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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)**

**SUPPLEMENTAL AGREEMENT  
DISCLOSEABLE TRANSACTIONS IN RELATION TO  
ACQUISITION OF 65% EQUITY INTERESTS  
IN LIANYUNGANG ANNI OCEAN FISHING**

Reference is made to (i) the announcements of the Company dated 8 February 2018, 20 February 2018, 26 February 2018, 28 March 2018 and 27 June 2018; and (ii) the Circular on 8 June 2018 (collectively, the “**Previous Publications**”) in relation to the acquisition of 65% equity interests in Lianyungang Anni Ocean Fishing Co., Ltd. involving the issue of the Convertible Bonds and the Results Guarantee. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Previous Publications.

**INTRODUCTION**

The Board is pleased to announce that on 19 May 2023, the Purchaser (a subsidiary of the Company) and the Vendors entered into the supplemental agreement, pursuant to which the Purchaser and the Vendors have mutually agreed to cancel the Results Guarantee (the “**Supplemental Agreement**”).

## THE SUPPLEMENTAL AGREEMENT

A summary of the principal terms of the Supplemental Agreement is set out as follows:

- Date : 19 May 2023
- Parties : 1. Jin Yu Tang (Shenzhen) Fishery Group Co., Ltd, a company established in the PRC with limited liability and is a subsidiary of the Company (the Purchaser in the Acquisition);
2. Ms. Pan Shuangjun, an independent third party (Vendor A in the Acquisition); and
3. Mr. Zhang Weiliang, an independent third party (Vendor B in the Acquisition).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, The Vendors are third parties independent of and not connected with the Company and its connected persons.

- Subject matter : 1. The Purchaser and the Vendors have agreed to cancel the Results Guarantee undertaken by the Vendors;
2. The Purchaser and the Vendors have agreed to deregister the Convertible Bonds with principal amount of HK\$16,209,440;
3. After the deregistration of the Convertible Bonds, a balance consideration of RMB13 million regarding the Acquisition is owed by the Purchaser to the Vendors (the “**Outstanding Consideration**”);
4. Pursuant to the management account of the Company, a total amount of principal and interest owed by Vendor A to the Purchaser amounted to approximately RMB6.2 million as at 31 March 2023 (the “**Vendor Loan**”). Pursuant to the Supplemental Agreement, the parties mutually agree to set off the respective outstanding receivable against the Outstanding Consideration;

5. The Vendor Loan is secured by a 35% equity interest in the Target (i.e. the minority interest in the Target) (the “**Pledged Target Shares**”). Pursuant to the Supplemental Agreement, as the Vendor Loan will be off-set as mentioned above, the pledging of the Pledged Target Shares will be released; and
6. Resulted from the setting off as mentioned above, an amount of approximately RMB6.8 million is owed by the Purchaser to the Vendors (the “**Remaining Obligation**”). Pursuant to the Supplemental Agreement, the parties mutually agree to waive the Remaining Obligation and all outstanding indebtedness between the parties incurred under the Acquisition shall be discharged.

Completion : The completion of the Supplemental Agreement shall be taken place upon the date of signing of the Supplemental Agreement.

#### **REASONS FOR ENTERING INTO OF THE SUPPLEMENTAL AGREEMENT**

Being affected by the COVID epidemic, the Company considers that the Target Company’s inability to meet the Results Guarantee under such difficult operating conditions is a case of force majeure. Having considered various factors, including the Company’s existing financial position, the Company considers that the current arrangement under the Supplemental is by far the optimal solution to relieve the respective obligations of the parties under the Results Guarantee.

With the deregistration of the Convertible Bonds and the waiver of the residual portion of the Consideration, the liabilities of the Group could be effectively reduced.

Taking into account of the above, the Directors consider that the terms of the Supplemental Agreement, are fair and reasonable and on normal commercial terms and it is in the interest of the Company and the Shareholders as a whole.

#### **FINANCIAL EFFECT OF THE SUPPLEMENTAL AGREEMENT**

For illustrative purposes, it is expected that the Group will recognise a gain of approximately HK\$7.2 million as a result of the Supplemental Agreement, which is calculated based on (i) the balance of the contingency consideration payable of approximately HK\$14.6 million as at 31 March 2021; and (ii) the balance of loan and interest receivable of approximately HK\$7.3 as at 31 March 2021.

The actual gain or loss as a result of the Supplemental Agreement to be recorded by the Group is subject to audit and will be assessed after the completion of the Supplemental Agreement.

## **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.**

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

Hong Kong, 19 May 2023

*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>.*