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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CMIC Ocean En-Tech Holding Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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## CMIC Ocean En-Tech Holding Co., Ltd. 華商國際海洋能源科技控股有限公司

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 206)**

### **(1) MAJOR TRANSACTION LAND DISPOSAL AGREEMENTS AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Capitalised terms used in this cover page have the same meanings as defined in this circular.

A letter from the Board is set out on pages 4 to 15 of this circular.

A notice convening the EGM of the Company to be held at the Company's principal place of business in Hong Kong at Units 2706–2709, 27/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Tuesday, 15 December 2020 at 10:00 a.m. or any adjournment thereof is set out on pages 32 to 34 of this circular. A form of proxy for use at the EGM of the Company or any adjournment thereof is enclosed.

Whether or not you propose to attend the EGM you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at 10:00 a.m. on 13 December 2020) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

#### **PRECAUTIONARY MEASURES FOR THE EGM**

In accordance with health advice recommended by the Centre for Health Protection, for general meetings must be held, please refer to Notice of EGM (page 33) for precautionary measures being taken to prevent and control the spread of the novel coronavirus pneumonia (COVID-19) at the EGM, including:

- (i) mandatory body temperature screening at the entrance of the venue for each attendee. Any person with a body temperature over 37.5°C shall not be permitted to enter the venue;
- (ii) use of a surgical face mask for each attendee;
- (iii) no distribution of corporate souvenirs/gifts or refreshments;
- (iv) appropriate distancing and spacing between seats; and
- (v) other measures may be required by governmental bodies.

Any attendee who does not comply with the precautionary measures or is subject to quarantine, with any flu-like symptoms, who has had close contact with any person under quarantine, or has travelled overseas within 14 days immediately before the EGM shall not be permitted to enter the venue. All shareholders are strongly encouraged to appoint the chairman of the meeting as their meeting proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person and contacting the Investor Relations Department of the Company for questions to management.

24 November 2020

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## DEFINITION

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 29 October 2020 in relation to the Land Disposals
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day(s)”	has the meaning ascribed to it under applicable PRC laws, rules, regulations, policies or other relevant guidances or document relating to the Land Disposals
“Charged Land”	the land parcel situated at Liuting Street, Airport Industrial Park, Qingdao* (青島市城陽區流亭街道空港工業園), with an area of approximately 45,560 square metres, and buildings erected thereon with a gross floor area of approximately 15,288.84 square metres
“Company”	CMIC Ocean En-Tech Holding Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 206)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the Land Disposal Agreements and the Land Disposals contemplated thereunder, subject to the receipt of the First Deposit A and First Deposit B
“Group”	The Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Land Disposal A”	the disposal of Land Property A pursuant to the terms and conditions of the Land Disposal Agreement A
“Land Disposal B”	the disposal of the Land Property B pursuant to the terms and conditions of the Land Disposal Agreement B
“Land Disposals”	Land Disposal A and Land Disposal B

\* For identification purpose only

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## DEFINITION

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“Land Disposal Agreement A”	The land disposal agreement entered into between Qingdao TSC Oil & Gas, Qingdao Anshun, Qingdao TSC Group and Qingdao TSC Offshore dated 29 October 2020 in respect of the Land Disposal A
“Land Disposal Agreement B”	the land disposal agreement entered into between Qingdao TSC Jindi, Qingdao Chuang’an and Qingdao TSC Offshore dated 29 October 2020 in respect of the Land Disposal B
“Land Disposal Agreements”	Land Disposal Agreement A and Land Disposal Agreement B
“Land Parcel A”	the land parcel situated at No. 10, Hedong Road, Liuting Street, Chengyang District, Qingdao* (青島市城陽區流亭街道河東路10號)
“Land Parcel B”	the land parcel situated at No. 10-1, Hedong Road, Liuting Street, Chengyang District, Qingdao* (青島市城陽區流亭街道河東路10-1號)
“Land Property A”	the Land Parcel A, together with the buildings and constructions elected thereon, supporting infrastructures and related machinery
“Land Property B”	the Land Parcel B, together with the buildings and constructions elected thereon, supporting infrastructures and related machinery
“Land Properties”	Land Property A and Land Property B
“Latest Practicable Date”	20 November 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mortgage”	the mortgage in favour of Industrial and Commercial Bank of China Limited (Chengyang Branch) (“ICBC”), pursuant to which the Land Properties were mortgaged to ICBC to secure bank loan(s) made available to the Group
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

\* For identification purpose only

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## DEFINITION

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“Qingdao Anshun”	Qingdao Anshun Jiahe Assets Operations Co., Ltd.* (青島安順嘉合產業運營有限公司), a company established in the PRC with limited liability
“Qingdao Chuang’an”	Qingdao Chuang’an Assets Operations Co., Ltd.* (青島創安產業運營有限公司), a company established in the PRC with limited liability
“Qingdao TSC Group”	Qingdao TSC Oil & Gas Equipment Services Group Co., Ltd.* (青島天時油氣裝備服務集團股份有限公司), an indirect wholly-owned subsidiary of the Company
“Qingdao TSC Jindi”	Qingdao TSC Jindi Technology Assets Co., Ltd.* (青島天時錦地科技產業有限公司), an indirect wholly-owned subsidiary of the Company
“Qingdao TSC Offshore”	Qingdao TSC Offshore Equipment Co., Ltd.* (青島天時海洋石油裝備有限公司), an indirect wholly-owned subsidiary of the Company
“Qingdao TSC Oil & Gas”	Qingdao TSC Oil & Gas Technology Services Co., Ltd.* (青島天時油氣科技服務有限公司), an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Percent

\* For identification purpose only

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## LETTER FROM THE BOARD

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### **CMIC Ocean En-Tech Holding Co., Ltd.** **華商國際海洋能源科技控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 206)**

*Executive Directors:*

Mr. Cong Yongjian  
Mr. Jiang Bing Hua  
Mr. Zhang Menggui, Morgan

*Non-executive Directors:*

Mr. Lou Dongyang (*Chairman*)  
Mr. Wang Jianzhong  
Ms. Fu Rui  
Mr. Qian Zewei

*Independent non-executive Directors:*

Mr. Chan Ngai Sang, Kenny  
Mr. Zou Zhendong  
Mr. Chen Weidong  
Mr. Sun Dongchang

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Units 2706–2709  
27/F, One Harbourfront  
18 Tak Fung Street  
Hunghom, Kowloon  
Hong Kong

24 November 2020

*To the shareholders*

Dear Sir or Madam,

**(1) MAJOR TRANSACTION  
LAND DISPOSAL AGREEMENTS  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcement in relation to the Land Disposals.

The primary purpose of this circular is to provide you with, among other matters, (1) particulars of the Land Disposals contemplated under the Land Disposal Agreements; (2) a notice of the EGM; and (3) other information concerning the Company as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### LAND DISPOSAL AGREEMENT A

The principal terms of the Land Disposal Agreement A are as follows:

#### Date

29 October 2020

#### Parties

1. Qingdao TSC Oil & Gas, as vendor;
2. Qingdao Anshun, as purchaser;
3. Qingdao TSC Group; and
4. Qingdao TSC Offshore, as security provider.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Qingdao Anshun and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

#### Subject Matter

On 29 October 2020, among others Qingdao TSC Oil & Gas (an indirect wholly-owned subsidiary of the Company) as vendor, and Qingdao Anshun as purchaser, entered into the Land Disposal Agreement A, pursuant to which Qingdao TSC Oil & Gas agreed to sell, and Qingdao Anshun agreed to acquire, Land Property A for the aggregate consideration of RMB157.2 million (including estimated amount of tax payable).

