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中國海洋集團

**CHINA OCEAN GROUP
DEVELOPMENT LIMITED**

China Ocean Group Development Limited

中國海洋集團發展有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

**DISCLOSABLE TRANSACTION
ACQUISITION OF 35% EQUITY INTERESTS IN THE
PROJECT COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES
UNDER GENERAL MANDATE**

The board of directors of the Company is pleased to announce that on 4 March 2021, an indirect subsidiary of the Company, Shenzhen Yuduoduo, Penglide and Ms. Liang entered into the Cooperation Agreement. Pursuant to the Cooperation Agreement, Shenzhen Yuduoduo, Penglide and Ms. Liang would operate the Project Company, with the principal activities being trading and retailing of frozen seafood, fruits, eggs and frozen meats, in the respective shareholding of 35%, 45% and 20%.

THE COOPERATION AGREEMENT

Date: 4 March 2021

Parties:

- (a) Shenzhen Yuduoduo Ocean Technology Co., Ltd., a company established in the PRC with limited liability and is an indirect subsidiary of the Company;

- (b) Penglide Seafood (Shenzhen) Co. Ltd.* (鵬利得海產(深圳)有限責任公司), a company established in the PRC with limited liability; and
- (c) Ms. Liang Huaiju (Ms. Liang), a PRC citizen and an entrepreneur.

(each a “**Party**”, and collectively the “**Parties**”)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, both Ms. Liang and Penglide and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Principal terms

Pursuant to the Cooperation Agreement,

- (a) Shenzhen Yuduoduo, Penglide and Ms. Liang intend to invest into the Project Company with respective shareholding ratio of 35%, 45% and 20%, to operate retail stores for the selling of frozen seafood and fruits in Shenzhen, Guangdong Province of the PRC.
- (b) Shenzhen Yuduoduo is responsible for providing quality seafood and fruits imported from Africa and other countries to all such retail stores using the cold storage logistics operation.
- (c) Shenzhen Yuduoduo is responsible for supplying real-time videos on ocean fishing to each of the retail stores. The Project Company will be responsible for the installation of the playback facilities.
- (d) Ms. Liang and Penglide will be responsible for the change of the Project Company’s name from Shenzhen Hailat Frozen Seafood Co., Ltd. to Shenzhen Yuduoduo Frozen Food Co., Ltd.* (深圳市魚多多凍鮮海產品有限公司) to create a better branding for the retail stores.
- (e) Ms. Liang and Penglide will be responsible for all tasks necessary in setting up the business of the Project Company, including but not limited to the rental of retail stores, design and layout of retail stores, purchases of equipment, brand advertising and sales promotion.
- (f) Ms. Liang and Penglide will be responsible for the management of the Project Company and use their best endeavors to achieve a profitable return and regularly report to Shenzhen Yuduoduo on the operations of the Project Company and its retail stores.

- (g) After obtaining the consensus of all the parties, a person will be appointed to be responsible for the operation of the Project Company, and absolute discretion will be given to the person to handle the affairs of the Project Company independently. However, if there is a major problem or other issues which involve the interests of all the shareholders, written consent must be obtained from all shareholders of the Project Company before any action can be taken.
- (h) All parties agreed that when the Project Company sets up 30 retail stores, Ms. Liang and Penglide will unconditionally transfer part of their share holdings in the Project Company to Shenzhen Yuduoduo to increase its shareholdings to over 51%. A separate share transfer agreement will be negotiated if this condition is fulfilled.

CONSIDERATION

The Consideration payable by Shenzhen Yuduoduo to Ms. Liang will be settled by (i) the allotment and issue of the Consideration Shares, credited as fully paid, at an issue price of HK\$0.18 per Consideration Share by the Company, to be calculated into the equivalent of approximately RMB30,000,000 according to the exchange rate as announced by Bank of China on the date of issue of Consideration Shares; and (ii) the remaining balance of the Consideration to be settled in RMB by cash.

