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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  
SEVENTH SUPPLEMENTAL AGREEMENTS IN RELATION TO  
EXTENSION OF LOANS**

**Financial Adviser to the Company**



**SEVENTH SUPPLEMENTAL AGREEMENTS**

On 12 May 2022, the Lender and the Borrower entered into conditional Seventh Supplemental Agreements, pursuant to which the repayment date for each of the Loan A and Loan B are further extended to 31 March 2023. The interest rate on each of the Loan A and the Loan B is adjusted to 9.75% per annum for the period from 1 April 2022 and up to and including 31 March 2023. Accrued interest on each of the Loan A and the Loan B will be payable semi-annually on 30 September 2022 and 31 March 2023. All accrued interest on each of the Loan A and the Loan B up to and including 31 March 2022 were paid prior to the entering of the Seventh Supplemental Agreements. Save as aforesaid, all other terms of the Loan Facility Agreements (as amended by the Supplemental Agreements) shall remain in full force and effect.

**LISTING RULES IMPLICATIONS**

The Extension of the Loans constitutes a provision of financial assistance under the Listing Rules. As one of the applicable percentage ratios under the Listing Rules in respect of the Extension of the Loans exceed 25%, the Extension of the Loans constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular, and Shareholders' approval requirements.

## **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 Seventh Supplemental Agreements and the transactions contemplated thereunder. As at the date of this announcement, to the best of the Director's knowledge, information, belief and having made all reasonable enquiries, save for the Borrower holds approximately 4.39% of the issued share capital of the Company and therefore is considered to have material interest in the Seventh Supplemental Agreements, no other Shareholder has a material interest in the Seventh Supplemental Agreements. Accordingly, the Borrower and its associates are required to abstain from voting at the SGM on the resolution in respect of the Seventh Supplemental Agreements and the transactions contemplated thereunder.

## **GENERAL**

A circular setting out, among others, details of the Seventh Supplemental Agreements 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 27 May 2022.

## **BACKGROUND**

Reference is made to the announcements of the Company dated 9 August 2018, 23 September 2018, 15 January 2019, 10 April 2019, 27 December 2019, 17 April 2020, 7 April 2021 and 24 September 2021 in relation to, among other things, the entering of Loan Facility A Agreement, Loan Facility B Agreement, the Supplemental Agreements and the Supplemental Loan Facility C Agreement, the circular dated 20 February 2019 in relation to, among other things, the entering of the Second Supplemental Agreements, the circular dated 26 May 2020 in relation to, among other things, the entering of the Fifth Supplemental Agreements, and the circular dated 25 November 2021 in relation to, among other things, the entering of the Supplemental Loan Facility C Agreement.

On 23 July 2018, Loan Facility A Agreement was entered into between the Lender and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan A in an amount of HK\$225 million for a period of two months at the interest rate of 6.25% per annum.

On 9 August 2018, Loan Facility B Agreement was entered into between the Lender and the Borrower, pursuant to which the Lender agreed to provide the Borrower the Loan B in an amount of HK\$120 million for a period of two months at the interest rate of 9.5% per annum.

On 23 September 2018, the parties entered into the First Supplemental Agreements to extend the repayment date of the Loan A and the Loan B to 21 December 2018 and to increase the interest rate on the Loan A from 6.25% per annum to 9.5% per annum, while the interest rate of the Loan B remained at 9.5% per annum.

On 15 January 2019, the parties entered into the Second Supplemental Agreements to extend the repayment date of the Loan A and the Loan B to 21 March 2019. The principal amount of the Loan A was partially repaid by the Borrower and reduced from HK\$225 million to HK\$125 million. After the partial repayment of the Loan A by the Borrower, the aggregate principal amount of the Loan A and the Loan B was reduced from HK\$345 million to HK\$245 million. The interest rate of 9.5% per annum on the Loan A and the Loan B remained the same for the period from 22 December 2018 and up to and including 21 March 2019.

On 10 April 2019, the parties entered into the Third Supplemental Agreements to extend the repayment date of the Loan A and the Loan B to 30 June 2019. The interest rate of 9.5% per annum on the Loan A and the Loan B remained the same for the period from 22 March 2019 and up to and including 30 June 2019.

On 27 December 2019, the parties entered into the Fourth Supplemental Agreements to extend the repayment date of the Loan A and the Loan B to 31 March 2020. The interest rate of 9.5% per annum on the Loan A and the Loan B remained the same for the period from 1 July 2019 and up to and including 31 March 2020.

On 17 April 2020, the parties entered into the Fifth Supplemental Agreements to extend the repayment date of the Loan A and the Loan B to 31 March 2021 and to increase in the interest rate of the Loan A and the Loan B 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.

