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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)**

## **PLACING OF BONDS**

**SOLE PLACING AGENT**

**Run Investment Services Limited**



On 21 January 2019 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agreed to act as placing agent, on a best effort basis, for the purposes of procuring Placees to subscribe in cash for the Bonds with an aggregate principal amount of up to HK\$50 million during the Placing Period.

Completion of the Placing is subject to, among other things, the Placing Agent's rights of termination of the Placing under the Placing Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

## **THE PLACING AGREEMENT**

### **Date**

21 January 2019 (after trading hours of the Stock Exchange)

### **Parties**

Issuer : the Company

Placing Agent : Run Investment Services Limited

### **Placing**

Pursuant to the Placing Agreement, the Placing Agent agreed to act as placing agent (either by itself or through its sub-placing agents), on a best effort basis, for the purposes of procuring Placees to subscribe in cash for the Bonds with an aggregate principal amount of up to HK\$50 million during the Placing Period.

The Placing Agent will charge a placing fee at certain percentage of the principal amount of the Bonds successfully placed by the Placing Agent. The placing fee was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents. The Directors consider that the terms of the Placing, including the placing fee, are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

### **Termination Rights of the Placing Agent and the Company**

The Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement, by notice in writing to the Company before the expiry date of the Placing Period, if in its absolute opinion, the success of the Placing contemplated hereunder would be materially and adversely affected by:

- i. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or

- ii. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Placing; or
- iii. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which may materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
- iv. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- v. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 15 consecutive Business Days; or
- vi. any material breach of any of the warranties under the Placing Agreement comes to the knowledge of the Placing Agent.

If at any time prior to the expiry of the Placing Period, any such notice as is referred to above is given by the Placing Agent, the obligations of all parties under the Placing Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

The Company may, by giving three-months' notice in advance to the Placing Agent prior to the expiry of the Placing Period, terminate the Placing Agreement in the absolute opinion of the Company.

Termination of the Placing Agreement pursuant to the clauses above shall be without prejudice to any rights of any party in respect of any breach by the other prior to such termination.

**The principal terms of the Bonds are summarized as below:**

**Principal terms of the 8% Bonds**

|                  |   |  |
|------------------|---|--|
| Principal amount | : | Up to HK\$50,000,000 combining the principal amount of the 8% Bonds and/or the 7% Bonds. |
| Issue price      | : | 100% of the principal amount   |

|                         |   |  |
|-------------------------|---|--|
| Interest                | : | 8% per annum, payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December of each year   |
| Maturity date           | : | 2 <sup>nd</sup> anniversary of the date of issue of the Bonds or, if that is not a Business Day, the first Business Day thereafter   |
| Denomination            | : | In denomination of HK\$500,000 each in the minimum (or for any amount over HK\$500,000, in integral multiple of HK\$100,000 each).   |
| Status                  | : | The obligations of the Company arising under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.  |
| Transferability         | : | <p>The Bonds shall be transferable in whole multiples of HK\$100,000, and may be transferred to any person subject to the conditions, approvals, requirements and any other provisions of or under:</p> <ul style="list-style-type: none"> <li>a) the Stock Exchange or its rules and regulations;</li> <li>b) all applicable rules and regulations; and</li> <li>c) unless with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person or connected persons of the Company.</li> </ul>                             |
| Early Redemption        | : | <p>Subject to the consent from the Bondholder(s), the Company may at any time before the Maturity Date and from time to time by serving at least ten (10) days' prior written notice on the Bondholder(s) with the total amount proposed to be redeemed from the Bondholder(s) specified therein, redeem the Bonds (in whole or in part) at not less than 100% of the total amount of such Bonds together with payment of interests accrued up to the date of such early redemption.</p> <p>No early redemption may be requested by the Bondholder(s).</p> |
| Application for listing | : | No application will be made for a listing of the 8% Bonds on the Stock Exchange or any stock or securities exchange.   |

Event of Default : (i) the Gearing Ratio on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not at any time exceed 60%; and (ii) the Net Tangible Worth on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not be less than HK\$700 million.