The issue price of the Consideration Shares (i.e. HK\$0.18) represents:

- (i) a premium of approximately 7.78% to the closing price of HK\$0.167 per Share as quoted on the Stock Exchange on the date of the Cooperation Agreement;
- (ii) a premium of approximately 5.88% to the average closing price of HK\$0.170 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Cooperation Agreement; and
- (iii) a premium of approximately 4.65% to the average closing price of HK\$0.172 per Share as quoted on the Stock Exchange for the ten consecutive trading days of the Shares immediately prior to the date of the Cooperation Agreement.

The Consideration Shares represent approximately (i) 4.24% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.07% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The issue price was determined after arm's length negotiations between the Shenzhen Yuduoduo and Ms. Liang with reference to the current market price of the Shares. The Directors consider that the issue price of the Consideration Shares is fair and reasonable and on normal commercial terms.

Lock-up Period

The Consideration Shares shall be subject to a lock-up period of 18 months from the issue date (the "Lock-up Period").

INFORMATION OF THE PARTIES

Penglide is a company established in the PRC with limited liability and is principally engaged in the development of physical enterprises that utilize the internet and logistics.

Ms. Liang Huaiju is a PRC citizen and an entrepreneur who holds the entire shareholdings of the Project Company.

INFORMATION OF THE PROJECT COMPANY

The Project Company is a company established in Shenzhen, Guangdong Province of PRC on 20 June 2019 with its principal activities being the operation of retail stores for the selling of frozen seafood and fruits in Shenzhen. As at the date of this announcement, the Project Company operates four frozen seafood direct sales physical stores in Shenzhen. The unaudited net asset value of the Project Company as at 31 December 2020 was approximately RMB1.24 million.

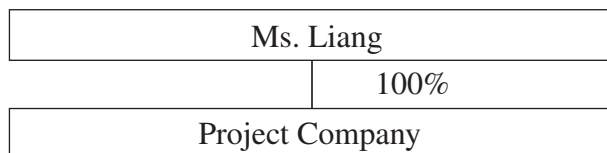
The financial information of the Project Company are set out below:

	For the financial year ended 31 December 2020 RMB'000 (Unaudited)	From the date of incorporation to 31 December 2019 RMB'000 (Unaudited)
Revenue	11,702	255
Profit/(loss) before taxation	2,075	(1,754)
Profit/(loss) after taxation	1,994	(1,754)

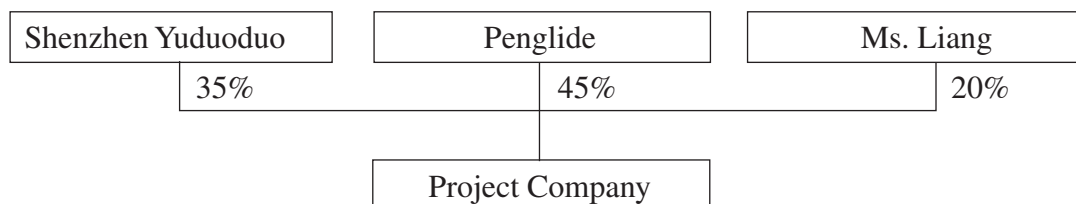
The Project Company will be owned as to 35% by the indirect subsidiary of the Company, 45% by Penglide and 20% by Ms. Liang. As such, the Project Company will be accounted for as an associated company of the Company and the financial performance of the Project Company will not be consolidated into the financial statements of the Company.

The following charts show the shareholdings of the Project Company (i) as at the date of this announcement and (ii) immediately after the allotment and issue of Consideration Shares:

As at the date of this announcement:



Immediately after the allotment and issue of Consideration Shares:



REASONS FOR ENTERING INTO THE COOPERATION AGREEMENT

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

The Company has been actively looking for opportunities to create shareholders' value through making investments and/or acquiring businesses or entering into projects that have promising outlooks and prospects, in particular, in marine fishing and other related businesses. The Directors consider that entering into the Cooperation Agreement could provide an opportunity to the Company to expand its fishing business. The terms of the Cooperation Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares are set out as follows:

