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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China Ocean Group Development Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

### **(I) REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE SHARES;**

### **(II) RE-ELECTION OF NON-EXECUTIVE DIRECTOR**

**AND**

### **(III) NOTICE OF SPECIAL GENERAL MEETING**

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



**Euto Capital Partners Limited**

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Capitalised terms used on this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Independent Board Committee is set out on pages 15 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on page 16 to 28 of this circular.

A notice convening the SGM to be held at Flat 14, 17<sup>th</sup> Floor, Block B, New Century Business Centre, Shi Xia North, No. 2 Street, Futian District, Shenzhen, Guangdong, the PRC on Thursday, 5 May 2022 at 10:30 a.m. is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you are able to attend and vote at the SGM in person, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours (i.e. Tuesday, 3 May 2022 at 10:30 a.m. before the time appointed for 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 (as the case may be) should you so wish.

#### **PRECAUTIONARY MEASURES FOR THE SGM**

In relation to the COVID-19 pandemic, and for the health and safety of the Shareholders and other attendees, the precautionary measures to be taken by the Company at the SGM are as follows:—

- (1) compulsory temperature checks at the entrance of the SGM venue;
- (2) compulsory wearing of surgical face mask by the attendees (please bring your own mask);
- (3) no corporate gift, refreshments or drinks will be provided during the SGM; and
- (4) depending on circumstances, separate rooms connected by instant electronic conferencing system may be arranged at the SGM venue to restrict the number of attendees at each room.

Attendees are requested to observe and practise good personal hygiene at the SGM venue during the SGM. To the extent permitted by law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue so as to safeguard the health and safety of the attendees at the SGM.

Shareholders are reminded that, in order to avoid attending the SGM in person, they are recommended to appoint the chairman of the SGM as their proxy to vote on any resolution(s) at the SGM in accordance with the voting preferences indicated on the proxy form.

Shareholders not attending the SGM in person may join via electronic means (through a live webcast by Zoom) which can be accessed on a computer, tablet or any browser enabled device (details of which are stated in this circular). Please however note that in accordance with the bye-laws of the Company, Shareholders joining via Zoom will not be counted towards a quorum nor will they be able to cast their vote.

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This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Listed Company Information" page for at least 7 days from the date of its posting and on the website of the Company at [www.chinaoceanangroup.com.hk](http://www.chinaoceanangroup.com.hk).

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## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE**

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**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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

<b>“AGM”</b>	the annual general meeting of the Company held on 28 September 2021 in which the Shareholders had approved, among other things, the Existing General Mandate
<b>“associates”</b>	has the same meaning as ascribed to it under the GEM Listing Rules
<b>“Board”</b>	the board of Directors
<b>“Bye-laws”</b>	the bye-laws of the Company as amended from time to time
<b>“Business Day”</b>	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
<b>“Company”</b>	China Ocean Group Development Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on GEM (stock code: 8047)
<b>“connected person”</b>	has the same meaning ascribed to it under the GEM Listing Rules
<b>“controlling shareholder(s)”</b>	has the same meaning ascribed to it under the GEM Listing Rules
<b>“Existing General Mandate”</b>	the general mandate approved at the AGM authorising the Directors to allot and issue Shares up to 20% of the number of issued Shares as at the date of passing the relevant ordinary resolutions at the AGM
<b>“Director(s)”</b>	director(s) of the Company
<b>“GEM”</b>	GEM operated by the Stock Exchange

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## DEFINITIONS

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<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on GEM
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Euto” or “Independent Financial Adviser”</b>	Euto Capital Partners Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing General Mandate
<b>“Independent Board Committee”</b>	an independent committee of the Board, comprising the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the refreshment of the Existing General Mandate, the voting at the SGM for the refreshment of the Existing General Mandate and whether the refreshment of the Existing General Mandate are in the interests of the Company and the Shareholders as a whole
<b>“Independent Shareholder(s)”</b>	Shareholder(s) other than any controlling shareholder(s) of the Company and their respective associates or, where there are no controlling shareholders, any Shareholder(s) other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
<b>“inside information”</b>	has the meaning defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
<b>“Latest Practicable Date”</b>	4 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
<b>“Mr. Cai”</b>	Mr. Cai Haipeng

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## DEFINITIONS

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<b>“New General Mandate”</b>	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the SGM
<b>“PRC”</b>	the People’s Republic of China
<b>“Second Completion”</b>	the completion of the Subscription for the remaining new Shares under the Subscription
<b>“SFO”</b>	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
<b>“SGM”</b>	the special general meeting of the Company to be convened and held at Flat 14, 17 <sup>th</sup> Floor, Block B, New Century Business Centre, Shi Xia North, No. 2 Street, Futian District, Shenzhen, Guangdong, the PRC on Thursday, 5 May 2022 at 10:30 a.m. to consider and, if thought fit, to approve the proposed groat of the New General Mandate and the matters contemplated thereunder
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.01 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of Share(s)
<b>“Share Registrar”</b>	Tricor Tengis Limited, the Hong Kong branch share registrar and transfer office of the Company
<b>“Subscription”</b>	the subscription of new Shares by certain subscribers as announced by the Company on 7 January 2022, pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have agreed to subscribe for an aggregate of 980,000,000 new Shares
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“%”</b>	per cent.

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. LIU Rongsheng  
Mr. FAN Guocheng  
Ms. WEI Qing

*Registered office:*

Clarendon House,  
2 Church Street,  
Hamilton HM 11, Bermuda

*Non-executive Directors:*

Mr. LUI Chun Pong  
Mr. CAI Haiming  
Mr. CAI Haipeng

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

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

*Independent non-executive Directors:*

Mr. KAM Hou Yin, John  
Mr. LI Cao  
Mr. LIU Qiang

11 April 2022

*To the Shareholders*

Dear Sir or Madam,

**(I) REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE SHARES;  
(II) RE-ELECTION OF NON-EXECUTIVE DIRECTOR;  
AND  
(III) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

The Board proposes to refresh the Existing General Mandate subject to the Independent Shareholders' approval. Ordinary resolutions will be proposed at the SGM to the Independent Shareholders to consider, if thought fit, approve the refreshment of the Existing General Mandate.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with the information relating to (i) the refreshment of the Existing General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the refreshment of the Existing General Mandate; (iii) the recommendation from Euto to the Independent Board Committee and the Independent Shareholders on the refreshment of the Existing General Mandate; (iv) the information of Mr. Cai for his proposed re-election; and (v) the notice of SGM.

