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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)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION OF 65% EQUITY INTEREST IN THE TARGET COMPANY

This announcement is made by China Ocean Fishing Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

Memorandum of Understanding

The board of directors of the Company (the “**Directors**”) is pleased to announce that on 13 October 2017, a wholly-owned subsidiary of the Company, Jin Yu Tang (Shenzhen) Fishery Co., Ltd. 深圳市進玉堂漁業有限公司 (the “**Purchaser**”), entered into a memorandum of understanding (the “**Memorandum**”) with 安傳琴先生 Mr. An Chuanqin*, 孟繁衍先生 Mr. Meng Fanyan*, 史夢軍女士 Ms. Shi Mengjun*, 王浩然先生 Mr. Wang Haoran* and 楊金玲女士 Ms. Yang Jinling* (“**Vendor 1**”) and 潘雙君女士 Ms. Pan Shuangjun* and 張偉亮先生 Mr. Zhang Weiliang* (collectively, the “**Vendor 2**”, together with Vendor 1, collectively the “**Vendors**”), pursuant to which the Vendors proposed to sell and the Purchaser proposed to acquire, in aggregate, 65% equity interest in 連雲港安尼遠洋捕撈有限公司 Lianyungang Anni Ocean Fishing Co., Ltd.* (the “**Target Company**” and the “**Proposed Acquisition**” respectively).

Major terms of the Memorandum

Date: 13 October 2017

Parties:

1. Vendors: (a) 安傳琴先生 Mr. An Chuanqin*, 孟繁衍先生 Mr. Meng Fanyan*, 史夢軍女士 Ms. Shi Mengjun*, 王浩然先生 Mr. Wang Haoran* and 楊金玲女士 Ms. Yang Jinling*, being Vendor 1

(b) 潘雙君女士 Ms. Pan Shuangjun* and 張偉亮先生 Mr. Zhang Weiliang*, being Vendor 2

2. Purchaser: Jin Yu Tang (Shenzhen) Fishery Co., Ltd. 深圳市進玉堂漁業有限公司

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendors are third parties independent of the Company and its connected persons in accordance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Hong Kong Stock Exchange.

Assets to be acquired

Under the Memorandum, the Purchaser intends to acquire and the Vendors intend to dispose of, in aggregate, 65% equity interest in the Target Company, which shall be free from any encumbrance. After the Proposed Acquisition, the Target Company will be owned as to 65% and 35% by the Purchaser and Vendor 2, respectively.

Due diligence review

The Purchaser will commence due diligence review on the business of the Target Company. The Purchaser is entitled to perform such due diligence review notwithstanding the signing of the formal agreement in respect of the Proposed Acquisition.

Exclusivity period

Pursuant to the Memorandum, the Vendors agree that for a period of 90 days (or such later date as mutually agreed by the Vendors and the Purchaser) commencing from the first day after the signing of the Memorandum not to negotiate or discuss with any person or entity other than the Purchaser with respect to the Proposed Acquisition.

Consideration

The consideration for the Memorandum and the exclusivity period as well as the commencement of the due diligent review is RMB8,000,000 (the “**Earnest Money**”) payable within 2 business days from the date of signing of the Memorandum. In case the formal sale and purchase agreement(s) is/are entered into, the Earnest Money under the Memorandum shall form part of the consideration under the formal sale and purchase agreement(s). If (i) the Memorandum is terminated or otherwise ceased to be effective for whatever reason, the Earnest Money shall be refunded to the Purchaser within 5 business days (or such other period as agreed by the parties in writing) after written notice to terminate has been served; (ii) the Memorandum is not terminated or otherwise ceased to be effective for whatever reason, however the formal sale and purchase agreement is not entered into between the Purchaser and the Vendors within 90 days after the date of the Memorandum due to reasons caused by the Purchaser, the Purchaser shall pay an amount of RMB4,000,000 to the Vendors within 2 business days after the lapse of the Memorandum.

The parties agreed the consideration, which will be determined under the formal sale and purchase agreement(s), will be payable in cash and/or convertible bond. The exact amount of the consideration for the Proposed Acquisition shall be subject to further negotiation between the Vendors and the Purchaser.

Non legal-binding effect

Save for the exclusivity period, the due diligence review, the earnest money, the refund arrangements, confidentiality clauses, the cost and expense and governing law and jurisdiction clauses in the Memorandum, the Memorandum does not constitute any legally binding commitment of the Vendors and the Purchaser in respect of the Proposed Acquisition.

The Proposed Acquisition is subject to the execution and completion of the formal sale and purchase agreement(s). The Vendors and the Purchaser will further negotiate the conditions to the completion of the Proposed Acquisition to be included in the formal sale and purchase agreement(s).

Information of the Target Company

The Target Company is a company established in the People’s Republic of China. The principal activity of the Target Company is ocean fishing and catching. The Target Company has 10 newly built fishing trawlers and obtained the license to operate in Malaysian waters.

As at the date of this announcement, the Target Company is 100% owned by the Vendors, Vendor 1 and Vendor 2 have entered into a share transfer agreement on 11 July 2017, a supplemental agreement on share transfer agreement on 9 September 2017 and obtained shareholders’ resolution and authorization from the 5 existing shareholders for the transfer of all their shareholdings; at present, the share transfer procedure has not been commenced.

Reasons for entering into the Memorandum

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

The Company has been actively looking for opportunities to create shareholders' value through making investments and/or acquiring businesses or projects that have promising outlooks and prospects, in particular, the marine fishing business. The Directors consider that the Memorandum could provide an opportunity to the Company to enter into the aquaculture business and therefore it is in the interest of the Company and its shareholders as a whole.

The Memorandum is not legally binding on the parties in respect of the Proposed Acquisition and is subject to the entering into of a formal sale and purchase agreement(s). The Memorandum may or may not lead to the entering into and/or completion of any formal sale and purchase agreement(s). Any such further business development mentioned above may or may not materialize. The Shareholders and/or the potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

In case the entering into of any formal sale and purchase agreement(s) constitutes a notifiable transaction of the Company, further announcement(s) will be made in compliance with the Rules Governing the Listing of Securities on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") as and when appropriate.

* *for identification purpose only*

By order of the board of
China Ocean Fishing Holdings Limited
Liu Rongsheng
Executive Director and Chairman

Hong Kong, 13 October 2017

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

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.chinaoceanfishing.hk>.