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**中國通海國際金融有限公司**

**CHINA TONGHAI INTERNATIONAL FINANCIAL LIMITED**

*(Formerly known as China Oceanwide International Financial Limited)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 952)**

**DISCLOSEABLE TRANSACTION  
SUBSCRIPTION OF SENIOR NOTES ISSUED BY  
VMS CSW 1 LAND HOLDINGS LIMITED**

**THE SUBSCRIPTION**

The Board is pleased to announce that on 21 June 2018, the Subscriber, a wholly-owned subsidiary of the Company, subscribed to the Notes to be issued by the Issuer in the subscription amount of HK\$50 million.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but all are less than 25%, the Subscription 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 exempt from the shareholders' approval requirement thereunder.

**THE SUBSCRIPTION**

On 21 June 2018, the Subscriber subscribed to the Notes to be issued by the Issuer in the principal amount of HK\$50 million. A summary of the terms and conditions of the Notes is set out below:

Issue Date of the Notes: 22 June 2018 or such other date as agreed by the Issuer and the Noteholders but in any event, not later than 15 July 2018

Issuer: VMS CSW 1 Land Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of VMS Real Estate Fund SPC

Total issue size:	HK\$1,150 million
Principal amount subscribed by the Company:	HK\$50 million
Maturity Date:	2 years after the Issue Date which may be extended to the First Extended Maturity Date upon the delivery of an Extension Notice by the Issuer which shall be subject to the consent of a majority of the Noteholders unless any agreed exemptions event has occurred and is subsisting at the date of such Extension Notice, in which case, the consent of the majority of the Noteholders is not required to extend the maturity date to the First Extended Maturity Date. Thereafter, the maturity date may be further extended to the Second Extended Maturity Date upon the delivery of a further Extension Notice by the Issuer which shall be subject to the consent of a majority of the Noteholders unless any agreed exemptions event has occurred and is subsisting at the date of such Extension Notice, in which case, the consent of the majority of the Noteholders is not required to extend the maturity date to the Second Extended Maturity Date
Use of proceeds by the Issuer:	<p>Pursuant to the subscription agreement in relation to the Notes, the proceeds from the issue of the Notes by the Issuer shall be solely used for the purpose of, among others:</p> <ul style="list-style-type: none"> <li>(a) financing the acquisition of a target company in connection with a development project and the payment of security and costs associated with such acquisition; and</li> <li>(b) funding a coupon reserve account in relation to the Notes</li> </ul>
Security:	the Issuer's payment obligations and the performance of the Issuer's other obligations in relation to the Notes shall be secured by way of, among others, a share mortgage over the shares of the Issuer, a debenture over all the assets of the Issuer, and an assignment and subordination of intragroup loans advanced to the Issuer. Such security will be held by Madison Pacific Trust Limited, as the security trustee, for the benefit of the holders of the Notes

- Coupon rate:
- (a) 6.25% per annum for the period from (and including) the Issue Date to (but excluding) the first anniversary of the Issue Date;
  - (b) 8.25% per annum for the period from the first anniversary of the Issue Date to the Original Maturity Date (both inclusive);
  - (c) (if the Original Maturity Date has been extended to the First Extended Maturity Date) 8.75% per annum for the period from (but excluding) the Original Maturity Date to (and including) the First Extended Maturity Date; and
  - (d) (if the First Extended Maturity Date has been extended to the Second Extended Maturity Date) 9.25% per annum for the period from (but excluding) the First Extended Maturity Date to (and including) the Second Extended Maturity Date;

in each case, payable in cash semi-annually in arrears

Redemption at maturity: unless previously redeemed or purchased and cancelled, the Issuer will redeem each Note at its principal amount together with unpaid accrued coupon thereon on either (i) the Original Maturity Date; (ii) (if the Issuer has delivered an Extension Notice on or prior to the date which is 30 Business Days before the Original Maturity Date) the First Extended Maturity Date; or (iii) (if the Issuer has delivered a further Extension Notice on or prior to the date which is 30 Business Days before the First Extended Maturity Date) the Second Extended Maturity Date

Mandatory redemption: upon the occurrence of, among others, the change of control of the Issuer or a mandatory prepayment event under an existing bank facility entered into by a subsidiary of the Issuer in connection with a development project which will be partially funded by the proceeds of the Subscription or receipt by the Issuer of any dividends or repayment of any intra-group shareholders loans. For any redemption prior to the Original Maturity Date, the amount payable by the Issuer to the Subscriber on redemption shall include an amount equal to the interest which would have accrued from the date of the redemption to the Original Maturity Date

Remarks: the Notes constitute direct, unsubordinated and unconditional obligations of the Issuer, and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes shall, subject to the terms of the security obligations in relation to the Notes and save for such exceptions as may be provided by mandatory provisions of applicable law and regulations, at all times rank at least equally with all its other present and future unsecured, unsubordinated and unconditional obligations.

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

The Group subscribed the Notes for investment purpose. The Directors consider that the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as to generate a stable return to the Group. The Subscription also supports the development of the Group's structural finance business and is in line with the Group's growth strategy. The Directors consider that the Subscription is fair and reasonable and is in the best interest of the Company and its shareholders as a whole.

The Subscription will be funded by internal resources of the Company.

## **INFORMATION ON THE ISSUER**

The Issuer is a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of VMS Real Estate Fund SPC. The Issuer is principally engaged in investment holding.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Issuer is an Independent Third Party.

## **INFORMATION ON THE GROUP AND THE SUBSCRIBER**

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) provision of loans; (v) financial media services; and (vi) securities investment and trading.

The Subscriber, a wholly-owned subsidiary of the Company, was incorporated in Hong Kong with limited liability. It is principally engaged in investment holding.

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but all are less than 25%, the Subscription 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 exempt from the shareholders' approval requirement thereunder.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“Business Day”	means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and the British Virgin Islands
“Company”	China Tonghai International Financial Limited, formerly known as China Oceanwide 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 director(s) of the Company
“Extension Notice”	a duly completed extension notice by the Issuer
“First Extended Maturity Date”	the date which is 6 months after the Original Maturity Date
“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 Party”	person or company 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

“Issuer”	VMS CSW 1 Land Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of VMS Real Estate Fund SPC
“Issue Date”	22 June 2018 or such other date as agreed by the Issuer and the Noteholders but in any event, not later than 15 July 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	variable rates senior secured notes due 2020 to be issued by the Issuer
“Noteholders”	the holders of the Notes
“Original Maturity Date”	2 years after the Issue Date
“Second Extended Maturity Date”	the date which is 6 months after the First Extended Maturity Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Oceanwide Financial (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of Notes in the subscription amount of HK\$50 million
“%”	per cent

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

Hong Kong, 21 June 2018

*As at the date of this announcement, the board of directors of China Tonghai International Financial Limited comprises six executive directors, namely Mr. HAN Xiaosheng, Mr. ZHANG Bo, Mr. ZHANG Xifang, Mr. FENG Henian, Mr. LIU Hongwei and Mr. Kenneth LAM Kin Hing; four non-executive directors, namely Mr. Bernard POULIOT, Mr. LIU Bing, Mr. ZHAO Yingwei and Mr. ZHAO Xiaoxia; and five independent non-executive directors, namely Mr. Roy LO Wa Kei, Mr. KONG Aiguo, Mr. LIU Jipeng, Mr. HE Xuehui and Mr. HUANG Yajun.*