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

If you have sold or transferred all your shares in China Ocean Fishing Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中國海洋捕撈

CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

**(I) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(II) NOTICE OF SPECIAL GENERAL MEETING**

Terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the SGM to be held at Room 03, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 27 June 2018 is set out on pages 18 to 22 of this circular. A form of proxy for the special general meeting is enclosed herein. Whether or not you are able to attend the meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if you so wish.

8 June 2018

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein:

| | |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Announcements” | the announcements of the Company dated 6 March 2018 and 9 March 2018; |
| “Board” | the board of Directors; |
| “Business Day(s)” | a day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for business; |
| “Company” | China Ocean Fishing Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM; |
| “Completion” | completion of the Subscription Agreements; |
| “Completion Date” | the fifth Business Day immediately after fulfilment (or waiver) of the conditions precedent set out in the Subscription Agreements, 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” | the GEM of the Stock Exchange; |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Latest Practicable Date” | 4 June 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular; |
| “Long Stop Date” | 30 June 2018, or any other date as the Company and the relevant Subscribers may agree in writing; |

DEFINITIONS

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “PRC” | the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan; |
| “Proxy” | the form of proxy; |
| “SGM” | the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Subscription Agreement and the transaction contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares; |
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company as at the Latest Practicable Date; |
| “Shareholder(s)” | the holder(s) of the Share(s); |
| “Specific Mandate” | the specific mandate to allot and issue the Subscription Shares to be sought from the Shareholders at the SGM; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subscribers” | collectively, Subscriber I, Subscriber II, Subscriber III and Subscriber IV, each of which a “Subscriber”; |
| “Subscriber I” | TAN Kai; |
| “Subscriber II” | XU Siqi; |
| “Subscriber III” | LIU Ruxiang; |
| “Subscriber IV” | Shenzhen Jing Peng Xin Trade Co., Ltd; |
| “Subscription Agreements” | collectively, the Subscription Agreement I, the Subscription Agreement II, the Subscription Agreement III and the Subscription Agreement IV; |
| “Subscription Agreement I” | the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber I in relation to the Subscription; |

DEFINITIONS

| | |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| “Subscription Agreement II” | the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber II in relation to the Subscription; |
| “Subscription Agreement III” | the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber III in relation to the Subscription; |
| “Subscription Agreement IV” | the subscription agreement dated 6 March 2018 entered into between the Company and the Subscriber IV in relation to the Subscription; |
| “Subscription Price” | the subscription price of HK\$0.45 per Subscription Share; |
| “Subscription Shares” | collectively, the Subscription Shares I, the Subscription Shares II, the Subscription Shares III and the Subscription Shares IV; |
| “Subscription Shares I” | a total of 70 million new Shares to be allotted and issued by the Company to Subscriber I under the Subscription Agreement I; |
| “Subscription Shares II” | a total of 80 million new Shares to be allotted and issued by the Company to Subscriber II under the Subscription Agreement II; |
| “Subscription Shares III” | a total of 160 million new Shares to be allotted and issued by the Company to Subscriber III under the Subscription Agreement III; |
| “Subscription Shares IV” | a total of 360 million new Shares to be allotted and issued by the Company to Subscriber IV under the Subscription Agreement IV; |
| “Subscription” | the subscription by the Subscribers of the Subscription Shares issued by the Company pursuant to the Subscription Agreements; |
| “subsidiaries” | has the meaning ascribed to it under the GEM Listing Rules; |
| “%” | per cent. |

LETTER FROM THE BOARD



中國海洋捕撈
CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

Executive Directors:

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

Non-executive Director:

Mr. YANG Yong

Independent Non-executive Directors:

Mr. PANG Pui Hung, Paton
Ms. LI Yuen Fong, Michelle
Mr. ZHU Yifeng

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

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

8 June 2018

To the Shareholders,

Dear Sir or Madam,

**(I) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(II) NOTICE OF SPECIAL GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

References are made to the Announcements relating to the proposed issuance of new shares under Specific Mandate. As disclosed in the Announcements, the Company entered into four Subscription Agreements with four 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 670 million Subscription Shares at the Subscription Price of HK\$0.45 per Subscription Share.