### **(I) REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE SHARES**

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 982,731,235 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate had been utilised as to 630,000,000 Shares (being 64.1% of Shares which can be allotted and issued under the Existing General Mandate) in association with the partial completion of the Subscription (details of which were set out in the announcements of the Company dated 7 January 2022 and 28 January 2022 respectively). Moreover, upon negotiation between the Company and the subscribers under the Subscription, the completion for the remaining subscription of new Shares thereunder is expected to take place by mid-April 2022. In the event of full completion of the Subscription, the Existing General Mandate will be utilised as to 980,000,000 Shares (being 99.7% of Shares which can be allotted and issued under the Existing General Mandate).

As at the Latest Practicable Date, the Company had an aggregate of 5,733,656,179 Shares in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company will be allowed under the New General Mandate to allot and issue up to 1,146,731,235 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the Latest Practicable Date.

However, in the event that the Second Completion took place prior to the date of SGM, and all the new Shares agreed to be allotted and issued under the Subscription were issued as at the date of the SGM, the Company will have an aggregate of 6,083,656,179 Shares in issue, and on that basis, the Company will be allowed under the New General Mandate to allot and issue up to 1,216,731,235 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the SGM (assuming the Subscription has been completed in full).

### **PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE**

The Company will convene and hold the SGM at which ordinary resolutions will be proposed to the Independent Shareholders that the Directors be granted the general mandate to allot and issue Shares not exceeding 20% of the number of issued Shares as at the date of passing the relevant ordinary resolutions at the SGM.



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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company had an aggregate of 5,733,656,179 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the refreshment of the Existing General Mandate and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company will be allowed to issue and allot up to 1,146,731,235 Shares, being 20% of the number of issued Shares as at the Latest Practicable Date.

The refreshed Existing General Mandate will expire at the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the date by which the next annual general meeting of the Company is required to be held by law or by the Bye-laws; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company prior to the next annual general meeting of the Company.

### REASONS FOR THE REFRESHMENT OF THE EXISTING GENERAL MANDATE

The Group is principally engaged in the business of supply chain management services and ocean fishing business.

Since the outbreak of the COVID-19 pandemic, the operating environment of ocean fishing business has been severely impacted. While there is an improving trend of COVID-19 outbreak and sign of gradual opening up of borders in various countries that would facilitate the resumption of the Company's ocean fishing operation, the Company foresees that it will take time for the Company to resume its operation to a substantial level. Moreover, to maintain the basic operation of the Group and to explore new business opportunities in order to improve the performance of the Group, the Company requires injection of capital to repay its borrowing and to get prepared for potential new projects, as such, the Company conducted the Subscription, and as a result thereof, the Existing General Mandate has been utilised for the Subscription and it will be almost utilised in full upon the full completion of the Subscription, which is expected to take place by mid-April 2022 as at the Latest Practicable Date. Despite the Subscription, in light of the impact of COVID-19 on the ocean fishing business of the Company in the past 2 years, the Company is eager to develop new projects which would diversify the scope or area of its ocean fishing business. As at the Latest Practicable Date, the Company is negotiating with an independent third party for a possible cooperation on a new ocean fishing project in Mozambique with local preliminary processing operation before the fishing products are being shipped to the PRC. Although negotiation is under process and no binding agreement has been entered into, the Company is trying to establish the cooperation soon and once confirmed, funding for preparation of such project, such as funding for equipments and supplies, may be required since the third quarter of 2022. The amount and timing of funding that may be required is not agreed yet, having said that, the New General Mandate would facilitate the Company's fund raising in a comparatively efficient way.

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## LETTER FROM THE BOARD

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As disclosed in the section headed “Equity Fund Raising Activities of the Company in the Past Twelve Months” set out on page 8 of this circular, since the proceeds to be raised under the Subscription have been allocated for specific uses, and the placing of bonds as announced on 21 January 2022 has received no feedback from the placing agents so far, the Company considered that further fund raising by the issuance of bonds may not be promising, and in light of the length until the next annual general meeting of the Company, and market fluctuation in the recent year, as well as out of the concern that immediate funding need may not be readily available when the potential projects are ready to commence, the Company considered that its ability to raise fund efficiently is important to the success in its potential new project. Although it is possible for the Company to seek for specific mandate later when the potential project commences, in comparison to specific mandate issue, fund raising by means of general mandate issue better allows the Company to quickly respond to market opportunity, which will be important in light of the recent and expected volatility of the market, and the Company considered it beneficial to have the Shareholders approving the New General Mandate in advance so as to give the Company more flexibility in arranging its funding need to implement the potential new project as mentioned in the foregoing paragraph.

It is expected that the next annual general meeting of the Company will be held in around September 2022, which is about 6 months from the Latest Practicable Date. The Board is proposing to seek the approval of Independent Shareholders at the SGM on the grant of the New General Mandate such that should funding needs arise or attractive terms for investment become available, the Board will be able to respond to the market and such investment opportunities promptly because fund raising exercise pursuant to a general mandate provides the Company a more efficient process than other types of fund raising exercises and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

The Directors have considered other financing alternatives apart from equity financing such as debt financing, right issue, open offer or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into consideration the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. However, the Company has planned to raise funding for specific uses through placing of bonds as announced on 21 January 2022, the proceeds from which, if any, will be used for other projects of the Company, and further debt financing may not be suitable since it could be subject to lengthy due diligence and negotiations as compared to the equity financing available to the Directors if the refreshment New General Mandate is granted, as well as will further increase the gearing ratio of the Company which may not be beneficial to the financial condition of the Company.

