

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 6 March 2018 (after trading hours), the Company entered into four Subscription Agreement with four Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 670 million Subscription Shares at the Subscription Price of HK\$0.45 per Subscription Share. The Subscription is subject to various Conditions set out below under the paragraph headed Conditions of this announcement.

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other.

The Subscription Shares represent (i) approximately 23.10% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.76% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

The Subscription Price is fixed at HK\$0.45 per Subscription Share, which represent (i) a discount of approximately 18.18% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreements; (ii) a discount of approximately 20.77% to the average closing price of approximately HK\$0.57 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement; and (iii) a discount of approximately 19.93% to the average closing price of approximately HK\$0.56 per Share as quoted on the Stock Exchange or the last ten trading days immediately preceding the date of the Subscription Agreement.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription are expected to be approximately HK\$301.5 million. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$290 million. The proceeds are currently intended to be applied to the development of production facilities for fishing-related business, construction of fishing vessels and working capital for the development of aquatic trading business of the Group.

GENERAL

The Subscription is subject to the Shareholders' approval. The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

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

Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions under the Subscription Agreements as set out in the section headed "Conditions of the Subscription". As the Subscription may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The SGM will be held for the Shareholders to consider and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares. To the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting at the SGM in respect of the resolution relating to the Subscription and the Specific Mandate.

A circular containing, among other things, (i) further details of the Subscription, including the Specific Mandate, and (ii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

The Board is pleased to announce that on 6 March 2018 (after trading hours), the Company entered into four Subscription Agreement with four Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 670 million Subscription Shares at the Subscription Price of HK\$0.45 per Subscription Share. The Subscription is subject to various Conditions set out below under the paragraph headed Conditions of this announcement. Principal terms of the Subscription Agreements are set out below:

THE SUBSCRIPTION AGREEMENT

Date: 6 March 2018 (after trading hours)

Parties:

Subscription Agreement I: (1) The Company as issuer; and
(2) TAN Kai as Subscriber I;

Subscription Agreement II: (1) The Company as issuer; and
(2) XU Siqi as Subscriber II;

Subscription Agreement III: (1) The Company as issuer; and
(2) LIU Ruxiang as Subscriber III;

Subscription Agreement IV: (1) The Company as issuer; and
(2) Shenzhen Jing Peng Xin Trade Co., Ltd as Subscriber IV;

Subscriber I has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 70 million new Shares at the Subscription Price of HK\$0.45 per Subscription Share to the Subscriber I.

Subscriber II has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 80 million new Shares at the Subscription Price of HK\$0.45 per Subscription Share to the Subscriber II.

Subscriber III has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 160 million new Shares at the Subscription Price of HK\$0.45 per Subscription Share to the Subscriber III.

Subscriber IV has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 360 million new Shares at the Subscription Price of HK\$0.45 per Subscription Share to the Subscriber IV.

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

The Subscription Shares

The Subscription Shares I represent (i) approximately 2.41% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.96% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

The Subscription Shares II represent (i) approximately 2.76% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.24% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

The Subscription Shares III represent (i) approximately 5.52% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.48% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

The Subscription Shares IV represent (i) approximately 12.41% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 10.08% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

The Subscription Shares have an aggregate nominal value of HK\$6.7 million and the market value of the Subscription Shares is approximately HK\$368.5 million based on the closing price of HK\$0.55 per Share as quoted on the Stock Exchange on the date of signing of the Subscription Agreements.

Subscription Price

The Subscription Price of HK\$0.45 per Subscription Share, represents:

- (a) a discount of approximately 18.18% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreement;
- (b) a discount of approximately 21.05% to the average closing price of HK\$0.57 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement; and
- (c) a discount of approximately 19.64% to the average closing price of HK\$0.56 per Share as quoted on the Stock Exchange for the last ten trading days immediately preceding the date of the Subscription Agreement.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription are expected to be approximately HK\$301.5 million. After deducting related professional fees and all related expenses, the net proceeds of the Subscription will amount to approximately HK\$290 million, representing a net subscription price of approximately HK\$0.43 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers with reference to the recent market prices of the Shares and current market conditions. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions to the completion of the Subscription

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

- (a) the Shareholders duly passing the resolutions approving, inter alia, the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares, at the SGM;
- (b) the GEM Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares to be issued (and such approval not being subsequently revoked prior to the Completion).

If the above conditions are not fulfilled on or prior to the Long Stop Date, the Subscription Agreements shall terminate and neither of the parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreements.

As at the date of this announcement, none of the conditions precedent to the Subscription has been satisfied and/or waived (as the case may be).

