
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Ocean Fishing Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國海洋捕撈
CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

**PROPOSAL FOR
REFRESHMENT OF GENERAL MANDATE TO ISSUE,
ALLOT AND DEAL WITH ADDITIONAL SHARES,
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

Nuada Limited

A notice convening the special general meeting of the Company to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Monday, 6 March 2017 at 10:00 a.m. is set out on pages 28 to 30 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited at Level 22, 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 special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This circular will also be published on the website of the Company at www.chinaoceanfishing.hk.

CHARACTERISTICS OF GEM

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company;
“Articles”	the articles of association of the Company
“Board”	the board of Directors;
“close associates(s)”	has the meaning ascribed to it under GEM Listing Rules;
“Company”	China Ocean Fishing Holdings Limited, a company incorporated in the Bermuda with limited liability, the issued shares of which are listed and traded on GEM (Stock code: 8047);
“controlling shareholder(s)”	has the meaning ascribed to it under GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“Existing General Mandate”	the general mandate granted by Shareholders at the AGM held on 5 August 2016 to authorise the Directors to allot, issue and deal with new Shares of up to 20% of the issued Shares as at the date on which the relevant resolution was passed at such AGM;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders regarding the Refreshed General Mandate;

DEFINITIONS

“Independent Financial Adviser” or “Nuada”	Nuada Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate
“Independent Shareholders”	all Shareholders other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates;
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules;
“INED(s)”	independent non-executive Director(s);
“Jinyutang”	Shenzhen Jinyutang Fishery Company Limited* (深圳市進玉堂漁業有限公司), a PRC incorporated company and the Group acquired in December 2016 from Mr. Hong Maoji and has effective control over Jinyutang by entering into certain contractual arrangement with Mr. Hong Maoji;
“Joint Venture Agreement”	the joint venture agreement entered into on 20 January 2017 between Jinyutang and Khmer for setting up the JV Company;
“JV Company”	a joint venture company in Cambodia for the purpose of investing in fishing activities in Cambodian coastal area, aquatic process, sale of fishing products, cultivation in aquaculture and import and export trading (subject to the approval of the relevant licence from the Cambodian government);
“Khmer”	Khmer First Investment Holding Group Co., Limited (高棉第一投資控股集團有限公司), a company incorporated in Cambodia as a single member private limited company with capital of 20,000 million Riels. Its sole member is Mr. Cao Yunde (曹雲德), who is a Cambodian;

DEFINITIONS

“Latest Practicable Date”	13 February 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Refreshed General Mandate”	a general and unconditional general mandate proposed to be granted to the Directors at the SGM to allot, issue, and deal with additional securities of the Company (including, amongst others, offers, agreements, options, warrants or similar rights in respect thereof) not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution at the SGM;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“SGM”	the special general meeting of the Company to be convened and held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on 6 March 2017 at 10:00 a.m.
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under GEM Listing Rules;
“VAT”	value added tax; and
“%”	percentage or per cent.

* *for identification purpose only*

LETTER FROM THE BOARD



中國海洋捕撈
CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

Executive Directors:

Mr. Liu Rongsheng (*Chairman*)
Dr. Chu Ping Hang (*Chief Executive Officer*)
Mr. Gan Weiming
Ms. Huang He

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent Non-executive Directors:

Mr. Chui Man Lung, Everett
Ms. Li Mei
Ms. Li Yuen Fong, Michelle

Principal Place of Business

in Hong Kong:
Suite 2002, 2/F.
United Centre
95 Queensway
Hong Kong

17 February 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR
REFRESHMENT OF GENERAL MANDATE TO ISSUE,
ALLOT AND DEAL WITH ADDITIONAL SHARES,
AND
NOTICE OF SGM**

INTRODUCTION

The purpose of this circular is to provide you with (i) information in respect of the resolutions to be proposed at the SGM for the refreshment of the Existing General Mandate; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders

LETTER FROM THE BOARD

in respect of the refreshment of the Existing General Mandate; (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate; and (iv) the notice of the SGM at which resolutions in relation to the refreshment of the Existing General Mandate will be proposed to consider and if thought fit, approve the aforesaid resolutions.

GENERAL MANDATE TO ISSUE, ALLOT AND DEAL WITH ADDITIONAL SHARES

The Shareholders previous had approved the Existing General Mandate, authorising the Directors to issue not more than 335,763,102 Shares, being 20% of the aggregate number of the issued Shares as at the date on which the relevant resolution was passed.

Reference is made to the announcements of the Company dated 17 August 2016 and 6 September 2016 regarding the placing of new Shares under the Existing General Mandate. Upon completion of such placing, the Company has issued an aggregate of 335,760,000 Shares pursuant to the Existing General Mandate. Save for the proposed grant of the Refreshed General Mandate, there has been no refreshment of the Existing General Mandate.

