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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of China Ocean Group Development Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited results of the Group for the six months ended 30 September 2024. This announcement, containing the full text of the interim report of the Company for the six months ended 30 September 2024 (the “**2024 Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities (“**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany the preliminary announcement of interim results. The 2024 Interim Report will be available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at <http://www.chinaoceangroup.com.hk>.

By order of the Board

China Ocean Group Development Limited

Liu Rongsheng

Chairman and Executive Director

Hong Kong, 28 November 2024

As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Cai Haiming, Mr. Cai Haipeng and Mr. Liu Qiang; the non-executive Directors are Mr. Lui Chun Pong and Mr. Chen Jianchang; independent non-executive Directors are Mr. Kam Hou Yin, John, Mr. Li Cao, Mr. Li Qing and Mr. Wu Yi.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange 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 Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> for a minimum period of seven days from the date of its publication and on the website of the Company at <http://www.chinaoceangroup.com.hk>.

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of China Ocean Group Development Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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 report 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 report misleading.

HIGHLIGHTS

For the six months ended 30 September 2024 (the "Period")

- Revenue of the Group was approximately HK\$197,799,000 as compared to the revenue of approximately HK\$272,686,000 recorded in the corresponding period in 2023.
- Loss of the Group for the Period was approximately HK\$6,840,000 (2023: profit of approximately HK\$10,642,000).
- Loss attributable to equity holders of the Company was approximately HK\$3,801,000 (2023: profit of approximately HK\$14,047,000).
- The board of Directors does not recommend the payment of any interim dividend for the Period (2023: Nil).
- Basic earnings/(loss) per share of the Company was approximately HK(0.05) cents (2023: profit per share of approximately HK0.23 cents).

FINANCIAL RESULTS

The board of directors (the “Board” and “Directors” respectively) of China Ocean Group Development Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2024 together with the relevant comparative unaudited figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 September 2024

		For the six months ended 30 September	
		2024	2023
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue from contracts with customers	3	197,799	272,686
Cost of services rendered and cost of goods sold		(177,815)	(239,054)
Gross profit		19,984	33,632
Other income	4	3,652	17,092
Selling and distribution costs		(86)	–
Administrative expenses		(19,028)	(28,417)
Profit from operations		4,522	22,307
Finance costs		(11,362)	(12,190)
Share of results of associate		–	240
Profit/(loss) before taxation	6	(6,840)	10,357
Income tax credit/(expenses)	7	–	285
Profit/(loss) for the period		(6,840)	10,642

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) *(Continued)*

For the six months ended 30 September 2024

		For the six months ended 30 September	
		2024	2023
	<i>Notes</i>	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Other comprehensive income/(expense) for the period, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		<u>(12,158)</u>	10,075
Total comprehensive income/(expense) for the period		<u>(18,998)</u>	20,717
Profit/(loss) for the period attributable to:			
Equity holders of the Company		(3,801)	14,047
Non-controlling interests		<u>(3,039)</u>	(3,405)
		<u>(6,840)</u>	10,642
Total comprehensive income/(expense) attributable to:			
Equity holders of the Company		(18,356)	24,122
Non-controlling interests		<u>(642)</u>	(3,405)
		<u>(18,998)</u>	20,717
Earnings/(loss) per share	8		
– Basic and diluted		<u>HK(0.05) cents</u>	HK0.23 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	10	204,645	211,971
Prepayment, other receivables and other assets		35,554	35,554
		240,199	247,525
Current assets			
Inventories		3,403	2,363
Trade and other receivables	11	996,440	784,453
Loans receivables and loan interests receivables		14,287	11,680
Bank balances and cash		133	243
		1,014,263	798,739
Assets associated with disposed group held for sale		16,041	15,208
		1,030,304	813,947
Current liabilities			
Trade and other payables	12	549,043	323,727
Bank Loans		1,352	1,322
Borrowings		154,310	147,741
Deferred income		5,165	5,912
Tax payable		9,816	12,108
		719,686	490,810

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2024

	As at 30 September 2024 (Unaudited) <i>Notes</i> HK\$'000	As at 31 March 2024 (Audited) <i>HK\$'000</i>
Net current assets	310,618	323,137
Total assets less current liabilities	550,817	570,662
Non-current liabilities		
Deferred income	36,355	37,285
Corporate bonds	4,495	4,495
Deffered tax liabilities	3,846	3,763
	44,696	45,543
NET ASSETS	506,121	525,119
Capital and reserves		
Share capital	70,837	70,837
Reserves	396,346	414,702
Equity attributable to equity holders of the Company	467,183	485,539
Non-controlling interests	38,938	39,580
TOTAL EQUITY	506,121	525,119