#### Consideration and Payment Terms

The total consideration of RMB157.2 million (inclusive of an estimated amount of tax of RMB28.87 million payable by Qingdao TSC Oil & Gas) for Land Property A shall be payable by Qingdao Anshun to Qingdao TSC Oil & Gas in the following manner:

- (i) in light of the fact that Land Property A is held by Qingdao TSC Group upon the entering into of the Land Disposal Agreement A, Qingdao TSC Offshore shall charge the Charged Land in favour of Qingdao Anshun as a security for the First Deposit A (as defined below) payable by Qingdao Anshun to Qingdao TSC Oil & Gas and all tax arising from the Land Disposal A on the part of Qingdao TSC Oil & Gas, within five (5) business days from the date of the Land Disposal Agreement A;
- (ii) within five (5) business days from the completion of registration of the charge over the Charged Land, Qingdao Anshun shall pay RMB23.58 million (i.e. 15% of the total consideration for Land Property A) (the “**First Deposit A**”) to a designated account of Qingdao TSC Oil & Gas, which shall be utilized towards the release of the Mortgage;

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## LETTER FROM THE BOARD

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- (iii) within 30 days from the receipt of the First Deposit A by Qingdao TSC Oil & Gas, Qingdao TSC Group shall complete the release of the Mortgage and the registration of the transfer of Land Property A to Qingdao TSC Oil & Gas;
- (iv) subject to the completion of the registration of the transfer of Land Property A from Qingdao TSC Group to Qingdao TSC Oil & Gas and within three (3) business days from the date on which the Land Disposal A is approved by the shareholders at the EGM, Qingdao Anshun and Qingdao TSC Oil & Gas shall open a custodian account in the name of Qingdao TSC Oil & Gas (the “**Custodian Account A**”). At the same time, Qingdao TSC Oil & Gas shall (with the assistance of Qingdao Anshun) submit the relevant transfer details to the relevant property registration authority;
- (v) Qingdao Anshun shall deposit the estimated tax amount of RMB28.87 million (the “**Tax Amount A**”) into the Custodian Account A within five (5) business days from Qingdao TSC Oil & Gas having received a receipt from the relevant property registration authority and having notified Qingdao Anshun of the same;
- (vi) within five (5) business days from Qingdao TSC Oil & Gas having obtained a tax filing form issued by the relevant tax authority subsequent to a tax assessment, Qingdao Anshun shall pay the remaining balance of the consideration for Land Property A (i.e. approximately RMB157.2 million less the First Deposit A and Tax Amount A) to the Custodian Account A. On the same date, the funds in the Custodian Account A may be used towards the payment of relevant tax in the amount specified in the abovementioned tax filing form;
- (vii) within two (2) business days from Qingdao TSC Oil & Gas having obtained a tax payment receipt, Qingdao Anshun shall obtain the property certificate of Land Property A from the relevant property exchange centre (to be accompanied by Qingdao TSC Oil & Gas and the custodian bank), upon which funds may be transferred from the Custodian Account A to Qingdao TSC Oil & Gas, subject to the condition that RMB7.86 million (the “**Residue Fund A**”, i.e. 5% of the total consideration of approximately RMB157.2 million) shall remain in the Custodian Account A; and
- (viii) within five (5) business days from Qingdao Anshun obtaining the property certificate of Land Property A, Qingdao TSC Oil & Gas shall deliver possession of Land Property A to Qingdao Anshun, upon which the Residue Fund A plus any interest arising from the funds deposited in the Custodian Account A shall be transferred from the Custodian Account A to Qingdao TSC Oil & Gas.

The consideration for Land Disposal A was negotiated and determined by the parties to the Land Disposal Agreement A on an arms’ length basis with reference to the book value of Land Property A and the buildings and fixtures thereon as at 30 June 2020, the value of similar land properties in the vicinity of Land Property A, the permitted use of Land Parcel A and the location of Land Property A.

As at the Latest Practicable Date, the bank loans secured by the Mortgage have been fully repaid and the Mortgage is expected to be released by the end of November 2020 pending the completion of relevant registration and filing procedures.

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## LETTER FROM THE BOARD

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### Conditions Precedent and Termination

#### *Shareholders' Approval and Termination*

Qingdao TSC Oil & Gas shall furnish Qingdao Anshun with a copy of the poll results announcement of the Company in respect of the approval by the shareholders of the Land Disposal A at the EGM within 50 business days from the date Qingdao TSC Oil & Gas having received the First Deposit A (the “**Long Stop Date A**”), failing which Qingdao Anshun may elect to terminate the Land Disposal Agreement A, effective upon the notice of termination having delivered to each of the other parties to the Land Disposal Agreement A.

Within five (5) business days from the earlier of (i) the Long Stop Date A or (ii) the date on which Qingdao TSC Oil & Gas expressly indicates that the Land Disposal A has not been approved by the shareholders at the EGM, Qingdao TSC Oil & Gas shall return the paid First Deposit A plus a 15% interest per annum thereon, prorated by reference to the actual number of days during which the First Deposit A is held by Qingdao TSC Oil & Gas.

Qingdao Anshun shall, within five (5) business days from the receipt of the First Deposit A and interests refunded by Qingdao TSC Oil & Gas, complete the release of the charge over the Charged Land.

#### *Due Diligence*

Upon the transfer of Land Property A from Qingdao TSC Group to Qingdao TSC Oil & Gas, Qingdao Anshun shall commence legal due diligence on Qingdao TSC Oil & Gas and Land Property A (the “**DD on Land Property A**”), which shall be completed within 10 business days upon receiving all due diligence documents set out in the Land Disposal Agreement A (unless otherwise agreed to be extended by the parties). If Qingdao Anshun does not inform Qingdao TSC Oil & Gas in writing of the results of the DD on Land Property A within 12 business days from receiving all due diligence documents, it shall be deemed that Qingdao Anshun has completed the DD on Land Property A, and has agreed to acquire Land Property A on an “as is” basis and confirm the continuous performance of the Land Disposal Agreement A.

If Qingdao Anshun discovers the existence of any material encumbrances (including but not limited to securities, seizure, third party rights etc.) so that Land Property A is unable to be transferred to Qingdao Anshun, it may elect to terminate the Land Disposal Agreement A (effective upon the termination notice having delivered to the other parties to the Land Disposal Agreement A). Qingdao TSC Oil & Gas shall within five (5) business days from receiving such termination notice refund in full the First Deposit A plus a 15% interest per annum thereon, prorated by reference to the actual number of days during which the First Deposit A is held by Qingdao TSC Oil & Gas.

Qingdao Anshun shall, within five (5) business days from the receipt of the First Deposit A and interests refunded by Qingdao TSC Oil & Gas, complete the release of the charge over the Charged Land.