Proposed refreshment of the Existing General Mandate

The Existing General Mandate has been almost fully utilized. The Board considers that in order to provide a variety of means for the Company to raise funds for its future business development, it is appropriate for the Independent Shareholders to grant to the Board the Refreshed General Mandate.

On the basis of 2,014,575,513 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised up to and including the date of the SGM, exercise in full of the Refreshed General Mandate could result in up to 402,915,102 new Shares being issued by the Company.

Based on the closing price of HK\$0.31 as at the Latest Practicable Date, the amount of proceeds which can be raised by utilizing the Refreshed General Mandate is expected to be approximately HK\$124.9 million.

The Refreshed General Mandate will, if granted, expire at the earliest of (1) the conclusion of the next AGM following the SGM; (2) the expiration of the period within which the next AGM is required by the Articles or any applicable laws and regulations of the Cayman Islands to be held; or (3) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next AGM.

LETTER FROM THE BOARD

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chui Man Lung, Everett, Ms. Li Mei and Ms. Li Yuen Fong, Michelle, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. The Independent Financial Adviser was appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

Reasons for granting the Refreshed General Mandate

The principal activities of the Group are supply chain management services and money lending business. The Company has been actively looking for opportunities to create Shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular, marine fishing business.

The Group intends to commence its marine fishing operation, which include ocean catch and breeding, in the Indian Ocean and Gulf of Thailand. As ocean fishing resources could easily be depleted if not properly managed, the Group's objective is to preserve this natural resources such that future generations could still benefit from its existence. In order to encourage far reaching ocean fishing, the PRC government also provides various benefits to approved organizations, including corporations, in the forms of VAT refunds, rebates for vessels buildings and operating fuel costs. The Group intends to capture the opportunities through a subsidiary in the PRC, namely Jinyutang. Jinyutang would apply to become an approved corporation to carry out the far reaching ocean fishing operations to take advantage of the benefits provided by the PRC government. The Group would set up its own fleet of fishing vessels and/or collaborate with existing operators to develop this business.

In particular, as disclosed in the announcements of the Company dated 29 December 2016 and 20 January 2017, Jianyutang entered into a memorandum of cooperation and the Joint Venture Agreement with an Independent Third Party to set up the JV Company in Cambodia. The capital commitment of the Group under the Joint Venture Agreement would be US\$8 million. The setting up of the JV Company constitutes a discloseable transaction of the Company under the GEM Listing Rules.

LETTER FROM THE BOARD

Apart from the proposed setting up of the JV Company, the Company will from time to time look for other business opportunities and, depending on the progress of such business opportunities and the emergence of any other potential business opportunities from time to time, the Group may need to conduct fund raising activities in order to promptly respond to these opportunities.

As disclosed in the interim report for the six months ended 30 September 2016, the unaudited bank balances and cash of the Group amounted to approximately HK\$9.4 million as at 30 September 2016. The Board estimated that approximately HK\$17.4 million would be required for working capital of the Group for the calendar year ending 31 December 2017.

The Board considers that it would be in the interests of the Company and the Shareholders as a whole for the Company to maintain flexibility in the ability to issue new Shares during the period between the SGM and the next annual general meeting of the Company (which is expected to be held on or around August 2017) as the Refreshed General Mandate would provide the Company with the flexibility in financing in order to facilitate the proposed setting up of the JV Company, to cater for future business development, investments and acquisition opportunities in a timely manner as well as to satisfy the working capital requirements.

Having considered that (a) the Existing General Mandate has been almost fully utilised as at the Latest Practicable Date; (b) the Refreshed General Mandate will provide the Company with more flexibility in raising funds through the issue of new Shares for its general working capital and/or new business development opportunities as and when the Directors consider appropriate in the future; and (c) the Refreshed General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily and provide the Company with the flexibility and ability to capture any appropriate capital raising or business development opportunities which may arise, the Directors consider that the granting of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. Therefore, the Board proposes to seek the approval of the Independent Shareholders to refresh the Existing General Mandate at the SGM.

As at the Latest Practicable Date, the Company proposes to utilise the fund raised under the Refreshed General Mandate, if granted, in the near future to meet the capital commitment under the Joint Venture Agreement and as general working capital of the Group for other businesses.

LETTER FROM THE BOARD

Other Financing Alternatives

Apart from equity financing by issue of new Shares under the Refreshed General Mandate (if granted to the Directors), the Company will also consider other financing methods (such as debt financing, rights issue and/or open offer) to meet the financial requirements of the Group, as and when appropriate, after taking into account the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

However, debt financing such as bank borrowing may incur interest burden to the Group and may be subject to lengthy due diligence and negotiations. In addition, the ability of the Group to obtain bank borrowing usually depends on the Group's profitability, financial position and the then prevailing market condition. Given the financial performance and position of the Group as disclosed in the published financial reports, the Company considers that it might be difficult for the Group to obtain bank borrowing at a reasonable interest rate.

