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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 21 June 2023 (after trading hours), the Company entered into 2 Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 100,000,000 Subscription Shares at the Subscription Price of HK\$0.24 per Subscription Share. The Subscriptions are subject to various Conditions set out below under the paragraph headed Conditions of this announcement.

The Subscription Shares represent (i) approximately 1.64% of the existing issued share capital of the Company as at the date of this announcement; (ii) 1.62%; and (iii) approximately 1.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Previous Subscription Shares, subject to Completion (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares and the Previous Subscriptions from the date of this announcement and up to the date of the Completion).

The Subscription Price is fixed at HK\$0.24 per Subscription Share, which represent (i) a premium of approximately 2.38 times to the closing price of HK\$0.101 per Share as quoted on the Stock Exchange as at the date of Suspension; and (ii) a premium of approximately 2.38 times to the average closing price of approximately HK\$0.101 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of Suspension.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be approximately HK\$24.0 million. The estimated net proceeds from the Subscriptions after deduction of expenses, will amount to approximately HK\$23.9 million. The proceeds are currently intended to be applied as general working capital of the Group.

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

The Board is pleased to announce that on 21 June 2023 (after trading hours of the Stock Exchange), the Company entered into 2 Subscription Agreements with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 100,000,000 Subscription Shares at the Subscription Price of HK\$0.24 per Subscription Share. The Subscriptions are subject to various conditions set out below under the paragraph headed “Conditions” of this announcement. Principal terms of the Subscription Agreements are set out below:

THE SUBSCRIPTION AGREEMENTS

Date: 21 June 2023 (after trading hours of the Stock Exchange)

Parties:

The Subscription Agreement I: (1) The Company as issuer; and
(2) Mr. Chen Liupeng as the Subscriber I.

The Subscription Agreement II: (1) The Company as issuer; and
(2) Mr. Ou Yusheng as the Subscriber II.

The Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 100,000,000 new Shares at the Subscription Price of HK\$0.24 per Subscription Share to the Subscribers.

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

The Subscription Shares

The Subscription Shares represent (i) approximately 1.64% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.62% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscriptions (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares); and (iii) approximately 1.41% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares and the Previous Subscription Shares, subject to Completion (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares and the Previous Subscription from the date of this announcement and up to the date of the Completion).

Subscription Price

The Subscription Price represents:

- (a) a premium of approximately 2.38 times to the closing price of HK\$0.101 per Share as quoted on the Stock Exchange as at the date of Suspension; and
- (b) a premium of approximately 2.38 times to the average closing price of HK\$0.101 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of Suspension.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscriptions are expected to be HK\$24.0 million. After deducting related professional fees and all related expenses of approximately HK\$0.1 million to be borne by the Company under the Subscriptions, the net proceeds of the Subscriptions will amount to approximately HK\$23.9 million, representing a net subscription price of approximately HK\$0.239 per Subscription Share.

The aggregate nominal value of the maximum of 100,000,000 Subscription Shares will be HK\$1,000,000.

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

Conditions

Completion pursuant to the Subscription Agreements are conditional upon the GEM Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares (and such approval not being subsequently revoked prior to the Completion).

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

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

Completion

Completion of the Subscriptions will take place within forty-five days after the conditions precedent to the Subscriptions had been satisfied after the approval of listing (or such other date as may be agreed between the Company and the Subscribers in writing).

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

Ranking of the Subscription Shares

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

General Mandate

The Subscription Shares will be allotted and issued under the New General Mandate granted to the Directors by resolution of the Shareholders passed at the SGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the SGM. Under the New General Mandate, the Company is authorised to issue up to 1,216,731,235 new Shares. Up to the date of this announcement, save for the Previous Subscription, no other new Shares has been issued under the New General Mandate and 316,731,235 new Shares available for subscription. Accordingly, the allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders.