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2024

	Attributable to equity holders of the Company								
	Reserves						Subtotal (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total reserves (Unaudited) HK\$'000			
At 1 April 2023	60,837	1,571,131	594,707	10,984	(1,797,521)	379,301	440,138	48,601	488,739
Profit for the period	-	-	-	-	14,047	14,047	14,047	(3,405)	10,642
Other comprehensive income/(expense)									
Items that may be reclassified subsequently to profit or loss									
- Exchange difference on consolidation	-	-	-	10,075	-	10,075	10,075	-	10,075
Total Comprehensive income/(expense) for the period	-	-	-	10,075	14,047	24,122	24,122	(3,405)	20,717
Transactions with equity holders									
Contributions and distributions									
Issue of shares under subscription	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
At 30 September 2023	60,837	1,571,131	594,707	21,059	(1,783,474)	403,423	464,260	45,196	509,456
At 1 April 2024	70,837	1,680,132	594,707	(25,215)	(1,834,922)	414,702	485,539	39,580	525,119
Loss for the period	-	-	-	-	(3,801)	(3,801)	(3,801)	(3,039)	(6,840)
Other comprehensive income/(expense)									
Items that may be reclassified subsequently to profit or loss									
- Exchange difference on consolidation	-	-	-	(14,555)	-	(14,555)	(14,555)	2,397	(12,158)
Total Comprehensive income/(expense) for the period	-	-	-	(14,555)	(3,801)	(18,356)	(18,356)	(642)	(18,998)
Transactions with equity holders									
Contributions and distributions									
Issue of shares under placement	-	-	-	-	-	-	-	-	-
At 30 September 2024	70,837	1,680,132	594,707	(39,770)	(1,838,723)	396,346	467,183	38,938	506,121

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six months ended 30 September 2024

	For the six months ended 30 September 2024 (Unaudited) HK\$'000	For the six months ended 30 September 2023 (Unaudited) HK\$'000
NET CASH RECEIVED FROM/(USED IN) OPERATING ACTIVITIES	(9,524)	7,693
FINANCING ACTIVITIES		
Proceeds from borrowings	9,414	–
Repayment of borrowings	–	(11,385)
NET CASH RECEIVED FROM/(USED IN) FINANCING ACTIVITIES	9,414	(11,385)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(110)	(3,692)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	243	4,129
CASH AND CASH EQUIVALENTS AT END OF PERIOD	133	437
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	133	437

Notes to the condensed consolidated financial statements

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Bermuda on 7 June 2001 as an exempted company with limited liability under the Bermuda Companies Act of 1981. The Company's shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is located at Room 03, 22/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are business of supply chain management services and ocean fishing.

2. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements for the Period have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules"). These financial statements are unaudited but have been reviewed by the Company's audit committee (the "Audit Committee").

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2024 and have been prepared on the historical cost basis.

The accounting policies used in preparing these unaudited condensed consolidated interim financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 March 2024.

The adoption of the following new/revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to the Group and effective from the current period had no significant effects on the financial performance and financial position of the Group for the current and prior periods.

Notes to the condensed consolidated financial statements

2. STATEMENT OF COMPLIANCE *(Continued)*

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the financial period beginning on 1 April 2024. The management does not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the financial position, financial performance and cash flows of the Group.

3. REVENUE

An analysis of the Group's revenue during the Period is as follows:

	For the six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Sales of goods from:		
Supply chain management services business	197,799	272,686
Ocean fishing business	—	—
	<hr/>	<hr/>
Revenue	197,799	272,686
	<hr/>	<hr/>
Interest income	—	—
	<hr/>	<hr/>
Total revenue	197,799	272,686
	<hr/>	<hr/>

Notes to the condensed consolidated financial statements

4. OTHER INCOME

	For the six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest income from other loan	1,026	–
Government subsidiary income	2,626	3,054
Sundry income	–	1,183
Waiver of contingent consideration payable	–	12,855
	<hr/>	<hr/>
	3,652	17,092

5. SEGMENT INFORMATION

The Group manages its businesses by individual companies, which are organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers, who are the Directors of the Company, for the purposes of resource allocation and performance assessment, the Group has presented the following reporting segments. No operating segments have been aggregated to form the following reporting segments:

- Supply chain management segment which provides services involving the planning and implementation of an integrated solution for the effective flow of business, logistic, information and funds; and
- Ocean fishing segment which provides fishing and catching business in open sea beyond the coastal region.

