

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

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

**If you have sold or transferred** all your shares in China Ocean Fishing Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of China Ocean Fishing Holdings Limited.

---



**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)**

**(I) PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC  
MANDATE; AND  
(II) NOTICE OF SPECIAL GENERAL MEETING**

**Financial adviser**

** KINGSTON CORPORATE FINANCE**

---

Terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the SGM to be held at Room 03, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 22 September 2017 is set out on pages 23 to 25 of this circular. A form of proxy for the special general meeting is enclosed herein. Whether or not you are able to attend the meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

5 September 2017

---

## 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.

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	6
<b>NOTICE OF SGM</b> .....	23

---

## DEFINITIONS

---

*In this circular, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:*

“Acquisition”	the proposed acquisition by the Company of 70% equity interest in the Shenzhen Qisen Fishery Company Limited;
“Acquisition Announcement”	the announcement of the Company dated 29 May 2017 in relation to the Acquisition;
“Announcement”	the announcement of the Company dated 29 May 2017 in relation to the Subscription;
“Board”	the board of Directors;
“Bondholder”	the person who is for the time being the holder of the Convertible Bonds;
“Business Day(s)”	a day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for business;
“Company”	China Ocean Fishing Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM (Stock Code: 8047);
“Completion”	the First Tranche Completion and the Second Tranche Completion;
“Completion Date”	the third Business Day immediately after fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreement, or such other date as the Company and the Subscriber may agree in writing;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Convertible Bonds”	the First Tranche Convertible Bond and the Second Tranche Convertible Bond;

---

## DEFINITIONS

---

“Conversion Price”	the price at which the Conversion Shares will be issued upon conversion of the Convertible Bonds;
“Conversion Shares”	an aggregate of 416,666,667 Shares to be issued by the Company upon exercise by the Bondholder of the Conversion Rights;
“Conversion Rights”	the rights to convert the principal amount (or any part thereof) of the Convertible Bonds to the Conversion Shares;
“Director(s)”	the director(s) of the Company;
“First Tranche Completion”	the completion of First Tranche Convertible Bond;
“First Tranche Convertible Bond”	the convertible bond in the principal amount of HK\$60,000,000 to be issued by the Company and to be subscribed by the Subscriber with the benefit of and subject to the provisions of the conditions set out in the instrument of the convertible bond;
“First Tranche Security”	the security of a value of not less than HK\$120,000,000 to be provided by the Guarantors or their respective associates in favour of the Subscriber;
“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;
“Guarantors”	Mr. Liu Rongsheng and Mr. Liu Yi, each a Guarantor;
“Guarantees”	Mr. Liu Rongsheng Guarantee and Mr. Liu Yi Guarantee;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

---

## DEFINITIONS

---

“Latest Practicable Date”	1 September 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“Long Stop Date”	31 December 2017 (or any other date as agreed by the Company and the Subscriber in writing);
“Mr. Liu Rongsheng Guarantee”	the guarantee to be executed by Mr. Liu Rongsheng in favour the Subscriber in respect of the guarantee over the performance of the obligations of the Company under the Transaction Documents;
“Mr. Liu Yi Guarantee”	the guarantee to be executed by Mr. Liu Yi in favour the Subscriber in respect of the guarantee over the performance of the obligations of the Company under the Transaction Documents;
“Party(ies)”	the party(ies) to the Subscription Agreement;
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Property Mortgage”	the mortgage in relation to the property situated at (One Building, Light Industrial Plant Dormitory, Zhenhua Road, Shenzhen City*) 深圳市振華路輕工業廠房宿舍1棟兩個整層 owned by the Property Owner, which is a third party independent from the Company and its connected persons;
“Property Owner”	深圳市鑽雅實業發展有限公司 (Shenzhen City Diamond Business Development Limited Company*), which is beneficially owned as to 90% by 深圳市鑽雅實業發展工會(Shenzhen City Diamond Business Development Union*, which is ultimately beneficially owned by the Union Members) and 10% by 深圳市工藝服裝工業公司 (Shenzhen City Handicraft Clothing Industrial Limited*, which is a state owned enterprise and is ultimately beneficially owned by the government of the People’s Republic of China). Both 深圳市鑽雅實業發展有限公司 and 深圳市鑽雅實業發展工會 are third parties independent from the Company and its connected persons;

