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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 AND CONNECTED TRANSACTION  
IN RELATION TO  
EXTENSION OF LONG STOP DATE OF  
THE SETTLEMENT AGREEMENT**

**Financial Adviser to China Tonghai International Financial Limited**



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

Reference is made to the announcements of China Tonghai International Financial Limited (the “**Company**”) dated 24 August 2021 (the “**Announcement**”), 30 November 2021 (the “**First Supplemental Announcement**”), 31 March 2022 (the “**Second Supplemental Announcement**”), 30 June 2022 (the “**Update Announcement**”) and 29 July 2022 (the “**Extension Announcement**”) (collectively, the “**Announcements**”) in relation to, among other things, the settlement agreement, the supplemental agreements and the extension of the long stop date of the settlement agreement. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

**EXTENSION OF LONG STOP DATE OF THE SETTLEMENT AGREEMENT**

As disclosed in the Extension Announcement, as additional time is required for the fulfillment of the conditions precedent to the Settlement Agreement, on 29 July 2022, the Company, Oceanwide Holdings and China Oceanwide agreed in writing to further extend the Long Stop Date from 31 July 2022 to 30 June 2023 (or such other date as the parties may agree in writing) (the “**Extension**”).

As at the date of this announcement, the aggregate amount of outstanding principal and accrued interest of Debt A and Debt B were approximately HK\$1,680.1 million and approximately HK\$538.5 million respectively. Save for one of the bonds under Debt A with aggregate amount of outstanding principal and accrued interest of approximately HK\$800.2 million which will be due on 25 April 2023, the maturity dates of Debt A and Debt B have been passed. The Company considers that the Extension may constitute an extension of the settlement dates of the Debts owed by connected persons of the Company, which in effect constitutes a provision of financial assistance to connected persons of the Company, and accordingly, the Company is putting forward the Extension for independent Shareholders' approval at the special general meeting of the Company (the "**Extension SGM**") in compliance with Chapter 14 and Chapter 14A of the Listing Rules.

## **CONDITIONS PRECEDENT TO THE SETTLEMENT AGREEMENT**

As disclosed in the Announcement, each of Tranche A Completion and Tranche B Completion is conditional upon fulfilment or waiver (as the case may be) of the conditions precedent to the Settlement Arrangement A and the Settlement Arrangement B respectively.

If the conditions under the Settlement Arrangement A and the Settlement Arrangement B are not satisfied or waived (as the case may be) on or before the Long Stop Date, the Settlement Arrangement A and the Settlement Arrangement B as set out in the Settlement Agreement shall lapse and cease to have effect.

As at the date of this announcement, save as the provision of a signed disclosure letter to the reasonable satisfaction of the Company by Oceanwide Holdings, none of the other conditions precedent to the Tranche A Completion and Tranche B Completion, as disclosed under the section headed "Conditions precedent" in the Announcement, have been satisfied.

## **REASONS FOR AND BENEFITS OF THE EXTENSION**

As set out in the Announcement, the Board was of the view that the Settlement Arrangements would enable the Group to fully recover the unsecured Debts due from OHID and China Oceanwide with tangible assets and that the financial position of the Group would be improved after the Settlement Arrangements as such recovery would reduce the loan receivables from connected persons and eliminate the credit exposure of the Debts. As such, taking into account the business potential of the Target Group, the Board considered that the entering into the Settlement Arrangements was in the interest of the Group and the Shareholders as a whole.

The Company has been carrying out due diligence on the Target Group. Having considered the latest circumstances including the preliminary due diligence findings and discussions with the management of Oceanwide Holdings, among others, the Board is of the view that an updated due diligence and audited financial information on the Target Group as at 31 December 2022 would be appropriate, and accordingly, considers that the Extension would be required to enable the Company to assess thoroughly the potential impacts of the major due diligence findings on the Target Group based on the most updated information and circumstances as at 31 December 2022 with additional due diligence conducted thereof.

The Board has also assessed potential alternative settlement options and considers the Extension under current circumstances and pursuing to the closing of the Settlement Arrangements remains to be an appropriate settlement arrangement in the short term. Based on the above, the Board (excluding members of the Extension Independent Board Committee (as defined below) whose views will be subject to the opinion of an independent financial adviser to be appointed in connection with the Extension) considers that the Extension is fair and reasonable and in the interest of the Company and Shareholders as a whole.