On 7 April 2021, the parties entered into the Sixth Supplemental Agreements to extend the repayment date of the Loan A and the Loan B to 31 March 2022 and to increase the interest rate of the Loan A and the Loan B from 9.75% per annum to 10.75% per annum for the period from 1 April 2021 and up to and including 31 March 2022.

On 7 May 2021, the aggregate principal amount of the Loan A and the Loan B of HK\$245 million was reduced to approximately HK\$234.16 million by a partial repayment of approximately HK\$10.84 million made by the Borrower.

On 18 May 2021, the parties entered into the Loan Facility C Agreement, pursuant to which the Lender agreed to provide the Borrower the unsecured Loan C in an amount of HK\$74 million for a period of three months at an interest rate of 8.0% per annum. If the Borrower fails to pay any sum payable to the Lender under the Loan Facility C Agreement when due, the Borrower was required to pay interest on such sum from the due date and up to the date of actual payment at the default interest rate 15% per annum.

On 24 September 2021, the parties entered into the Supplemental Loan Facility C Agreement to extend the repayment date of the Loan C to 23 August 2022. The interest rate of 8.0% per annum on the Loan C remained the same for the period from 24 August 2021 and up to and including 23 August 2022. Interest on the Loan C shall be paid on 23 February 2022 and 23 August 2022.

As at the date of this announcement, the aggregate principal amount of the Loan A, the Loan B and the Loan C is approximately HK\$308.16 million and the total accrued interest is approximately HK\$2.98 million.

## **THE SEVENTH SUPPLEMENTAL AGREEMENTS**

On 12 May 2022, the Lender and the Borrower entered into conditional Seventh Supplemental Agreements, pursuant to which the repayment date for each of the Loan A and Loan B are further extended to 31 March 2023. The interest rate on each of the Loan A and the Loan B is adjusted to 9.75% per annum for the period from 1 April 2022 and up to and including 31 March 2023. Accrued interest on each of the Loan A and the Loan B will be payable semi-annually on 30 September 2022 and 31 March 2023. All accrued interest on each of the Loan A and the Loan B up to and including 31 March 2022 were paid prior to the entering of the Seventh Supplemental Agreements. Save as aforesaid, all other terms of the Loan Facility Agreements (as amended by the Supplemental Agreements) shall remain in full force and effect.

Pursuant to the Loan Facility Agreements (as amended by the Supplemental Agreements and the Seventh Supplemental Agreements), an event of default shall happen if the Borrower fails to repay the loan obligation in relation to each of the Loan A and the Loan B 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 by the Supplemental Agreements and the Seventh Supplemental Agreements).

Completion of the Extension of the Loans is conditional upon the obtaining of the independent Shareholders' approval by way of a resolution at the SGM for the entering into the Seventh Supplemental Agreements and the transactions contemplated thereunder. In the event that the resolution is not passed on or before 31 October 2022 (or such later date as the parties may agree), the Seventh Supplemental Agreements shall terminate and each of the Loan A and the Loan B and all the accrued interest shall be repaid by the Borrower to the Lender within seven days of receipt of the written notice. If the Borrower fails to pay such sum, this shall constitute an event of default under the Loan Facility Agreements (as amended by the 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 Seventh 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 Seventh Supplemental Agreements are fair and reasonable and the entering into the Seventh Supplemental Agreements is in the best interest of the Company and the shareholders of the Company as a whole.

## **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.

## **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 holds approximately 4.39% of the issued share capital of the Company as at the date of this announcement. The Personal Guarantor of each of the Loan A and the Loan B is Mr. HAN Lei, the sole director, the sole shareholder and the ultimate beneficial owner of the Borrower. Saved as disclosed above, 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.

## **LISTING RULES IMPLICATIONS**

The Extension of the Loans constitutes a provision of financial assistance under the Listing Rules. As one of the applicable percentage ratios under the Listing Rules in respect of the Extension of the Loans exceed 25%, the Extension of the Loans constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting, announcement, circular, and Shareholders' approval requirements.

## **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 Seventh Supplemental Agreements and the transactions contemplated thereunder. As at the date of this announcement, to the best of the Director's knowledge, information, belief and having made all reasonable enquiries, save for the Borrower holds approximately 4.39% of the issued share capital of the Company and therefore is considered to have material interest in the Seventh Supplemental Agreements, no other Shareholder has a material interest in the Seventh Supplemental Agreements. Accordingly, the Borrower and its associates are required to abstain from voting at the SGM on the resolution in respect of the Seventh Supplemental Agreements and the transactions contemplated thereunder.

## **GENERAL**

A circular setting out, among others, details of the Seventh Supplemental Agreements 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 27 May 2022.