Notes to the condensed consolidated financial statements

5. SEGMENT INFORMATION *(Continued)*

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision makers monitor the results, assets and liabilities attributable to each reporting segment on the following bases:

Segment assets include all allocated assets with the exception of interest in associates and other corporate assets. Segment liabilities include trade and other payables attributable to the sales/service activities of the individual segments.

Revenue and expenses are allocated to the reporting segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

(b) Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

For the six months ended 30 September

	Supply chain management		Ocean fishing business		Consolidated	
	services business					
	2024	2023	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue						
Sales of goods to external customers	197,799	272,686	-	-	197,799	272,686
Segment results	4,141	31,200	(9,633)	(10,956)	(5,492)	20,244
Unallocated income					-	13,094
Unallocated expenses					(1,348)	(22,696)
Profit/(loss) for the period					(6,840)	10,642

Notes to the condensed consolidated financial statements

5. SEGMENT INFORMATION *(Continued)*

(b) Business segments *(Continued)*

	Supply chain management		Ocean fishing business		Consolidated	
	services business					
	30 September	31 March	30 September	31 March	30 September	31 March
	2024	2024	2024	2024	2024	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities						
Segment assets	1,002,593	783,480	244,280	251,529	1,246,873	1,035,009
Unallocated assets including interests in associates					23,630	26,463
Consolidated total assets					1,270,503	1,061,472
Segment liabilities	421,602	200,855	118,857	122,433	540,459	323,288
Unallocated liabilities					223,923	213,065
Consolidated total liabilities					764,382	536,353

6. PROFIT/(LOSS) BEFORE TAXATION

The Group's profit/(loss) before taxation is stated after charging (crediting) the following:

	For the six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	11,854	13,322

Notes to the condensed consolidated financial statements

7. INCOME TAX (CREDIT)/EXPENSES

	For the six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
– Hong Kong Profits Tax	–	(285)
– PRC EIT	–	–
	<hr/>	<hr/>
Tax (credit)/charge for the period	–	(285)

Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong during the Period (2024: 16.5%).

The Enterprise income tax ("EIT") provision in respect of operations in the People's Republic of China (the "PRC") is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

Notes to the condensed consolidated financial statements

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the profit/(loss) attributable to equity holders of the Company and the weighted average number of the Company's ordinary shares in issue during the period as follows:

	For the six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit/(loss) attributable to equity holders of the Company	3,801	14,047
	<hr/>	
	Number of shares	
Weighted average number of ordinary shares in issue during the period	7,083,656,179	6,083,656,179

No adjustment has been made to the basic and diluted loss per share amounts presented in respect of a dilution as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basis loss per share amounts presented.

9. DIVIDENDS

The Board of Directors does not recommend the payment of any interim dividend for the Period (2023: Nil).

Notes to the condensed consolidated financial statements

10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group did not acquired property, plant and equipment.
(31 March 2024: nil).

11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Trade receivables from third parties		1,088,493	883,813
Less: loss allowance		(555,939)	(555,247)
Net trade receivables	(a)	532,554	328,566
Other receivables			
Prepayments and deposits		37,583	36,144
Advance payment to suppliers		519,092	513,314
Other receivables		6,387	3,793
Less: loss allowance		(63,622)	(61,810)
Net other receivables		499,440	491,441
Less: non-current portion of prepayment and deposits		(35,554)	(35,554)
		463,886	455,887
		996,440	784,453

Notes to the condensed consolidated financial statements

11. TRADE AND OTHER RECEIVABLES *(Continued)*

- (a) The Group normally grants credit term of 30 days to 90 days to its customers upon the delivery of products or when the services are rendered and invoices are issued. The aging of trade receivables (net of loss allowance) based on invoice date is as follows:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Less than 90 days	77,006	109,765
91 – 180 days	120,470	68,303
181 – 270 days	33,289	2,154
271 – 365 days	28,341	–
Over 1 year	273,448	148,344
	<hr/> 532,554	<hr/> 328,566

12. TRADE AND OTHER PAYABLES

	<i>Note</i>	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Trade payables	(a)	275,690	98,571
Accruals		132,599	114,180
Contract liabilities		9,265	9,265
Other tax payables		1,081	1,319
Due to directors		10,051	5,673
Due to shareholder		250	250
Other payables		120,107	94,469
		<hr/> 549,043	<hr/> 323,727

Notes to the condensed consolidated financial statements

12. TRADE AND OTHER PAYABLES *(Continued)*

- (a) Included in trade and other payables are trade payable with the following aging analysis, based on invoice date:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Less than 90 days	68,885	76,629
91 – 180 days	110,248	–
181 – 270 days	41,324	–
271 – 365 days	31,470	–
Over 1 year	24,093	21,942
	<hr/> 275,690	<hr/> 98,571