---

## DEFINITIONS

---

“Union Members”	the following individuals: 蔡波 (Cai Bo*), 鐘曉輝 (Zhong Xiaohui*), 何求均 (He Qiujin*), 彭淑飛 (Peng Shufei*), 藍燕鴻 (Lan Yanhong*), 江懷河 (Jiang Huaihe*), 陳紅雲 (Chen Hongyun*), 葉鳳梅 (Ye Fengmei*), 黃鏡強 (Huang Jinqiang*), 馬奕騰 (Ma Yiteng*), 蔡素珍 (Cai Suzhen*), 蔡水榮 (Cai Shuirong*), 石敏 (Shi Min*), 翟永君 (Di Yongjun*), 姚亮 (Yao Liang*), 梁槐紫 (Liang Huaizi*), 陳少英 (Chen Shaoying*), 彭菲慧 (Peng Feihui*), 余耀基 (Yu Yaoji*), 劉常英 (Liu Changying*), 葉宏興 (Ye Hongxing*), 鄒如強 (Zou Ruqiang*). None of the Union Members have any positions or roles in the Group and are third parties independent from the Company and its connected persons;
“Second Tranche Completion”	the completion of Second Tranche Convertible Bond;
“Second Tranche Convertible Bond”	the convertible bond in the principal amount of HK\$40,000,000 to be issued by the Company and to be subscribed by the Subscriber with the benefit of and subject to the provisions of the conditions set out in the instrument of the convertible bond;
“Second Tranche Security”	a charge over the shares of the Company with a market value of not less than HK\$80,000,000 in favour of the Subscriber;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Subscription Agreement and the transaction contemplated thereunder, including the issue of the Convertible Bonds under the Specific Mandate;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company as at the Latest Practicable Date;
“Shareholder(s)”	the holder(s) of the Share(s);
“Share Charge”	the share charge in relation to Shares of value not less than HK\$156 million held by Mr. Liu Yi to be executed by Mr. Liu Yi in favour of the Subscriber;
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the SGM for the allotment and issue of up to a maximum of 416,666,667 Conversion Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

---

## DEFINITIONS

---

“Subscriber”	COFCO Capital (Hong Kong) Co., Limited;
“Subscription”	the subscription by the Subscriber of the Convertible Bonds issued by the Company pursuant to the Subscription Agreement;
“Subscription Agreement”	The subscription agreement entered into between the Company and the Subscriber on 29 May 2017;
“subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules;
“Transaction Documents”	collectively, (1) the Subscription Agreement; (2) the instrument of the Convertible Bonds; (3) the Share Charge; (4) the Property Mortgage; (5) the Mr. Liu Rongsheng Guarantee; and (6) the Mr. Liu Yi Guarantee;
“%”	per cent.

\* *The English translation is for identification purpose only and not an official registered name.*



---

## 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  
Lord Cao Yunde  
Mr. Fan Guocheng  
Mr. Chen Liang

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

Mr. Pang Pui Hung, Paton  
Ms. Li Yuen Fong, Michelle  
Ms. Wei Qing

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

Room 03, 22/F  
China Resources Building  
26 Harbour Road  
Wan Chai  
Hong Kong

5 September 2017

*To the Shareholders,*

Dear Sir or Madam,

**(I) PROPOSED ISSUE OF CONVERTIBLE BONDS UNDER  
SPECIFIC MANDATE; AND  
(II) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcement relating to the Subscription. As disclosed in the Announcement, the Company has, on 29 May 2017 (after trading hours), entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with information relating to the Subscription Agreement and the Convertible Bonds.

### THE SUBSCRIPTION AGREEMENT

Set out below are the principal terms of the Subscription Agreement:

**Date:** 29 May 2017 (after trading hours)

**Parties:**

- (1) The Company, as issuer;
- (2) COFCO Capital (Hong Kong) Co., Limited, as subscriber;
- (3) Mr. Liu Rongsheng, as one of the Guarantors; and
- (4) Mr. Liu Yi, as one of the Guarantors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are third parties independent of the Group and its connected persons.

Mr. Liu Rongsheng is the chairman, chief executive officer and an executive Director of the Company. Mr. Liu Yi is a substantial shareholder of the Company. Therefore, both Mr. Liu Rongsheng and Mr. Liu Yi are connected persons of the Company.