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## LETTER FROM THE BOARD

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### LAND DISPOSAL AGREEMENT B

The principal terms of the Land Disposal Agreement B are as follows:

#### Date

29 October 2020

#### Parties

1. Qingdao TSC Jindi, as vendor;
2. Qingdao Chuang'an, as purchaser; and
3. Qingdao TSC Offshore, as security provider.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Qingdao Chuang'an and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

#### Subject Matter

On 29 October 2020, among others Qingdao TSC Jindi (an indirect wholly-owned subsidiary of the Company) as vendor, and Qingdao Chuang'an as purchaser, entered into the Land Disposal Agreement B, pursuant to which Qingdao TSC Jindi agreed to sell, and Qingdao Chuang'an agreed to acquire, Land Property B for the aggregate consideration of RMB87.8 million (including estimated amount of tax payable).

#### Consideration and Payment Terms

The total consideration of RMB87.8 million (inclusive of an estimated amount of tax of RMB16.13 million payable by Qingdao TSC Jindi) for Land Property B shall be payable by Qingdao Chuang'an to Qingdao TSC Jindi in the following manner:

- (i) in light of the fact that Land Property B is held by Qingdao TSC Offshore upon the entering into of the Land Disposal Agreement B, Qingdao TSC Offshore shall charge the Charged Land in favour of Qingdao Chuang'an as a security for the First Deposit B (as defined below) payable by Qingdao Chuang'an to Qingdao TSC Jindi and all tax arising from the Land Disposal B on the part of Qingdao TSC Jindi, within five (5) business days from the date of the Land Disposal Agreement B;
- (ii) within five (5) business days from the completion of registration of the charge over the Charged Land, Qingdao Chuang'an shall pay RMB13.17 million (i.e. 15% of the total consideration for Land Property B) (the "**First Deposit B**") to a designated account of Qingdao TSC Jindi, which shall be utilized towards the release of the Mortgage;

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## LETTER FROM THE BOARD

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- (iii) within 30 days from the receipt of the First Deposit B by Qingdao TSC Jindi, Qingdao TSC Offshore shall complete the release of the Mortgage and the registration of transfer of Land Property B to Qingdao TSC Jindi;
- (iv) subject to the completion of the registration of the transfer of Land Property B from Qingdao TSC Offshore to Qingdao TSC Jindi and within three (3) business days from the date on which the Land Disposal B is approved by the shareholders at the EGM, Qingdao Chuang'an and Qingdao TSC Jindi shall open a custodian account in the name of Qingdao TSC Jindi (the "**Custodian Account B**"). At the same time, Qingdao TSC Jindi shall (with the assistance of Qingdao Chuang'an) submit the relevant transfer details to the relevant property registration authority;
- (v) Qingdao Chuang'an shall deposit the estimated tax amount of RMB16.13 million (the "**Tax Amount B**") into the Custodian Account B within five (5) business days from Qingdao TSC Jindi having received a receipt from the relevant property registration authority and having notified Qingdao Chuang'an of the same;
- (vi) within five (5) business days from Qingdao TSC Jindi having obtained a tax filing form issued by the relevant tax authority subsequent to a tax assessment, Qingdao Chuang'an shall pay the remaining balance of the consideration for Land Property B (i.e. approximately RMB87.8 million less the First Deposit B and Tax Amount B) to the Custodian Account B. On the same date, the fund in the Custodian Account B may be used towards the payment of relevant tax in the amount specified in the abovementioned tax filing form;
- (vii) within two (2) business days from Qingdao TSC Jindi having obtained a tax payment receipt, Qingdao Chuang'an shall obtain the property certificate of Land Property B from the relevant property exchange centre (to be accompanied by Qingdao TSC Jindi and the custodian bank), upon which funds may be transferred from the Custodian Account B to Qingdao TSC Jindi, subject to the condition that RMB4.39 million (the "**Residue Fund B**", i.e. 5% of the total consideration of approximately RMB87.8 million) shall remain in the Custodian Account B; and
- (viii) within five (5) business days from Qingdao Chuang'an obtaining the property certificate of Land Property B, Qingdao TSC Jindi shall deliver possession of Land Property B to Qingdao Chuang'an, upon which the Residue Fund B plus any interest arising from the funds deposited in the Custodian Account B shall be transferred from the Custodian Account B to Qingdao TSC Jindi.

The consideration for Land Disposal B was determined and negotiated by the parties to the Land Disposal Agreement B on an arms' length basis with reference to the book value of Land Property B and the buildings and fixtures thereon as at 30 June 2020, the value of similar land properties in the vicinity of Land Property B, the permitted use of Land Parcel B and the location of Land Property B.

As at the Latest Practicable Date, the bank loans secured by the Mortgage have been fully repaid and the Mortgage is expected to be released by the end of November 2020 pending the completion of relevant registration and filing procedures.

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## LETTER FROM THE BOARD

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### Conditions Precedent and Termination

#### *Shareholders' Approval and Termination*

Qingdao TSC Jindi shall furnish Qingdao Chuang'an with a copy of the poll results announcement of the Company in respect of the approval by the shareholders of the Land Disposal B at the EGM within 50 business days from the date Qingdao TSC Jindi having received the First Deposit B (the "**Long Stop Date B**"), failing which Qingdao Chuang'an may elect to terminate the Land Disposal Agreement B, effective upon the notice of termination having delivered to each of the other parties to the Land Disposal Agreement B.

Within five (5) business days from the earlier of (i) the Long Stop Date B or (ii) the date on which Qingdao TSC Jindi expressly indicates that the Land Disposal B has not been approved by the shareholders at the EGM, Qingdao TSC Jindi shall return the paid First Deposit B plus a 15% interest per annum thereon, prorated by reference to the actual number of days during which the First Deposit B is held by Qingdao TSC Jindi.

Qingdao Chuang'an shall, within five (5) business days from the receipt of the First Deposit B and interests refunded by Qingdao TSC Jindi, complete the release of the charge over the Charged Land.

#### *Due Diligence*

Upon the transfer of Land Property B from Qingdao TSC Offshore to Qingdao TSC Jindi, Qingdao Chuang'an shall commence legal due diligence on Qingdao TSC Jindi and Land Property B (the "**DD on Land Property B**"), which shall be completed within 10 business days upon receiving all due diligence documents set out in the Land Disposal Agreement B (unless otherwise agreed to be extended by the parties). If Qingdao Chuang'an does not inform Qingdao TSC Jindi in writing of the results of the DD on Land Property B within 12 business days from receiving all due diligence documents, it shall be deemed that Qingdao Chuang'an has completed the DD on Land Property B, and has agreed to acquire Land Property B on an "as is" basis and confirm the continuous performance of the Land Disposal Agreement B.

If Qingdao Chuang'an discovers the existence of any material encumbrance (including but not limited to securities, seizure, third party rights etc.) so that Land Property B is unable to be transferred to Qingdao Chuang'an, it may elect to terminate the Land Disposal Agreement B (effective upon the termination notice having delivered to the other parties to the Land Disposal Agreement B). Qingdao TSC Jindi shall within five (5) business days from receiving such termination notice refund in full the First Deposit B plus a 15% interest per annum thereon, prorated by reference to the actual number of days during which the First Deposit B is held by Qingdao TSC Jindi.