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with during the Period presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational review

Supply chain management and related services

The supply chain management service remains the main focus of the Group. The Group is providing intermediate service between suppliers and customers and it takes advantage of the business networks and resources in order to assist small and medium-sized enterprises in various industries to minimise the overall operation cost. Owing to the solid financial background of the Group and the great demand for supply chain service in mainland China, the Group has established many strategic partnerships with other supply chain companies, so as to undertake the operation of purchase and sales based on the services on import and export trade, logistic, customs clearance and storage.

During the period, the Group continued its supply chain management services of aquatic products. The Group also expanded its operation to vertically integrate with fishing subsidiaries to secure the supply of aquatic products. Since the Group need to comply with the government's policy to update and change the fishing vessel after they are used for 10 years, approval from PRC government, would be required before the renewal of fishing licenses from overseas governments. As management was unable to estimate the time required to recommence the existing overseas fishing operation in the current overseas country, the management began to seek for alternative overseas fishing grounds. The management is also actively seeking for alternative procedures to complete the fishing licenses renewal.

Financial review

The Revenue for the Group increased for the Period to approximately HK\$197,799,000 as compared to approximately HK\$272,686,000 for the corresponding period in 2023. The Group's aquatic products business generated a total revenue of approximately HK\$197,799,000 as compared to approximately HK\$272,686,000 in 2023. No revenue arose from the fishing operation of the Group during the Period. The Group has continued to develop business relationship with its business partners and potential partners in the PRC in order to increase and explore new sources of income. The Group continued to concentrate on aquatic products during the Period.

The Group recorded a decrease in gross profit, the Group's gross profit is approximately HK\$19,984,000 in the Period as compared to approximately HK\$33,632,000 in the corresponding period in 2023. The Group will continue to control the material costs and explore new business opportunities so as to improve the gross profit of the Group. The gross profit margin, decreased slightly from 12.3% to 10.1% during the Period. Gross profit margin of aquatic products from fishing operation were generally higher than from supply chain operation.

Net loss attributable to equity holders of the Company for the Period amounted to approximately HK\$3,801,000 as compared to approximately HK\$14,047,000 profit in the corresponding period in 2023. During the period, the administrative expenses decreased to approximately HK\$19,028,000 from approximately HK\$28,417,00 in the corresponding period in 2023. The major components in administrative expenses being salaries and welfare for both staff and directors; rent and rates and depreciation.

Outlook

The Company's supply chain management business has remained quite stable during the Period, however, the Company will pay close attention to its performance and future development. At the same time, the management will continuously monitor and review the overall operation and financial performance of the Group's businesses so as to cope with the ever-changing business environment. The management will keep proactively seeking for other investment and business opportunities with promising prospect to broaden the source of income of the Group and enhance value to the shareholders of the Company through making investments and/or acquiring business or projects that have promising outlooks and prospects, and with the Group's new management team having extensive experience in the marine fishing business, the Group will also explore further in the marine fishing business.

Liquidity, financial resources and capital structure

As at 30 September 2024, the Group had total assets of approximately HK\$1,270,503,000 (31 March 2024: approximately HK\$1,061,472,000), including bank balances and cash of approximately HK\$133,000 (31 March 2024: approximately HK\$243,000).

As at 30 September 2024, there was general banking facilities granted to subsidiaries of the Group of RMB47,000,000 (31 March 2024: RMB51,000,000) of which RMB47,000,000 (31 March 2024: RMB48,230,000) was utilised. Excluding the above banking facilities, during the Period, the Group financed its operation mainly with its own working capital and proceeds from the issue of placing/subscription shares and borrowings.

As at 30 September 2024, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was 4.4% (31 March 2024: 4.9%). The Group's bank borrowings as at 30 September 2024 was approximately HK\$53,000,000 (31 March 2024: approximately HK\$51,859,000).

Litigations

Arbitration with COFCO

In February 2024, the Company received the arbitral award rendered by the HKIAC in the Arbitration (the "Arbitral Award"), which, amongst other things, contained the following awards that are with respect to the Company: (1) The Company as the 1st respondent, Mr Liu Rongsheng as the 2nd respondent, and Mr Liu Yi as the 3rd respondent (the "Respondents") have breached the subscription agreement between COFCO Capital (Hong Kong) Co., Limited (the "Subscriber") and the Company (the "Subscription Agreement"). (2) The Respondents have joint and several obligations to compensate the Subscriber for nominal damages. (3) 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. (4) 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. (5) Any other claims or reliefs sought by any of the Subscriber and the Respondents in the Arbitration have been dismissed.