### The Subscription

Subject to the fulfilment or waiver (as the case may be) of the conditions under the Subscription Agreement, the Company has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe for the Convertible Bonds in an aggregate principal amount of HK\$100 million.

The Convertible Bonds shall carry the rights to convert into Conversion Shares at the initial Conversion Price of HK\$0.24 per Conversion Share (subject to adjustment). Assuming the Conversion Rights attached to the Convertible Bonds are exercised in full at the Conversion Price of HK\$0.24 per Conversion Share, a maximum number of 416,666,667 Conversion Shares will be allotted and issued upon exercise of all Conversion Rights, which represent: (i) approximately 17.24% of the issued share capital of the Company as at the date of the Announcement and the Latest Practicable Date; and (ii) approximately 14.70% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.

---

## LETTER FROM THE BOARD

---

The obligations of the Company under the Convertible Bonds are secured by the Property Mortgage, which is to be executed by the Property Owner in favour of the Subscriber. The Property Owner is a long-term business partner of certain affiliates of the Company. The chairman of the Company has leased property from the Property Owner for over five years, and, during that time, he has also introduced some potential tenants to the Property Owner for other properties owned by the Property Owner; the chairman of the Company therefore established a good relationship with the Property Owner. Based on the above, the Property Owner is willing to offer the Property Mortgage as security to the Company to facilitate the Subscription.

### **Ranking of the Conversion Shares**

The Conversion Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue on the date of the allotment and issue of the Conversion Shares.

### **Conditions of the Subscription**

Completion of the Subscription pursuant to the Subscription Agreement is conditional upon the following conditions:

- (a) since the date of the Subscription Agreement, there being no material adverse change to the condition (financial or otherwise), expectations, income, business, results of operations, and other general matters of the Company;
- (b) the Board and the Shareholders duly passing the resolutions approving, *inter alia*, the Transaction Documents and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Conversion Shares, at the SGM;
- (c) the Company having obtained all approvals or consents from the Directors and/or third parties necessary or appropriate for entering into and executing the Subscription Agreement, the Transaction Documents and the transactions contemplated thereunder, and having made all necessary filings or registration, and having complied with all applicable statutory or other legal obligations;
- (d) the GEM Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Conversion Shares to be issued (and such approval not being subsequently revoked prior to the Completion);
- (e) the Subscriber having obtained all necessary approvals for the Transaction Documents and the transactions contemplated thereunder;
- (f) each of the Transaction Documents having been duly executed by the relevant parties;

---

## LETTER FROM THE BOARD

---

- (g) the completion of the due diligence by the Subscriber to the reasonable satisfaction of the Subscriber;
- (h) the issue of the legal opinion in relation to the Transaction Documents by Hong Kong lawyers;
- (i) the registration of the Property Mortgage being completed;
- (j) the registration of the Share Charge being completed;
- (k) none of the representation and warranties made by the Parties under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the aforesaid warranties) is misleading or untrue in any material respect;
- (l) the Company having procured its affiliate to executed a financial advisor agreement with 深圳市明誠金融服務有限公司 (Shenzhen City Mingcheng Financial Services Limited Company\*); and
- (m) the company secretary or Director having delivered to the Subscriber corporate authority of Director to execute the Transaction Documents;

The Company may waive all or any of the conditions at any time by notice in writing to the Subscriber immediately on such date of the conditions being waived. In the event that any of the conditions have not been satisfied (or, if applicable, waived) by the Long Stop Date, the Subscription Agreement will lapse and the parties thereto will be released from all obligations thereunder, save for liabilities for any antecedent breaches of the Subscription Agreement. As at the Latest Practicable Date, none of the conditions precedent to the Subscription has been satisfied and/or waived (as the case may be). The Company has no intention of waiving any of the conditions.

### **The Guarantees**

Pursuant to the Subscription Agreement, Mr. Liu Rongsheng and Mr. Liu Yi will execute the Mr. Liu Rongsheng Guarantee and Mr. Liu Yi Guarantee, respectively. Pursuant to the Guarantees, Mr. Liu Rongsheng and Mr. Liu Yi would each guarantee to the Subscriber the due and punctual observance and performance by the Company of all obligations under or in connection with the Transaction Documents.