The purpose of this circular is to provide you with, among other things, (i) information relating to the Subscription and (ii) the notice of SGM to the Shareholders together with the Proxy to consider and if thought fit, to approve the Subscription and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares, which shall take place fourteen days after the day of the SGM, i.e. on or before 11 July 2018.

THE SUBSCRIPTION AGREEMENTS

Set out below are the principal terms of the Subscription Agreements:

Date: 6 March 2018 (after trading hours)

Parties

| | |
|----------------------------|------------------------------------------------------------|
| Subscription Agreement I | 1. The Company as issuer; and |
| | 2. TAN Kai as Subscriber I; |
| Subscription Agreement II | 1. The Company as issuer; and |
| | 2. XU Siqi as Subscriber II; |
| Subscription Agreement III | 1. The Company as issuer; and |
| | 2. LIU Ruxiang as Subscriber III; |
| Subscription Agreement IV | 1. The Company as issuer; and |
| | 2. Shenzhen Jing Peng Xin Trade Co., Ltd as Subscriber IV; |

To the best of the Directors' knowledge, information and belief, each of the Subscribers is an independent third party of the Company and its connected persons.

LETTER FROM THE BOARD

The Subscription Shares

70 million Subscription Shares I, representing (i) approximately 2.1% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 1.8% 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), at a total subscription price of HK\$31.5 million.

80 million Subscription Shares II, representing (i) approximately 2.4% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 2.0% 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), at a total subscription price of HK\$36 million.

160 million Subscription Shares III, representing (i) approximately 4.8% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.0% 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), at a total subscription price of HK\$72 million.

360 million Subscription Shares IV, representing (i) approximately 10.9% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 9.0% 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) at a total subscription price of HK\$162 million.

The Subscribers are subscribing in aggregate a total number of 670 million Subscription Shares representing approximately 23.1% of issued shares of the Company as at the date of the Subscription Agreements and approximately 20.2% of existing issued capital of the Company as at the Latest Practicable Date.

The number of Subscription Shares to be issued and allotted to each of the Subscriber is determined by reference to the proportion that the Subscription Price payable by such Subscriber bears to the aggregate Subscription Price payable by all the Subscribers.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.45 per Subscription Share represents:

- (a) a discount of approximately 13.46% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 18.18% to the closing price of HK\$0.55 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreements;
- (c) a discount of approximately 20.77% to the average closing price of HK\$0.57 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the Subscription Agreements; and
- (d) a discount of approximately 19.93% to the average closing price of HK\$0.56 per Share as quoted on the Stock Exchange for the last ten trading days immediately preceding the date of the Subscription Agreements;
- (e) a premium of approximately 164.71% to the net asset value of approximately HK\$0.17 per Share as at 30 September 2017 (based on the consolidated net assets of the Group attributable to the Shareholders of approximately HK\$409.3 million as at 30 September 2017 and 2,417,475,513 Shares in issue as at 30 September 2017).

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

Specific Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the Specific Mandate to be put forward for approval by the Shareholders at the SGM. The Specific Mandate, if approved at the SGM, will be valid until the Completion of the Subscription (within one month after the day of SGM i.e. on or before 27 July 2018). If the Subscription is not completed on or before 27 July 2018, further Shareholders' approval shall be sought.

Ranking

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.

LETTER FROM THE BOARD

Conditions of the Subscription

Completion of the Subscription pursuant to the Subscription Agreements is conditional upon the following conditions:

- (i) the Shareholders duly passing the resolutions approving, inter alia, the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares, at the SGM; and
- (ii) the GEM Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares to be issued (and such approval not being subsequently revoked prior to the Completion).

If the above conditions are not fulfilled on or prior to 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.