Exposure to fluctuations in exchange rates and related hedges

Most of the transactions of the Group are denominated in Hong Kong Dollar (“HKD”) and Renminbi (“RMB”). As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between HKD and RMB. The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risks. As at 30 September 2024, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

Significant investment, material acquisitions and disposal of subsidiaries and affiliated companies

Save as disclosed above, the Group had no significant investments, material acquisition or disposal of subsidiaries and affiliated companies during the Period.

Charge on group assets

As at 30 September 2024, there is no charge on assets of the Group (31 March 2024: nil).

Contingent liabilities

Save as disclosed above, the Group had no contingent liability as at 30 September 2024 (31 March 2024: Nil).

Employees and remuneration policies

As at 30 September 2024, the Group had 24 (30 September 2023: 39) employees including the Directors. Total staff costs (excluding Directors’ emoluments) amounted to approximately HK\$1,871,000 for the Period, as compared to approximately HK\$1,618,000 in the corresponding period in 2023. Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and basic insurance for the elderly, basic medical insurance, work injury insurance and unemployment insurance to its employees in the PRC.

Future plans for material investments or capital assets and their expected sources of funding in the coming year

Save as disclosed in the “Outlook” above, the Group has no future plans for material investments or capital assets in the coming year.

RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Market Risk

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Investment Risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorisation system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of the Group would be submitted to the Board.

Manpower and Retention Risk

The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will provide attractive remuneration package to suitable candidates and personnel.

Financial Risk

The Group's also faces financial risks including interest rate risk, foreign currency risk, credit risk and liquidity risk.

INTERIM DIVIDEND

The board of Directors does not recommend the payment of any interim dividend for the Period (2023: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO (including interest or short positions which they had taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by directors were as follows:

Long position in the Shares

Name of Director	Capacity	Number of ordinary Shares held	Approximate percentage of issued share capital
Mr. Cai Haiming	Beneficial owner	150,532,857	2.13%

Save as disclosed above, as at 30 September 2024, none of the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he was taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by the Directors to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 18 October 2011 (the “Share Option Scheme”) for the purpose of providing incentives or rewards to the eligible participants for their contribution to the Group and/or enabling the Group to recruit additional employees and retain existing employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group.

Eligible participants of the Share Option Scheme include the employees, consultants, suppliers or customers of the Company and its subsidiaries, including any independent non-executive directors of the Company.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under paragraphs headed "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures" and "Share Option Scheme" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, the interests and short positions of persons in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholder	Capacity	Number of the ordinary shares held	Approximate percentage of issued share capital
Liu Yi	Beneficial owner	724,292,000 (L)	10.22%

(L) denotes long position

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or, who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHAREHOLDERS' INTERESTS IN SECURITIES OF SIGNIFICANCE

Other than the interests disclosed above in respect of the substantial shareholders, as at 30 September 2024, no person is individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at the general meetings of the Company and are able, as a practicable manner, to direct or influence the management of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its shares (the "Shares"), nor did the Company or any of its subsidiaries purchase or sell any such Shares during the Period.

DIRECTORS' INTEREST IN COMPETING INTERESTS

During the Period, none of the Directors or the controlling shareholders or substantial shareholders or their respective close associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the laws of Bermuda, which would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Director's securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having been made a specific enquiry by the Company, each of them confirmed that he/she had complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the Period.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. The Company has applied the principles in the CG Code and complied with the code provisions set out in the CG Code for the Period.

AUDIT COMMITTEE

The Audit Committee was established in October 2001 with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. As at 30 September 2024, the Audit Committee comprised of three independent non-executive Directors, namely Mr. Kam Hou Yin, John, Mr. Li Cao and Mr. Li Qing. The chairman of the Audit Committee was Mr. Kam Hou Yin, John.

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Audit Committee, which is of the opinion that such statements comply with the applicable accounting standards, requirements of the GEM Listing Rules and any other applicable laws and that adequate disclosures have been made.

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

Hong Kong, 28 November 2024

As at the date of this report, the executive Directors are Mr. Liu Rongsheng, Mr. Cai Haiming, Mr. Cai Haipeng and Mr. Liu Qiang; the non-executive Directors are Mr. Lui Chun Pong and Mr. Chen Jianchang; independent nonexecutive Directors are Mr. Kam Hou Yin, John, Mr. Li Cao, Mr. Li Qing and Mr. Wu Yi.