---

## LETTER FROM THE BOARD

---

### **Completion**

Completion of the Subscription Agreement will take place in two tranches:

- (i) the First Tranche Completion shall take place on the third Business Day (or any other date as the Company and the Subscriber may agree in writing) after the Guarantors (or their associates) having provided the First Tranche Security and the satisfaction of conditions set out in the section headed “Conditions of the Subscription”; and
- (ii) the Second Tranche Completion shall take place on the third Business Day (or any other date as the Company and the Subscriber may agree in writing) after the Guarantors (or their associates) having provided the Second Tranche Security.

### **ISSUE OF CONVERTIBLE BONDS**

#### **Specific Mandate**

The Conversion Shares to be issued upon exercise of conversion rights under the Convertible Bonds will be issued under the Specific Mandate and are subject to approval by the Shareholders at the SGM.

#### **Application for listing**

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

---

## LETTER FROM THE BOARD

---

### PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Principal amount:	An aggregate principal amount of HK\$100,000,000 of which HK\$60,000,000 will be issued as the First Tranche Convertible Bond and HK\$40,000,000 will be issued as the Second Tranche Convertible Bond.
Interest:	13% per annum coupon rate of the principal amount of the Convertible Bonds from time to time outstanding.
Interest period:	The interest shall be accrued and payable every six months and on the maturity date.
Conversion price:	HK\$0.24 per Conversion Share (subject to adjustment).
Maturity date:	The second anniversary of the date of issue of the Convertible Bonds, or in case of early repayment, the day on which the Company fully repays all outstanding principal amount and interest.
Early repayment:	The Company may early repay the Convertible Bonds by providing written notice of the same to the Subscriber no less than 10 business days prior to the date of early repayment. The Company may only give such written notice to the Subscriber at least 6 months after the date of issuance of the Convertible Bonds to the Subscriber.
Transferability:	Subject to the transfer to connected person(s) of the Company which shall require the consent of the Stock Exchange, the Convertible Bonds (or any part thereof) may be transferred to any other person without consent from the Company.
Redemption:	The Company shall redeem the then outstanding balance of the Convertible Bonds on the maturity date.

---

## LETTER FROM THE BOARD

---

**Mandatory redemption:**

If any event of default under the terms and conditions of the Convertible Bonds occurs, the Subscriber may at any time require the Company to redeem all (but not part of) the then outstanding balance of the Convertible Bonds and to pay interest on the relevant principal amount to the Bondholder at the default rate of 25% per annum, unless waived by the Bondholder.

Under the terms and conditions of the Convertible Bonds, the Subscriber is entitled to demand a mandatory redemption upon the occurrence of the following events of default:

- i. where the Company fails to pay in full any amount under the Subscription Agreement or the terms and conditions of the Convertible Bonds;
- ii. where the Company fails to issue the Conversion Shares in accordance with the Subscription Agreement or the terms and conditions of the Convertible Bonds;
- iii. where the Company or any of the Guarantors are in breach of any of their respective obligations under the Transaction Documents, and such breach cannot be remedied within 10 business days of receipt of a written notice of such breach by the Company from the Subscriber;
- iv. an order is made or an effective resolution is passed for the winding-up of the Company or except in the case of winding up for the purpose of the reorganisation of, or merger involving, the Company;
- v. where a chargee of a charge over the assets of the Company, or the whole of or significant part of the business of the Company, exercises its right to possession, or appoints a receiver, in respect of such a charge;
- vi. where a substantial portion of the assets of the Company is subject to detainment, confiscation or seizure warrant by a court of law, and the Company fails to discharge such detainment, confiscation or seizure warrant within 30 days of such assets being so subjected;

---

## LETTER FROM THE BOARD

---

- vii. the listing of the Shares on the Stock Exchange is: a) suspended for a continuous period of fifteen (15) days on each of which the Stock Exchange is generally open for trading; or b) withdrawn;
- viii. where the Company is in breach of its existing or future obligations in respect of funds raised by the Company;
- ix. where proceedings are initiated against the Company under any applicable bankruptcy or insolvency law, and such proceedings are not revoked or suspended within 45 days of their commencement;
- x. where the Company is or may be subject to any litigation, arbitration, administrative or other proceedings, and such proceedings are not dismissed or concluded within 45 days, excluding such proceedings which will not have a material adverse effect upon the Company;
- xi. the encumbrance or disposal of any collateral under the Transaction Documents by the Company which results in the Bondholder's failure to exercise its right of possession over the collateral, including but not limited to any disposal of such collateral by the Company in order to repay the interest and the principal of the Convertible Bonds; and

where the Company ceases or threatens to cease operation of all of, or a significant part of, its business.