In respect of rights issue or open offer, they usually involve substantial time and cost to complete as compared to equity financing through issuance of new Shares under the Refreshed General Mandate, which allows the Company to raise capital within specified number of Shares in a timely manner and when necessary. Further, rights issues and open offers will incur payment of underwriting commission by the Company.

Having considered that (i) the proposed grant of the Refreshed General Mandate will provide the Company with an additional financing alternative to capture any capital raising or prospective investment, as and when it arises, in a timely manner; (ii) the equity financing by using the Refreshed General Mandate is less costly and time-consuming than raising fund by way of rights issue or open offer; and (iii) it is reasonable for the Company to maintain its flexibility in the selection of the best financing method for the capital commitment under the Joint Venture Agreement and its future business development, the Company is of the view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Equity fund raising activities involving the utilisation of the Existing General Mandate

Save for the equity fund raising activities set out below, the Company has not carried out any other equity fund raising activities involving the utilisation of the Existing General Mandate during the period from the date of its grant up to the Latest Practicable Date.

Date of announcement	Fund raising activities	Estimated net proceeds (approximately)	Proposed used of proceeds	Actual use of proceeds as at the Latest Practicable Date
6 September 2016	Placing of 335,760,000 new Shares	HK\$32.50 million	The Group's general working capital purposes	used as working capital of the money lending business and HK\$15 million each was lent to two independent third parties with a monthly interest rate of 1% with the maturity dates in August 2017

Potential dilution to shareholding of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Refreshed General Mandate, assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full:

LETTER FROM THE BOARD

Shareholders	As at the Latest Practicable Date		Immediately upon full utilisation of the Refreshed General Mandate (assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Li Yi	400,000,000	19.86	400,000,000	16.55
A Plus Capital Management Limited (<i>Note 1</i>)	198,000,000	9.83	198,000,000	8.19
Tiger Capital Fund SPC – Tiger Global SP (“Tiger Capital”) (<i>Note 1</i>)	198,000,000	9.83	198,000,000	8.19
Avia Asset Management Limited (<i>Note 2</i>)	225,900,000	11.21	225,900,000	9.34
Existing public Shareholders	1,190,675,513	59.10	1,190,675,513	49.25
Maximum number of new Shares which may be issued under the Refreshed General Mandate	–	–	402,915,102	16.67
Total	<u>2,014,575,513</u>	<u>100.00</u>	<u>2,417,490,615</u>	<u>100.00</u>

Notes:

1. Based solely on the information available on the website of the Stock Exchange, 198,000,000 Shares were held by Tiger Capital as beneficial owner and Tiger Capital is wholly owned by A Plus Capital Management Limited.
2. Based solely on the information available on the website of the Stock Exchange, 225,900,000 Shares were held by Avia Asset Management Ltd.
3. The percentages are subject to rounding errors.

As illustrated in the above table, assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no Options will be exercised from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full, the aggregate shareholding of the existing public Shareholders will be diluted from approximately 59.10% as at the Latest Practicable Date to approximately 49.25% upon full utilisation of the Refreshed General Mandate, representing a potential maximum decrease in shareholding of approximately 16.67%.

LETTER FROM THE BOARD

The Directors confirmed that they would be prudent in issuing new Shares under the Refreshed General Mandate in the future by well balancing the benefits of Joint Venture Agreement and other potential business development and/or investment opportunities that could be brought to the Group, the need of funding and the dilution impact caused thereby on the Shareholders.

Taking into account that the Refreshed General Mandate will (i) provide alternative means for capital commitment under the Joint Venture Agreement and the Company to raise capital; (ii) provide more options of financing to the Group for future business development and/or potential investments as and when such opportunities arise; and (iii) the fact that the shareholding of all Shareholders will be diluted to the same extent upon any utilization of the Refreshed General Mandate, the Company considers the potential dilution of shareholding to be acceptable.

GEM LISTING RULES IMPLICATIONS

As the proposed grant of the Refreshed General Mandate is to be proposed before the Company's next AGM, pursuant to GEM Listing Rules, this proposal is subject to Independent Shareholders' approval by way of poll at the SGM. According to Rule 17.42A of the GEM Listing Rules, any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, Directors (excluding the INEDs) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, the Company has no controlling shareholder (as defined under GEM Listing Rules). As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors after having made all reasonable enquiries, under the SFO, none of the executive or non-executive Directors had interests in the Shares or underlying Shares. As such, no person is required to abstain from voting pursuant to Rule 17.42A of the GEM Listing Rules.

