

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**DISCLOSEABLE TRANSACTIONS  
THE ESTABLISHMENT OF JOINT VENTURE**

**FORMATION OF JOINT VENTURE COMPANY**

The Board is pleased to announce that on 25 October 2022, Qisen Fishery (an indirect subsidiary of the Company) entered into the JV Agreement (as supplemented by the Supplemental Agreement) with Kanzun, pursuant to which the parties agreed to establish the JV Company with a registered capital of US\$1,000,000 (equivalent to approximately HK\$7,850,000). The equity interest in the JV Company will be held as to 80% by Qisen Fishery, among which 31% equity interest is registered in the name of Kanzun and held on behalf of Qisen Fishery, and 20% by Kanzun, respectively.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the capital contribution of the Group pursuant to the JV Agreement (as supplemented by the Supplemental Agreement) is more than 5% but all are less than 25%, the transaction contemplated under the JV Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but are exempted from the circular and Shareholders' approval requirements under Chapter 17 of the GEM Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 25 October 2022, Qisen Fishery (an indirect subsidiary of the Company) entered into the JV Agreement (as supplemented by the Supplemental Agreement) with Kanzun, pursuant to which the parties agreed to establish the JV Company with a registered capital of US\$1,000,000 (equivalent to approximately HK\$7,850,000). The equity interest in the JV Company will be held as to 80% by Qisen Fishery, among which 35% equity interest is registered in the name of Kanzun and held on behalf of Qisen Fishery, and 20% by Kanzun, respectively.

## **THE JV AGREEMENT**

A summary of the principal terms of the JV Agreement (as supplemented by the Supplemental Agreement) is set out as follows:

Date : 25 October 2022 (after trading hours)

Parties : Qisen Fishery; and  
Kanzun

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Kanzun and its respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Subject matter : The JV Company is a company incorporated in Indonesia with limited liability pursuant to the JV Agreement (as supplemented by the Supplemental Agreement).

Purpose and business : The JV Company will focus on the fishery business in Indonesian.

Capital Contribution : The registered capital of the JV Company will be US\$1,000,000 (equivalent to approximately HK\$7,850,000) and each of the parties commits to contribute of the JV Company as follows:

	<b>Capital contribution (US\$)</b>	<b>Percentage of equity interest in the JV Company</b>
Qisen Fishery	800,000	80%
Kanzun	<u>200,000</u>	<u>20%</u>
Registered capital	<u>1,000,000</u>	<u>100%</u>

For the 80% equity interest of the JV Company owned by Qisen Fishery, 31% of which will be registered in the name of Kanzun and held on behalf of Qisen Fishery.

The amounts and dates of capital contribution were determined after arm's length negotiations between the parties with reference to the capital requirements of the JV Company. The capital contribution of US\$800,000 (equivalent to approximately HK\$6,280,000) by Qisen Fishery will be funded by internal resources of the Group.

Fishing Quota : Kanzun has obtained the fishing quota for 56 fishing vessels in Indonesian marine area approved by the Indonesian government, with a valid period of 30 years.

Pursuant to the JV Agreement (as supplemented by the Supplemental Agreement), Kanzun shall give such fishing quota to the JV Company for use at no cost for a term of ten years. The respective fishing licenses are renewed on a yearly basis.

Qisen Fishery will send 10 fishing vessels to utilise such fishing quota and conduct fishery business in the relevant Indonesian marine area. In view of the above, Qisen Fishery will be responsible for paying an annual foreign management fee of US\$100,000 (equivalent to approximately HK\$785,000) per fishing vessels to Kanzun.

Qisen Fishery shall pay the first annual foreign management fee to Kanzun in the following manners:

- (i) 10% of the aggregate payment shall be payable within 7 business days upon the execution of the JV Agreement;
- (ii) 20% of the aggregate payment shall be payable within 7 business days upon the incorporation of the JV Company;
- (iii) 20% of the aggregate payment shall be payable upon the sailing of the respective fishing vessels to Indonesia; and
- (iv) 50% of the aggregate payment shall be payable 5 business days before the commencement of the fishery operation of the respective fishing vessels.