Completion

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other. Completion of the Subscription will take place on the fifth Business Day immediately after all the conditions precedent of the Subscription are fulfilled (or such other date as may be agreed between the Company and the relevant Subscriber in writing). If the Company or the Subscribers fail to proceed with Completion of the Subscription in accordance with the Subscription Agreements, the non-breaching party may: (i) postpone the date of Completion to a subsequent date which is not later than 28 days after; or (ii) terminate the Subscription Agreements concerned.

It is expected that the Completion Date of the Subscription is to be within one month after the date of the SGM, and if Shareholder's approval on the Specific Mandate has been obtained at the SGM but the Subscription has not been completed within one month after the date of the SGM, the Company will seek shareholder's approval on the Specific Mandate again.

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.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are supply chain management services and money lending business, the Group has also recently been diversifying its business into fishing-related business. As at 31 March 2018, the unaudited cash position of the Group is approximately HK\$20 million which is to be utilised as general working capital of the Group. The estimated net proceeds from the Subscription after deduction of expenses, will amount to approximately HK\$290 million. The proceeds are currently intended to be applied, within three months after Completion, in the following manner:

- (i) approximately 13.79% (i.e. approximately HK\$40 million) to be used for the development of the aquiculture business in Cambodia, including (a) land and site construction; (b) purchases of equipment and materials; (c) purchases of fish seeds and shrimp seeds; and (d) purchases of pellets;
- (ii) approximately 31.03% (i.e. approximately HK\$90 million) to development of aquatic trading business; including importing of aquatic products from Malaysia, Mozambique and the Kingdom of Tonga;
- (iii) approximately 6.90% (i.e. approximately HK\$20 million) for the construction of cold storage facilities in Mozambique to facilitate the storage before exporting the aquatic products to PRC; including (a) land acquisition and soil levelling; (b) building construction; and (c) purchases of equipment and materials;
- (iv) approximately 6.90% (i.e. approximately HK\$20 million) for the construction of pier in Mozambique; including construction works for the pier and related facilities and purchases of pier protection equipment;
- (v) approximately 3.45% (i.e. approximately HK\$10 million) for the construction of processing plant of fishing-related business in Mozambique including the construction of a fishball production line and purchases of relevant equipment and materials;
- (vi) approximately 34.48% (i.e. approximately HK\$100 million) for the development of fishing business including the construction of steel fishing vessels; and
- (vii) approximately 3.45% (i.e. approximately HK\$10 million) to the general working capital of the Group.

LETTER FROM THE BOARD

OTHER FINANCING ALTERNATIVES

The changes in the shareholding structure of the Company arising from the Subscription are set out in the paragraph headed “EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE” in this letter below. It is expected that the total shareholding interest of the Subscribers will be approximately 16.8% immediately upon Completion of the Subscription assuming subscription by the Subscribers for all of the Subscription Shares and there will be no further changes in the number of total issued shares prior to Completion.

Taking into account that the net proceeds from the Subscription would strengthen the Company’s capital base, and enable the Group to undertake the projects detailed above, the Directors are of the view that the potential dilution effect of the Subscription is fair and reasonable to the Shareholders as a whole.

Prior to exploring the possibility of the Subscription, the Company has exhausted all available methods of raising funds over the last several months but none of which seemed to be successful.

Apart from equity financing by issue of new Shares under the Specific Mandate, the Company has also considered other financing methods (such as debt financing, rights issue and/or open offer) to meet the financial requirements of the Group, taking into account the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

However, debt financing such as bank borrowing may incur interest burden to the Group and may be subject to lengthy due diligence and negotiations. In addition, the ability of the Group to obtain bank borrowing usually depends on the Group’s profitability, financial position and the then prevailing market condition. Given the financial performance and position of the Group as disclosed in the published financial reports, the Company considers that it might be difficult for the Group to obtain bank borrowing at a favourable interest rate.

In respect of rights issue or open offer, such fund-raising methods usually involve substantial time and cost to complete as compared to equity financing through issuance of new Shares under the Specific Mandate, which allows the Company to raise capital in a timely manner. Further, rights issues and open offers will incur payment of underwriting commission by the Company.