### Conversion rights:

Unless otherwise provided in the terms and conditions of the Convertible Bonds, the Bondholder shall have the right during the conversion period, to require the Company to convert the whole or any part (in authorized denominations) of the principal amount outstanding under the Convertible Bonds into Shares at the Conversion Price.



---

## LETTER FROM THE BOARD

---

- Conversion period: From the date of issue of the Convertible Bonds till the fifth Business Day immediately preceding the maturity date. Subject to the satisfaction of all conditions under the terms and conditions under the Convertible Bonds, the Bondholder should finish the conversion of the outstanding Convertible Bonds within 5 months from the date of conversion of the Convertible Bonds.
- Conversion shares: The Shares to be issued by the Company upon exercise by the Bondholder of the rights to convert the principal amount (or any part thereof) of the Convertible Bonds into Shares.
- Ranking: The Conversion Shares issued upon exercise of Conversion Rights shall be fully paid, free from any liens, charges, encumbrances, pre-emptive rights or other third party rights, and rank pari passu in all respects with all other existing Shares existing on the date of conversion.
- Adjustments: The Conversion Price is subject to adjustments in the following events:
- i. if the Company issues any Shares, convertible bonds, options, or any equity securities at any time after the issuance of the Convertible Bonds, and the consideration per Share in relation to such issuance is lower than the Conversion Price immediately prior to such issuance;
  - ii. if and whenever the value of the Shares by reason of any merger or consolidation become of a different amount;
  - iii. if and whenever the Company shall issue any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account) and which would not have constituted a capital distribution;

---

## LETTER FROM THE BOARD

---

- iv. if Shares are issued by way of a dividend on a promissory note, and the prevailing market value on the date of the announcement of such dividend is greater than the value of such dividend or its relevant portion, and such dividend does not constitute a capital distribution; or
- v. if the Company or the Bondholder determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in sub-paragraphs (i) to (iv) above.

### Conversion Price

The initial Conversion Price of HK\$0.24 per Conversion Share, represents:

- (a) a discount of approximately 38.5% to the closing price of HK\$0.39 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreement;
- (b) a discount of approximately 44.2% to the average closing price of HK\$0.43 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement;
- (c) a discount of approximately 42.9% to the average closing price of HK\$0.42 per Share as quoted on the Stock Exchange for the last ten trading days immediately preceding the date of the Subscription Agreement; and
- (d) a discount of approximately 57.1% to the closing price of HK\$0.56 per Share as quoted on the Stock Exchange as at the Latest Practicable Date.

The terms of the Subscription Agreement and the Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber and under normal commercial terms with reference to the prevailing trading prices of the Shares. The Directors consider that the terms of the Subscription Agreement and the Conversion Price are fair and reasonable based on the current market conditions and in the interests of the Company and Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

In determining the Conversion Price, the Directors took into account (i) the absence of means of financing alternative to raise fund as disclosed in the sub-section headed “Reasons for the Subscription and use of proceeds” below; (ii) it is commercially reasonable for the Company to offer a discount on the Conversion Price to the prevailing market price of the Shares as an incentive to attract the Subscriber to invest in the Company; (iii) the valuation of the Company’s Shares is reasonable in terms of the net asset value. According to the 2016/17 annual report of the Company, the net asset value of the Group as at 31 March 2017 is approximately HK\$275.6 million, which represents approximately HK\$0.14 per share on the 2,014,575,513 shares issued as at 31 March 2017; (iv) the relatively large size of the Convertible Bonds; and (v) the reasons as stated in the sub-section headed “Reasons for the Subscription and use of proceeds” below.

### **Interest Rate**

The interest rate of the Convertible Bonds was determined after arm’s length negotiation and with reference to the current market conditions and the interest rates offered by other financing institutions, in view of the aforementioned and taking into account the reasons as disclosed in the sub-section headed “Reasons for the Subscription and use of proceeds” below, the Directors consider that the interest rate of the Convertible Bonds is fair and reasonable.

### **INFORMATION OF THE SUBSCRIBER**

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in financial services of trusts, futures, insurance, banking and funds management business.