Qingdao Chuang'an shall, within five (5) business days from the receipt of the First Deposit B and interests refunded by Qingdao TSC Jindi, complete the release of the charge over the Charged Land.

### FINANCIAL EFFECTS

The unaudited net book value of the Land Properties as at 30 June 2020 amounted to approximately RMB159 million.

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## LETTER FROM THE BOARD

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The Land Properties will be de-recognised from the books of the Group upon the completion of the Land Disposals, it is estimated that property, plant and equipment of the Group would be decreased by approximately RMB159 million, based on the total consideration of the Land Disposals of RMB245 million less the net book value of the Land Properties, costs and other related expenses and there will be no material impact to the total liabilities of the Group.

The profit contribution for the year on Land Disposals (after land appreciation tax and other surcharges) is approximately RMB35 million upon completion of the Land Disposals. The actual profit contribution will depend on total consideration for the Land Disposals less the net book value of the Land Properties, costs and other related expenses to be incurred in connection with the Land Disposals subject to annual audit of the Group.

It is estimated that the Group's earning ability will not be materially and adversely affected by the Land Disposals as the Group has been operating at excessive production capacities. The Group has projected that the remaining production facilities of the Group after the completion of the Land Disposals would be sufficient to cater for the orders and operations of the Group's manufacturing activities.

### INFORMATION OF THE LAND PROPERTIES

#### Land Property A

Land Property A comprises of one piece of Land Parcel A of industrial use with an aggregate land area of approximately 66,609 square metres together with buildings and constructions erected thereon with a gross floor area of approximately 19,920.91 square metres. Land Property A is located at No. 10, Hedong Road, Liuting Street, Chengyang District, Qingdao\* (青島市城陽區流亭街道河東路10號), the PRC.

The relevant land use rights of Land Parcel A have been granted by the relevant PRC authority for a period of 50 years from 22 August 2013 to 21 August 2063. As at 30 June 2020, the unaudited net book value of Land Property A was approximately RMB96,471,953. There was no profits attributable to Land Property A for the two financial years prior to entering into the Land Disposal Agreement A.

Land Property A is current held by Qingdao TSC Group, and it is expected to be initially transferred to Qingdao TSC Oil & Gas, and eventually transferred to Qingdao Anshun upon completion of Land Disposal A.

#### Land Property B

Land Property B comprises of one piece of Land Parcel B of industrial use with an aggregate land area of approximately 34,252 square metres together with buildings and constructions erected thereon with a gross floor area of approximately 7,490 square metres. Land Property B is located at No. 10-1, Hedong Road, Liuting Street, Chengyang District, Qingdao\* (青島市城陽區流亭街道河東路10-1號), the PRC.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The relevant land use rights of Land Parcel B have been granted by the relevant PRC authority for a period of 50 years from 22 August 2013 to 21 August 2063. As at 30 June 2020, the unaudited net book value of Land Property B was approximately RMB62,712,850. There was no profits attributable to Land Property B for the two financial years prior to entering into the Land Disposal Agreement B.

Land Property B is current held by Qingdao TSC Offshore, and it is expected to be initially transferred to Qingdao TSC Jindi, and eventually transferred to Qingdao Chuang'an upon the completion of Land Disposal B.

### INFORMATION ON THE PARTIES

#### Information on Qingdao Anshun

Qingdao Anshun is a company established in the PRC with limited liability. It is principally engaged in industrial park management services, leasing of non-residential property, land use rights and residential housings, marketing and sales, exhibition and conference services, consultation, office services, corporate management and incubation space services. The ultimate beneficial owner of Qingdao Anshun is Qingdao Chengyang District State-owned Assets Development Centre\* (青島市城陽區國有資產發展中心).

#### Information on the Qingdao Chuang'an

Qingdao Chuang'an is a company established in the PRC with limited liability. It is principally engaged in leasing of non-residential property, land use rights and residential housings, real estate agency, marketing and sales, exhibition and conference services, consultation, incubation space services, industrial park management services, safety consultancy and office services. The ultimate beneficial owner of Qingdao Chuang'an is Qingdao Chengyang District State-owned Assets Development Center\* (青島市城陽區國有資產發展中心).

#### Information on the Qingdao TSC Jindi

Qingdao TSC Jindi is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in oil and gas technology, computer software, hotel management, industrial parks and tourism project development, freight and storage services, conference and exhibition services, real estate development and property management.

#### Information on Qingdao TSC Group

Qingdao TSC Group is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in operations relating to mud pumps, valves, chambers body and foundation, and hydraulic equipment.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### Information on Qingdao TSC Oil & Gas

Qingdao TSC Oil & Gas is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in oil and gas technologies, computer software, hotel development and management, industrial park and tourism project development and construction, onshore freight agency, storage services, conference and exhibition services, real estate development and operation and property management.

### Information on Qingdao TSC Offshore

Qingdao TSC Offshore is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in manufacturing and installation of ocean petroleum construction modules and oil rigs, development and manufacturing of ocean and land oil drilling equipment and parts, and relevant maintenance and services.

### Information on the Group

The Company was incorporated in the Cayman Islands with limited liabilities. The Group is principally engaged in the business of designing and manufacturing of rig equipment, manufacture and trading of oilfield expendables and offshore rig construction and services.

### REASONS FOR AND BENEFITS OF THE LAND DISPOSALS

The Land Properties have been used as the production sites of the Group. As disclosed in the interim report of the Company published on 21 September 2020, the world, being hard hit by the COVID-19, saw a rare all-round plummet in the international oil prices, and the offshore engineering market, which was gradually recovering, was also forced into a recession. The Group has carefully reviewed its uses of funding, and projections of production capacity and sales volume, and considers that it would be beneficial to the Group to reduce its production capacity by the Land Disposals. The Directors are of the view that the Land Disposals will not materially affect the principal business of the Group, as (i) the Land Disposals represent a good opportunity for the Group to reduce costs (including depreciation and other expenses), which would in turn improve the Group's cash flow position and financial strength; (ii) the remaining production facilities of the Group after the completion of the Land Disposals are expected to be sufficient to satisfy the orders from customers and development needs of the Group in the PRC, taking into the account the projected trend of recovery of the offshore engineering market. Upon completion of the Land Disposals, the Group will have two manufacturing bases, the details of which are set out as follows:

1. a manufacturing base located at No. 2 Hengming Road, Chengyang District, Qingdao City\* (青島市城陽區恒鳴路2號), with a site area of 13,173 sq.m. and a building area of 9,099 sq.m., including an office area of 1,440 sq.m. with 3 production workshops and 8 production areas; and
2. a manufacturing base located at No. 1 Baishawan Road, north of Airport Industrial Park, Chengyang District, Qingdao City\* (青島市城陽區空港工業園北部白沙灣路1號), with a site area of 45,461 sq.m. and a building area of 31,344 sq.m., including an office area of 1,986 sq.m. with 5 production workshops, 1 product testing area and 2 material warehouses.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The Directors believe that the Land Disposals would represent an opportunity for the Group to realise the value of the Land Properties and will enable the Group to free up capital for its business operation, preserve resources and maintain financial flexibility. The Directors believe that the Land Disposals would strengthen the Group's financial position and benefit the future business development of the Group in the long run.