## **DEFINITIONS**

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

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| “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 Loan A, the Loan B, the Loan C   |
| “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   |
| “Extension of the Loans”        | the extension of the repayment date of each of the Loan A and the Loan B (as the case may be) under the Seventh Supplemental Agreements  |
| “Fifth Supplemental Agreements” | the supplemental agreements dated 17 April 2020 entered into between the Lender and the Borrower to amend as the case may be, Loan Facility A Agreement and Loan Facility B Agreement (as amended 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 amend as the case may be, Loan Facility A Agreement and Loan Facility B Agreement, details of which are set out in the announcement of the Company dated 23 September 2018   |

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| “Fourth Supplemental Agreements” | the supplemental agreements dated 27 December 2019 entered into between the Lender and the Borrower to amend as the case may be, Loan Facility A Agreement and Loan Facility B Agreement (as amended 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 A”                         | the loan with a principal amount of HK\$225 million granted by the Lender to the Borrower pursuant to the Loan Facility A Agreement which was subsequently reduced from HK\$225 million to HK\$125 million and further reduced to approximately HK\$119.47 million   |
| “Loan B”                         | the loan with a principal amount of HK\$120 million granted by the Lender to the Borrower pursuant to the Loan Facility B Agreement which was subsequently reduced to approximately HK\$114.69 million   |
| “Loan C”                         | the loan with a principal amount of HK\$74 million granted by the Lender to the Borrower pursuant to the Loan Facility C Agreement   |

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| “Loan Facility A Agreement”       | the loan facility agreement dated 23 July 2018 entered into between the Lender and the Borrower in respect of the Loan A and as amended by the Supplemental Agreements (as the case may be)   |
| “Loan Facility Agreements”        | collectively, Loan Facility A Agreement and Loan Facility B Agreement   |
| “Loan Facility B Agreement”       | the loan facility agreement dated 9 August 2018 entered into between the Lender and the Borrower in respect of the Loan B and as amended by the Supplemental Agreements (as the case may be), details of which are set out in the announcement of the Company dated 9 August 2018   |
| “Loan Facility C Agreement”       | the loan facility agreement dated 18 May 2021 entered into between the Lender and the Borrower in respect of the Loan C and as amended by Supplemental Loan Facility C Agreement  |
| “Loans”                           | together, the Loan A and the Loan B   |
| “parties”                         | together, the Borrower and the Lender   |
| “Personal Guarantor”              | Mr. HAN Lei, the sole 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 amend as the case may be, Loan Facility A Agreement and Loan Facility B Agreement (as amended by the First Supplemental Agreements), details of which are set out in the announcement of the Company dated 15 January 2019 and the circular of the Company dated 20 February 2019 |
| “Seventh Supplemental Agreements” | the supplemental agreements dated 12 May 2022 entered into between the Lender and the Borrower to amend as the case may be, Loan Facility A Agreement and Loan Facility B Agreement (as amended by the Supplemental Agreements)   |
| “SGM”                             | the special general meeting of the Company to be convened for the purpose of, considering and if thought fit, approving the entering into the Seventh Supplemental Agreements and the transactions contemplated thereunder  |
| “Shareholder(s)”                  | holder(s) of the issued ordinary share(s) of the Company  |



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| “Sixth Supplemental Agreements”          | the supplemental agreements dated 7 April 2021 entered into between the Lender and the Borrower to amend Loan Facility A Agreement and Loan Facility B Agreement (as amended by the First Supplemental Agreements, the Second Supplemental Agreements, the Third Supplemental Agreements, the Fourth Supplemental Agreements and the Fifth Supplemental Agreements), details of which are set out in the announcement of the Company dated 7 April 2021 |
| “Stock Exchange”                         | The Stock Exchange of Hong Kong Limited   |
| “Supplemental Agreements”                | collectively, the First Supplemental Agreements, the Second Supplemental Agreements, the Third Supplemental Agreements, the Fourth Supplemental Agreements, the Fifth Supplemental Agreements and the Sixth Supplemental Agreements as they apply either to Loan Facility A Agreement or Loan Facility B Agreement (as the case may be)   |
| “Supplemental Loan Facility C Agreement” | the supplemental agreement dated 24 September 2021 entered into between the Lender and the Borrower to amend Loan Facility C Agreement, details of which are set out in the announcement of the Company dated 24 September 2021 and the circular of the Company dated 25 November 2021  |
| “Third Supplemental Agreements”          | the supplemental agreements dated 10 April 2019 entered into between the Lender and the Borrower to amend as the case may be, Loan Facility A Agreement and Loan Facility B Agreement (as amended 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   |
| “%”                                      | per cent  |

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

Hong Kong, 12 May 2022

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. 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