SGM

A notice convening the SGM to be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Monday, 6 March 2017 at 10:00 a.m. is set out on pages 28 to 30 of this circular for the purpose of considering and, if thought fit, approving the Refreshed General Mandate.

As the register of members will not be closed for the purpose of determining the Shareholders' eligibility to attend and vote at the SGM, only persons who are registered holders of the Shares at the time of the SGM (based on the register of members) will qualify for attending and voting at the SGM.

LETTER FROM THE BOARD

A form of proxy for use in connection the SGM is enclosed with this circular. If you are not able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or its adjournment. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or its adjournment should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The resolutions proposed to be approved at the SGM will be taken by poll and an announcement on the results of the SGM will be made by the Company after the SGM.

RECOMMENDATION

Your attention is drawn to the (i) letter from the Independent Board Committee set out on page 14 to 15 of this circular, which contains its recommendation to the Independent Shareholders on the proposed grant of the Refreshed General Mandate; and (ii) the letter of advice from the Independent Financial Adviser set out on pages 16 to 27 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate and the principal factors considered by it in arriving at its advice.

The Independent Board Committee, having taken into account the Existing General Mandate, the reasons for the Refreshed General Mandate and the advice of the Independent Financial Adviser in relation thereto, is of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole and accordingly, recommends the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

Accordingly, the Directors (including the INEDs) consider that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the INEDs) recommend the Independent Shareholders to vote in favour of the resolution relating to the proposed grant of the Refreshed General Mandate to be proposed at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM 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 not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE PURSUANT TO RULE 11.04

As at the Latest Practicable Date, the Directors were not aware of any business or interest of the Directors or the controlling shareholders of the Company nor their respective close associates that competed or might, directly or indirectly, compete with the Group's business or of any other conflict or potential conflict of interest with the Group.

Yours faithfully,
By Order of the Board
China Ocean Fishing Holdings Limited
Liu Rongsheng
Executive Director and Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



中國海洋捕撈

CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

17 February 2017

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 17 February 2017 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same respective meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board set out on pages 4 to 13 of the Circular and the letter from the Independent Financial Adviser containing its advice to us and the Independent Shareholders regarding the proposed grant of the Refreshed General Mandate set out on pages 16 to 27 of the Circular.

Having considered the Existing General Mandate, the reasons for the Refreshed General Mandate and the advice of Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Chui Man Lung, Everett

Independent Non-executive

Director

Ms. Li Mei

Independent Non-executive

Director

Ms. Li Yuen Fong, Michelle

Independent Non-executive

Director

LETTER FROM NUADA

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited in relation to the proposed grant of the Refreshed General Mandate for the purpose of inclusion in this circular.

Nuada Limited

Unit 1805-08, 18/F
OfficePlus@Sheung Wan
93-103 Wing Lok Street
Sheung Wan, Hong Kong
香港上環永樂街93-103號
協成行上環中心18樓1805-08室

17 February 2017

*To the Independent Board Committee and the Independent Shareholders
of China Ocean Fishing Holdings Limited*

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ISSUE, ALLOT AND DEAL WITH ADDITIONAL SHARES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 17 February 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the Board Letter, the Existing General Mandate has been almost fully utilized. The Board considers that in order to provide a variety of means for the Company to raise funds for its future business development, it is appropriate for the Independent Shareholders to grant to the Board the Refreshed General Mandate.

As the proposed grant of the Refreshed General Mandate is to be proposed before the Company’s next AGM, pursuant to GEM Listing Rules, this proposal is subject to Independent Shareholders’ approval by way of poll at the SGM. According to Rule 17.42A of the GEM Listing Rules, any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, Directors (excluding the INEDs) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

LETTER FROM NUADA

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, the Company has no controlling shareholder (as defined under the GEM Listing Rules). As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors after having made all reasonable enquiries, under the SFO, none of the executive or non-executive Directors had interests in the Shares or underlying Shares. As such, no person is required to abstain from voting pursuant to Rule 17.42A of the GEM Listing Rules.

The Independent Board Committee, comprising all the INEDs, namely Mr. Chui Man Lung, Everett, Ms. Li Mei and Ms. Li Yuen Fong, Michelle, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate.

OUR INDEPENDENCE

During the past two years, we have not acted as the independent financial adviser to the Company's independent board committee and independent shareholders. Apart from normal professional fees for our services to the Company in connection with this appointment as the Independent Financial Adviser in respect of the proposed grant of the Refreshed General Mandate, no other arrangement exists whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we are not aware of any relationships or interests between us and the Company or its substantial Shareholders, Directors or chief executive, or any of their respective associates. We are independent under Rule 17.96 of the GEM Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules.