<i>Shareholders</i>	<i>As at the date of this announcement</i>		<i>Immediately after the allotment and the issue of the Consideration Shares</i>	
	<i>No. of Shares</i>	<i>Approximate%</i>	<i>No. of Shares</i>	<i>Approximate%</i>
Mr. Liu Yi	724,292,000	15.37	724,292,000	14.74
Jing Peng Xinhe (Hong Kong) Limited	360,000,000	7.64	360,000,000	7.32
COFCO Capital (Hong Kong) Co., Limited	301,850,666	6.40	301,850,666	6.14
Chen Quan	226,304,000	4.80	226,304,000	4.61
Ms. Liang Huaiju	–	–	200,000,000	4.07
Wei Qing (<i>Note i & ii</i>)	79,608,000	1.69	79,608,000	1.62
Fan Guocheng (<i>Note i</i>)	800,000	0.02	800,000	0.02
Cai Haiming (<i>Note i</i>)	151,404,857	3.21	151,404,857	3.08
Other public Shareholders	2,869,396,656	60.87	2,869,396,656	58.40
Total	4,713,656,179	100.00	4,913,656,179	100.00

Note:

- (i) Wei Qing and Fan Guocheng are executive Directors. Cai Haiming is a non-executive Director.
- (ii) Wei Qing is the beneficial owner of 11,756,000 Shares and interested in 67,852,000 Shares through Sunny Sky Capital Management Limited, which is wholly-owned by her.
- (iii) 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.

GENERAL MANDATE

The Consideration Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit of up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 845,192,035 new Shares. Up to the date of this announcement, 407,696,000 new Shares have been issued and allotted under the General Mandate, with remaining 437,496,035 new Shares available for issuance. Accordingly, the allotment and issue of the Consideration Shares is not subject to the approval of the Shareholders.

APPLICATION FOR LISTING OF THE CONSIDERATION SHARES

The Consideration Shares shall rank *pari passu* in all respects with the existing Shares. An application for the listing of and permission to deal in, the Consideration Shares will be made by the Company to the Stock Exchange.

IMPLICATION UNDER THE GEM LISTING RULES

As certain applicable percentage ratios (as defined under Rule 19.06 of the GEM Listing Rules) in relation to the Acquisition exceed 5% but are less than 25%, the Acquisition shall constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 35% of the equity interests in the Project Company by Shenzhen Yuduoduo pursuant to the Cooperation Agreement;
“AGM”	the annual general meeting of the Company held on 28 September 2020;
“Board”	The board of Directors;
“Cooperation Agreement”	The cooperation agreement dated 4 March 2021 made among Shenzhen Yuduoduo, Penglide and Ms. Liang;
“Company”	China Ocean Group Development Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM of the Stock Exchange;
“Consideration”	RMB35,000,000;
“Consideration Shares”	the 200,000,000 new Shares to be issued and allotted by the Company at the issue price of HK\$0.18 to Ms. Liang as the Consideration;
“Director(s)”	the director(s) of the Company;
“GEM Listing Rules”	The Rules Governing the Listing of Securities the GEM of the Stock Exchange;

“GEM”	the GEM of the Stock Exchange;
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM, pursuant to which a maximum of 845,192,035 new Shares may fall to be allotted and issued as at the date of this announcement;
“Group”	The Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Shenzhen Yuduoduo”	Shenzhen Yuduoduo Ocean Technology Co. Ltd., a company established in the PRC with limited liability and is an indirect subsidiary of the Company;
“PRC”	People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Penglid”	Penglid Seafood (Shenzhen) Co. Ltd.* (鵬利得海產(深圳)有限責任公司), a company established in the PRC with limited liability;
“Ms. Liang”	Ms. Liang Huaiju, a PRC citizen and an entrepreneur;
“Project Company”	Shenzhen Hailat Frozen Seafood Co., Ltd., a company established in Shenzhen, Guangdong Province of the PRC with limited liability and, subject to the approval of the relevant authority, would subsequently change its name to Shenzhen Yuduoduo Frozen Food Co., Ltd.* (深圳市魚多多凍鮮海產品有限公司);
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;

“Shareholder(s)” holder(s) of the Share(s);

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong;

“%” per cent.

* *for identification purposes only*

By Order of the Board
China Ocean Group Development Limited
Liu Rongsheng
Executive Director and Chairman

Hong Kong, 4 March 2021

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. Lui Chun Pong and Mr. Cai Haiming; independent non-executive Directors are Mr. Kam Hou Yin, John, 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.chinaoceangroup.com.hk>.