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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 30 November 2020 (after trading hours), the Company entered into a Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 200,000,000 Subscription Shares at the Subscription Price of HK\$0.12 per Subscription Share. The Subscription is subject to various Conditions set out below under the paragraph headed Conditions of this announcement.

The Subscription Shares represent (i) approximately 4.59% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.39% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares, subject to 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).

The Subscription Price is fixed at HK\$0.12 per Subscription Share, which represent (i) a discount of approximately 19.46% to the closing price of HK\$0.149 per Share as quoted on the Stock Exchange as at the date of Subscription Agreement; and (ii) a discount of approximately 13.67% to the average closing price of approximately HK\$0.139 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreement.

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription are expected to be approximately HK\$24.0 million. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$23.8 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 Agreement as set out in the section headed “Conditions”. As the Subscription may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 30 November 2020 (after trading hours of the Stock Exchange), the Company entered into a Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 200,000,000 Subscription Shares at the Subscription Price of HK\$0.12 per Subscription Share. The Subscription is subject to various conditions set out below under the paragraph headed “Conditions” of this announcement. Principal terms of the Subscription Agreements are set out below:

THE SUBSCRIPTION AGREEMENT

Date: 30 November 2020 (after trading hours of the Stock Exchange)

Parties:

The Subscription Agreement: (1) The Company as issuer; and
(2) Mr. Liu Qiaohong as the Subscriber.

The Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 200,000,000 new Shares at the Subscription Price of HK\$0.12 per Subscription Share to the Subscriber.

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

The Subscription Shares

The Subscription Shares represent (i) approximately 4.59% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.39% of issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

Subscription Price

The Subscription Price represents:

- (a) a discount of approximately 19.46% to the closing price of HK\$0.149 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreements; and
- (b) a discount of approximately 13.67% to the average closing price of HK\$0.139 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreements;

Assuming all the Subscription Shares are fully subscribed, the gross proceeds from the Subscription are expected to be HK\$24.0 million. After deducting related professional fees and all related expenses of approximately HK\$0.2 million to be borne by the Company under the Subscription, the net proceeds of the Subscription will amount to approximately HK\$23.8 million, representing a net subscription price of approximately HK\$0.119 per Subscription Share.

The aggregate nominal value of the maximum of 200,000,000 Subscription Shares will be HK\$2,000,000.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber 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 Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions

Completion pursuant to the Subscription Agreement is 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 Agreement 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 Agreement.

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

Completion

Completion of the Subscription will take place within twenty Business Days after the conditions precedent to the Subscription had been satisfied after the approval of listing (or such other date as may be agreed between the Company and the Subscriber in writing).

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

Ranking of the Subscription Shares

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

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 845,192,035 new Shares. Up to the date of this announcement, 50,000,000 new Shares have been subscribed and allotted under the General Mandate and 157,696,000 new Shares have been subscribed pending to be allotted under the General Mandate, with remaining 637,496,035 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, money lending business and ocean fishing business.

INFORMATION OF THE SUBSCRIBER

The Subscriber is an individual businessman in the business of aquatic trading 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 Subscriber is third party independent of the Company and its connected persons.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$23.8 million. The proceeds are currently intended to be utilised as general working capital of the Group.

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

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion (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) immediately after completion of Previous Subscriptions and 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 Shares under Previous Subscriptions and the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately after the Completion		Immediately after completion of Previous Subscriptions and the Completion	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Liu Yi	724,292,000	16.63%	724,292,000	15.90%	724,292,000	15.37%
Jing Peng Xinhe (Hong Kong) Limited	360,000,000	8.26%	360,000,000	7.90%	360,000,000	7.64%
COFCO Capital (Hong Kong) Co., Limited	301,850,666	6.93%	301,850,666	6.63%	301,850,666	6.40%
Chen Quan	226,304,000	5.20%	226,304,000	4.97%	226,304,000	4.80%
Subscriber I	–	–	200,000,000	4.39%	200,000,000	4.24%
Subscriber A	–	–	–	–	135,200,000	2.87%
Subscriber B	–	–	–	–	14,166,000	0.30%
Subscriber C	–	–	–	–	8,330,000	0.18%
Wei Qing (<i>Note i & ii</i>)	79,608,000	1.83%	79,608,000	1.75%	79,608,000	1.69%
Fan Guocheng (<i>Note i</i>)	800,000	0.02%	800,000	0.02%	800,000	0.02%
Cai Haiming (<i>Note i</i>)	151,404,857	3.48%	151,404,857	3.32%	151,404,857	3.21%
Other public Shareholders	2,511,700,656	57.65%	2,511,700,656	55.12%	2,511,700,656	53.28%
Total	<u>4,355,960,179</u>	<u>100.00%</u>	<u>4,555,960,179</u>	<u>100.00%</u>	<u>4,713,656,179</u>	<u>100.00%</u>

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 11,756,000 Shares and interested in 67,852,000 Shares through Sunny Sky Capital Management Limited, which is wholly-owned by her.
- (iii) Such three subscribers under the Previous Subscriptions, which are yet to complete, are namely Shen Zhen Shi Yi Feng Shang Mao Company Limited* (深圳市逸鋒商貿有限公司) (as referred to subscriber A), Goody International Trading Limited (as referred to subscriber B) and Toprich Leisure Investments Limited (as referred to subscriber C).

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, and the Previous Subscriptions being yet to complete, 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
26 April 2020	Placing of 80,000,000 new Shares	HK\$9.6 million	General working capital of the Company	Utilised as intended
16 September 2020	Placing of 50,000,000 new Shares	HK\$4.9 million	General working capital of the Company	Utilised as intended

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 28 September 2020
“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 continued in Bermuda with limited liability, the Shares of which are listed on GEM
“Completion”	completion of the Subscription Agreement
“Completion Date”	Twenty 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

“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 28 September 2020 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 845,192,035 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries 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”	29 December 2020, or any other date as the Company and the Subscriber may agree in writing
“Party(ies)”	the party(ies) to the Subscription Agreement
“Previous Subscriptions”	Previous Subscriptions of new Shares, details of which were set out in the announcements of the Company dated 16 November 2020 and 19 November 2020
“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
“The Subscriber”	Mr. Liu Qiaohong;
“The Subscription Agreement”	the subscription agreement dated 30 November 2020 entered into between the Company and the Subscriber in relation to the Subscription;
“Subscription Price”	the subscription price of HK\$0.12 per Subscription Share;
“Subscription Shares”	a total of 200,000,000 new Shares to be allotted and issued by the Company to the Subscriber under the Subscription Agreement;

“Subscription”	the subscription by the Subscriber of the Subscription Shares issued by the Company pursuant to the Subscription Agreement;
“subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

* *For identification purpose only.*

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

Hong Kong, 30 November 2020

As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Fan Guocheng and Ms. Wei Qing; the non-executive Directors are Mr. Lui Chun Pong and Mr. Cai Haiming; independent non-executive Directors are Mr. Kam Hou Yin, John, Mr. Lam Man Hing and Mr. Li Cao.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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