Qisen Fishery shall pay the subsequent annual foreign management fee to Kanzun in the following manners:

- (i) 50% of the aggregate payment shall be payable within 45 business days before the expiration of the relevant fishing license; and
- (ii) 50% of the aggregate payment shall be payable within 7 business days upon the renewal of the relevant fishing license.

For the remaining 46 fishing quota, the JV Company will be responsible for procuring co-operative partners to its utilisation.

Kanzun will be responsible for the change of nationality of the relevant 56 fishing vessels to Indonesian nationality.

Management of the JV Company : The board of directors of the JV Company will comprise 5 members, including 3 nominated by Qisen Fishery and 2 nominated by Kanzun. The chairman of the board of directors of the JV Company will be a director nominated by Qisen Fishery.

Each director of the JV Company shall have one vote and the resolutions must be passed by a vote of simple majority of the board of directors.

Qisen Fishery will be responsible for operating the JV Company.

## **INFORMATION OF THE GROUP AND QISEN FISHERY**

The Group is principally engaged in the provision of supply chain management services and fishing and catching business in open sea beyond the coastal region.

Qisen Fishery is a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company. It is principally engaged in catching fishery business.

## **INFORMATION OF KANZUN**

Kanzun is a company incorporated in Indonesia and principally engages in, amongst others, fishing industry, ship transportation and cold storage.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Kanzun is held as to 49% by Mr. Muhammad Daniel Nafis, 36% by PT Anomali Lintas Cakrawala and 15% by Mr. Jefri Sudioanto.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY**

The Group strives to expand its fishery business via collaboration with different potential partners. With the formation of the JV Company in Indonesia and the resources and assistance provided by Kanzun to the Group, the Group could further expand its fishery business to southeast Asian region.

The Directors (including the Independent Non-executive Directors) considered that the capital contribution by the Group and terms of the JV Agreement are on normal commercial terms, and the transactions contemplated under the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE CAPITAL CONTRIBUTION**

As Qisen Fishery will have control over the majority of the board of directors of the JV Company and the voting rights in the shareholders' meeting of the JV Company, the JV Company shall become a subsidiary of Group. As a result, the financial results, assets and liabilities of the JV Company will be consolidated into the accounts of the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the capital contribution of the Group pursuant to the JV Agreement is more than 5% but all are less than 25%, the transaction contemplated under the JV Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but are exempted from the circular and Shareholders' approval requirements under Chapter 17 of the GEM Listing Rules.

## **SUSPENSION OF TRADING**

As the Company is unable to publish the 2022 Audited Annual Results on 26 August 2022, trading in the shares of the Company on the Stock Exchange will be suspended with effect from 9:00 a.m. on 29 August 2022 as required under Rule 17.49A of the GEM Listing Rules, until the publication of the 2022 Audited Annual Results.

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

## **DEFINITIONS**

“associates(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or PRC”	the People’s Republic of China and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	China Ocean Group Development Limited, an a limited liability company incorporated under the laws of the Bermuda, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8047)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited
“Group”, “we”, “us”, or “our”	the Company, its subsidiaries and consolidated affiliated entity(ies)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a person or entity who is not considered a connected person of the Company under the Listing Rules
“JV Agreement”	the joint venture agreement dated 25 October 2022 entered into among Qisen Fishery and Kanzun in relation to formation of the JV Company
“JV Company”	Qisen Fishery (Indonesia) Company Limited* (啟森漁業(印尼)有限公司), a company incorporated in Indonesia with limited liability pursuant to the JV Agreement
“Kanzun”	Kanzun Bahriyah Sentosa, PT (康潤•巴麗雅•聖淘沙有限公司), a company incorporated in Indonesia
“Qisen Fishery”	Shenzhen Qisen Fishery Company Limited* (深圳啟森漁業有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement in relation to the JV Agreement dated 25 October 2022 entered into among Qisen Fishery and Kanzun in relation to refining the terms of the JV Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

\* *for identification purpose only*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1=HK\$7.85 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or at all.*

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

Hong Kong, 25 October 2022

*As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Mr. Cai Haipeng, Mr. Fan Guocheng and Ms. Wei Qing; the non-executive Directors are Mr. Lui Chun Pong, and Mr. Cai Haiming; 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>.*