Furthermore, rights issue or open offer may also involve substantial time and cost to complete as compared to equity financing by issuance of new Shares under general mandate. Hence, in light of the current operating environment and the financial condition of the Company, as well as the potential new ocean fishing projects that the Company may commence upon conclusion of negotiation and preparation with the relevant authority and funding need may be pressing in such event, all of these alternatives are considered not suitable to the Company.

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## LETTER FROM THE BOARD

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Having considered that (i) the grant of the New General Mandate will empower the Directors to issue new Shares under the refreshed limit and provide the Company with the flexibility and ability to capture any appropriate capital raising or business opportunities in a timely manner in order to satisfy its funding needs for its potential new projects; and (ii) equity financing does not create any interest paying obligations on the Group, the Board considers the grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, there is no concrete plan or agreement with any party to issue Shares by utilising the New General Mandate.

### EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds raised	Intended use of proceeds as announced	Actual use of proceeds
16 September 2021 and 8 October 2021	Subscription of 190,000,000 new Shares	HK\$19 million	Settlement of accounts payables	Utilised as intended
7 January 2022 and (with partial completion announced on 28 January 2022)	Subscription of a maximum of 980,000,000 new Shares	HK\$62.8 million has been raised up to the Latest Practicable Date and a further HK\$34.7 million will be raised upon Second Completion (assuming completion takes place in full)	HK\$60.0 million is allocated for repayment of borrowings by mid-April 2022, HK\$27.5 million will be allocated for setting/preparing sail for fishing vessels by May/June 2022 and HK\$10.0 million will be allocated for general working capital by June 2022.	For the HK\$62.8 million raised, HK\$37.6 million has been utilised for repayment of borrowings; HK\$22.5 million has been utilised for setting/preparing sail for fishing vessels; HK\$2.7 million has been used as general working capital  The remaining HK\$34.7, when raised, will be used as intended

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises Mr. Kam Hou Yin, John, Mr. Li Cao and Mr. Liu Qiang, all being the independent non-executive Directors, has been established to advise the Independent Shareholders on the refreshment of the Existing General Mandate.

Euto has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate.

The Independent Board Committee and the Directors, having taken into account the advice of Euto, consider that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the SGM for approving the refreshment of the Existing General Mandate.

### (II) RE-ELECTION OF NON-EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company 28 January 2022 in relation to, among other things, the appointment of Mr. Cai as a non-executive Director. Pursuant to the Bye-laws of the Company, any Director appointed by the Board shall hold office until the first general meeting of the Shareholders after his appointment and be subject to re-election at such meeting.

As such, a resolution will be proposed at the SGM for the re-election and appointment of Mr. Cai as an non-executive Director.

The biographical details of Mr. Cai are set out below:

Mr. Cai, aged 36, graduated from Shenzhen University with a bachelor's degree in communication engineering. He is currently a director of Shenzhen Mingren Holding Group Co., Ltd.\* (深圳市銘仁控股集團有限公司). Mr. Cai has served as a director of a China joint-stock securities company, responsible for operations and risk control compliance matters. He has held management positions in various companies in China since 2011 and has extensive experience in corporate management. Mr. Cai is the brother of Mr. Cai Haiming, a non-executive director of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Cai (i) does not have any relationship with any Directors, senior management, or substantial or controlling shareholders of the Company; and (ii) did not hold any other directorships in the last three years up to the date of this announcement in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

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## LETTER FROM THE BOARD

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On 27 January 2022, the Company entered into a letter of appointment with Mr. Cai for a term of 1 year with effective from 28 January 2022. Mr. Cai is entitled to receive a monthly salary of HK\$15,000 which is determined by arm's length negotiation between Mr. Cai and the Company with reference to his duties and responsibilities. The amount of the remuneration has been approved by the Remuneration Committee and the Board.

Save as disclosed above, there is no other information to be disclosed pursuant to any of the requirements of Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there are no other matters in relation to the appointments of Mr. Cai that need to be brought to the attention of the shareholders of the Company.

### SGM

A notice convening the SGM to be held at Flat 14, 17<sup>th</sup> Floor, Block B, New Century Business Centre, Shi Xia North, No. 2 Street, Futian District, Shenzhen, Guangdong, the PRC on Thursday, 5 May 2022 at 10:30 a.m. is set out on pages SGM-1 to SGM-4 of this circular for the purpose of considering and, if thought fit, passing the resolution(s) set out therein.

A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours (i.e. Tuesday, 3 May 2022 at 10:30 a.m. before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM, or any adjournment thereof if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

Due to the new regulations announced by the Government of the Hong Kong Special Administrative Region to combat the spread of COVID-19 which has become effective on 10 February 2022, including restrictions on conducting of physical general meetings of companies, no physical meeting of Shareholders may be convened (unless the number of persons attending a gathering does not exceed the maximum number of attendees allowed under the latest regulations). As such, the SGM will be held in Shenzhen, the PRC, where the restriction on holding general meeting is expected to be more relaxed than in Hong Kong.

Also, in view of the ongoing COVID-19 outbreak, mass gatherings would potentially impose a significant risk in terms of the spread of the virus. For the safety of our Shareholders, staffs and stakeholders, the Company strongly encourages the Shareholders, instead of attending the SGM in person, to appoint the Chairman of the SGM as their proxies to vote on the relevant resolutions at the SGM, by completing and returning the Proxy Form to the Share Registrar in accordance with the instructions printed thereon.

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## LETTER FROM THE BOARD

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The Shareholders who wish to physically attend the SGM in person or by proxy (whether or not the relevant Proxy Forms have been completed and submitted) must register by sending an email to [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com) and provide a valid email address and a valid contact telephone number to the Share Registrar before Thursday, 28 April 2022. A request form will be provided by the Share Registrar to such Shareholders via email, which shall be completed and returned to the Share Registrar, by 5:00 p.m. on Tuesday, 3 May 2022, for the purpose of verifying the identity of the relevant Shareholder.