Having considered that (i) the proposed grant of the Specific Mandate will provide the Company with an additional financing alternative to capture any capital raising or prospective investment, in a timely manner; (ii) the equity financing by using the Specific Mandate is less costly and time-consuming than raising fund by way of rights issue or open offer; and (iii) it is reasonable for the Company to maintain its flexibility in the selection of the best financing method for its future business development, the Company is of the view that the proposed grant of the Specific Mandate is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company had 3,317,622,179 Shares in issue. The shareholding structure of the Company: (i) as at the Latest Practicable Date; and (ii) immediately after the Completion (assuming that there will be no further changes in the number of total issued Shares prior to the Completion), are as follows:

| | As at the Latest Practicable Date | | Immediately after Completion | |
|---------------------------------------|----------------------------------------------|-----------------|-----------------------------------------|-----------------|
| | <i>No. of Shares</i> | <i>Approx.%</i> | <i>No. of Shares</i> | <i>Approx.%</i> |
| Liu Yi | 618,044,000 | 18.63 | 618,044,000 | 15.49 |
| COFCO Capital (Hong Kong) Co. Ltd. | 416,666,666 | 12.56 | 416,666,666 | 10.45 |
| Subscriber I | – | – | 70,000,000 | 1.76 |
| Subscriber II | – | – | 80,000,000 | 2.01 |
| Subscriber III | – | – | 160,000,000 | 4.01 |
| Subscriber IV | – | – | 360,000,000 | 9.03 |
| Ms. Wei Qing (<i>Note 1, 2</i>) | 79,996,000 | 2.41 | 79,996,000 | 2.01 |
| Mr. Fan Guocheng (<i>Note 1</i>) | 800,000 | 0.02 | 800,000 | 0.02 |
| Other public Shareholders | 2,202,115,513 | 66.38 | 2,202,115,513 | 55.22 |
| | | | | |
| Total | <u>3,317,622,179</u> | <u>100.00</u> | <u>3,987,622,179</u> | <u>100.00</u> |

LETTER FROM THE BOARD

Notes:

- 1) Ms. Wei Qing and Mr. Fan Guocheng are the executive Directors.
- 2) Ms. Wei Qing is beneficially interested in 70,000,000 Shares through Sunny Sky Capital Management Limited.
- 3) 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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed in the table below, the Company has not undertaken any equity fund raising activities over the period from the date twelve months prior to the date of the announcement of the Company dated 6 March 2018 until the Latest Practicable Date:

| Date of the initial announcement | Fund raising activity | Net proceeds (approximately) | Proposed used of the net proceeds | Actual use of the net proceeds |
|----------------------------------|-----------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 March 2017 | Placing of new shares under general mandate | HK\$117.4 million | As to (i) approximately HK\$23.4 million for the capital commitment under a joint venture agreement; and (ii) the remaining as general working capital of the Group | As to (i) approximately HK\$20 million used as working capital of the money lending business and lent to independent third parties; (ii) approximately HK\$80 million used to purchase electronic and aquatic products of the supply chain business; and (iii) the remaining used as general working capital of the Group |
| 29 May 2017 | Proposed issue of convertible bonds under specific mandate (the "COFCO CB") | HK\$95 million | As to (i) approximately HK\$47 million for the working capital of the supply chain business, in particular, the supply chain operation of aquatic products. The Group intend to use the proceeds to expand the trading of aquatic products; and (ii) approximately HK\$48 million for the fishing related operation including potential acquisitions. | As to (i) approximately HK\$93 million for the development of aquatic trading business and fishing related operations. During March 2018, approximately HK\$8 million was invested to a PRC subsidiary for its trading in aquatic products and fishing-related operations. During the period from December 2017 to February 2018, HK\$46.4 million was utilized for the development of aquatic trading business and HK\$38.6 million was utilized for the fishing-related operations respectively. |