The Directors (including the independent non-executive Directors) consider that the terms of the Land Disposal Agreements are on normal commercial terms and are negotiated on an arm's length basis, and the Land Disposals are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### USE OF PROCEEDS

The cash proceeds from the Land Disposals will be used as general working capital of the Group, including repayment to creditors, prepayment of purchase price for operational projects and daily operational funds.

### LISTING RULES IMPLICATIONS

Qingdao Anshun and Qingdao Chuang'an are fellow subsidiaries of and are ultimately beneficially owned by Qingdao Chengyang District State-owned Assets Development Centre\* (青島市城陽區國有資產發展中心). As the Land Disposal Agreements and the Land Disposals contemplated thereunder were made by the parties within a 12-month period and the Land Disposal Agreements were both entered into by the Group with parties connected or otherwise associated with one another, the Land Disposal Agreements and the Land Disposals contemplated thereunder would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Land Disposal Agreements and the Land Disposals contemplated thereunder exceed 25%, but all of the applicable percentage ratios are less than 75%, the Land Disposals, in aggregate, constitute a major transaction of the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### EGM

The EGM will be convened and held at Units 2706–2709, 27/F, One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong on Tuesday, 15 December 2020 at 10:00 a.m. for the shareholders to consider and, if thought fit, approve the Land Disposal Agreements and the Land Disposals contemplated thereunder.

Whether or not you propose to attend the EGM you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at 10:00 a.m. on 13 December 2020) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

\* For identification purpose only

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## LETTER FROM THE BOARD

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To the best of the knowledge of the Directors, as at the Latest Practicable Date, no shareholder has a material interest in the Land Disposals and accordingly, no shareholder is required to abstain from voting in respect of the ordinary resolution to approve the Land Disposals at the EGM.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Land Disposal Agreements are on normal commercial terms and were negotiated on an arm's length basis, and the Land Disposals are fair and reasonable and in the interests of the Company and its shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend all shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM.

### FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

**Completion of the Land Disposal Agreements is subject to the satisfaction of the conditions precedent under the Land Disposal Agreements, and therefore, may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

Yours Faithfully,  
For and on behalf of the Board of Directors of  
**CMIC Ocean En-Tech Holding Co., Ltd**  
**Lou Dongyang**  
*Chairman*

**1. FINANCIAL INFORMATION**

Financial information of the Group for the years ended 31 December 2017, 2018, and 2019 and the six months ended 30 June 2020 is disclosed in the annual reports of the Company for the years ended 31 December 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020, respectively, which are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.cmicholding.com/>).

Annual report for the year ended 31 December 2017 (pages 77 to 175):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0419/ltn201804191040.pdf>

Annual report for the year ended 31 December 2018 (pages 83 to 173):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417343.pdf>

Annual report for the year ended 31 December 2019 (pages 107 to 242):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0421/2020042100273.pdf>

Interim report for the six months ended 30 June 2020 (pages 2 to 21):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0921/2020092100213.pdf>

**2. INDEBTEDNESS**

As at the close of business on 30 September 2020, being the latest practicable date prior to the printing of this circular for the purpose of this indebtedness statement, the indebtedness of the Group was as follows:

- (i) Secured and unguaranteed bank loans of approximately US\$4,286,000; and
- (ii) Lease liabilities of approximately US\$27,541,000.

As at the close of business on 30 September 2020, being the latest practicable date prior to the printing of this circular for the purpose of this indebtedness statement, the Group had no material contingent liabilities.

Save as disclosed above and otherwise mentioned in this circular, none of the members of the Group had, at the close of business on 30 September 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, any outstanding mortgages, charges, debenture, loan capital issued and outstanding or agreed to be issued, bank loan and overdraft or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantee or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the Land Disposal Agreements, the Land Disposals contemplated thereunder and the present financial resources available to the Group, including internally generated funds, and other available banking and credit facilities, the Group will have sufficient working capital to meet its present requirements for at least 12 months from the date of this circular.

**4. MATERIAL ADVERSE CHANGE**

The Directors confirm that there had been no material adverse change in the financial or trading position or outlook of the Group since 31 December 2019 (the date to which the latest audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

In terms of the global energy supply and demand outlook, although the impact of the epidemic has tightened capital expenditure of oil companies in the short term, in order to maintain the balance between oil exploration and production, there is huge room for the growth of capital expenditure on oil exploration in the future. On the other hand, the more suppressed is the capital expenditure on upstream exploration due to the epidemic, the faster is the “rebound” growth upon recovery of oil demand, and the first recovery will be the upstream exploration and drilling business, which will drive the orders for related equipments and products of the Group. The clean energy market is an area with rapid growth recently. Taking offshore wind power, which is highly compatible with the offshore engineering market, as an example, in 2019, the newly installed capacity of offshore wind power worldwide was 5.2GW, setting a record high in terms of newly installed capacity in a single year. According to the forecast of the international energy organization, the wind power deployment in Asia’s waters will undergo dramatic changes in the next three decades, where Asia will eventually dominate the world’s offshore wind power generation facilities market, with a total capacity of over 100GW by 2030 and over 600GW by 2050. The rapid growth of the offshore wind power will drive the industrial development of the wind power installation market, in particular, the demand for offshore wind power installation, operation and maintenance related vessels, equipment and spare parts supply will increase, which will also drive the orders for related equipment and products of the Group.

The Land Disposals will not affect the manufacturing of drilling related equipment and products this year and in the future, and will bring a gain on disposal of assets in this financial year. In the meantime, it will reduce the liabilities of the Group, and at the same time reduce bank interest expenses, land depreciation expenses and maintenance expenses, effectively reducing costs and greatly improving cash flow.

The Group will continue to control and further reduce costs, strengthen relationships with customers, expand customer base, develop innovative engineering solutions and establish long-term partnerships with suppliers in order to improve profitability. Upon completion of the Land Disposal, the Group will look for more cooperation opportunities in the domestic and international oil and gas markets and wind power installation vessel markets, so as to strengthen the Group’s brand position in the industry, which will be beneficial to the future business expansion of the Company and create value for the shareholders.

*The following is the text of a valuation report, prepared for the purpose of incorporation in this circular received from Valor Appraisal & Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2020 of the property interests of the Group.*



VALUE WITH VIRTUES

VALOR APPRAISAL & ADVISORY LIMITED

**Valor Appraisal & Advisory Limited**

Unit C, 4/F, China Insurance Building,  
48 Cameron Road, Tsim Sha Tsui, Kowloon,  
Hong Kong  
Tel: +852 3468 8488 Fax: +852 3971 0998

**滙來評估及顧問有限公司**

香港九龍尖沙咀金馬倫道48號  
中國保險大廈4樓C室  
電話: +852 3468 8488 傳真: +852 3971 0998

Date: 24 November 2020

The Board of Directors  
CMIC Ocean En-Tech Holding Co., Ltd.  
Room 2706–2709, 27th Floor, One Harbourfront  
18 Tak Fung Street, Hung Hom  
Kowloon, Hong Kong

Dear Sirs,

**INSTRUCTIONS**

In accordance with your instructions for us to value various properties in which CMIC Ocean En-Tech Holding Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) have interests in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 30 September 2020 (the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

**BASIS OF VALUATION**

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION METHODOLOGY**

In valuing the property interests, we have adopted depreciated replacement cost approach by a combination of the open market value of land portions and depreciated replacement cost of the buildings and structures standing on the land. Hence, the sum of the two results represents the value of the properties as a whole. In the valuation of the land portions, reference has been made to the comparable sales transactions as available in the subject localities.

