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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)**

## **INSIDE INFORMATION ANNOUNCEMENT ON ARBITRATION**

This announcement is made by China Ocean Group Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 29 May 2017, 27 October 2017 and 9 March 2018 (the “**Announcements**”) and the circular of the Company dated 5 September 2017 (the “**Circular**”) in relation to the issue of the Convertible Bonds to COFCO Capital (Hong Kong) Co., Limited (the “**Subscriber**”) and the conversion of the Convertible Bonds by the Subscriber into the Conversion Shares pursuant to the Subscription Agreement. Based on the forms of disclosure of interests filed by the Subscriber, the Subscriber held approximately 4.73% of the issued share capital of the Company as at 21 April 2022. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as defined in the Announcements and the Circular.

On 23 July 2021, the Subscriber commenced arbitration proceedings (the “**Arbitration**”) with the Hong Kong International Arbitration Centre (the “**HKIAC**”) against the Company as the 1<sup>st</sup> respondent, Mr Liu Rongsheng as the 2<sup>nd</sup> respondent, and Mr Liu Yi as the 3<sup>rd</sup> respondent (collectively, the “**Respondents**”) in respect of the Subscription Agreement.

The arbitral award in the Arbitration has been rendered by the HKIAC and received by the Company on 15 February 2024 (the “**Arbitral Award**”), which, amongst other things, contained the following awards that are with respect to the Company:–

- (i) The Respondents have breached the Subscription Agreement.
- (ii) The Respondents have joint and several obligations to compensate the Subscriber for nominal damages.
- (iii) During the period where the Subscriber continues to hold shares of the Company, unless approved by the Subscriber, the Company shall not (i) issue any bonds; (ii) conduct financing activities on terms that are better than the Subscription Agreement; and (iii) issue convertible bonds, shares, warrants and options etc., at the issue price or conversion price less than the Conversion Price, that is HK\$0.24 per share of the Company, unless the Subscriber gives its consent.
- (iv) The Respondents shall pay to the Subscriber its legal and other fees and disbursements relating to the Arbitration in the aggregate sum of approximately HK\$5 million with interest payable at a simple interest rate of 8.798% per annum from the date of the Arbitral Award to the date of full settlement.
- (v) Any other claims or reliefs sought by any of the Subscriber and the Respondents in the Arbitration have been dismissed.

The Board is of the preliminary view that the Arbitral Award has no material adverse impact on the business and general operations of the Group. The Company’s business operations continue as usual in all material respects. The Company will seek further legal advice for the Arbitral Award if appropriate.

The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the aforesaid as and when appropriate in compliance with the Listing Rules.

**Shareholders and potential investors should exercise caution when dealing in the shares or other securities of the Company.**

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

Hong Kong, 18 February 2024

*As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Cai Haiming, Mr. Cai Haipeng and Mr. Fan Guocheng; the non-executive Directors are Mr. Lui Chun Pong and Mr. Chen Jianchang; and the independent non-executive Directors are Mr. Kam Hou Yin, John, Mr. Li Cao, Mr. Chen Shenxiu and Mr. Yang Ying.*

*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>.*