The application for the admission to physical attendance to the SGM venue in person will be allocated on a first-come, first-served basis. Duplicated registrations will be disregarded. Shareholders will be notified by email on Wednesday, 4 May 2022 if such rights of admission to physical attendance will be allocated. No notification will be sent to those Shareholders whose application for physical attendance at the SGM in person is not successful.

To facilitate the participation of the Shareholders at the SGM, the Company will arrange the live video broadcast by Zoom, which allows the Shareholders to view, listen to and ask question at the SGM. However, such Shareholders will not be considered as attending the SGM and counting as part of the quorum under the Bye-laws and are not allowed to cast their votes by electronic means at the SGM. The Shareholders who wish to vote on the resolutions as set out in the notice of SGM are strongly advised to appoint the chairman of the SGM as his/her/its proxy to exercise the right to vote at the SGM in accordance with his/her/its instructions.

For Shareholders who wish to participate in the SGM by electronic means, the Shareholders will need to complete the following steps in order to be able to access proceedings of the SGM:

### **Accessing proceedings of the SGM by Zoom:**

For Shareholders who would like to view the live broadcast, you will need to register by sending an email to [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com) and provide a valid email address and a valid contact telephone number to the Share Registrar before Thursday, 28 April 2022. A request form will be provided by the Share Registrar to such Shareholders via email, which shall be completed and returned to the Share Registrar, by 5:00 p.m. on Tuesday, 3 May 2022, for the purpose of verifying the identity of the relevant Shareholder. Authenticated Shareholders will receive an email confirmation by Wednesday, 4 May 2022 which contains a link to join the live webcast of the SGM. Shareholders **MUST NOT** forward the link to other persons who are not the Shareholders and who are not entitled to attend the SGM. If Shareholders have any queries on the above or do not receive the email confirmation from the Share Registrar by 5:00 p.m. (Hong Kong time) on Wednesday, 4 May 2022, please contact the Share Registrar via their hotline at (852) 2980 1333 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays).

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to attend and vote at the SGM to be held on Thursday, 5 May 2022, the register of members of the Company will be closed from Friday, 29 April 2022 to Thursday, 5 May 2022, both days inclusive. In order to qualify to attend and vote at the SGM, all share certificates with completed transfer forms must be lodged with the Share Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 28 April 2022 for registration of share transfer.

Pursuant to the GEM Listing Rules, the refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of passing an ordinary resolution at the SGM at which any of the controlling Shareholders and their respective associates, or where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executives and all their respective associates shall abstain from voting in favour of the resolutions approving the refreshment of Existing General Mandate.

As at the Latest Practicable Date, there is no controlling Shareholder and Mr. Fan Guocheng and Ms. Wei Qing, being executive Directors, are interested in 800,000 and 68,124,000 Shares, respectively (representing approximately 0.014% and 1.19% of the issued share capital of the Company respectively), and Mr. Cai Haiming, being a non-executive Director, is interested in 150,532,857 Shares. (representing approximately 2.63% of the issued share capital of the Company) Accordingly, each of Mr. Fan Guocheng, Ms. Wei Qing and Mr. Cai Haiming and their respective associates are required to abstain from voting in favour of the resolutions approving the New General Mandate at the SGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, save as disclosed above, no Shareholder is required to abstain from voting on the proposed resolutions on the refreshment of the Existing General Mandate at the SGM. Also, no shareholder is required to abstain from voting in favour of the resolution approving the re-election of Mr. Cai as a non-executive Director.



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## LETTER FROM THE BOARD

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In light of the continuing risks posed by the COVID-19 pandemic and in the interests of protecting the Shareholders, the Company strongly advises the Independent Shareholders to appoint the chairman of the SGM as their proxy to vote on the relevant resolutions as an alternative to attending the SGM in person.

The vote of the Independent Shareholders in respect of the refreshment of the Existing General Mandate at the SGM will be taken by way of poll.

The Board confirmed that to the best of their knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he or she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

### 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### RECOMMENDATION

The Directors consider the proposed refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the proposed resolutions in relation to the refreshment of the Existing General Mandate as set out in the notice of SGM.

The Independent Board Committee, having taken into account the advice of Euto in relation to the refreshment of the Existing General Mandate, is of the opinion that the refreshment of the Existing General Mandate is in the best interests of the Company and is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM for approving the refreshment of the Existing General Mandate.

The Directors consider the proposed re-election and appointment of Mr. Cai as a non-executive Director is in the interest of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the proposed resolution in relation of the re-election of Mr. Cai as a non-executive Director.



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## LETTER FROM THE BOARD

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### GENERAL

Your attention is drawn to the letter of advice from Euto set out on pages 16 to 28 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Existing General Mandate and the letter from the Independent Board Committee set out on page 15 of this circular which contains its recommendation to the Independent Shareholders in relation to the refreshment of the Existing General Mandate.

Euto has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

### MISCELLANEOUS

In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.

Yours faithfully,  
For and on behalf of the Board of  
**China Ocean Group Development Limited**  
**Liu Rongsheng**  
*Executive Director and Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

11 April 2022

*To the Independent Shareholders*

Dear Sir or Madam,

### **REFRESHMENT OF EXISTING GENERAL MANDATE TO ISSUE SHARES**

We refer to the circular of the Company dated 11 April 2022 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed refreshment of the Existing General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Euto has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, Euto as set out in its letter of advice to us on pages 16 to 28 of the Circular, we are of the opinion that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,

*For and on behalf of the Independent Board Committee*

**Kam Hou Yin, John**

*Independent non-executive  
Director*

**Li Cao**

*Independent non-executive  
Director*

**Liu Qiang**

*Independent non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Euto Capital Partners Limited  
Room 2418, Wing On Centre,  
111 Connaught Road Central,  
Hong Kong

T +852 3106 2393  
F +852 3582 4722  
www.eutocapital.com

11 April 2022

*To the Independent Board Committee and  
the Independent Shareholders of China Ocean Group Development Limited*

Dear Sirs and Madams,

### PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

#### INTRODUCTION

We refer to our appointment as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate by way of granting the New General Mandate (the “**Proposed Refreshment of General Mandate**”), particulars of which are set out in the section headed “Letter from the Board” (the “**Letter**”) contained in the circular of the Company dated 11 April 2022 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter shall have the same meanings as ascribed to them under the section headed “Definitions” in this Circular.