As the nature of the buildings and structures cannot be valued on the basis of market value, they have therefore been valued on the basis of their depreciated replacement cost. The depreciated replacement cost approach considers the cost to reproduce or replace in new condition the property appraised in accordance with current construction costs for similar buildings and structures in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. The depreciated replacement cost approach generally furnished the most reliable indication of value for the property in the absence of a known market based on comparable sales. The approach is subject to adequate potential profitability of the business.

**VALUATION CONSIDERATIONS**

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards published by The Hong Kong Institute of Surveyors.

**VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

**TITLE INVESTIGATION**

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Group's PRC legal adviser, Beijing Yingke Law Firm Qingdao Office\* (北京市盈科(青島)律師事務所), concerning the validity of the Group's title to the property interests located in the PRC.

All legal documents provided by the Company have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation report.

**LIMITING CONDITIONS**

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the properties was carried out on 2 January 2020 by Mr. Wang Kuanghong (BA Real Estate), who has over 5 years' experience in property valuation.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation is limited to the client to whom this valuation is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

\* For identification purpose only

The Novel Coronavirus Disease (COVID-19) has impacted on the global financial markets and the real estate market is being impacted by prevailing uncertainty. Many countries have implemented travel restrictions. Our valuation is reported on the basis of material valuation uncertainty. We cannot predict the progress of COVID-19 and its impact on the real estate market. The market condition may change significantly over a relatively short period of time. There may be material difference between our estimation of market value based on the current market and actual transaction price of the property. Given the uncertain impact of COVID-19 on the market, the valuation of the property is recommended to have under frequent review.

**EXCHANGE RATE**

Unless otherwise stated, all monetary amounts stated in this valuation are in Renminbi (RMB).

“Property Particulars and Opinion of Value” is herewith attached.

Yours faithfully,

For and on behalf of

**Valor Appraisal & Advisory Limited**

**Ian K. F. Ng**

*MHKIS*

*Associate Director*

*Mr. Ian K. F. Ng is a Registered Professional Surveyor with over 10 years’ experience in valuation of properties in HKSAR, Macau SAR and mainland China. Mr. Ng is a Professional Member of The Hong Kong Institute of Surveyors.*

## PROPERTY PARTICULARS AND OPINION OF VALUE

## Property interests held and occupied by the Group

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 30 September 2020
Land, buildings and structures located at Nos.10 and 10-1, Hedong Road, Chengyang District, Qingdao City, Shandong Province, the PRC  (中華人民共和國山東省青島市城陽區河東路10號和10-1號之土地、房屋和構築物)	<p>The property comprises two parcels of adjoining land with a total area of approximately 100,861 sq.m. erected thereon two 1- to 3-storey industrial buildings and a 4-storey composite building with a total gross floor area of approximately 27,410.91 sq.m. and various structures completed in 2018.</p> <p>The structures mainly comprise overhead bridge cranes.</p> <p>The property is situated on Hedong Road in Chengyang District. Developments in the vicinity are mainly industrial developments.</p> <p>The land use rights of the property were granted for a term expiring on 21 August 2063 for industrial use.</p>	The property, as at the Valuation Date, was occupied by the Group for workshop and ancillary office purposes.	<p>RMB148,000,000</p> <p>(Renminbi (One Hundred Forty Eight Million)</p>

## Notes:

- Pursuant to an Immovable Property Right Certificate – Lu (2019) Qing Dao Shi Cheng Yang Qu Bu Dong Chan Quan Di No. 0005541(魯(2019)青島市城陽區不動產權第0005541號) issued by Chengyang District Bureau of Natural Resources of Qingdao City (青島市城陽區自然資源局) dated 4 March 2019, the land use rights with a site area of approximately 66,609 sq.m. and the building ownership rights of a single storey industrial building and a 4-storey composite building with a total gross floor area of approximately 19,920.91 sq.m. were granted to Qingdao TSC Oil & Gas Equipment Services Group Co., Ltd\*. (青島天時油氣裝備服務集團股份有限公司) for a term expiring on 21 August 2063 for industrial use.
- Pursuant to an Immovable Property Right Certificate – Lu (2018) Qing Dao Shi Cheng Yang Qu Bu Dong Chan Quan Di No. 0035010 (魯(2018)青島市城陽區不動產權第0035010) issued by Qingdao city Bureau of Land Resources and Housing Management (青島市國土資源和房屋管理局) dated 20 December 2018, the land use rights with a site area of approximately 34,252 sq.m. and the building ownership rights of a 3-storey industrial building with a gross floor area of approximately 7,490 sq.m. were granted to Qingdao TSC Offshore Equipment Company Limited\* (青島天時海洋石油裝備有限公司) for a term expiring on 21 August 2063 for industrial use.
- Both Qingdao TSC Oil & Gas Equipment Services Group Co., Ltd. and Qingdao TSC Offshore Equipment Company Limited are wholly-owned subsidiaries of the Company.
- During our site inspection, we noted that there were a single storey guardhouse, a single storey transformer room and a single storey tool room erected on the land. We have attributed no commercial value to them as the relevant title certificates have not been obtained yet.

\* For identification purpose only

- (5) The major certificates and permits of the property are summarized as follows:

Immovable Property Right Certificate

Yes

- (6) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
- (i) The Group legally owns the property and is entitled to lease, use, transfer, mortgage and dispose of the property in accordance with the PRC laws; and
  - (ii) The land use rights and the building ownership rights of the property are subject to a mortgage in favour of Industrial and Commercial Bank of China Limited Chengyang Branch (中國工商銀行股份有限公司城陽支行).
- (7) As advised by the Company, the bank loans in respect of Note (6)(ii) above have been repaid and the relevant mortgage is expected to be released by the end of November 2020.

**(A) RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**(B) DISCLOSURE OF INTERESTS****(a) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures**

As at the Latest Practicable Date, the interests and short positions of the Directors, proposed Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest and short positions which were taken or deemed to have been taken under such provisions of the SFO); (ii) recorded in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

Name	Company	Capacity	Type of interest	Number of Shares	Approximate % of shareholding (Note 1)
Mr. Zhang Menggui, Morgan	Company	Beneficial owner	Long Position	64,679,100	1.99%
Mr. Jiang Bing Hua	Company	Beneficial owner	Long Position	25,665,240	0.79%
Mr. Chan Ngai Sang, Kenny	Company	Beneficial owner	Long Position	500,000	0.02%

*Note:*

1. The percentage is calculated on the basis of 3,243,433,914 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, proposed directors and chief executives of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company and any of its associated corporations which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code adopted by the Company; or (ii) entered in the register required to be kept under Section 352 of the SFO.

