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巨濤海洋石油服務有限公司

Jutal Offshore Oil Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03303)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



KGI Asia Limited

On 15 February 2024 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to a maximum of 200,000,000 Placing Shares to not less than six Placees (who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons) at the Placing Price of HK\$0.42 per Placing Share.

The maximum number of 200,000,000 Placing Shares represents approximately 10.09% of the existing issued share capital of the Company of 1,981,598,389 Shares as at the date of this announcement and approximately 9.17% of the issued share capital of the Company of 2,181,598,389 Shares as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing, assuming the Placing Shares are placed in full and there will be no change to the issued share capital of the Company save for the issue of the maximum number of Placing Shares before completion of the Placing.

Completion of the Placing is conditional upon, among other things, the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares on completion of the Placing.

Assuming all the Placing Shares are allotted and issued, the maximum gross proceeds and estimated net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will be approximately HK\$84,000,000 and HK\$82,194,000, respectively. The said net proceeds from the Placing are intended to be used for (i) Zhuhai Quay#2 construction at the existing Zhuhai site; and (ii) general working capital purposes.

As completion of the Placing is subject to fulfilment or (if applicable) waiver of the conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

THE PLACING AGREEMENT

Date: 15 February 2024 (after trading hours)

Parties: (a) the Company; and
(b) KGI Asia Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Number of Placing Shares

The Placing Agent has conditionally agreed to act as agent of the Company to place on a best efforts basis up to a maximum of 200,000,000 Placing Shares to the Placees on the terms and subject to the conditions of the Placing Agreement. The maximum number of 200,000,000 Placing Shares represents approximately 10.09% of the existing issued share capital of the Company of 1,981,598,389 Shares as at the date of this announcement and approximately 9.17% of the issued share capital of the Company of 2,181,598,389 Shares as enlarged by the allotment and issue of the Placing Shares pursuant to the Placing, assuming the Placing Shares are placed in full and there will be no change to the issued share capital of the Company save for the issue of the maximum number of Placing Shares before completion of the Placing. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$2,000,000.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares free from all liens, charges encumbrances, claims, options and other third party rights (including but not limited to rights of pre-emption and rights of first refusal) of any nature whatsoever and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on a record date which falls on or after the date of issue of the Placing Shares.

Placees

The Placing Shares are expected to be placed to no less than six independent Placees who shall be professional, institutional and/or other investors, who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons.

Subject to the requirements of the Listing Rules, the Code of Conduct and the terms of the Placing Agreement, the choice of Placees for the Placing Shares shall be determined by the Placing Agent.

It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after completion of the Placing.

Placing Price

The Placing Price of HK\$0.42 per Share represents:

- (i) a discount of approximately 9.68% to the closing price of HK\$0.465 per Share as quoted on the Stock Exchange on 15 February 2024, being the date of the Placing Agreement;
- (ii) a discount of approximately 14.29% to the average closing price of approximately HK\$0.49 per Share as quoted on the Stock Exchange for the last five trading days up to and including 14 February 2024, being the date immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 14.29% to the average closing price of approximately HK\$0.49 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 14 February 2024, being the date immediately prior to the date of the Placing Agreement.

The net Placing Price (after deduction of the related costs and expenses of the Placing to be borne by the Company, including the Placing Agent's commission) is approximately HK\$0.411 per Placing Share. The Placing Price was determined with reference to the prevailing market price, recent price performance of the Shares and current market conditions and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing are on normal commercial terms and the terms of the Placing are fair and reasonable, having considered the current market conditions, and, so far as the Company and the Shareholders are concerned, in the interests of the Company and the Shareholders as a whole.

Placing Commission

The placing commission to be received by the Placing Agent pursuant to the Placing Agreement is 1.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares placed by the Placing Agent. The placing commission payable to the Placing Agent was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

General Mandate to issue the Placing Shares

Subject to the fulfilment or (if applicable) waiver of the conditions to the Placing, the Placing Shares will be issued under the General Mandate, which remained unutilised as at the date of this announcement. The issue of the Placing Shares is not subject to Shareholders' approval. Pursuant to the General Mandate, the Directors are authorised to allot and issue up to a maximum of 396,319,677 new Shares.

