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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)

PROFIT WARNING

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

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the financial year ended 31 March 2022 (the "**Year**"), the Group is expected to record a consolidated net loss of not less than approximately HK$624.4 million for the Year, as compared with the audited consolidated net loss for the year of approximately HK$379.7 million for the year ended 31 March 2021. Such expected substantial consolidated net loss for the Year was mainly due to the following factors:

(i) the expected fair value loss on trade receivables of approximately HK$333.2 million for the Year (2021: approximately HK$178.0 million) and expected impairment loss on other receivables of approximately HK$36.1 million for the Year (2021: approximately HK$2.2 million) due to the adverse impact caused by the outbreak of COVID-19 pandemic and the weakened demand of customers due to deterioration of their overall financial condition brought by the uncertain global macro-economic environment; and

(ii) the increase in the impairment of construction in progress of approximately HK$181.9 million provided for the Year mainly because of the ship-builder's inability to obtain the government's approval for the construction of the fishing vessels resulting in a dismantling order from the government. The Group would initiate legal action against the ship-builder to recover the progress payment made, however, the financial strength of the ship-builder is rather weak, thus, it was expected that even the Group succeed in obtaining a favourable judgement, the ship-builder may not be able to fully settle the amount claimed. Thus, for prudence purpose, full impairment on the progress payment was made.

The Board is of the view that the aforementioned factors are non-cash item and the cash flow of the Group would not be affected.

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Year and other information currently available to the Board, which have not been audited by the Company's auditors nor reviewed by the audit committee of the Company. The annual results of the Group for the Year may be subject to adjustments, if any, upon further review.

Shareholders and potential investors are advised to read carefully the unaudited annual results announcement and audited annual results announcement of the Group for the Year for further details, which are expected to be published on or about 30 June 2022 and 29 July 2022, respectively.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 27 June 2022

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 Company Announcements" page of the GEM website at http://www.hkgem.com for at least seven days from the date of its publication. This announcement will also be published on the Company's website at http://www.chinaoceangroup.com.hk.