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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 the Cayman Islands with limited liability)

(Stock Code: 206)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF NOTES**

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The Board is pleased to announce that on 9 December 2019 (after trading hours), the Company entered into the Subscription Agreement in respect of the Subscription, pursuant to which, among other matters, the Company has conditionally agreed to subscribe for or procure the Subscription by its nominee(s) of, and the Issuer has conditionally agreed to issue to the Company or its nominee(s), the Notes in the principal amount of HK\$50,000,000 for a term of six months with an interest rate of 5.3% per annum payable on the Maturity Date and the Extended Maturity Date (if applicable).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The Subscription Agreement

Date 9 December 2019

Parties (i) the Issuer, as issuer; and
(ii) the Company, as subscriber

Consideration The Company has agreed to subscribe or procure the Subscription by its nominee(s) of the Notes in the principal amount of HK\$50,000,000 at its face value and shall pay or procure that there be paid to or to the order of the Company, the subscription price of HK\$50,000,000 at Completion.

The Company will fund the total subscription amount of the Notes from its internal resources.

Conditions precedent The obligations of the parties to the Subscription Agreement to effect Completion shall be conditional upon:

(a) the warranties under the Subscription Agreement being true, accurate and complete in all respects when made and remaining true, accurate and complete and not misleading as at the Completion Date;

- (b) all necessary consents and approvals required to be obtained on the part of the Issuer in respect of the Subscription Agreement and the transactions contemplated hereby having been obtained;
- (c) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated hereby having been obtained; and
- (d) compliance with the disclosure obligation under the Listing Rules on the part of the Company and the Issuer (if necessary).

The Company may at any time by notice in writing to the Issuer waive the Condition set out in (a) above. The Conditions set out in (b), (c) and (d) above are incapable of being waived by the Company and the Issuer (as the case may be).

Long Stop Date

If the Conditions are not fulfilled on or before the Long Stop Date, the Subscription Agreement (save and except for clauses relating to notice, cost and expenses, restriction on announcements, counterparts and governing law and jurisdiction) shall lapse and become null and void and the parties hereto shall be released from all obligations thereunder (save and except for clauses relating to notice, cost and expenses, restriction on announcements, counterparts and governing law and jurisdiction), save for any liability arising out of any antecedent breaches.

Completion

Completion shall take place on the Completion Date (or such other place and/or such other time and/or other date as the Company and the Issuer may agree in writing).

The Notes

Principal terms of the Notes are set out below:

Issuer	China Tonghai International Financial Limited
Principal amount of the Notes	HK\$50,000,000
Interest	5.3% per annum payable on the Maturity Date and the Extended Maturity Date (if applicable)
Maturity date	the date falling on the six months of the relevant date of issue of the Notes (the “ Maturity date ”) and which can by mutual written agreement between the Issuer and the Noteholder(s) be extended for another six months (the “ Extended Maturity Date ”)
Redemption	Unless previously redeemed or cancelled as mutually agreed between the Issuer and the Noteholder(s), the Notes will be redeemed at their principal amount on the Maturity Date or the Extended Maturity Date.
Events of default	The Instrument contains customary events of default provisions which provide that, on the occurrence of certain events of default, any Noteholder then outstanding may give written notice to the Issuer that such Note immediately becomes due and payable at their principal amount together (if applicable) with any accrued but unpaid interest.
Default Redemption	If an event of default occurs, any Noteholder may serve (but shall not be obliged to), a default redemption notice to the Issuer, and, upon the giving of such notice, the Issuer shall within 3 Business Days redeem all or such portion of the Notes as specified by the relevant Noteholder in the default redemption notice.
Transferability	The Notes is transferable subject to prior notification to the Issuer, except to connected persons or direct competitors of the Issuer. The principal amount of transfer of the Notes must be no less than HK\$5,000,000 and in multiples of HK\$1,000,000.

INFORMATION OF THE PARTIES

Information of the Group

The Company was incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the business of offshore rig asset management and designing, manufacturing, sales and maintaining of rig equipment and oilfield expendables.

Information of the Issuer

The Issuer is a company incorporated in Bermuda with limited liability. It 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) financial media services; and (v) investing and trading of various investment products.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are independent of and not connected with the Company and its connected person(s).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors believe that the Subscription is complementary to the Group's development strategy and can provide the Group with an opportunity to balance its investment portfolio and diversify the Group's income sources, as well as to generate stable income for the Group.

The terms and conditions of the Subscription Agreement and the Instrument (including the interest rate of the Notes) are negotiated between the Issuer and the Company on an arm's length basis with reference to the normal prevailing commercial practice and the principal amount of the Notes. Having considered the terms of the Subscription and the Instrument, as well as the stable revenue and cashflow stream expected to be generated by the Notes, the Directors consider that the Subscription is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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)
“Completion”	the completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
“Completion Date”	the date on which the Completion occurs, which shall fall within three (3) Business Days after the date on which the Conditions are fulfilled or, as the case may be, by the Long Stop Date
“Condition(s)”	the conditions precedent to the Subscription set out in the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	the terms and conditions of the Notes (with such amendments thereto as the parties hereto may agree)
“Issuer”	China Tonghai International Financial Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 952)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2019
“Notes”	the notes for an aggregate principal amount of HK\$50,000,000 to be issued by the Issuer pursuant to the Subscription Agreement and subject to the provisions of the Instrument
“Noteholder(s)”	the holder(s) in whose name the Notes is registered in the register of noteholders to be maintained by the Issuer
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Notes pursuant to the Subscription Agreement

“Subscription Agreement”	the conditional subscription agreement dated 9 December 2019 entered into between the Company and the Issuer in relation to the Subscription
“U.S.”	United States of America
“US\$”	United States dollars, the lawful currency of the U.S.
“%”	per cent.

By Order of the Board
CMIC Ocean En-Tech Holding Co., Ltd.
Jiang Bing Hua
Co-Chairman

Hong Kong, 9 December 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wang Hongyuan, Mr. Jiang Bing Hua and Mr. Zhang Menggui, Morgan; four non-executive Directors, namely Mr. Lou Dongyang, Mr. Wang Jianzhong, Ms. Fu Rui and Mr. Qian Zewei; and four independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Zou Zhendong, Mr. Chen Weidong and Mr. Sun Dongchang.