LETTER FROM NUADA

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the proposed grant of the Refreshed General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

Independent Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the proposed grant of the Refreshed General Mandate, we have taken into consideration the following principal factors and reasons:

1. Background information of the proposed grant of the Refreshed General Mandate

The Shareholders previous had approved the Existing General Mandate, authorising the Directors to issue not more than 335,763,102 Shares, being 20% of the aggregate number of the issued Shares as at the date on which the relevant resolution was passed.

Reference is made to the announcements of the Company dated 17 August 2016 and 6 September 2016 regarding the placing of new Shares under the Existing General Mandate. Upon completion of such placing, the Company has issued an aggregate of 335,760,000 Shares pursuant to the Existing General Mandate. As stated in the Board Letter and according to the management of the Company, save for the proposed grant of the Refreshed General Mandate, there has been no refreshment of the Existing General Mandate.

LETTER FROM NUADA

As stated in the Board Letter and according to the management of the Company, the Existing General Mandate has been almost fully utilized (approximately 99.999%), only 3,102 new Shares can be issued under the Existing General Mandate. The Board considers that in order to provide a variety of means for the Company to raise funds for its future business development, it is appropriate for the Independent Shareholders to grant to the Board the Refreshed General Mandate.

On the basis of 2,014,575,513 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised up to and including the date of the SGM, exercise in full of the Refreshed General Mandate could result in up to 402,915,102 new Shares being issued by the Company.

Based on the closing price of HK\$0.31 as at the Latest Practicable Date, the amount of proceeds which can be raised by utilizing the Refreshed General Mandate is expected to be approximately HK\$124.9 million.

The Refreshed General Mandate will, if granted, expire at the earliest of (1) the conclusion of the next AGM following the SGM; (2) the expiration of the period within which the next AGM is required by the Articles or any applicable laws and regulations of the Cayman Islands to be held; or (3) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next AGM.

2. Reasons for the proposed grant of the Refreshed General Mandate

2.1. Financial information of the Group

As stated in the Board Letter and advised by the management of the Company, the principal activities of the Group are supply chain management services and money lending business.

As disclosed in the Company's interim report (the "**Interim Report**") for the six months ended 30 September 2016 ("**1H 2016**"), the Group recorded an unaudited revenue of approximately HK\$103.6 million for 1H 2016, representing a decrease of approximately 94.0% from that of approximately HK\$1,724.8 million for the six months ended 30 September 2015 ("**1H 2015**"). The substantial decrease in revenue of the Group was mainly attributable to the completion of various trading contracts by 1H 2016. The Group recorded an unaudited net loss attributable to equity holders of the Company of approximately HK\$26,000 for 1H 2016 (1H 2015: loss of approximately HK\$44.7 million). The decrease in net loss was mainly attributable to the decrease in administrative expenses from continuing operation (mainly consisted of exchange losses, rent and rates, salaries and payroll) of approximately HK\$17.5 million for 1H 2016, and the gain on disposal of subsidiaries for the energy management business of approximately HK\$17.6 million for 1H 2016 (1H 2015: loss on disposal of subsidiaries for the lightning electromagnetic pulse business of approximately HK\$3.5 million).

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As stated in the Interim Report, the unaudited bank balances and cash of the Group amounted to approximately HK\$9.4 million as at 30 September 2016. As advised by the management of the Company, it is estimated that approximately HK\$17.4 million would be required for working capital of the Group for the calendar year ending 31 December 2017. We noted from the management of the Company that such working capital requirement has taken into account the Group's existing account receivables and payables, staff costs and administrative and other expenses, and no exceptional expenses or incomes are included. Hence, we consider such estimation is reasonable. We also noted that the existing cash level of the Group is insufficient to meet the working capital requirement of the Group for the calendar year ending 31 December 2017.

2.2. Future development of the Group

As disclosed in the Board Letter, the Group has been actively looking for opportunities to create Shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular, marine fishing business.

To provide a better identification of the future business of the Group and a fresh new corporate identity and image, the Company has changed its name from "Sky Forever Supply Chain Management Group Limited" to "China Ocean Fishing Holdings Limited" in November 2016, details of which are disclosed in the announcements of the Company dated 21 September 2016, 18 October 2016 and 21 November 2016 and the circular of the Company dated 23 September 2016.