The Subscriber is an indirect subsidiary of COFCO (full name being China National Cereals, Oils and Foodstuffs Corporation), which was founded in 1952 in the PRC. COFCO is one of the PRC’s state-owned food processing holding companies and is the PRC’s largest food processing, manufacturer and trader. Besides the foodstuff business, COFCO has developed itself into a diversified conglomerate, involving planting, cultivation, food-processing, finance, warehouse, transportation, port facilities, hotels and real estate. COFCO is one of the top 500 enterprises chosen by the US’s Fortune Magazine.

The Company would like to confirm that (a) there is no relationship whatsoever between the subscriber to the Subscription and the vendors of the Acquisition; and (b) there is no relationship whatsoever between the Acquisition and the Subscription, save and except that subject to the financial position of the Group, part of the proceeds may be applied towards the cash portion of the Acquisition.

After reasonable enquiries with the subscriber, the Company confirms that the Convertible Bonds is intended to be held by the Subscriber as beneficial owner.

---

## LETTER FROM THE BOARD

---

### REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are supply chain management services and money lending business.

The Directors are of the view that with COFCO, being the market leader in the food sector in the PRC, as one of the investors in the Company, the Subscription will provide a synergistic effect for the Group to develop the fishing-related business. The Directors believe that the Subscription will offer the Group an exceptional opportunity to enhance its foot-prints in the marine fishing industry by leveraging on COFCO's network. Upon Completion, the Company intends to leverage on COFCO's extensive network in the PRC and vast experience and knowledge of the food sector to increase its presence in the PRC marine fishing sector.

The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$95 million. The proceeds are currently intended to be applied to potential acquisition of new fishing-related business and general working capital of the Group, with a detailed breakdown as follows:

- (i) approximately 50% of the proceeds from the Subscription, being approximately HK\$47 million, is to be applied towards the working capital of the supply chain business, in particular, the supply chain operation of aquatic products. The Group will use the proceeds to expand the trading of aquatic products; and
- (ii) to the maximum extent of approximately 50% of the proceeds from the Subscription, being approximately HK\$48 million, is to be applied towards the fishing related operation including potential acquisitions. However, given that there is no immediate acquisition target in the fishing-related business, apart from the Acquisition with a balance payment of RMB5 million, the proceeds may be used to expand the Group's supply chain and money lending business if profitable opportunities arises in those segments. The Company is currently exploring opportunities for potential acquisitions and will be able to form a more concrete view on its use of proceeds in this respect when and if such an acquisition materialises.

---

## **LETTER FROM THE BOARD**

---

Apart from the Subscription, the Directors have considered alternative fund raising methods, such as by way of other bank borrowings and rights issue or open offer. With respect to bank borrowings, the Directors consider that the ability for the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. In addition, such alternative may subject to lengthy due diligence and negotiations with the banks. Due to these reasons, the Directors consider that debt financing would be relatively uncertain, impracticable and time-consuming as compared to the Subscription for the Group to obtain additional funding. With respect to other pre-emptive fund raising methods, the documentation generally involved in a pre-emptive issue is more complicated, given that it will involve preparation and issue of prospectus and appointment of reporting accountants to report on unaudited pro forma financial information to be included in the prospectus. As such, preparation time of pre-emptive issues are longer as compared to the Subscription. In addition, pre-emptive issues would incur substantial costs in form of legal costs and underwriting commission.

Depending on the financial position of the Group, the Company may utilise part of the proceeds from the Subscription in the Acquisition. The Company is still actively looking for potential acquisition or co-operation targets but as at the date hereof, no other entities have been identified as potential acquisition targets and no agreement has been entered into with any other party in relation to potential acquisition of new fishing-related business.

The Directors are of the view that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

### **EFFECT OF THE ACQUISITION ON THE SHAREHOLDING STRUCTURE**

Immediately after the conversion of the convertible bonds to be issued after the completion of both the Subscription and the Acquisition, the shareholding structure of the Company will be as follows:

## LETTER FROM THE BOARD

	As at the		Immediately after conversion	
	Latest Practicable Date		of the convertible bonds	
			issued pursuant	
	<i>No. of Shares</i>	<i>Approx. %</i>	to the Acquisition	
			<i>No. of Shares</i>	<i>Approx. %</i>
			and Subscription	
Vendor A*	–	–	136,193,143	4.43
Vendor B*	–	–	102,144,857	3.32
Subscriber	–	–	416,666,667	13.56
Mr. Liu Yi	573,944,000	23.74	573,944,000	18.68
Mr. Chen Liang	3,972,000	0.16	3,972,000	0.13
Public Shareholders	<u>1,839,559,513</u>	<u>76.09</u>	<u>1,839,559,513</u>	<u>59.87</u>
<b>Total</b>	<b><u>2,417,475,513</u></b>	<b><u>100.00</u></b>	<b><u>3,072,480,180</u></b>	<b><u>100.00</u></b>

\* as defined in the Acquisition Announcement

*Note:* the percentage figures have been subject to rounding adjustments. Accordingly, the total of the percentage figures as presented may not be equal to the arithmetic sum of the individual items.