Completion

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other. Completion of the Subscription will take place on the fifth business day immediately after all the conditions precedent of the Subscription are fulfilled (or such other date as may be agreed between the Company and the relevant Subscriber in writing). If the Company or the Subscribers fail to proceed with completion of the Subscription in accordance with the Subscription Agreements, the non-breaching party may: (i) postpone the date of completion to a subsequent date which is not later than 28 days after; or (ii) terminate the Subscription Agreements concerned.

Completion of the Subscription is subject to fulfillment of the conditions precedent in the Subscription Agreements and the Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Ranking of the Subscription Shares

The Subscription 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 Subscription Shares.

SPECIFIC MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The issue of the Subscription Shares is subject to the Shareholders' approval. The Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought from the Shareholders at the SGM.

APPLICATION FOR LISTING

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

INFORMATION OF THE GROUP

The Group is principally engaged in the business of supply chain management services and money lending business, the Group has also recently been diversifying its business into fishing-related business.

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 Group has also recently been diversifying its business into fishing-related business.

The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$290 million. The proceeds are currently intended to be applied in the following manner:

- (i) approximately 13.79% (i.e. HK\$40 million) to potential acquisition of land and production facilities for fishing-related business in Cambodia;
- (ii) approximately 31.03% (i.e. HK\$90 million) to development of aquatic trading business.
- (iii) approximately 6.90% (i.e. HK\$20 million) for the construction of cold storage in Mozambique to facilitate the storage before exporting the aquatic products to PRC.
- (iv) approximately 6.90% (i.e. HK\$20 million) for the construction of pier in Mozambique.
- (v) approximately 3.45% (i.e. HK\$10 million) for the construction of processing plant of fishing-related business in Mozambique.
- (vi) approximately 34.48% (i.e. HK\$100 million) for the development of fishing business including the construction of fishing vessels.
- (vii) approximately 3.45% (i.e. HK\$10 million) to the general working capital of the Group.

The Directors are of the view that the terms of the Subscription Agreement are on normal commercial 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 SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement (ii) immediately after Completion:

<i>Shareholders</i>	<i>As at the date of this announcement</i>		<i>Immediately after Completion</i>	
	<i>No. of Shares</i>	<i>Approximate%</i>	<i>No. of Shares</i>	<i>Approximate%</i>
Liu Yi	573,944,000	19.78	573,944,000	16.07
Chen Quan	237,512,000	8.19	237,512,000	6.65
Subscriber I	–	–	70,000,000	1.96
Subscriber II	–	–	80,000,000	2.24
Subscriber III	–	–	160,000,000	4.48
Subscriber IV	–	–	360,000,000	10.08
Chen Liang (<i>Note i</i>)	6,272,000	0.22	6,272,000	0.18
Wei Qing (<i>Note i, ii</i>)	79,996,000	2.67	79,996,000	2.24
Fan Guocheng (<i>Note i</i>)	800,000	0.03	800,000	0.02
Other public Shareholders	2,002,431,513	69.11	2,002,431,513	56.08
Total	<u>2,900,955,513</u>	<u>100.00</u>	<u>3,570,955,513</u>	<u>100.00</u>

Note:

- (i) Chen Liang, Wei Qing and Fan Guocheng are executive Directors of the Company.
- (ii) Based on public information, Wei Qing is beneficially interested in 70,000,000 Shares through Sunny Sky Capital Management Limited.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company had not carried out any other equity fund raising activities in the past twelve months prior to the date of this announcement:

<i>Date of initial announcement</i>	<i>Event</i>	<i>Net proceeds (approximately)</i>	<i>Intended use of proceeds</i>	<i>Actual use of proceeds as at the date of this announcement</i>
17 August 2016	Placing of new shares under general mandate	HK\$32.50 million	For general working capital of the Group.	As to (i) approximately HK\$30 million used as working capital of the money lending business and lent to independent third parties; and (ii) the remaining used as general working capital of the Group
20 March 2017	Placing of new shares under general mandate	HK\$117.4 million	For the capital commitment under a joint venture agreement entered into 20 January 2017 between a subsidiary of the Company and Khmer First Investment Holding Group Co., Limited for setting up a joint venture company in Cambodia and/or general working capital of the Group.	As to (i) approximately HK\$20 million used as working capital of the money lending business and lent to independent third parties; (ii) approximately HK\$80 million used to purchase electronic and aquatic products of the supply chain business; and (iii) the remaining used as general working capital of the Group