#### The Proposed Refreshment of General Mandate

The Board proposes to convene the SGM at which ordinary resolution(s) will be proposed to the Independent Shareholders for approving the Proposed Refreshment of General Mandate that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the SGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As at the Latest Practicable Date, the Company had an aggregate of 5,733,656,179 Shares in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company will be allowed under the New General Mandate to allot and issue up to 1,146,731,235 Shares, representing 20% of the aggregate number of the issued Shares as at Latest Practicable Date. However, in the event that the Second Completion took place prior to the date of SGM, and all the new Shares agreed to be allotted and issued under the Subscription were issued as at the date of the SGM, the Company will have an aggregate of 6,083,656,179 Shares in issue, and on that basis, the Company will be allowed under the New General Mandate to allot and issue up to 1,216,731,235 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the SGM (assuming the Subscription has been completed in full).

### LISTING RULES IMPLICATION

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the grant of the New General Mandate will be subject to Independent Shareholders' approval at a general meeting of the Company. Any controlling Shareholders and their respective associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution to approve the grant of the New General Mandate. As at the Latest Practicable Date, there is no controlling Shareholder, Mr. Fan Guocheng and Ms. Wei Qing, being executive Directors, are interested in 800,000 and 68,124,000 Shares, respectively, (representing approximately 0.014% and 1.19% of the issued share capital of the Company respectively), and Mr. Cai Haiming, being a non-executive Director, is interested in 150,532,857 Shares. (representing approximately 2.63% of the issued share capital of the Company) Accordingly, each of Mr. Fan Guocheng, Ms. Wei Qing and Mr. Cai Haiming and their respective associates are required to abstain from voting in favour of the resolutions approving the New General Mandate at the SGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, save as disclosed above, no Shareholder is required to abstain from voting on the proposed resolution on the grant of the New General Mandate at the SGM.

### INDEPENDENT BOARD COMMITTEE

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Kam Hou Yin, John, Mr. Li Cao and Mr. Liu Qiang, has been established to consider and advise the Independent Shareholders (i) as to whether the terms of the Proposed Refreshment of General Mandate are fair and reasonable and is in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in favour of the Proposed Refreshment of General Mandate at the SGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### INDEPENDENT FINANCIAL ADVISER

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purpose of the GEM Listings Rules, our role is to give an independent opinion to advise the Independent Board Committee and the Independent Shareholders (i) as to whether the terms of the Proposed Refreshment of General Mandate are fair and reasonable and is in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote should vote in favour of the Proposed Refreshment of General Mandate at the SGM.

### OUR INDEPENDENCE

We, Euto Capital Partners Limited (“**Euto Capital**”), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Euto Capital is a licensed corporation licensed under the Securities and Futures Ordinance to conduct type 6 (advising on corporate finance) regulated activities, and participated in and completed various independent financial advisory transactions since 2015. Mr. Manfred Shiu (“**Mr. Shiu**”) and Mr. Carfield Tang (“**Mr. Tang**”) are the persons jointly signing off the opinion letter from Euto Capital contained in the Circular. Mr. Shiu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since 2009, while Mr. Tang has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under SFO since August 2021. Both Mr. Shiu and Mr. Tang have been participated in and completed various independent financial advisory transactions in Hong Kong.

As at the Latest Practicable Date, we confirmed that there is no relationship or interest between Euto Capital and the Company or any other parties that could be reasonably be regarded as hindrance to Euto Capital’s independence as set out under Rule 17.96 of the GEM Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate.

We are not associated with and have no significant connection, financial or otherwise, with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations.

Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates. We confirmed that there is no existence of or change in any circumstances that would affect our independence. Euto Capital has not acted as an independent financial adviser to the Company’s other transactions in the last two years.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Accordingly, we consider that we have performed all reasonable steps as required under Rule 17.92 of the GEM Listing Rules and are eligible to give independent advice on the terms of the Proposed Refreshment of General Mandate.

### **BASIS OF OUR OPINION AND RECOMMENDATION**

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Refreshment of General Mandate, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries (the “**Management**”).

We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true and that all expectations and intentions of the Directors and the Management, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors and the Management. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed.

We consider that we have been provided with, and we have reviewed sufficient information to reach an informed view, to justify relying on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors and the Management. We have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Company or its future prospects.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Proposed Refreshment of General Mandate, as referred to in Rule 17.92 of the GEM Listing Rules (including the notes thereof) in formulating our opinion and recommendation.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Proposed Refreshment of General Mandate, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Proposed Refreshment of General Mandate, we have considered the principal factors and reasons set out below:

#### 1. Background of the Proposed Refreshment of General Mandate

##### *1.1 The Existing General Mandate*

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue not more than 982,731,235 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution at the AGM.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate had been utilised as to 630,000,000 Shares (being 64.1% of Shares which can be allotted and issued under the Existing General Mandate) in association with the partial completion of the Subscription (details of which were set out in the announcements of the Company dated 7 January 2022 and 28 January 2022 respectively).

Moreover, upon negotiation between the Company and the subscribers under the Subscription, the completion for the remaining subscription of new Shares thereunder is expected to take place by end of March 2022. In the event of full completion of the Subscription, the Existing General Mandate will be utilised as to 980,000,000 Shares (being 99.7% of Shares which can be allotted and issued under the Existing General Mandate).