Conditions of the Placing

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares on completion of the Placing;
- (ii) all necessary consents and approvals to be obtained on the part of the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (iii) there shall not have occurred any material breach or any event which renders any of the representations, warranties or undertakings made by the Company as of the date of the Placing Agreement and the Closing Date under the Placing Agreement untrue, inaccurate or misleading in any material respect; and
- (iv) the Placing Agreement not being terminated by the Placing Agent pursuant to the terms of the Placing Agreement.

Condition (i) is not waivable. If the above conditions are not fulfilled or (in respect of conditions (ii) to (iv)) waived by the Placing Agent at or before 8:00 a.m. on 6 March 2024 (or such later time and date as the Company and the Placing Agent may agree in writing), the Placing Agreement will be terminated and all rights and obligations of the Placing Agent and the Company under the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement, except for any antecedent breach of any obligation under the Placing Agreement and any other liabilities as expressly provided therein.

Completion of the Placing

Subject to the fulfilment or (if applicable) waiver of the conditions set out in the Placing Agreement, completion of the Placing will take place on the Closing Date.

Termination of the Placing

Pursuant to the Placing Agreement, the Placing Agent may terminate the Placing Agreement by giving a written notice to the Company at any time prior to 8:00 a.m. on the Closing Date if there occurs at any time prior to such time:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof by any court or other competent authority);
- (ii) the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances;
- (iii) any change in market conditions in Hong Kong (including without limitation suspension or material restriction on trading in the Shares (other than as a result of the Placing)) occurs after the date of the Placing Agreement;
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;
- (v) the Company commits any material breach of or omits in any material respect to observe any of its obligations or undertakings under the Placing Agreement;
- (vi) the Placing Agent shall become aware of the fact that any of the representations or warranties (other than those representations or warranties given by the Placing Agent) contained in the Placing Agreement was, when given, untrue, inaccurate, incomplete or misleading in any material respect or, when repeated, would in any respect be untrue, inaccurate, incomplete or misleading in any material respect, which, individually or together, in the opinion of the Placing Agent, has or may materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing.

Upon termination of the Placing Agreement under the above circumstances, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and any other liabilities as expressly provided therein.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of integrated services including high-end equipment fabrication and engineering services to customers in the energy, refinery and chemical industries. The Group has two large-scale equipment fabrication bases in Penglai site and Zhuhai site and provides construction of large-scale module, offshore engineering and new energy equipment.

Assuming all the Placing Shares are allotted and issued, the maximum gross proceeds and estimated net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will be approximately HK\$84,000,000 and HK\$82,194,000, respectively.

As disclosed in the Company's 2023 interim report, it is currently expected that the favourable global market condition will create potential opportunities. The Group has strengthened its market development efforts and has actively pursued potential business opportunities. In order to achieve the goal of long-term growth, the Group will keep an eye on the global energy market pattern, make every effort to promote and implement its major strategy to modularise engineering, procurement and construction capabilities, to study and promote new energy businesses including offshore wind power, to create new business growth point, and to develop comprehensive energy service capabilities in multiple systems and fields.

While focusing on the market outlook, the Company is also preparing production resources that are commensurate with the scale of its business. The facilities of the Group's sites are still insufficient. In particular, the Zhuhai site is unable to meet the loadout and shipment needs of larger equipment due to the capacity limitation of the existing quay, which has affected the Group's ability to undertake further business opportunities. The construction of new quay needs to be carried out as soon as possible.

The Company intends to utilise the net proceeds from the Placing in the following manner:

Intended application of net proceeds	Amount and approximate % of allocated net proceeds	Expected timeline of usage
Zhuhai Quay#2 construction at the existing Zhuhai site	60,000,000 (73%)	2024 to 2026
General working capital	22,194,000 (27%)	2024 to 2025

The Directors believe that the Placing represents a good opportunity to raise additional capital for the aforementioned construction of Zhuhai Quay#2 at the existing Zhuhai site and to provide funding to the Group for working capital purposes within a relatively shorter time frame compared with other means of fund raising. It will also help enlarge the shareholder base of the Company.