APPLICATION FOR LISTING

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

INFORMATION OF THE GROUP

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

INFORMATION OF THE SUBSCRIBERS

According to the information provided by the Subscribers:

Subscriber I is a merchant operating aqua-products shop and currently residing the Guangdong Province of the PRC.

Subscriber II is an individual engaged in real estate industry and industrial investment and currently residing in the Guangdong Province of the PRC.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries the Subscribers are independent third parties of the Company and its connected persons (as defined in the GEM Listing Rules).

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The estimated net proceeds from the Subscriptions after deductions of expenses, will amount to approximately HK\$23.9 million. The proceeds are currently intended to be applied as general working capital.

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

EFFECT OF THE SUBSCRIPTIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares from the date of this announcement and up to the date of the Completion); and (iii) (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares and the Previous Subscription Shares from the date of this announcement and up to the date of the Completion):

Shareholders	Immediate before the Completion		Immediately after the Completion (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares from the date of this announcement and up to the date of the Completion)		Immediately after the Completion (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares and the Previous Subscription Shares from the date of this announcement and up to the date of the Completion)	
	No. of Shares	Approximately%	No. of Shares	Approximately%	No. of Shares	Approximately%
Mr. Liu Yi	724,292,000	11.91	724,292,000	11.71	724,292,000	10.22
Jing Peng Xinhe (Hong Kong) Limited	360,000,000	5.92	360,000,000	5.82	360,000,000	5.08
Subscriber I	–	–	50,000,000	0.81	50,000,000	0.71
Subscriber II	100,000,000	1.64	150,000,000	2.43	150,000,000	2.12
Guo Min (Note iii)	250,000,000	4.11	250,000,000	4.04	1,050,000,000	14.82
Jiang Jiafan (Note iv)	–	–	–	–	50,000,000	0.71
Lin Jinghui (Note v)	–	–	–	–	50,000,000	0.71
Wei Qing (Note i & ii)	68,124,000	1.12	68,124,000	1.10	68,124,000	0.96
Fan Guocheng (Note i)	800,000	0.01	800,000	0.01	800,000	0.01
Cai Haiming (Note i)	150,532,857	2.47	150,532,857	2.43	150,532,857	2.13
Other public Shareholders	4,429,907,322	72.82	4,429,907,322	71.65	4,429,907,322	62.53
Total	6,083,656,179	100.00	6,183,656,179	100.00	7,083,656,179	100.00

Note:

- (i) Wei Qing and Fan Guocheng are executive Directors and Cai Haiming is a non-executive Director.
- (ii) 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) Guo Min has entered into the Previous Subscription I with the Company on 10 June 2022, pursuant to which Guo Min has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 800,000,000 Previous Subscription Shares I at the Previous Subscription Price I of HK\$0.10 per Previous Subscription Share I.
- (iv) Jiang Jiafan has entered into the Previous Subscription II with the Company on 14 November 2022, pursuant to which Jiang Jiafan has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 50,000,000 Previous Subscription Shares II at the Previous Subscription Price II of HK\$0.15 per Previous Subscription Share II.
- (v) Lin Jinghui has entered into the Previous Subscription III with the Company on 14 November 2022, pursuant to which Lin Jinghui have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 50,000,000 Previous Subscription Shares III at the Previous Subscription Price III of HK\$0.15 per Previous Subscription Share III.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not carried out other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
10 June 2022	Subscription of 800,000,000 new Shares	HK\$79.9 million	HK\$20.0 million is allocated for repayment of borrowings, HK\$40.0 million will be allocated for setting/preparing sail for fishing vessels and HK\$19.9 million will be allocated for general working capital.	completion has not been taken place as at the date of this announcement
14 November 2022	Subscription of 100,000,000 new Shares	HK\$14.9 million	HK\$14.9 million will be allocated for general working capital.	completion has not been taken place as at the date of this announcement

