorporated in the British Virgin Islands with limited liability. Its principal business is investment holding. To the best of the Directors' knowledge, the Borrower held approximately 4.39% of the issued share capital of the Company. The Personal Guarantor is Mr. HAN Lei, 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 Loans under the Sixth Supplemental Agreements exceeds 5% but less than 25%, therefore, the Extension of the Loans 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”	Grand Profit International Investment Limited, a company incorporated in the British Virgin Islands with limited liability, being the borrower of the Loans
“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 Loans”	the extension of the Loans under the Sixth Supplemental Agreements
“Fifth Supplemental Agreements”	the supplemental agreements dated 17 April 2020 entered into between the Lender and the Borrower to supplement the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements, the Second Supplemental Agreements, the Third Supplemental Agreements and the Fourth Supplemental Agreements), 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
“First Supplemental Agreements”	the supplemental agreements dated 23 September 2018 entered into between the Lender and the Borrower to supplement the Loan Facility Agreements, details of which are set out in the announcement of the Company dated 23 September 2018

“Fourth Supplemental Agreements”	the supplemental agreements dated 27 December 2019 entered into between the Lender and the Borrower to supplement the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements, the Second Supplemental Agreements and the Third Supplemental Agreements), details of which are set out in the announcement of the Company dated 27 December 2019
“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 — First Loan”	the loan facility agreement dated 23 July 2018 entered into between the Lender and the Borrower in respect of the Loans — First Loan
“Loan Facility Agreement — Second Loan”	the loan facility agreement dated 9 August 2018 entered into between the Lender and the Borrower in respect of the Loans — Second Loan, details of which are set out in the announcement of the Company dated 9 August 2018
“Loan Facility Agreements”	the Loan Facility Agreement — First Loan and the Loan Facility Agreement — Second Loan

“Loans”	the Loans — First Loan and the Loans — Second Loan
“Loans — First Loan”	the short term loan with principal amount of HK\$225 million granted by the Lender to the Borrower pursuant to the Loan Facility Agreement — First Loan (the principal amount of the Loans — First Loan was subsequently reduced by Borrower from HK\$225 million to HK\$125 million (as amended and supplemented by the Supplemental Agreements) (as the case may be)
“Loans — Second Loan”	the short term loan with principal amount of HK\$120 million granted by the Lender to the Borrower pursuant to the Loan Facility Agreement — Second Loan (as amended and supplemented by the Supplemental Agreements) (as the case may be)
“Personal Guarantor”	Mr. HAN Lei, a director, the sole shareholder and the ultimate beneficial owner of the Borrower
“Second Supplemental Agreements”	the supplemental agreements dated 15 January 2019 entered into between the Lender and the Borrower to supplement the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements), details of which are set out in the announcement of the Company dated 15 January 2019
“Sixth Supplemental Agreements	the supplemental agreements dated 7 April 2021 entered into between the Lender and the Borrower to supplement the Loan Facility Agreements (as amended and supplemented by the Supplemental Agreements)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the First Supplemental Agreements, the Second Supplemental Agreements, the Third Supplemental Agreements, the Fourth Supplemental Agreements and the Fifth Supplemental Agreements

“Third Supplemental Agreements” the supplemental agreements dated 10 April 2019 entered into between the Lender and the Borrower to supplement the Loan Facility Agreements (as amended and supplemented by the First Supplemental Agreements and the Second Supplemental Agreements), details of which are set out in the announcement of the Company dated 10 April 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