### **Principal terms of the 7% Bonds**

Principal amount : Up to HK\$50,000,000 combining the principal amount of the 8% Bonds and/or the 7% Bonds

Issue price : 100% of the principal amount

Interest : 7% per annum, payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December of each year

Maturity date : 2<sup>nd</sup> anniversary of the date of issue of the Bonds or, if that is not a Business Day, the first Business Day thereafter

Denomination : In denomination of HK\$1,000,000 each in the minimum (or for any amount over HK\$1,000,000, in integral multiple of HK\$100,000 each).

Status : The obligations of the Company arising under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

Transferability : The Bonds shall be transferable in whole multiples of HK\$100,000, and may be transferred to any person subject to the conditions, approvals, requirements and any other provisions of or under:

- a) the Stock Exchange or its rules and regulations;
- b) all applicable rules and regulations; and
- c) unless with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person or connected persons of the Company.

Early Redemption : Subject to the consent from the Bondholder(s), the Company may at any time before the Maturity Date and from time to time by serving at least ten (10) days' prior written notice on the Bondholder(s) with the total amount proposed to be redeemed from the Bondholder(s) specified therein, redeem the Bond (in whole or in part) at not less than 100% of the total amount of such Bond together with payment of interests accrued up to the date of such early redemption.

The Bondholder(s) may request for early redemption after completion of an initial holding period of 12 months by written notice, whereupon repayment of the corresponding principal and outstanding interest (including the interest for the 3 months notice period) shall be made 3 months after receiving the written notice.

Application for listing : No application will be made for a listing of the 7% Bonds on the Stock Exchange or any stock or securities exchange.

Event of Default : (i) the Gearing Ratio on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not at any time exceed 60%; and (ii) the Net Tangible Worth on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not be less than HK\$700 million.

## **Placees**

The Bonds will be placed to Placees who are not, and whose ultimate beneficial owners, if applicable, are not connected persons of the Company.

## **Placing Period**

The Placing Period commences from the date of the Placing Agreement and ends on the 6th month from the date of the Placing Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing.

## **Conditions of the Placing**

The Placing and the obligations of the Placing Agent under the Placing Agreement are conditional upon, among other things, the compliance of any requirements under the GEM Listing Rules or otherwise of the Stock Exchange and/or the SFC which requires compliance in relation to the Placing and the issue of the Bonds, and no Event of Default either having occurred or occurring.

If the above conditions are not satisfied within 5 Business Days from the date of the Placing Agreement, or such later time or date as may be agreed between the Placing Agent and the Company in writing, each of the Company and the Placing Agent may, at any time thereafter, terminate the Placing Agreement by notice in writing to the other party and no party shall be under any liability to any other in respect of the Placing Agreement and the parties shall be released and discharged from their respective obligations, save for any antecedent breach of the conditions above.

The Placing Agent may also terminate the Placing Agreement (save in respect of Bonds already issued) should there be any breach (which is material in the absolute opinion of the Placing Agent) of the warranties given by the Company under the Placing Agreement.

### **Completion of the Placing**

Completion is subject to the termination rights of the Placing Agent under the Placing Agreement, and the issue of a completion notice by the Placing Agent to the Company on each date of completion of the Placing of Bonds which shall:

- (i) specify whether the 7% Bonds and/or the 8% Bonds are to be issued by the Company;
- (ii) require the issue of Bonds of an aggregate principal amount not less than HK\$1,000,000 for 7% Bonds and HK\$500,000 for 8% Bonds, and subsequence for integral multiples of HK\$100,000 thereof;
- (iii) not, when aggregated with the principal amount of Bonds then issued or required to be issued under other completion notices, exceed HK\$50,000,000; and
- (iv) state the names, addresses and occupation of the registered holder(s) of the relevant Bonds.

### **USE OF PROCEEDS**

The principal activity of the Company is investment holding. The Group is principally engaged in supply chain management services, money lending business and ocean fishing business.