The Directors consider that the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full and there will be no change to the issued share capital of the Company save for the issue of the maximum number of Placing Shares before completion of the Placing) will be as follows:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	Number of Shares	Approximate % shares of shareholding	Number of Shares	Approximate % shares of shareholding
Sanju Environmental Protection (Hong Kong) Limited (Note 1)	641,566,556	32.38%	641,566,556	29.41%
Mr. Wang Lishan (“Mr. Wang”) (Note 2)	414,539,278	20.92%	414,539,278	19.00%
Mr. Cao Yunsheng (“Mr. Cao”) (Note 3)	28,360,000	1.43%	28,360,000	1.30%
Mr. Lo Chun Yim (“Mr. Lo”) and Ms. Hong Man Chu (“Ms. Hong”) (Note 4)	161,995,555	8.17%	161,995,555	7.43%
Placees	–	–	200,000,000	9.17%
Other public Shareholders	735,137,000	37.10%	735,137,000	33.70%
Total	1,981,598,389	100%	2,181,598,389	100%

Notes:

- As at the date of this announcement, Sanju Environmental Protection (Hong Kong) Limited is wholly-owned by Beijing Haixin Energy Technology Co., Ltd. (北京海新能源科技股份有限公司) (formerly known as Beijing Sanju Environmental Protection & New Material Co. Ltd. (北京三聚環保新材料股份有限公司)), a company listed on the Shenzhen Stock Exchange (stock code: 300072).
- As at the date of this announcement, (i) Cheung Hing Investment Limited, which is wholly-owned by Mr. Wang, held 396,911,278 Shares; and (ii) Mr. Wang directly held 17,628,000 Shares in his personal capacity. Mr. Wang is deemed to be interested in all the Shares held by Cheung Hing Investment Limited by virtue of Part XV of the SFO.
- As at the date of this announcement, (i) Sino Joint International Limited, which is wholly-owned by Mr. Cao, held 8,000,000 Shares; and (ii) Mr. Cao directly held 20,360,000 Shares in his personal capacity. Mr. Cao is deemed to be interested in all the Shares held by Sino Joint International Limited by virtue of Part XV of the SFO. Mr. Cao is an executive Director and the chief executive officer of the Company.
- As at the date of this announcement, Golden Talent (HK) Technology Co., Limited, which is wholly-owned by Mr. Lo, held 161,995,555 Shares. Mr. Lo and Ms. Hong are spouses. By virtue of Part XV of the SFO, both Mr. Lo and Ms. Hong are deemed to be interested in the Shares held by Golden Talent (HK) Technology Co., Limited. Such Shares are counted towards public float for the purpose of Rule 8.08 of the Listing Rules.
- It is assumed that the Placing Shares will be placed to not less than six independent Placees. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.
- The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

As completion of the Placing is subject to fulfilment or (if applicable) waiver of conditions, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“AFRC”	Accounting and Financial Reporting Council of Hong Kong;
“Board”	the board of Directors;
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong;
“Closing Date”	the second Business Day after fulfilment of the condition (i) or such later date as the Company and the Placing Agent may agree in writing;
“Code of Conduct”	Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission;
“Company”	Jutal Offshore Oil Services Limited (巨濤海洋石油服務有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3303);
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Directors by the Shareholders’ resolution passed at the annual general meeting of the Company on 28 June 2023 to allot, issue and deal with up to 396,319,677 Shares, being 20.00% of the then total number of issued Shares as at the date of that resolution;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placee(s)”	any professional, institutional and other investor(s) procured by the Placing Agent to purchase the Placing Shares pursuant to the Placing Agreement;

“Placing”	the placing of up to 200,000,000 new Shares pursuant to the terms of the Placing Agreement;
“Placing Agent”	KGI Asia Limited, an overall coordinator and a capital market intermediary (as defined in paragraphs 21.2.3 and 21.1.1, respectively, under the Code of Conduct) appointed by the Company for the purposes of the Placing;
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 15 February 2024 in relation to the Placing;
“Placing Price”	HK\$0.42 per Placing Share (exclusive of brokerage, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee payable by the Placees);
“Placing Share(s)”	a maximum of 200,000,000 new Shares to be allotted and issued by the Company under the General Mandate pursuant to the Placing Agreement;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly; and
“%”	per cent.

By order of the Board
Jutal Offshore Oil Services Limited
Wang Lishan
Chairman

Hong Kong, 15 February 2024

As at the date of this announcement, the executive directors are Mr. Wang Lishan (Chairman), Mr. Cao Yunsheng and Mr. Zhao Wuhui, and the independent non-executive directors are Ms. Choy So Yuk, Mr. Tam Kin Yip, Mr. Cheung Ngar Tat Eddie and Mr. Zhang Hua.