

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PLACING OF BONDS

PLACING AGENTS

**Emperio Securities and
Assets Management Limited**

Mason Securities Limited

On 21 January 2022 (after trading hours of the Stock Exchange), the Company entered into two Placing Agreements with two Placing Agents, pursuant to which the Placing Agents agreed to act as placing agents, on a best effort basis, for the purposes of procuring Placees to subscribe in cash for the Bonds with an aggregate principal amount of up to HK\$100 million each (HK\$200 million in total) during the Placing Period.

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

THE PLACING AGREEMENTS

Date

21 January 2022 (after trading hours of the Stock Exchange)

Parties

Issuer : the Company

Placing Agent 1 : Emperio Securities and Assets Management Limited

Placing Agent 2 : Mason Securities Limited

Placing

Pursuant to the Placing Agreements, the Placing Agents agreed to act as placing agents (either by themselves or through their sub-placing agents), on a best effort basis, for the purposes of procuring Placees to subscribe in cash for the Bonds with an aggregate principal amount of up to HK\$100 million each (HK\$200 million in total) during the Placing Period.

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

Termination Rights of the Placing Agents and the Company

The Placing Agents reserve their rights to terminate the arrangements set out in the Placing Agreements, by notice in writing to the Company before the expiry date of the Placing Period, if in their absolute opinion, the success of the Placing contemplated hereunder would be materially and adversely affected by:

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

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

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

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

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

The principal terms of the Bonds are summarized as below:

Principal terms of the Bonds

Principal amount	:	Up to HK\$200,000,000.
Issue price	:	100% of the principal amount
Interest	:	8% per annum, payable annually in arrears on 31 December of each year
Maturity date	:	8th anniversary of the date of issue of the Bonds or, if that is not a Business Day, the first Business Day thereafter
Denomination	:	In denomination of HK\$1,000,000 each in the minimum (or for any amount over HK\$1,000,000, in integral multiple of HK\$1,000,000 each).
Status	:	The obligations of the Company arising under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.
Transferability	:	The Bonds shall be transferable in whole multiples of HK\$1,000,000, and may be transferred to any person subject to the conditions, approvals, requirements and any other provisions of or under: a) the Stock Exchange or its rules and regulations; b) all applicable rules and regulations; and c) unless with the consent of the Stock Exchange, none of the Bonds may be transferred to a connected person or connected persons of the Company.

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

The Bondholder could request for early redemption after completion of an initial holding period of 24 months by written notice, repayment would be made 3 months after receiving the written notice.

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

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

Placees

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

Placing Period

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

Conditions of the Placing

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

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

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

Completion of the Placing

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

- (i) specify whether the Bonds are to be issued by the Company;
- (ii) require the issue of Bonds of an aggregate principal amount not less than HK\$1,000,000 and subsequent for integral multiples of HK\$1,000,000 thereof;
- (iii) not, when aggregated with the principal amount of Bonds then issued or required to be issued under other completion notices, exceed HK\$200,000,000; and
- (iv) state the names, addresses and occupation of the registered holder(s) of the relevant Bonds.

USE OF PROCEEDS

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

Assuming the Bonds are placed in full, the maximum aggregate gross proceeds from the Placing will be HK\$200 million. The Company intends to apply the net proceeds of approximately HK\$178 million from the Placing after deducting the placing commission and other related costs and expenses for the repayment of loans and borrowings, for the prepare and set sail of the fishing vessels and as working capital for the expansion of existing businesses of the Group, and to finance any future opportunities as the Company may identify. An analysis of the use of proceeds is as follows:

HK\$ million

Repayment of loans and borrowings	70.0
Prepare/Set sail for fishing vessels	72.5
General working capital of the Group	<u>35.5</u>
	<u><u>178.0</u></u>

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

DEFINITION

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

“Board”	the board of Directors;
“Bondholder(s)”	means a person in whose name a Bond is registered in the register of Bondholders, and “holder” in relation to a Bond has a corresponding meaning;
“Bonds”	the 8-year, with early redemption option granted to the Bondholder(s) after completion of the initial 24 months' period, 8% bonds denominated in HK\$ to be placed by the Placing Agents pursuant to the Placing Agreements;
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours;
“Company”	China Ocean Group Development Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the directors of the Company;

“GAAP”	means Hong Kong Financial Reporting Standards as in effect from time to time. All ratios and computations contained or referred to in this Instrument of the Bonds shall be computed in conformity with GAAP applied on a consistent basis;
“Gearing Ratio”	means the ratio of consolidated long-term liability portion of bank borrowings and debt securities to consolidated total assets of the Company, each determined in accordance with GAAP;
“Event of Default”	including (i) the Gearing Ratio on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not at any time exceed 60%; and (ii) the Net Tangible Worth on the last day of a fiscal year of the Company or the last day of a fiscal half-year of the Company shall not be less than HK\$700 million;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Net Tangible Worth”	means the consolidated total assets of the Company after deducting, without duplication, (i) current and non-current liabilities; and (ii) goodwill, excess of cost over assets acquired, patents, copyrights, trademarks, trade names, unamortised debt discount and expense and other like intangible assets, all as shown in the consolidated financial statements of the Company prepared in accordance with GAAP;
“Placees”	any person or entity whom the Placing Agent has procured to subscribe for any of the Bonds pursuant to the Placing Agreements;

“Placing”	the placing of the Bonds by the Placing Agents on a best effort basis pursuant to the terms and conditions of the Placing Agreements;
“Placing Agent 1”	Emperio Securities and Assets Management Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activity under the SFO;
“Placing Agent 2”	Mason Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activity under the SFO;
“Placing Agents”	Placing Agent 1 and Placing Agent 2
“Placing Agreement 1”	the conditional placing agreement dated 21 January 2022 and entered into between the Company as issuer and the Placing Agent 1 as placing agents in relation to the Placing;
“Placing Agreement 2”	the conditional placing agreement dated 21 January 2022 and entered into between the Company as issuer and the Placing Agent 2 as placing agent in relation to the Placing;
“Placing Agreements”	Placing Agreement 1 and Placing Agreement 2
“Placing Period”	the period commencing upon the execution of the Placing Agreements and terminating on the date falling on the expiration of six months from the date of the Placing Agreements (or such later time and date as the Company and the Placing Agents may agree in writing);
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company;

“Shareholder(s)” the holders of the Shares;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“%” per cent.

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

Hong Kong, 21 January 2022

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. 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 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>.