LETTER FROM THE BOARD

| Date of the initial announcement | Fund raising activity | Net proceeds (approximately) | Proposed used of the net proceeds | Actual use of the net proceeds |
|----------------------------------|---------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 September 2017 | Placing of new shares under general mandate | HK\$226 million | As to (i) approximately HK\$150 million for the development of aquatic trading business with a major PRC customer for its processed food manufacturing; (ii) approximately HK\$30 million for the development of fishing business in Mozambique, including the construction of fishing vessels and operating cash flows such as wages, fuel charges and other operating charges for the fishing operation; (iii) approximately HK\$30 million for the purchase of cold storage in Cambodia to facilitate the storage of aquatic products before its export to the PRC; and (iv) approximately HK\$16 million as general working capital of the Group. | As to (i) approximately HK\$185 million for the development of aquatic trading business; (ii) approximately HK\$25 million for the investments in a PRC subsidiary of the Company for its development of fishing business in Mozambique and Cambodia; (iii) approximately HK\$15 million as the general working capital of the Group; and (iv) the remaining proceeds are placed in the bank account of the Group and it will be utilised as intended. |

As disclosed under the paragraph headed “FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS” in the this letter above, the net proceeds from the placing of new shares under general mandate completed on 3 October 2017 as disclosed in the announcement of the Company dated 3 October 2017 (the “Share Placement”) and the issue of convertible bonds to COFCO Capital (Hong Kong) Co., Limited as disclosed in the announcement of the Company dated 29 May 2017 (the “COFCO CB”) were substantially utilized with approximately HK\$1 million and HK\$2 million in proceeds remaining respectively. The total assets of the Group was approximately HK\$1.239 billion as at 31 December 2017 as shown in the Company’s 2017-2018 third quarterly report for the nine months ended 31 December 2017. The Company submits that according to the Company’s unaudited records, the bank balance and cash of the Company as at 30 April 2018 was approximately HK\$34 million.

LETTER FROM THE BOARD

Therefore the cash level of the Company immediately after the Completion of the Subscription is expected as follows:

| | Bank balance and cash as at 30 April 2018 | Total assets as at 30 April 2018 |
|-------------------------------------|----------------------------------------------------------|-------------------------------------------------|
| | <i>HK\$ million</i> | <i>HK\$ million</i> |
| Before Completion of Subscription | 34 | 1,237 |
| Expected proceeds from Subscription | 290 | 290 |
| | <hr/> | <hr/> |
| Total | 324 | 1,527 |
| | <hr/> <hr/> | <hr/> <hr/> |

In relation to the HK\$95 million from the issue of the COFCO CB, approximately HK\$93 million has been used for the development of aquatic trading business and fishing-related operations of the Company as at the Latest Practicable Date.

The Company intends to use the remaining unutilized amount of HK\$2 million for the Company's fishing-related business and such funds are currently placed in the bank account of the Group.

Thus, it is expected that the bank balances and cash of the Group would amount to approximately 21% of the Group's total assets immediately after the Completion. In light of the above, the Company is of the view that the Company will not become a cash company under Rule 19.82 of the GEM Listing Rules.

Save as disclosed above, the Company has no intentions or plans to conduct further fund raising exercises as at the Latest Practicable Date.

INFORMATION OF THE SUBSCRIBERS

All the Subscribers are not business associate of the Group. To the best of the Directors' knowledge, the Subscribers are introduced by various parties. Subscriber I and Subscriber IV were introduced by COFCO; Subscriber II was being introduced by a bank manager and Subscriber III was introduced by a Company's employee.

All the individual subscribers, Subscriber I, Subscriber II and Subscriber III are living in the Guangdong Province of the PRC and the holders of multiple entry permits to Hong Kong. Subscriber I being a businessman and a customer of COFCO and in the business of agricultural products. Subscriber II is working in a bank. Subscriber III being a businessman in the business of aquatic trading.

LETTER FROM THE BOARD

The principal business of Subscriber IV is trading, import and export of metals hardware products and clothing sales, domestic trading, import and export of technology.