##### *1.2 The Proposed Refreshment of the General Mandate to issue Shares*

As set out in the Letter, the Board proposes to convene the SGM at which ordinary resolution(s) will be proposed to the Independent Shareholders for approving the Proposed Refreshment of General Mandate that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the SGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Company has not refreshed the Existing General Mandate since the AGM. The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and bye-laws of the Company or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 5,733,656,179 Shares in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company will be allowed under the New General Mandate to allot and issue up to 1,146,731,235 Shares, representing 20% of the aggregate number of the issued Shares as at the Latest Practicable Date. However, in the event that the Second Completion took place prior to the date of SGM, and all the new Shares agreed to be allotted and issued under the Second Subscription were issued as at the date of the SGM, the Company will have an aggregate of 6,083,656,179 Shares in issue, and on that basis, the Company will be allowed under the New General Mandate to allot and issue up to 1,216,731,235 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the SGM (assuming the Subscription has been completed in full).

### **2. Reasons for the Proposed Refreshment of General Mandate**

The Group is principally engaged in the business of supply chain management services and ocean fishing business.

#### ***(i) Review on the Group's existing cash resources***

As set out in the Letter, since the outbreak of the COVID-19 pandemic, the operating environment of ocean fishing business has been severely impacted. While there is an improving trend of COVID-19 outbreak and sign of gradual opening up of borders in various countries that would facilitate the resumption of the Company's ocean fishing operation, the Company foresees that it will take time for the Company to resume its operation to a substantial level.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Moreover, to maintain the basic operation of the Group and to explore new business opportunities in order to improve the performance of the Group, the Company requires injection of capital to repay its borrowing and to get prepared for potential new projects. As such, the Company conducted the Subscription, and as a result thereof, the Existing General Mandate has been utilised for the Subscription and it will be almost utilised in full upon the full completion of the Subscription, which is expected to take place by mid-April 2022 as at the Latest Practicable Date. Despite the Subscription, in light of the impact of COVID-19 on the ocean fishing business of the Company in the past 2 years, the Company is eager to develop new projects which would diversify the scope or area of its ocean fishing business. As at the Latest Practicable Date, the Company is negotiating with an independent third party for a possible cooperation on a new ocean fishing project in Mozambique with local preliminary processing operation before the fishing products are being shipped to the PRC. Although negotiation is under process and no binding agreement has been entered into, the Company is trying to establish the cooperation soon and once confirmed, funding for preparation of such project, such as funding for equipment and supplies, may be required since the third quarter of 2022. The amount and timing of funding that may be required is not agreed yet, having said that, the New General Mandate would facilitate the Company's fund raising in a comparatively efficient way.

As disclosed in the section headed "Equity Fund Raising Activities of the Company in the Past Twelve Months" set out on page 26 of this circular, since the proceeds to be raised under the Subscription have been allocated for specific uses, and the placing of bonds as announced on 21 January 2022 has received no feedback from the placing agents so far, the Company considered that further fund raising by the issuance of bonds may not be promising, and in light of the length until the next annual general meeting of the Company, and market fluctuation in the recent year, as well as out of the concern that immediate funding need may not be readily available when the potential projects are ready to commence, the Company considered that its ability to raise fund efficiently is important to the success in its potential new project. Although it is possible for the Company to seek for specific mandate later when the potential project commences, in comparison to specific mandate issue, fund raising by means of general mandate issue better allows the Company to quickly respond to market opportunity, which will be important in light of the recent and expected volatility of the market, and the Company considered it is beneficial to have the Shareholders approving the New General Mandate in advance so as to give the Company more flexibility in arranging its funding need to implement the potential new project as mentioned in the foregoing paragraph.

It is expected that the next annual general meeting of the Company will be held in around September 2022, which is more than 5 months from the Latest Practicable Date. The Board is proposing to seek the approval of Independent Shareholders at the SGM on the grant of the New General Mandate such that should funding needs arise or attractive terms for investment become available, the Board will be able to respond to the market and such investment opportunities promptly because fund raising exercise pursuant to a general mandate provides the Company a more efficient process than other types of fund raising exercises and to avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Company may look for further fund raising opportunities when needed, which may utilise the New General Mandate should it be granted at the SGM but has no concrete fundraising plan as at the Latest Practicable Date. The Company will grasp any suitable fundraising opportunities should attractive terms for investment become available from potential investors and there is currently no particular fundraising opportunity being identified by the Company as at the Latest Practicable Date.

In assessing whether the Company has an imminent need to refresh the Existing General Mandate, we have reviewed (a) the interim report of the Company for the 6 months ended 30 September 2021 (the “**2021 Interim Report**”); and (b) the cash and cash equivalents as at 31 January 2022. Also, as disclosed in the Company’s announcement dated 21 January 2022, we noted that the Company has entered into placing agreements pursuant to which two placing agents agreed to act as placing agents, on a best effort basis, for the purposes of procuring placees to subscribe in cash for bonds with an aggregate principal amount of up to HK\$200 million during the placing period up to 20 July 2022. However, as advised by the Management, no bonds have yet been placed successfully and accordingly no proceeds has yet been raised as at the Latest Practicable Date. As a result, the Group only had a cash level of approximately HK\$1.4 million as at 31 January 2022.

In view of that the current cash position and taking into account that there is no guarantee the aforesaid bonds can be placed with proceeds raised in particular during the current outbreak of COVID-19 pandemic, we consider that the said cash position is just sufficient and is expected to be reserved for covering daily operations and administration. It also implies that the Company may not have sufficient cash resources to promptly meet future investment opportunities in a timely and effective manner.

We believe that it is always in the interests of the Company and the Shareholders to enter into the investment opportunities which are favorable to the Group. In particular, it is possible to improve the unsatisfactory financial results of the Company if the new business opportunities could generate positive and promising income to the Group.