<i>Date of initial announcement</i>	<i>Event</i>	<i>Net proceeds (approximately)</i>	<i>Intended use of proceeds</i>	<i>Actual use of proceeds as at the date of this announcement</i>
29 May 2017	Proposed issue of convertible bonds under specific mandate (the “COFCO CB”)	HK\$95 million	As to (i) approximately HK\$47 million for the working capital of the supply chain business, in particular, the supply chain operation of aquatic products. The Group intend to use the proceeds to expand the trading of aquatic products; and (ii) approximately HK\$48 million for the fishing related operation including potential acquisitions.	As to (i) approximately HK\$85 million for the development of aquatic trading business and fishing-related operations
5 September 2017	Placing of new shares under general mandate	HK\$226 million	As to (i) approximately HK\$150 million for the development of aquatic trading business with a major PRC customer for its processed food manufacturing; (ii) approximately HK\$30 million for the development of fishing business in Mozambique, including the construction of fishing vessels and operating cash flows such as wages, fuel charges and other operating charges for the fishing operation; (iii) approximately HK\$30 million for the purchase of cold storage in Cambodia to facilitate the storage of aquatic products before its export to the PRC; and (iv) approximately HK\$16 million as general working capital of the Group.	As to (i) approximately HK\$185 million for the development of aquatic trading business; (ii) approximately HK\$25 million for the investments in a PRC subsidiary of the Company for its development of fishing business in Mozambique and Cambodia; (iii) approximately HK\$15 million as the general working capital of the Group; and (iv) the remaining proceeds are placed in the bank account of the Group and it will be utilised as intended..

Save as disclosed above, the Company has not conducted any other fund raising activities involving the issue of equity securities in the past 12 months immediately preceding the date of this announcement.

GENERAL

The SGM will be held for the Shareholders to consider and, if thought fit, approving the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares. To the best of the Directors' knowledge, information and belief, no other Shareholder is required to abstain from voting at the SGM in respect of the resolution relating to the Subscription and the Specific Mandate.

A circular containing, among other things, (i) further details of the Subscription, including the Specific Mandate, and (ii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Business Day(s)”	a day (other than Saturday, Sunday and a public holiday) on which banks are open for business in Hong Kong;
“Company”	China Ocean Fishing Holdings Limited (Stock code: 8047), a company continued in Bermuda with limited liability, the Shares of which are listed on GEM;
“Completion”	completion of the Subscription Agreement;
“Completion Date”	the fifth 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 Subscribers may agree in writing;
“Connected Person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the Director(s) of the Company;
“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;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Long Stop Date”	30 June 2018, or any other date as the Company and the relevant Subscribers may agree in writing;
“Party(ies)”	the party(ies) to the Subscription Agreement;
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate;
“Shareholder(s)”	the holder(s) of the Shares;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Specific Mandate”	a specific mandate to allot and issue the Subscription Shares to be sought from the Shareholders at the SGM;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	Collectively, Subscriber I, Subscriber II, Subscriber III and Subscriber IV;
“Subscriber I”	TAN Kai;
“Subscriber II”	XU Siqu;
“Subscriber III”	LIU Ruxiang;
“Subscriber IV”	Shenzhen Jing Peng Xin Trade Co., Ltd;
“Subscription Agreement I”	the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber I in relation to the Subscription;
“Subscription Agreement II”	the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber II in relation to the Subscription;

“Subscription Agreement III”	the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber III in relation to the Subscription;
“Subscription Agreement IV”	the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber IV in relation to the Subscription;
“Subscription Agreements”	collectively, the Subscription Agreement I, the Subscription Agreement II, the Subscription Agreement III and the Subscription Agreement IV;
“Subscription Price”	the subscription price of HK\$0.45 per Subscription Share;
“Subscription Shares”	Collectively, the Subscription Shares I, the Subscription Shares II, the Subscription Shares III and the Subscription Shares IV;
“Subscription Shares I”	a total of 70 million new Shares to be allotted and issued by the Company to Subscriber I under the Subscription Agreement;
“Subscription Shares II”	a total of 80 million new Shares to be allotted and issued by the Company to Subscriber II under the Subscription Agreement;
“Subscription Shares III”	a total of 160 million new Shares to be allotted and issued by the Company to Subscriber III under the Subscription Agreement;
“Subscription Shares IV”	a total of 360 million new Shares to be allotted and issued by the Company to Subscriber IV under the Subscription Agreement;
“Subscription”	the subscription by the Subscriber of the Subscription Shares issued by the Company pursuant to the Subscription Agreement;
“Subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules;
“%”	per cent

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

Hong Kong, 6 March 2018

As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Lord Cao Yunde, Mr. Chen Liang, Mr. Fan Guocheng and Ms. Wei Qing, the non-executive Director is Mr. Yang Yong and independent non-executive Directors are Mr. Pang Pui Hung, Paton, Ms. Li Yuen Fong, Michelle and Mr. Zhu Yifeng.

This announcement, 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 this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.chinaoceanfishing.hk>.