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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)**

## **CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement of CMIC Ocean En-Tech Holding Co., Ltd. (the “**Company**”) dated 1 February 2019 in relation to the results of the rights issue (the “**Announcement of the Results of the Rights Issue**”), announcement dated 9 February 2018 in relation to the completion of subscription of shares, clarification announcement dated 29 March 2018 in relation to subscription of shares under special mandate (the “**Clarification Announcement of Subscription of Shares**”), annual report for the year ended 31 December 2018 published by the Company on 17 April 2019 (the “**2018 Annual Report**”), half year report for 30 June 2019 published by the Company on 5 September 2019 (the “**2019 Half Year Report**”). Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the 2018 Annual Report.

Save and except for disclosed in the 2018 Annual Report and 2019 Half Year Report, the board of directors wishes to further provide further information regarding the net proceeds from the rights issue completed in February 2019 and share subscription in February 2018 pursuant to paragraphs 11(8) and 11A of Appendix 16 to the Listing Rules, details of which are set out below:

**A. THE USES OF PROCEEDS FROM SHARE SUBSCRIPTION COMPLETED IN FEBRUARY 2018**

The net proceeds from completion of subscription of the Company's shares by the Company on 9 February 2018 were approximately HK\$505.07 million. As of 1 January 2019, HK\$78.3 million of proceeds raised remained unutilized.

As disclosed in Clarification Announcement in relation to Subscription of Shares under Specific Mandate dated on 29 March 2018, the Company had, at the time of issue of the Circular for the subscription, intended to negotiate for reissue or extension the total amount of unsecured notes of HK\$217,000,000 of which HK\$144,000,000 would be due on 3 April 2018 and HK\$73,000,000 would be due on 25 May 2018 (the "**Bond Notes**"). Following further discussions and negotiations with various financial institutions and potential investors, the Company decided that it would be more expedient and cost effective to utilize the proceeds to repay these Bond Notes on the respective due dates. The amount of HK\$217,000,000 to be used for repayment of Bond Notes shall be carved out from the part of the proceeds intended for expansion of the Group's existing business and/or potential acquisition since the Group had not yet reached the stages of business expansion or acquisitions where there is an imminent need for the funds.

As of 31 December 2018, the uses for net proceeds from Subscription were as follows:

	Amounts intended for use in Circular dated 19 January 2018 <i>Million (HK\$)</i>	Amounts intended for use in Clarification Announcement on 29 March 2018 <i>Million (HK\$)</i>	Utilized amounts <i>Million (HK\$)</i>	Unutilized Amounts <i>Million (HK\$)</i>	Amounts expected to be used <i>Million (HK\$)</i>
Contribution of additional funds					
Expansion of the Group's business and/or potential acquisition and repayment of debts (Note 1)	454.56	237.56	178.50	59.06	59.06
Repayment of unsecured notes issued by the Group (Note 2)	–	217.00	217.00	0	0
General working capital of the Group (Note 3)	50.51	50.51	31.27	19.24	19.24
Total	<u>505.07</u>	<u>505.07</u>	<u>426.77</u>	<u>78.30</u>	<u>78.30</u>

Notes:

1. The expected use for the remaining funds will be in part used to pay for the investment from joint ventures and repay the existing debts.
2. The Group had made full use of the funds from Rights Issue to repay unsecured notes.
3. The Group will use part of the remaining funds as the Group's general working capital.

As of 30 June 2019, the uses for net proceeds from Subscription were as follows:

	Amounts intended for use in Circular dated 19 January 2018 <i>Million (HK\$)</i>	Amounts intended for use in Clarification Announcement on 29 March 2018 <i>Million (HK\$)</i>	Utilized amounts <i>Million (HK\$)</i>	Unutilized Amounts <i>Million (HK\$)</i>	Amounts expected to be used <i>Million (HK\$)</i>
Contribution of additional funds					
Expansion of the Group's business and/or potential acquisition and repayment of debts	454.56	237.56	237.56	0	0
Repayment of unsecured notes issued by the Group	-	217.00	217.00	0	0
General working capital of the Group	50.51	50.51	50.51	0	0
Total	<u>505.07</u>	<u>505.07</u>	<u>505.07</u>	<u>0</u>	<u>0</u>

As at 30 June 2019, none of the net proceeds remained unutilized from share subscription.

## **B. COMPLETION OF RIGHTS ISSUE IN FEBRUARY 2019**

As disclosed by Announcement of the Results of the Rights Issue dated 1 February 2019 of the Company, 1,473,156,204 shares were under valid application and acceptance, and available for subscription under Rights Issue by underwriters and/or Subscribers procured by Underwriters in accordance with the terms of Underwriting Agreement.

The Company had received a net gain of approximately HK\$657.3 million raised from Rights Issue. As at 30 June 2019, HK\$288.8 million of the raised proceeds remained unutilized.

As of 30 June 2019, the uses for net proceeds from Rights Issue were as follows:

<b>Funds from Rights Issue</b>	<b>Amounts intended for use Million (HK\$)</b>	<b>Utilized amounts Million (HK\$)</b>	<b>Unutilized Amounts Million (HK\$)</b>	<b>Amounts expected to be used Million (HK\$)</b>
Subscription of shares in joint ventures or other investments (Note 4)	460.1	250.9	209.2	209.2
Repayment of the Group's debts (Note 5)	131.5	74.4	57.1	57.1
General working capital of the Group (Note 6)	65.7	43.2	22.5	22.5
<b>Total</b>	<b>657.3</b>	<b>368.5</b>	<b>288.8</b>	<b>288.8</b>

Notes:

4. The expected use for the remaining funds will be in part used to pay for the shares in joint ventures.
5. The Group had made partial use of the funds from Rights Issue to repay the Group's existing debts.
6. The Group will use part of the remaining funds as the Group's general working capital.

The above remaining proceeds are expected to be utilized by 31 December 2019.

Except for the use of the remaining funds set out in the Clarification Announcement of Subscription of Shares, the use of other remaining funds remained the same.

By Order of the Board  
**CMIC Ocean En-Tech Holding Co., Ltd.**  
**Wang Hongyuan**

*Executive Chairman and Chief Executive Officer*

Hong Kong, 17 September 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; three non-executive Directors, namely Mr. Lou Dongyang, Mr. Wang Jianzhong and Ms. Fu Rui; and three independent non-executive Directors, namely Mr. Chan Ngai Sang, Kenny, Mr. Zou Zhendong and Mr. Chen Weidong.*