Having considered the global and local economic uncertainties and the COVID-19 pandemic may adversely affect the Group’s business and overall short-term performance, the Group will (a) be cautious in managing the business risk; (b) be prepared to respond to changes in the challenging business environment, and (c) aim to strategically develop the Group’s business to mitigate the impacts. The Group will carefully plan and formulate strategies to manage these factors, continues to seek new business opportunities and diversify the Group’s business segments.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Although the Company had no concrete fund raising plan as at the Latest Practicable Date, a decision to harness any fund raising opportunities is often required to be made within a very short period of time. As such, we concur with the Directors that the Proposed Refreshment of General Mandate will allow the Company to capture any suitable fund raising or business opportunities in a timely manner that may arise before the AGM.

We conclude that an immediate refreshed New General Mandate could provide the Company with the necessary flexibility to fulfill its potential shortfall in funding for the next 12 months and enable the Company to respond in a timely and effective manner to fulfill any possible funding needs for future business development and/or investment decisions prior to the AGM. In addition, if the Existing General Mandate is refreshed, the Group will also be in a better bargaining position in negotiation of any potential business or investments. In view of the above, we believe that there is a necessity to refresh the Existing General Mandate.

Having considered that the Proposed Refreshment of General Mandate will (a) fulfill any possible funding needs for future business development and/or investment decisions which may arise at any time; (b) strengthen the capital base of the Company; (c) have an option to consider the issue of consideration shares as one of the settlement means in an acquisition as and when the Directors consider to be appropriate should suitable opportunities arise in the future; and (d) serve as an important avenue of resources to the Group since it does not create any interest paying obligations on the Group, we concur with the Director's view that the Proposed Refreshment of General Mandate is in the interests of the Company and its Shareholders as a whole.

### *(ii) Analysis on the alternative financing options*

As set out in the Letter, the Directors have considered other financing alternatives apart from equity financing such as debt financing, right issue, open offer or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into consideration the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. However, the Company has planned to raise funding for specific uses through placing of bonds as announced on 21 January 2022, the proceeds from which, if any, will be used for other projects of the Company and further debt financing may not be suitable since it could be subject to lengthy due diligence and negotiations as compared to the equity financing available to the Directors if the New Existing General Mandate is granted, as well as will further increase the gearing ratio of the Company which may not be beneficial to the financial condition of the Company.

In assessing whether financing by way of utilising the refreshed New General Mandate is in the interest of the Company and the Shareholders as a whole, we have concluded, among other things,

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (a) it is expected that the issue of new shares under specific mandate and rights issue or open offer often takes longer time to complete the placing or subscription of shares.

A rights issue or an open offer normally takes at least five to six weeks (from announcement date).

As regards the issue of new shares under specific mandate or a rights issue or open offer which shareholders' approval is required, it may take over two months, this is primarily due to the time for the issuer to prepare a shareholder's circular and the notice period for the shareholders' meeting. In this regard, it would not satisfy the funding requirements for the project in a timely manner; and

- (b) debt financing shall inevitably impose interest payment obligations on the Group and it may be subject to lengthy due diligence and negotiations with banks or financial institutions for provision of loans to the Group; and
- (c) the Proposed Refreshment of General Mandate would provide the Company with the flexibility as allowed under the GEM Listing Rules to allot and issue new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise.

Based on the above, we concur with the Directors' view that equity financing by way of utilising the New General Mandate will be more flexible, cost effective and time efficient than debt financing and other alternative equity financing methods given the Proposed Refreshment of General Mandate (a) does not incur any interest payment obligations on the Group as compared to debt financing; (b) is less costly and time consuming than other pre-emptive fund raising methods, such as rights issue and open offer, that lengthy discussion with potential commercial underwriters may be required, which may result in failure of financing in business development and/or acquisition of investment opportunities in a timely manner and commission would probably be incurred; and (c) provides the Company with the capability to capture any capital raising or prospective investment opportunity in a timely manner as and when it arises.

With this being the case, the Proposed Refreshment of General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary, hence we are of the view that the Proposed Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds raised	Intended use of proceeds as announced	Actual use of proceeds
16 September 2021 and 8 October 2021	Subscription of 190,000,000 new Shares	HK\$19 million	Settlement of accounts payables	Utilised as intended
7 January 2022 (with partial completion announced on and 28 January 2022)	Subscription of a maximum of 980,000,000 new Shares	HK\$62.8 million has been raised up to the Latest Practicable Date and a further HK\$34.7 million will be raised upon Second Completion (assuming completion takes place in full)	HK\$60.0 million is allocated for repayment of borrowings by mid-April 2022, HK\$27.5 million will be allocated for setting/preparing sail for fishing vessels by May/June 2022 and HK\$10.0 million will be allocated for general working capital by June 2022.	For the HK\$62.8 million raised, HK\$37.6 million has been utilised for repayment of borrowings; HK\$22.5 million has been utilised for setting/preparing sail for fishing vessels; HK\$2.7 million has been used as general working capital. The remaining HK\$34.7 million, when raised, will be used as intended

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

### POTENTIAL EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustrative purpose, upon full utilisation of the New General Mandate assuming that the number of issued Shares remains unchanged between the Latest Practicable Date and the date of the SGM:

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shareholders	As at the		Upon full utilisation of the	
	Latest Practicable Date		New General Mandate	
			(for illustration purpose only)	
	<i>Number of Shares</i>	<i>Approximate Percentage (%)</i>	<i>Number of Shares</i>	<i>Approximate Percentage (%)</i>
Liu Yi	724,292,000	12.63	724,292,000	10.53
Jing Peng Xinhe (Hong Kong) Limited	360,000,000	6.28	360,000,000	5.23
COFCO Capital (Hong Kong) Co., Limited	301,850,666	5.26	301,850,666	4.39
Wei Qing (Note i & ii)	68,124,000	1.19	68,124,000	0.99
Fan Guocheng (Note i)	800,000	0.01	800,000	0.01
Cai Haiming (Note i)	150,532,857	2.63	150,532,857	2.18
Other public Shareholders	4,128,056,656	72.00	4,128,056,656	60.00
Shares to be issued under the New General Mandate	—	—	1,146,731,235	16.67
<b>Total</b>	<b>5,733,656,179</b>	<b>100.00</b>	<b>6,880,387,414</b>	<b>100.00</b>

*Notes:*

- (i) Wei Qing and Fan Guocheng are executive Directors and Cai Haiming is a non-executive Director.
- (ii) Based on public information, Wei Qing is the beneficial owner of 10,356,000 Shares and interested in 57,768,000 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.