DEFINITIONS

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

“SGM”	the special general meeting of the Company held on 5 May 2022
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday and a public holiday) on which banks are open for business in Hong Kong
“Company”	China Ocean Group Development Limited (Stock code: 8047), a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“Completion”	completion of the Subscription Agreements
“Completion Date”	Forty-five days after approval of listing, or such other date as the Company and the Subscribers may agree in writing
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Long Stop Date”	31 October 2023, or any other date as the Company and the Subscribers may agree in writing

“New General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the special general meeting of the Company held on 5 May 2022 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 1,216,731,235 new Shares may fall to be allotted and issued as at the date of this announcement
“Party(ies)”	the party(ies) to the Subscription Agreements
“Previous Subscriber I”	Mr. GUO Min
“Previous Subscriber II”	Ms. JIANG Jiafan
“Previous Subscriber III”	Ms. LIN Jinghui
“Previous Subscription Agreement I”	the subscription agreement dated 10 June 2022 entered into between the Company and Previous Subscriber I in relation to the Previous Subscription I
“Previous Subscription Agreement II”	the subscription agreement dated 14 November 2022 entered into between the Company and Previous Subscriber II in relation to the Previous Subscription II
“Previous Subscription Agreement III”	the subscription agreement dated 14 November 2022 entered into between the Company and Previous Subscriber III in relation to the Previous Subscription III
“Previous Subscription Price I”	the subscription price of HK\$0.10 per Previous Subscription Share I
“Previous Subscription Price II”	the subscription price of HK\$0.15 per Previous Subscription Share II
“Previous Subscription Price III”	the subscription price of HK\$0.15 per Previous Subscription Share III
“Previous Subscription Shares I”	a total of 800,000,000 new Shares to be allotted and issued by the Company to Previous Subscriber I under the Previous Subscription Agreement I

“Previous Subscription Shares II”	a total of 50,000,000 new Shares to be allotted and issued by the Company to Previous Subscriber II under the Previous Subscription Agreement II
“Previous Subscription Shares III”	a total of 50,000,000 new Shares to be allotted and issued by the Company to Previous Subscriber III under the Previous Subscription Agreement III
“Previous Subscription Shares”	collectively, the Previous Subscription Shares I, the Previous Subscription Shares II and Previous Subscription Shares III
“Previous Subscription I”	the subscription by Previous Subscriber I of the Previous Subscription Shares I issued by the Company pursuant to the Previous Subscription Agreement I
“Previous Subscription II”	the subscription by Previous Subscriber II of the Previous Subscription Shares II issued by the Company pursuant to the Previous Subscription Agreement II
“Previous Subscription III”	the subscription by Previous Subscriber III of the Previous Subscription Shares III issued by the Company pursuant to the Previous Subscription Agreement III
“Previous Subscriptions”	collectively, the Previous Subscription I, Previous Subscription II and Previous Subscription III
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Mr. Chen Liupeng
“Subscriber II”	Mr. Ou Yusheng
“Subscribers”	collectively, the Subscriber I and the Subscriber II

“The Subscription Agreement I”	the subscription agreement dated 21 June 2023 entered into between the Company and the Subscriber I in relation to the Subscriptions
“The Subscription Agreement II”	the subscription agreement dated 21 June 2023 entered into between the Company and the Subscriber in relation to the Subscriptions
“Subscription Agreements”	collectively, the Subscription Agreement I and the Subscription Agreement II
“Subscription Price”	the subscription price of HK\$0.24 per Subscription Share
“Subscription Shares”	a total of 100,000,000 new Shares to be allotted and issued by the Company to the Subscribers under the Subscription Agreements
“Subscription I”	the subscription by the Subscriber I of the 50,000,000 Subscription Shares issued by the Company pursuant to the Subscription Agreement I
“Subscription II”	the subscription by the Subscriber II of the 50,000,000 Subscription Shares issued by the Company pursuant to the Subscription Agreement II
“Subscription”	collectively, the Subscription I and the Subscription II
“subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

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

Hong Kong, 21 June 2023

As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Cai Haipeng, 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. Li Cao and Mr. Liu Qiang.

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 Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page 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>.