Immediately after the conversion of the Convertible Bonds to be issued after the Completion of the Subscription, but before the conversion of the Convertible Bonds to be issued under the Acquisition, the shareholding structure of the Company will be as follows:

	As at the		Immediately after conversion	
	Latest Practicable Date		of the convertible bonds	
			issued pursuant to the	
	<i>No. of Shares</i>	<i>Approx. %</i>	Subscription but before the	
			<i>No. of Shares</i>	<i>Approx. %</i>
			conversion of the convertible	
			bonds to be issued under	
			the Acquisition	
Subscriber	–	–	416,666,667	14.70
Mr. Liu Yi	573,944,000	23.74	573,944,000	20.25
Mr. Chen Liang	3,972,000	0.16	3,972,000	0.14
Public Shareholders	<u>1,839,559,513</u>	<u>76.09</u>	<u>1,839,531,513</u>	<u>64.91</u>
<b>Total</b>	<b><u>2,417,475,513</u></b>	<b><u>100.00</u></b>	<b><u>2,834,142,180</u></b>	<b><u>100.00</u></b>

The Company would like to clarify that the Subscription and the Acquisition are not inter-conditional and the above tables are for illustration purpose only.

---

## LETTER FROM THE BOARD

---

### FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

Save as disclosed in the table below, the Company has not undertaken any equity fund raising exercise over the period of twelve months prior to the date of the Announcement:

Date of the initial announcement	Event	Net proceeds (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
17 August 2016	Placing of new Shares under the general mandate	HK\$32.5 million	For general working capital of the Group ( <i>Note 1</i> )	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
20 March 2017	Placing of new Shares under the general mandate	HK\$117.4 million	As to (i) approximately HK\$23.4 million for the capital commitment under a joint venture agreement; and (ii) the remaining as general working capital of the Group ( <i>Note 2</i> )	Used as working capital of the money lending business with HK\$5 million and HK\$15 million being lent to two independent third parties for one year with a monthly interest rate of 1.25% and 1% respectively and HK\$80 million for the supply chain business of electronic products and aquatic products

*Note 1:*

Money lending business is one of the Group's business segment which requires working capital. In respect of the first equity fund raising exercise above, the announcement of which was made on 17 August 2016, the Board considered that the application of proceeds by lending to two independent third parties HK\$15 million each towards one of the Group's business segment is in line with the intended use of proceeds. Also, the Group will receive interest payment arising out of the loan, which will bring revenue to the Group. As such, the Board was of the view that the utilization of HK\$30 million in money lending business is in the interest of the shareholders of the Company. The Board expects that both loans will be repaid in full on or before 8 August 2017. The remaining proceeds of HK\$2.5 million has been utilized to settle the Group's operating expenses, and both loans are to be due and expected to be repaid in full on or before 8 August 2017.

---

## LETTER FROM THE BOARD

---

*Note 2:*

As the setting up of the joint venture operation with the Cambodia business partner is still undergoing some regulatory approval procedures which is expected to take a considerable amount of time, the Board decided to utilize the proceeds in the Group's other businesses which will bring in revenue to the Group. The remaining proceeds of HK\$17.4 million has been applied to the settlement of Group's expenses and payables of approximately HK\$1.6 million, loan to an independent third party of HK\$2.5 million with monthly interest rate of 1% repayable on 10 May 2018 and HK\$4.3 million being remitted to the Group's subsidiary for their general working capital and approximately HK\$9 million is not yet utilized, and the Board expects to apply such proceeds for general working capital to finance the Group's operation and settlement of the Group's operating expenses.

The loans are to be due and expected to be repaid in full on or before 9 April 2018 and 23 April 2018.