As stated in the Board Letter and advised by the management of the Company, the Group intends to commence its marine fishing operation, which include ocean catch and breeding, in the Indian Ocean and Gulf of Thailand. As ocean fishing resources could easily be depleted if not properly managed, the Group's objective is to preserve this natural resources such that future generations could still benefit from its existence. In order to encourage far reaching ocean fishing, the PRC government also provides various benefits to approved organizations, including corporations, in the forms of VAT refunds, rebates for vessels buildings and operating fuel costs. The Group intends to capture the opportunities through a subsidiary in the PRC, namely Jinyutang. Jinyutang would apply to become an approved corporation to carry out the far reaching ocean fishing operations to take advantage of the benefits provided by the PRC government. The Group would set up its own fleet of fishing vessels and/or collaborate with existing operators to develop this business. According to the announcement of the Company dated 20 January 2017, Jinyutang and an Independent Third Party entered into the Joint Venture Agreement. Pursuant to the Joint Venture Agreement, the parties thereto agreed to set up the JV Company in Cambodia for the purpose of investing in fishing activities in Cambodian costal area, aquatic process, sale of fishing products, cultivation in aquaculture and import and export trading (subject to the approval of the relevant licence from the Cambodian government). The Joint Venture Agreement could provide an opportunity to the Company to enter into the aquaculture business. The capital commitment of the Group would be US\$8 million. The setting up of the JV Company constitutes a discloseable transaction of the Company under the GEM Listing Rules.

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We noted from the management of the Company that apart from the proposed setting up of the JV Company, the Company will from time to time look for other business opportunities and, depending on the progress of such business opportunities and the emergence of any other potential business opportunities from time to time, the Group may need to conduct fund raising activities in order to promptly respond to these opportunities.

As advised by the management of the Company, the aquatic products caught from its future marine fishing business targets mainly to sell in the PRC market. In order to understand the PRC's marine fishing market, we studied the households' consumption of aquatic products in the PRC. According to "China Statistical Yearbook 2016" (the "Yearbook"), the latest published official statistics available on the website of National Bureau of Statistics of the PRC, which is under the State Council of the PRC in charge with the collection and publication of statistics related to the economy, population and society of the PRC at national level, we noted the consumption of aquatic products per capita of urban and rural households in the PRC increased from approximately 14.0kg and 6.6kg respectively in 2013, to approximately 14.4kg and 6.8kg respectively in 2014, and further rose to approximately 14.7kg and 7.2kg respectively in 2015 (being the latest year available in the Yearbook as at the Latest Practicable Date). As such, we are of the view that there were sustainable needs of aquatic products in the PRC and thus, the recent marine fishing market in the PRC is positive.

2.3. Summary and our view

As discussed above, we noted that (i) only approximately 0.001% of the Existing General Mandate was available to the Company as at the Latest Practicable Date and the next AGM will not be held until August 2017, which is about six months away from the Latest Practicable Date; (ii) the cash level of the Group is not sufficient to meet the working capital requirement of the Group for the calendar year ending 31 December 2017 of approximately HK\$17.4 million as discussed in section 2.1 above; and (iii) the Company has been actively looking for opportunities to create Shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular marine fishing business, which is considered to be positive as discussed in section 2.2 above. Based on the above, we consider that the proposed grant of the Refreshed General Mandate will provide the Company an additional option in raising funds through the issue of new Shares for its capital commitment under the Joint Venture Agreement and/or general working capital and/or new business development opportunities as and when the Directors consider appropriate in the future, and the Refreshed General Mandate will empower the Directors to issue new Shares under the refreshed limit speedily and provide the Company with an additional option and ability to capture any appropriate capital raising or business development opportunities which may arise. As such, we are of the view and concur with the Directors' view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

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3. Equity fund raising activity involving the utilisation of the Existing General Mandate

Set out below is the equity fund raising activities involving the utilisation of the Existing General Mandate during the period from the date of its grant up to the Latest Practicable Date as extracted from the section headed “Equity fund raising activities involving the utilisation of the Existing General Mandate” in the Board Letter:

Date of announcement	Fund raising activity	Estimated net proceeds (approximately)	Proposed used of proceeds	Actual use of proceeds as at the Latest Practicable Date
6 September 2016	Placing of 335,760,000 new Shares	HK\$32.50 million	The Group’s general working capital purposes	Used as working capital of the money lending business and HK\$15 million each was lent to two Independent Third Parties with a monthly interest rate of 1% with the maturity dates in August 2017

As at the Latest Practicable Date, all the net proceeds from the abovementioned equity fund raising activity had been utilised. Taking into consideration that (i) the net proceeds raised from the Company’s recent fund raising activity as mentioned above has been utilised in full; and (ii) the possible funding needs of the Group as discussed in section 2 above, we are of the view and concur with the Directors’ view that the proposed grant of the Refreshed General Mandate will provide an additional option in raising funds through the issue of new Shares for its capital commitment under the Joint Venture Agreement and/or general working capital and/or new business development opportunities as and when the Directors consider appropriate in the future.