The ultimate beneficial owners of Subscriber IV are Xie Xionghui and Yang Xiaomin, each of whom holds 50% of the shareholding of the Subscriber IV.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries: (i) the Subscribers, and the ultimate beneficial owners of Subscriber IV, do not have any past or existing relationship (including financial, business or other) among each other; (ii) there is no past or existing relationship (including financial, business or other) or transactions between of the Subscribers, and the ultimate beneficial owners of Subscriber IV, and the Group; and (iii) the Subscribers, and the ultimate beneficial owners of Subscriber IV, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules); and is a third party independent from each of the following parties:

(a) Khmer First Investment Holding Group Co., Ltd. (and its ultimate beneficial owners), the joint venture partner who set up a joint venture in Cambodia with the Company (as announced by the Company on 20 January 2017);

(b) the Ministry of Agriculture, Forestry and Fisheries of the Kingdom of Cambodia, the party to the strategic cooperation dated 31 January 2017 regarding the fishery industrialisation development (as announced by the Company on 1 February 2017);

(c) the shipbuilder (and its ultimate beneficial owners) of the Company's constructions of eight fishing vessels (subsequently amended to 30 small fishing vessels on 12 January 2018) (as announced by the Company on 25 May 2017 and 12 January 2018);

(d) the vendors to the Company's acquisition of 70% interest in Shenzhen Qisen Fishery Company Limited (as announced by the Company on 29 May 2017);

(e) the vendor (and its ultimate beneficial owners) to the Company's acquisition of 80% interests in Stonechen Comercial-Produtos da Pesca de Moma, Limitada (as announced by the Company on 29 September 2017);

(f) the vendors to the Company's possible acquisition of 60% interest in Yang Jiang City He Hong Xing Aqua Product Co., Ltd. (as announced by the Company on 10 October 2017);

(g) Direccao Provincial do Mar, Aguas Interiores e Pescas de Nampula, Mozambique, an organ of the Mozambican government, the party to the memorandum of understanding dated 6 December 2017 regarding the strategic cooperations on fishing and aquaculture development (as announced by the Company on 8 December 2017);

LETTER FROM THE BOARD

(h) the vendors to the Company's acquisition of 65% interest in Lianyungang Anni Ocean Fishing Co., Ltd. (as announced by the Company on 7 February 2018); and

(i) Plural Capital Company Limited (and its ultimate beneficial owners), the joint venture partner who set up a joint venture with the Company (as announced by the Company on 8 May 2018).

SGM

The SGM will be held at Room 03, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on at 10:30 a.m. on 27 June 2018 for the purpose of considering and, if thought fit, approving the ordinary resolutions in respect of the Subscription Agreement and the transaction contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Subscription Shares.

The notice convening the SGM is set out on pages 18 to 22 of this circular. A form of proxy for use at the SGM is also enclosed to this circular. Whether or not you are able to attend the SGM and/or vote at the SGM in person, you are requested to complete and return the enclosed form of proxy to the Company's Hong Kong branch share registrar, Tricor Tengis Limited at level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the 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 should you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate to allot and issue the Subscription Shares and accordingly no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM.

LETTER FROM THE BOARD

LONG STOP DATE

It is expected that the Completion Date of the Subscription is to be within one month after the date of the SGM, and if Shareholder's approval on the Specific Mandate has been obtained at the SGM but the Subscription has not been completed within one month after the date of the SGM, the Company will seek shareholder's approval on the Specific Mandate again.

RECOMMENDATION

The Board considers that the Subscription is fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution as set out in the notice of SGM.

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 Group. 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By Order of the Board
China Ocean Fishing Holdings Limited
Liu Rongsheng
Executive Director and Chairman

NOTICE OF SGM



中國海洋捕撈
CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of China Ocean Fishing Holdings Limited (the “**Company**”) will be held at Room 03, 22/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on 27 June 2018 for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the terms and conditions of the subscription agreement entered into between the Company and the Subscriber I (the “**Subscription Agreement I**”) in relation to the 70 million Subscription Shares to be issued by the Company (the “**Subscription Shares I**”) under Specific Mandate (as defined below), a copy of which has been produced to the Meeting marked “A1” and signed by the chairman of the Meeting for the purpose of identification, pursuant to which the Company is to allot and issue to the Subscribers shares of the Company (the “**Subscription Shares**”) at the subscription price of HK\$0.45 per share (subject to adjustment) be and are hereby approved, confirmed and ratified;
- (b) the grant of specific mandate to the directors (the “**Directors**”) of the Company to allot and issue the Subscription Shares I to the Subscriber I pursuant to the Subscription Agreement I be and is hereby approved, confirmed and ratified; the Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF SGM

- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the allotment and issue of the Subscription Shares I to Subscriber I.”