Assuming the Bonds are placed in full, the maximum aggregate gross proceeds from the Placing will be HK\$50 million. The Company intends to apply the net proceeds of approximately HK\$45.00 million to HK\$46.75 million from the Placing after deducting the placing commission and other related costs and expenses as working capital for the expansion of existing businesses of the Group, and to finance any future opportunities as the Company may identify, and repayment of loans and borrowings.

**Completion of the Placing is subject to, among other things, the Placing Agent's rights of termination of the Placing under the Placing Agreement. Accordingly, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## DEFINITION

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

|                       |   |
|-----------------------|---|
| “Board”               | the board of Directors;   |
| “Bondholder(s)”       | means a person in whose name a Bond is registered in the register of Bondholders, and “holder” in relation to a Bond has a corresponding meaning;   |
| “Bonds”               | the 7% Bonds and/or the 8% Bonds;   |
| “Business Day(s)”     | any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours;   |
| “Company”             | China Ocean Fishing Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM;  |
| “connected person(s)” | has the meaning ascribed to it under the GEM Listing Rules;   |
| “Director(s)”         | the directors of the Company;   |
| “GAAP”                | means Hong Kong Financial Reporting Standards as in effect from time to time. All ratios and computations contained or referred to in this Instrument of the Bonds shall be computed in conformity with GAAP applied on a consistent basis;   |
| “Gearing Ratio”       | means the ratio of consolidated long-term liability portion of bank borrowings and debt securities to consolidated total assets of the Company, each determined in accordance with GAAP;  |
| “Event of Default”    | including (i) the Gearing Ratio on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not at any time exceed 60%; and (ii) the Net Tangible Worth on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not be less than HK\$700 million; |



|                      |  |
|----------------------|--|
| “GEM Listing Rules”  | the Rules Governing the Listing of Securities on the GEM;  |
| “Group”              | the Company and its subsidiaries;  |
| “HK\$”               | Hong Kong dollar, the lawful currency of Hong Kong;  |
| “Hong Kong”          | the Hong Kong Special Administrative Region of the People’s Republic of China;   |
| “Net Tangible Worth” | means the consolidated total assets of the Company after deducting, without duplication, (i) current and non-current liabilities; and (ii) goodwill, excess of cost over assets acquired, patents, copyrights, trademarks, trade names, unamortised debt discount and expense and other like intangible assets, all as shown in the consolidated financial statements of the Company prepared in accordance with GAAP; |
| “Placees”            | any person or entity whom the Placing Agent has procured to subscribe for any of the Bonds pursuant to the Placing Agreement;  |
| “Placing”            | the placing of the Bonds by the Placing Agent on a best effort basis pursuant to the terms and conditions of the Placing Agreement;  |
| “Placing Agent”      | Run Investment Services Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO;  |
| “Placing Agreement”  | the conditional placing agreement dated 21 January 2019 and entered into between the Company as issuer and the Placing Agent as placing agent in relation to the Placing;  |
| “Placing Period”     | the period commencing upon the execution of the Placing Agreement and terminating on the date falling on the expiration of six months from the date of the Placing Agreement (or such later time and date as the Company and the Placing Agent may agree in writing);  |
| “SFC”                | the Securities and Futures Commission of Hong Kong;  |

|                  |  |
|------------------|--|
| “SFO”            | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);   |
| “Share(s)”       | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;   |
| “Shareholder(s)” | the holders of the Shares;   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited;   |
| “7% Bonds”       | the 2-year, with early redemption option granted to the Bondholder(s) after completion of the initial 12 months’ period, 7% bonds denominated in HK\$ to be placed by the Placing Agent pursuant to the Placing Agreement; |
| “8% Bonds”       | the 2-year 8% bonds denominated in HK\$ to be placed by the Placing Agent pursuant to the Placing Agreement;   |
| “%”              | per cent   |

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

Hong Kong, 21 January 2019

*As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Fan Guocheng and Ms. Wei Qing, the non-executive Directors are Mr. Yang Yong and Mr. Lui Chun Pong; independent non-executive Directors are Mr. Pang Pui Hung, Paton, Mr. Lam Man Hing and Mr. Li Cao.*

*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>.*