4. As an additional option of financing

As disclosed in the Board Letter and discussed in section 2.2 above, the Group has been actively looking for opportunities to create Shareholders’ value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular, marine fishing business. As advised by the management of the Company, apart from the Joint Venture Agreement, the Company has not identified other investment opportunities as at the Latest Practicable Date, and there is no other business arrangements/transactions/agreements/understanding

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that may involve possible equity fund raising activities utilising the Refreshed General Mandate as at the Latest Practicable Date. However, as the cash level of the Group is not sufficient to meet the working capital requirement of the Group for calendar the year ending 31 December 2017 as discussed in section 2.1 above, the Group does not have enough resources to further expand such business when the opportunities arise. As potential business investment opportunities may arise at any time, we noted from the management of the Company that it is crucial for the Group to have the ability to respond to the changing market conditions in a timely manner and to provide the Group with an additional option to have immediate access to cash resources at reasonable costs as assessed by the Directors from time to time for appropriate business development and investment opportunities. We are also advised by the management of the Company that the proposed grant of the Refreshed General Mandate would provide an additional option of financing to the Group for business development as well as for potential future investments. If the Refreshed General Mandate is granted, the Group will be in a better bargaining position in negotiation of potential future investments as the Refreshed General Mandate would provide the Company with quick access to future funding and we understand from the management of the Company that sufficient funding is crucial for the Company to make a prompt response to any future business development.

Based on the above and as discussed in the foregoing, we noted that, in particular, (i) all the net proceeds from the equity fund raising activity involving the utilisation of the Existing General Mandate during the period from the date of its grant up to the Latest Practicable Date had been utilised; (ii) only approximately 0.001% of the Existing General Mandate was available to the Company as at the Latest Practicable Date and the next AGM will not be held until August 2017, which is about six months away from the Latest Practicable Date; (iii) the cash level of the Group is not sufficient to meet the working capital requirement of the Group for the calendar year ending 31 December 2017 of approximately HK\$17.4 million as discussed in section 2.1 above; (iv) the Company has been actively looking for opportunities to create Shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular marine fishing business, which is considered to be positive as discussed in section 2.2 above; and (v) the proposed grant of the Refreshed General Mandate would provide an additional option in raising funds through the issue of new Shares for its capital commitment under the Joint Venture Agreement and/or general working capital and/or new business development opportunities as and when the Directors consider appropriate in the future. The proposed grant of the Refreshed General Mandate would provide the Company with an additional option as allowed under the GEM Listing Rules to allot and issue new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the grant of the Refreshed General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the additional option in financing available to the Company as discussed above, we are of the opinion that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

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5. Other financing alternatives

As stated in the Board Letter and as advised by the management of the Company, apart from equity financing by issue of new Shares under the Refreshed General Mandate (if granted to the Directors), we are advised by the Directors that the Company will also consider other financing methods (such as debt financing, rights issue and/or open offer) to meet the financial requirements of the Group, as and when appropriate, after taking into account the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

For debt financing such as bank borrowing, the Directors consider it may incur interest burden to the Group and may be subject to lengthy due diligence and negotiations. In addition, the ability of the Group to obtain bank borrowing usually depends on the Group's profitability, financial position and the then prevailing market condition. Given the financial performance and position of the Group as disclosed in the published financial reports, the Company considers that it might be difficult for the Group to obtain bank borrowing at a reasonable interest rate.

In respect of rights issue or open offer, the Directors are of the view that they usually involve substantial time and cost to complete as compared to equity financing through issuance of new Shares under the Refreshed General Mandate, which allows the Company to raise capital within specified number of Shares in a timely manner and when necessary. Further, rights issues and open offers will incur payment of underwriting commission by the Company.

Having considered that (i) the proposed grant of the Refreshed General Mandate will provide the Company with an additional financing alternative to capture any capital raising or prospective investment, as and when it arises, in a timely manner; (ii) the equity financing by using the Refreshed General Mandate is less costly and time-consuming than raising fund by way of rights issue or open offer; and (iii) it is reasonable for the Company to maintain its flexibility in the selection of the best financing method for the capital commitment under the Joint Venture Agreement and its future business development, we are of the view and concur with the Directors' view that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

6. Potential dilution to shareholding of the existing public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Refreshed General Mandate, assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full:

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Shareholders	As at the Latest Practicable Date		Immediately upon full utilisation of the Refreshed General Mandate (assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full)	
	<i>No. of Shares</i>	<i>Approximate%</i>	<i>No. of Shares</i>	<i>Approximate%</i>
Mr. Li Yi	400,000,000	19.86	400,000,000	16.55
A Plus Capital Management Limited <i>(Note 1)</i>	198,000,000	9.83	198,000,000	8.19
Tiger Capital Fund SPC – Tiger Global SP (“Tiger Capital”) <i>(Note 1)</i>	198,000,000	9.83	198,000,000	8.19
Avia Asset Management Limited <i>(Note 2)</i>	225,900,000	11.21	225,900,000	9.34
Existing public Shareholders	1,190,675,513	59.10	1,190,675,513	49.25
Maximum number of new Shares which may be issued under the Refreshed General Mandate	–	–	402,915,102	16.67
Total	<u>2,014,575,513</u>	<u>100.00</u>	<u>2,417,490,615</u>	<u>100.00</u>