**(b) Substantial shareholders' and other persons' interests in the Shares and underlying Shares of the Company**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, other than the interests of the Directors, proposed directors and chief executives of the Company as disclosed above, shareholders who had interests or short positions in the shares or underlying shares of the Company of 5% or more which need to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or which were recorded in the register to be kept by the Company under Section 336 of the SFO, were as follows:

Name of Shareholder	Capacity	Long Position/ Short Position	Number of Shares	Approximate % of issued share capital of the Company (Note 4)
China Great Wall AMC (International) Holdings Company Limited (Note 1)	Interest of controlled corporation	Long Position	1,530,372,000	47.18%
China Great Wall Asset Management Co., Ltd. (Note 1)	Interest of controlled corporation	Long Position	1,530,372,000	47.18%
China Merchants & Great Wall Ocean Strategy & Technology Fund (L.P.) (Note 1)	Interest of controlled corporation	Long Position	1,530,372,000	47.18%
China Merchants Great-Wall GP Limited (Note 1)	Interest of controlled corporation	Long Position	1,530,372,000	47.18%
Great Wall International Investment V Limited (Note 1)	Interest of controlled corporation	Long Position	1,530,372,000	47.18%

Name of Shareholder	Capacity	Long Position/ Short Position	Number of Shares	Approximate % of issued share capital of the Company (Note 4)
Prime Force Investment Corporation (Note 1)	Beneficial owner	Long Position	1,530,372,000	47.18%
China Merchants Group Limited (Note 1)	Interest of controlled corporation	Long Position	1,530,372,000	47.18%
Wah Shun International Marine Limited (Note 3)	Beneficial owner	Long Position	174,394,797	5.38%
CSSC Huangpu Wenchong Shipbuilding Company Limited (Note 3)	Interest of controlled corporation	Long Position	174,394,797	5.38%
CSSC Offshore and Marine Engineering (Group) Company Limited (Note 3)	Interest of controlled corporation	Long Position	174,394,797	5.38%
China State Shipbuilding Corporation Limited (Note 3)	Interest of controlled corporation	Long Position	174,394,797	5.38%
Minyun Limited	Beneficial owner	Long Position	284,751,000	8.78%
China International Marine Containers (Hong Kong) Ltd. (Note 2)	Beneficial owner	Long Position	185,600,000	5.72%
China International Marine Containers (Group) Co., Ltd. (Note 2)	Interest of controlled corporation	Long Position	185,600,000	5.72%

Notes:

1. Prime Force Investment Corporation (“**Prime Force**”) is a company incorporated in the British Virgin Islands and is wholly owned by China Merchants of Great Wall Ocean Strategy & Technology Fund (L.P.) (“**Fund LP**”) and Fund LP is therefore deemed to be interested in the 1,530,372,000 Shares that Prime Force is interested in under Part XV of the SFO.

China Merchants Great-Wall GP Limited (“**Fund GP**”) is the general partner of Fund LP and is therefore deemed to be interested in the 1,530,372,000 Shares that Fund LP are interested in under Part XV of the SFO.

China Great Wall AMC (International) Holdings Company Limited (“**GWAMC International**”) holds 25% of Fund GP and is a wholly owned subsidiary of China Great Wall Asset Management Co., Ltd. (“**GW Asset Management**”).

Great Wall International Investment V Limited holds approximately 39.986% of the limited partnership interests in Fund LP and is therefore deemed to be interested in the 1,530,372,000 Shares that Fund LP are interested in under Part XV of the SFO. Great Wall International Investment V Limited is a wholly owned subsidiary of GWAMC International, and GWAMC International is a wholly owned subsidiary of GW Asset Management. Therefore, GW Asset Management is deemed to be interested in the 1,530,372,000 Shares held by Fund LP.

China Great Bay Area Fund Management Company Limited holds 30% of the equity interest in Fund GP and is a wholly owned subsidiary of China Merchants Capital Management Co. Ltd., which in turn is wholly owned by China Merchants Capital Investment Co., Ltd.

China Merchants Union (BVI) Limited holds approximately 9.996% of the limited partnership interests in Fund LP and 15% of the equity interest in Fund GP, and its 50% of equity interest is held by China Merchants Holdings (Hong Kong) Company Ltd. which is wholly owned by China Merchants Steam Navigation Company Limited. China Merchants Industry Holdings Co., Ltd. (“**CM Industry**”) holds 30% of the equity interest in Fund GP and approximately 29.989% of the limited partnership interests in Fund LP, and is a wholly owned subsidiary of China Merchants Steam Navigation Company Limited which is a wholly owned subsidiary of China Merchants Group Limited\* (招商局集團有限公司) (“**CM Group**”). Therefore, China Merchants Steam Navigation Company Limited and CM Group are deemed to be interested in the 1,530,372,000 Shares that Fund LP are interested in under Part XV of the SFO.

2. China International Marine Containers (Group) Company Limited (“**CIMC Group**”) holds the entire issued share capital of China International Marine Containers (Hong Kong) Limited (“**CIMC HK**”). Therefore, CIMC Group is deemed to be interested in the 185,600,000 Shares held by CIMC HK under Part XV of the SFO.

3. Wah Shun International Marine Limited is owned as to 99% of its equity interest by CSSC Huangpu Wenchong Shipbuilding Company Limited (“**Huangpu**”), Huangpu is therefore deemed to be interested in 174,394,797 Shares under Part XV of the SFO.

54.54% of the issued share capital of Huangpu is held by CSSC Offshore and Marine Engineering (Group) Company Limited (“**CSSC Offshore**”), a company’s A shares and H shares are listed on The Shanghai Stock Exchange and the Stock Exchange, respectively. CSSC Offshore is therefore deemed to be interested in 174,394,797 Shares under Part XV of the SFO.

As China State Shipbuilding Corporation Limited holds 14.48% of the issued share capital in Huangpu and 35.5% of the issued share capital in CSSC Offshore, it is deemed to be interested in 174,394,797 Shares under Part XV of the SFO.

4. The percentage is calculated on the basis of 3,243,433,914 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons or companies who had any interest or short position in the Shares or underlying Shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(C) DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

**(D) COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors, proposed directors of the Company or their respective close associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

**(E) DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting, which was significant in relation to the business of the Group; and
- (b) none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**(F) LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claims or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

**(G) MATERIAL CONTRACTS**

The following contracts, not being contracts entered in the ordinary course of business of the Group, have been entered into by the members of the Group within two years preceding the Latest Practicable Date and which are, or may be, material:

- (a) the Land Disposal Agreements;