2. **“THAT:**

- (a) the terms and conditions of the subscription agreement to be entered into between the Company and the Subscriber II (the **“Subscription Agreement II”**) in relation to the 80 million Subscription Shares to be issued by the Company (the **“Subscription Shares II”**) under Specific Mandate (as defined below), a copy of which has been produced to the Meeting marked “A2” and signed by the chairman of the Meeting for the purpose of identification, pursuant to which the Company is to allot and issue to the Subscribers shares of the Company (the **“Subscription Shares”**) at the subscription price of HK\$0.45 per share (subject to adjustment) be and are hereby approved, confirmed and ratified;
- (b) the grant of specific mandate to the directors (the **“Directors”**) of the Company to allot and issue the Subscription Shares II to the Subscriber II pursuant to the Subscription Agreement II be and is hereby approved, confirmed and ratified; the Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the allotment and issue of the Subscription Shares II to Subscriber II.”

3. **“THAT:**

- (a) the terms and conditions of the subscription agreement to be entered into between the Company and the Subscriber III (the **“Subscription Agreement III”**) in relation to the 160 million Subscription Shares to be issued by the Company (the **“Subscription Shares III”**) under Specific Mandate (as defined below), a copy of which has been produced to the Meeting marked “A3” and signed by the chairman of the Meeting for the purpose of identification, pursuant to which the Company is to allot and issue to the Subscribers shares of the Company (the **“Subscription Shares”**) at the subscription price of HK\$0.45 per share (subject to adjustment) be and are hereby approved, confirmed and ratified;

NOTICE OF SGM

- (b) the grant of specific mandate to the directors (the “**Directors**”) of the Company to allot and issue the Subscription Shares III to the Subscriber III pursuant to the Subscription Agreement III be and is hereby approved, confirmed and ratified; the Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
 - (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the allotment and issue of the Subscription Shares III to Subscriber III.”
4. “**THAT:**
- (a) the terms and conditions of the subscription agreement to be entered into between the Company and the Subscribers (the “**Subscription Agreement IV**”) in relation to the 360 million Subscription Shares to be issued by the Company (the “**Subscription Shares IV**”) under Specific Mandate (as defined below), a copy of which has been produced to the Meeting marked “A4” and signed by the chairman of the Meeting for the purpose of identification, pursuant to which the Company is to allot and issue to the Subscribers shares of the Company (the “**Subscription Shares**”) at the subscription price of HK\$0.45 per share (subject to adjustment) be and are hereby approved, confirmed and ratified;
 - (b) the grant of specific mandate to the directors (the “**Directors**”) of the Company to allot and issue the Subscription Shares IV to the Subscriber IV pursuant to the Subscription Agreement IV be and is hereby approved, confirmed and ratified; the Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF SGM

- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the allotment and issue of the Subscription Shares IV to Subscriber IV.”

On behalf of the Board
China Ocean Fishing Holdings Limited
Liu Rongsheng
Executive Director and Chairman

Hong Kong, 8 June 2018

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

*Head office and principal place of
business in Hong Kong:*
Room 03, 22/F, China Resources Building,
26 Harbour Road, Wanchai Hong Kong

Notes:

1. A form of proxy for use at the Meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer or attorney duly authorised.
3. Any shareholder of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the above Meeting or any adjournment thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.

NOTICE OF SGM

6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the most senior shall alone be entitled to vote. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.

7. As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Fan Guocheng and Ms. Wei Qing, the non-executive Director is Mr. Yang Yong and independent non-executive Directors are Mr. Pang Pui Hung, Paton, Ms. Li Yuen Fong, Michelle and Mr. Zhu Yifeng.