Notes:

1. Based solely on the information available on the website of the Stock Exchange, 198,000,000 Shares were held by Tiger Capital as beneficial owner and Tiger Capital is wholly owned by A Plus Capital Management Limited.
2. Based solely on the information available on the website of the Stock Exchange, 225,900,000 Shares were held by Avia Asset Management Limited.
3. The percentages are subject to rounding errors.

LETTER FROM NUADA

As illustrated in the above table, assuming no further Shares will be issued and no Shares will be repurchased or cancelled by the Company and no options will be exercised from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full, the aggregate shareholding of the existing public Shareholders will be diluted from approximately 59.10% as at the Latest Practicable Date to approximately 49.25% upon full utilisation of the Refreshed General Mandate, representing a potential maximum decrease in shareholding of approximately 16.67%.

The Directors confirmed that they would be prudent in issuing new Shares under the Refreshed General Mandate in the future by well balancing the benefits of the Joint Venture Agreement and other potential business development and/or investment opportunities that could be brought to the Group, the need of funding and the dilution impact caused thereby on the Shareholders.

Taking into account that (i) only approximately 0.001% of the Existing General Mandate was available to the Company as at the Latest Practicable Date and the next AGM will not be held until August 2017, which is about six months away from the Latest Practicable Date; (ii) the cash level of the Group is not sufficient to meet the working capital requirement of the Group for the calendar year ending 31 December 2017 of approximately HK\$17.4 million as discussed in section 2.1 above; (iii) the Company has been actively looking for opportunities to create Shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular marine fishing business, which is considered to be positive as discussed in section 2.2 above; (iv) the proposed grant of the Refreshed General Mandate would provide an additional option in raising funds through the issue of new Shares for its capital commitment under the Joint Venture Agreement and/or general working capital and/or new business development opportunities as and when the Directors consider appropriate in the future; (v) the Company would have an additional financing alternative to capture any capital raising or prospective investment, as and when it arises, in a timely manner; and (vi) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we are of the opinion that such potential dilution to the shareholdings of the existing public Shareholders as just mentioned is acceptable.

LETTER FROM NUADA

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Nuada Limited
Kevin Wong
Vice President

Mr. Kevin Wong is a person licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 13 years of experience in corporate finance industry.

** for identification purpose only*

NOTICE OF SGM



中國海洋捕撈

CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the shareholders (the “SGM”) of China Ocean Fishing Holdings Limited (the “Company”) will be held at Suite 2418, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong on Monday, 6 March 2017 at 10:00 a.m., to consider and, if thought fit, pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT** to the extent not already exercised, the general mandate to allot and issue shares of the Company (the “Shares”) given to the directors of the Company (the “Directors”) at the annual general meeting of the Company held on 5 August 2016 be and is hereby revoked and replaced (but without prejudice to any valid exercise of such general mandate prior to the passing of this resolution) by the general mandate **THAT**:

- (a) subject to sub-paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares or securities convertible into such Shares or warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF SGM

- (c) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any issue of Shares upon the exercise of rights of subscription, exchange or conversion under the terms of any warrants issued by the Company or any securities which are convertible into or exchangeable for Shares; or (iii) the exercise of any options granted under the share option scheme of the Company for the time being adopted; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of the dividend on Shares in accordance with the memorandum and bye-laws of the Company (the “**Bye-laws**”) shall not exceed 20% of the aggregate number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws and regulations of the Bermuda to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by the passing of an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Directors, to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

On behalf of the Board
China Ocean Fishing Holdings Limited
Liu Rongsheng
Executive Director and Chairman

Hong Kong, 17 February 2017

NOTICE OF SGM

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business

in Hong Kong:
Suite 2002, 2/F.
United Centre
95 Queensway
Hong Kong

Notes:

1. Any shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its 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.
2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he/she/it were solely entitled to it; but if more than one of such joint registered holders are present at the SGM personally or by proxy, that one of such persons so present whose name stands first in the register of members of the Company in respect of such shares will alone be entitled to vote in respect of such share.
3. A form of proxy for use in connection with the SGM is enclosed. If you are not able to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon.
4. In order 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 certified copy of that power or authority, must be deposited at the Company’s Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for the holding of the meeting or its adjournment. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting or its adjournment and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The translation into Chinese language of this notice convening the SGM is for reference only. In case of any inconsistency, the English version shall prevail.