## INFORMATION OF DEBT A AND DEBT B

Set out below is a summary of principal terms of Debt A and Debt B:

| Borrower           | Number of loans/bonds | First drawn down date                                         | Aggregate principal amount | Interest rate (per annum) | Maturity dates                                |
|--------------------|-----------------------|---------------------------------------------------------------|----------------------------|---------------------------|-----------------------------------------------|
| <b>Debt A</b>      |                       |                                                               |                            |                           |                                               |
| OHID               | Six loans             | fall within the period from 10 January 2020 to 6 August 2021  | HK\$691,000,000            | 11% or 12%                | 31 December 2021, 31 March 2022, 30 June 2022 |
| OHID               | Two bonds             | 25 April 2018, 8 June 2018                                    | US\$103,000,000            | 11.8%                     | 1 June 2022, 25 April 2023                    |
| <b>Debt B</b>      |                       |                                                               |                            |                           |                                               |
| China<br>Oceanwide | Six loans             | fall within the period from 22 December 2017 to 24 April 2020 | HK\$480,000,000            | 12%                       | 31 December 2021, 31 March 2022               |

## INFORMATION OF THE GROUP

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.

## INFORMATION OF OCEANWIDE HOLDINGS, OHID, CHINA OCEANWIDE

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 IF, the controlling Shareholder, is indirectly wholly-owned by Oceanwide Holdings. Accordingly, Oceanwide Holdings is a connected person of the Company under the Listing Rules.

OHID is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Oceanwide Holdings and is therefore a connected person of the Company under the Listing Rules. It is principally engaged in investment holdings.

China Oceanwide is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 715). China Oceanwide is principally engaged in property investments in the PRC, real estate development in the United States of America and the development in the energy sector in Republic of Indonesia, as well as financial investment and others. China Oceanwide is an indirect subsidiary of Oceanwide Holdings and is therefore a connected person of the Company under the Listing Rules.

## LISTING RULE IMPLICATIONS

Oceanwide Holdings IF is an indirect wholly-owned subsidiary of Oceanwide Holdings. Oceanwide Holdings IF holds 4,493,764,732 Shares, representing approximately 72.51% of the issued share capital of the Company as at the date of this announcement. Accordingly, Oceanwide Holdings IF will abstain from voting on the Shareholders' resolution to approve the Extension at the Extension SGM. As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, except for Oceanwide Holdings IF and its associates, no other Shareholder has a material interest in the Extension and accordingly, no other Shareholder is required to abstain from voting in respect of the shareholders' resolution to approve the Extension at the Extension SGM.

The independent board committee, 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 (the "**Extension Independent Board Committee**"), has been formed to advise the independent Shareholders in respect of the Extension. An independent financial adviser will be appointed to advise the Extension Independent Board Committee and the independent Shareholders on whether the Extension is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **DESPATCH OF THE CIRCULAR AND THE EXTENSION SGM**

A circular containing, among other things, information of the Extension, the recommendation of the Extension Independent Board Committee, the advice of the independent financial adviser, together with a notice of the Extension SGM will be despatched to the Shareholders on or before 30 November 2022 after taking into account the estimated time required by the Company to prepare the relevant information for inclusion in the circular. More details in relation to the Extension will be included in the circular.

The Extension SGM will be convened and held by the Company for the purpose of considering and, if thought fit, approving the resolution in relation to the Extension.

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

Hong Kong, 21 October 2022

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

***Executive Directors:***

Mr. HAN Xiaosheng (*Chairman*)  
Mr. FANG Zhou (*Deputy Chairman*)  
Mr. LIU Hongwei  
Mr. Kenneth LAM Kin Hing

***Non-executive Directors:***

Mr. LIU Bing  
Mr. ZHAO Yingwei  
Mr. ZHAO Xiaoxia

***Independent Non-executive Directors:***

Mr. Roy LO Wa Kei  
Mr. KONG Aiguo  
Mr. LIU Jipeng  
Mr. HE Xuehui  
Mr. HUANG Yajun