As illustrated in the table above, assuming that (i) the Proposed Refreshment of General Mandate is approved at the SGM; and (ii) no Shares will be issued or repurchased by the Company from the Latest Practicable Date up to and including the date of the SGM, upon full utilisation of the New General Mandate, 1,146,731,235 new Shares can be issued, which represent 20% of the aggregate number of issued Shares as at the Latest Practicable Date and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of such new Shares.

The aggregate shareholding of the existing public Shareholders will be diluted from approximately 72.00% as at the Latest Practicable Date to approximately 60.00% upon full utilisation of the New General Mandate, representing a potential maximum dilution of the existing public shareholding by approximately 12.00%

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Taking into account that (i) the New General Mandate (a) allows the Company to raise capital by allotment and issue of new Shares before the next annual general meeting of the Company is held and (b) provides more flexibility and options of financing to the Group for repayment of indebtedness and/or further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; and (ii) the shareholding interests of all existing Shareholders will be reduced in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we consider that such potential dilution in shareholding of the public Shareholders is acceptable.

### RECOMMENDATION

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

Yours faithfully  
For and on behalf of  
**Euto Capital Partners Limited**  
**Carfield Tang**  
*Assistant Director*

Yours faithfully  
For and on behalf of  
**Euto Capital Partners Limited**  
**Manfred Shiu**  
*Director*

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## NOTICE OF SGM

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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)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**Meeting**”) of China Ocean Group Development Limited (the “**Company**”) will be held at Flat 14, 17<sup>th</sup> Floor, Block B, New Century Business Centre, Shi Xia North, No. 2 Street, Futian District, Shenzhen, Guangdong, the PRC on Thursday, 5 May 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

### **ORDINARY RESOLUTIONS**

1. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors of the Company (the “**Directors**”) at the annual general meeting of the Company held on 28 September 2021 (the “**AGM**”) be and is hereby replaced by the mandate **THAT**:
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.01 each (the “**Shares**”) in the share capital of the Company or securities convertible into or exchangeable for the Shares, or options or warrants for similar rights to subscribe for any Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);



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## NOTICE OF SGM

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- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription, conversion or exchange under the terms of any warrants of the Company or any securities which are convertible into or exchange for Shares, shall not exceed the aggregate of:

(aa) 20% of the aggregate number of Shares as at the date of the passing of this Resolution; and

(bb) if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (the “**Shareholders**”) the aggregate number of any Shares repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate number of Shares as at the date of the passing of this Resolution),

and the authority pursuant to paragraph (a) of this Resolution above shall be limited accordingly; and

PROVIDED that if any subsequent consolidation or subdivision of Shares is effected, the maximum amount of Shares that may be issued pursuant to the approval in paragraph (a) of this resolution as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this Resolution;

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## NOTICE OF SGM

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

2. “**THAT** conditional upon the passing of the above resolution no. 1, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the number of Shares of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
3. “**THAT** Mr. Cai Haipeng be re-elected as a non-executive Director.”

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

Hong Kong, 11 April 2022

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

*Principal place of business in Hong Kong:*  
Room 03, 22/F,  
China Resources Building,  
26 Harbour Road,  
Wan Chai,  
Hong Kong

*Notes:*

1. A member (the “**Member**”) of the Company entitled to attend and vote at the SGM convened by the above Notice or its adjourned meeting (as the case may be) is entitled to appoint one or more proxies to attend and, subject to the provisions of the Bye-laws, to vote on his/her/its behalf. A proxy need not be a Member but must be present in person at the SGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

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## NOTICE OF SGM

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2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM (i.e. not later than 10:30 a.m. on Tuesday, 3 May 2022 (Hong Kong time)) or adjourned meeting (as the case may be). Completion and return of a form of proxy will not preclude a Member from attending in person and voting at the SGM or its adjourned meeting should he/she/it so wish.
3. Where there are joint holders of any Share, any one of such joint holders may vote at the SGM, either in personal or by proxy, in respect of such Share as if he/she/it were solely entitled thereto; but should more than one of such joint holders be present at the SGM in person or by proxy, that one of the said joint holders so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.
4. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 29 April 2022 to Thursday, 5 May 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 28 April 2022.
5. Any voting at the SGM shall be taken by poll pursuant to the GEM Listing Rules and the results of the poll will be published on the websites of GEM and the Company in accordance with the GEM Listing Rules.
6. If tropical cyclone warning signal no. 8 or above, or above is hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is in force at 7:00 a.m. on 5 May 2022, the SGM will be postponed and further announcement for details of alternative meeting arrangements will be made. The SGM will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.
7. The SGM will also be conducted via electronic means (through a live webcast by Zoom) which can be accessed on a computer, tablet or any browser enabled device. The Shareholders can view, listen and ask questions at the live webcast of the SGM via electronic means. Shareholders will be able to access the live webcast at the start of the SGM until its conclusion. For Shareholders who would like to view the live broadcast, you will need to register by sending an email to [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com) and provide a valid email address and a valid contact telephone number to the Share Registrar before Thursday, 28 April 2022. A request form will be provided by the Share Registrar to such Shareholders via email, which shall be completed and returned to the Share Registrar, by 5:00 p.m. on Tuesday, 3 May 2022, for the purpose of verifying the identity of the relevant Shareholder. Authenticated Shareholders will receive an email confirmation by Wednesday, 4 May 2022 which contains a link to join the live webcast of the SGM. Shareholders **MUST NOT** forward the link to other persons who are not the Shareholders and who are not entitled to attend the SGM.
8. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.