### LISTING RULES IMPLICATIONS

Mr. Liu Rongsheng is the chairman, chief executive officer and an executive Director of the Company. Mr. Liu Yi is a substantial shareholder of the Company. Therefore, both Mr. Liu Rongsheng and Mr. Liu Yi are connected persons of the Company. The Guarantees, the First Tranche Security and the Second Tranche Security to be provided by Mr. Liu Rongsheng and Mr. Liu Yi (or their respective associates) is financial assistance to the Company, and accordingly, constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Mr. Liu Yi does not have any interest in and is not related to: i) the Shipbuilder (as defined in the Company's announcement of 25 May 2017); ii) the Subscriber; iii) the Vendors (as defined in the Acquisition Announcement); or iv) Shenzhen Qisen Fishery Company Limited.

As the Guarantees, the First Tranche Security and the Second Tranche Security would be provided for the benefit of the Company on normal commercial terms or better and no security over the assets of the Group would be granted in respect thereof, the Guarantees, the First Tranche Security and the Second Tranche Security would therefore be exempted from the reporting, announcement and independent Shareholders' approval requirements under the GEM Listing Rules.

### SGM

The SGM will be held at 10:30 a.m. on 22 September 2017 for the purpose of considering and, if thought fit, approving the ordinary resolutions in respect of the Subscription Agreement, and the transactions contemplated thereunder, including the issue of the Convertible Bonds under the Specific Mandate.



---

## LETTER FROM THE BOARD

---

The notice convening the SGM is set out on pages 23 to 25 of this circular. A form of proxy for use at the SGM is also enclosed to this circular. Whether or not you are able to attend the SGM and/or vote at the SGM in person, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as Mr. Liu Yi who is a party to the Subscription Agreement in the capacity as a guarantor, no Shareholder has a material interest in the Subscription Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate to issue the Convertible Bonds and accordingly no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM.

### RECOMMENDATION

The Board considers that the Subscription and the issue of Convertible Bonds is fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution as set out in the notice of SGM.

### RESPONSIBILITY STATEMENT

This 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 Group. 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

---

## 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 IS HEREBY GIVEN** that a special general meeting (“**Meeting**”) of China Ocean Fishing Holdings Limited (the “**Company**”) will be held at Room 03, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on at 10:30 a.m. on 22 September 2017 for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

### **ORDINARY RESOLUTIONS**

1. “**THAT:**

- (a) the terms and conditions of the subscription agreement dated 29 May 2017 (the “**Subscription Agreement**”, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) entered into between the Company as the issuer, COFCO Capital (Hong Kong) Co., Limited (the “**Subscriber**”) as the subscriber, and Mr. Liu Rongsheng and Mr. Liu Yi as guarantors, in relation to the subscription of the Convertible Bonds (as defined below) be and are hereby approved, confirmed and ratified;
- (b) the terms and conditions of the instrument of the convertible bond (the “**Convertible Bond Instrument**”) to be entered into between the Company and the Subscriber in relation to the convertible bonds in the aggregate principal amount of HK\$100 million to be issued by the Company (the “**Convertible Bonds**”) under Specific Mandate (as defined below), a copy of which has been produced to the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification, pursuant to which the Company is to issue to the Subscriber which is convertible into shares of the Company (the “**Conversion Shares**”) at the conversion price of HK\$0.24 per Conversion Share (subject to adjustment) be and are hereby approved, confirmed and ratified;

---

## NOTICE OF SGM

---

- (c) the grant of specific mandate (the “**Specific Mandate**”) to the directors (the “**Directors**”) of the Company to allot and issue the Convertible Bonds and to issue and allot the Conversion Shares to the Subscriber pursuant to the Subscription Agreement and the Convertible Bond Instrument be and is hereby approved, confirmed and ratified; and the Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (d) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Convertible Bonds to the Subscriber.”

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

Hong Kong, 5 September 2017

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business  
in Hong Kong:*  
Room 03, 22/F  
China Resources Building  
26 Harbour Road  
Wanchai Hong Kong

---

## NOTICE OF SGM

---

*Notes:*

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney 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 less than 48 hours before the time appointed for holding of the above Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
7. As at the date of this notice, the executive Directors are Mr. Liu Rongsheng, Lord Cao Yunde, Mr. Fan Guocheng and Mr. Chen Liang and independent non-executive Directors are Mr. Pang Pui Hung, Paton, Ms. Li Yuen Fong, Michelle and Ms. Wei Qing.