- (b) the global settlement deed dated 31 August 2020 entered into among the Company, Alliance Offshore Drilling Pte. Ltd. (an indirect wholly-owned subsidiary of the Company), Zhengzhou TSC Offshore Equipment Co., Ltd. (鄭州天時海洋石油裝備有限公司, an indirect wholly-owned subsidiary of the Company) and CSSC Huangpu Wenchong Shipbuilding Company Limited (“**HPWS**”, 中船黃埔文沖船舶有限公司) whereby the parties agreed to settle all rights and obligations under certain contracts and ancillary contracts. Approximately USD15.81 million of proposed settlement sum is payable to HPWS, among which (a) approximately USD6.23 million shall be payable by cash; (b) approximately USD6.23 million shall be payable by allotment of 174,394,797 settlement shares; and (c) the remaining approximately USD3.35 million would only be payable if the commissioning of certain equipment fails to be duly completed and approved by HPWS and the competent authorities without negative remarks and comments;
- (c) the subscription agreement dated 9 December 2019 entered into by the Company and China Tonghai International Financial Limited, pursuant to which, among other matters, the Company had conditionally agreed to subscribe for notes in the principal amount of HK\$50,000,000;
- (d) the deed of settlement dated 29 October 2019 entered into between the Company and JH Oilfield Equipment & Technology LLC and Heilongjiang Jinghong Petroleum Equipment Manufacture Limited, pursuant to which the Company has agreed to settle the debts of US\$8.77 million by issuing to Mr. Zhang Baoyou, a nominee, 122,726,709 settlement shares at the issue price of HK\$0.56 per settlement share;
- (e) a sale agreement dated 11 January 2019 entered into between Qingdao TSC Offshore Equipment Co., Ltd.\* (“**TSCOE**”, 青島天時海洋石油裝備有限公司) (an indirectly wholly-owned subsidiary of the Company) and China Merchant Heavy Industry (Jiangsu) Co., Ltd. (“**CMHI (Jiangsu)**”), pursuant to which TSCOE agreed to sell and CMHI (Jiangsu) agreed to purchase pump(s) at the consideration of RMB7,490,000;
- (f) the underwriting agreement dated 8 November 2018 and entered into between the Company, China Tonghai Securities Limited and CCB International Capital Limited, in relation to the proposed issue of 1,473,156,204 new shares on the basis of one (1) rights share for every one (1) existing share held by the qualifying shareholders at HK\$0.45 per rights share; and
- (g) the subscription and joint venture Agreement dated 23 November 2018, pursuant to which (i) Alliance Offshore Group Ltd (“**AOG**”, a wholly owned subsidiary of the Company) shall subscribe for, and China Merchants & Great Wall Ocean Strategy & Technology Fund (L.P.) (the “**Fund**”) shall procure Wealthy Marvel Enterprises Limited (the “**JV**”) to allot and issue, 50,000,000 shares of US\$1.00 each, at a total subscription price of US\$50 million, (ii) the Fund shall contribute two units of self-elevating drilling units to the JV at the total consideration of US\$150 million, out of which US\$50 million shall be satisfied by the JV by the allotment and issue of 49,999,999 shares of US\$1.00 each to the Fund, and the balance of the consideration of US\$100 million shall be satisfied by a shareholder’s loan to be advanced by the Fund to the JV.

**(H) EXPERT'S QUALIFICATIONS AND CONSENT**

The following are the qualifications of the expert who has given its opinions and advice which are included in this circular:

<b>Name</b>	<b>Qualification</b>
Valor Appraisal & Advisory Limited	Independent professional valuer

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or opinion (as the case may be) dated 24 November 2020 in the form and context in which it is included and all references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2019, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**(I) CORPORATE AND OTHER INFORMATION**

The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal place of business in Hong Kong of the Company is situated at Units 2706–2709, 27/F, One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong.

The company secretary of the Company is Ms. Koo Ching Fan. She is an associate member of both the Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators in England) and a fellow member of the Association of Chartered Certified Accountants. She has over 20 years of experience in the company secretarial work.

The Company's principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited, whose address is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Hong Kong share registrar of the Company is Tricor Investor Services Limited, whose address is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

**(J) DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from 9:30 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the principal place of business of the Company in Hong Kong at Units 2706–2709, 27/F, One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon Hong Kong for a period of 14 days from the date of this circular:

1. this circular;
2. the memorandum of association and articles of association of the Company;
3. the published annual reports of the Company containing audited consolidated financial statements of the Company for the years ended 31 December 2018 and 2019;
4. the published interim report of the Company containing unaudited consolidated financial statements of the Company for the six months ended 30 June 2020;
5. the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
6. the valuation report as set out in Appendix II to this circular;
7. the written consent referred to in the paragraph headed “Expert’s Qualifications and Consent” in this appendix; and
8. the material contracts referred to in the paragraph headed “Material Contracts” in this appendix.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **CMIC Ocean En-Tech Holding Co., Ltd.** **華商國際海洋能源科技控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 206)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Words and expressions that are not expressly defined in this notice shall bear the same meaning as those defined in the circular to the shareholders of the Company dated 24 November 2020 (the “Circular”), unless the context requires otherwise.

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of the Company will be held at the Company’s principal place of business in Hong Kong at Units 2706–2709, 27/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Tuesday, 15 December 2020 at 10:00 a.m. to consider and, if thought fit, to pass with or without amendments the following resolution(s) as ordinary resolution(s) of the Company:

### **ORDINARY RESOLUTION**

**“THAT:**

- (a) the Land Disposal Agreements dated 29 October 2020 (a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for the purpose of identification) and the consummation of the Land Disposals contemplated thereunder as more particularly described in the Circular and on the terms and conditions set out in the Land Disposal Agreements be hereby approved, ratified and confirmed; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (b) authorization be granted to any one Director to complete and do all such acts or things (including executing all such documents, instruments and agreements as may be required) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the Land Disposal Agreements and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

By order of the Board  
**CMIC Ocean En-Tech Holding Co., Ltd**  
**Lou Dongyang**  
*Chairman*

Hong Kong, 24 November 2020

*Notes:*

1. The register of members of the Company will be closed from Thursday, 10 December 2020 to Tuesday, 15 December 2020, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for the entitlement to attend and vote at the meeting, all transfer documents, accompanied by the relevant share certificates, must be duly completed and lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 9 December 2020.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company, but must attend the meeting in person to represent you.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. at 10:00 a.m. on 13 December 2020) (Hong Kong time) or any adjourned meeting.
4. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the EGM if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such Share as if he was solely entitled thereto; but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolution(s) proposed at the EGM shall be voted by poll.
7. Precautionary measures being taken to prevent and control the spread of the novel coronavirus pneumonia (COVID-19) at the Extraordinary General Meeting, including:
  - (i) mandatory body temperature screening at the entrance of the venue for each attendee. Any person with a body temperature over 37.5°C shall not be permitted to enter the venue;
  - (ii) use of a surgical face mask for each attendee;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (iii) no distribution of corporate souvenirs/gifts or refreshments;
- (iv) appropriate distancing and spacing between seats; and
- (v) other measures may be required by governmental bodies.

Any attendee who does not comply with the precautionary measures or is subject to quarantine, with any flu-like symptoms, who has had close contact with any person under quarantine, or has travelled overseas within 14 days immediately before the Extraordinary General Meeting shall not be permitted to enter the venue. All shareholders are strongly encouraged to appoint the chairman of the meeting as their meeting proxy to vote on the relevant resolutions(s) at the Extraordinary General Meeting as an alternative to attending the Extraordinary General Meeting in person and contacting the Investor Relations Department of the Company for questions to management.

*As of the date of this notice, the Board comprises 3 executive Directors, namely Mr. Cong Yongjian, Mr. Jiang Bing Hua and Mr. Zhang Menggui, Morgan; 4 non-executive Directors, namely Mr. Lou Dongyang, Mr. Wang Jianzhong, Ms. Fu Rui and Mr. Qian Zewei; and 4 independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Zou Zhendong, Mr. Chen Weidong and Mr. Sun Dongchang.*