

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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.



中國海洋捕撈

CHINA OCEAN FISHING
HOLDINGS LIMITED

China Ocean Fishing Holdings Limited

中國海洋捕撈控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2018**

HIGHLIGHTS

For the nine months ended 31 December 2018 (the "Period")

- Revenue of the Group was approximately HK\$778,853,000 as compared to the revenue of approximately HK\$823,932,000 recorded in the corresponding period in 2017.
- Profit of the Group for the Period was approximately HK\$28,804,000 (2017: approximately HK\$24,094,000).
- Profit attributable to equity holders of the Company was approximately HK\$24,739,000 (2017: approximately HK\$22,217,000).
- The Directors do not recommend the payment of any dividend (2017: Nil).
- Basic earnings per share of the Company was approximately HK0.67 cents (2017: approximately HK0.87 cents).

FINANCIAL RESULTS

The board of Directors (the “Board” and “Directors” respectively) of China Ocean Fishing Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “Group”) for the nine months and three months ended 31 December 2018 together with the relevant comparative unaudited figures as follows:

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the nine months and three months ended 31 December 2018

	<i>Notes</i>	For the nine months ended 31 December		For the three months ended 31 December	
		2018 (Unaudited) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>	2017 (Unaudited) <i>HK\$'000</i>
Revenue	3	778,853	823,932	231,202	418,337
Cost of services rendered and cost of goods sold		(712,158)	(778,307)	(213,534)	(398,303)
Gross profit		66,695	45,625	17,668	20,034
Other revenue	3	8	6	3	3
Other income	4	21,932	9,160	8,235	8,693
Net loss on disposal of financial assets at fair value through profit or loss		(6,425)	–	(5,419)	–
Selling and distribution costs		(419)	(266)	(203)	(265)
Administrative expenses		(36,876)	(21,707)	(488)	(12,111)
Finance costs		(2,376)	(2,452)	(823)	(2,452)
Net unrealised (loss)/profit on financial assets at fair value through profit or loss		(12,224)	919	(3,741)	–
Profit before taxation		30,315	31,285	15,232	13,902
Income tax expenses	5	(1,511)	(7,191)	(831)	(3,324)
Profit for the period		28,804	24,094	14,401	10,578

Condensed Consolidated Statement of Comprehensive Income (Unaudited) (Continued)

For the nine months and three months ended 31 December 2018

	For the nine months ended		For the three months ended	
	31 December		31 December	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other comprehensive (loss)/ income for the period, net of tax				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on consolidation	(71,584)	2,055	(44,044)	(392)
Total comprehensive (loss)/income for the period	(42,780)	26,149	(29,643)	10,186
Profit for the period attributable to:				
Equity holders of the Company	24,739	22,217	14,903	8,701
Non-controlling interests	4,065	1,877	(502)	1,877
	28,804	24,094	14,401	10,578
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(46,845)	24,272	(29,141)	8,309
Non-controlling interests	4,065	1,877	(502)	1,877
	(42,780)	26,149	(29,643)	10,186
Earnings per share				
– Basic	HK\$0.67 cents	HK\$0.87 cents	HK0.37 cents	HK\$0.30 cents
– Diluted	HK\$0.66 cents	HK\$0.75 cents	HK0.37 cents	HK\$0.30 cents

6

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, money lending and ocean fishing.

2. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated financial information for the Period have been prepared in accordance with applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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 financial information do not include all the information and disclosures required in the annual financial statements and interim financial report as defined in Hong Kong Financial Reporting Standards ("HKFRSs"), and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2018 and have been prepared on the historical cost basis.

The accounting policies used in preparing these unaudited condensed consolidated financial information are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 March 2018.

3. REVENUE AND OTHER REVENUE

An analysis of the Group's revenue and other revenue during the period is as follows:

	For the nine months ended 31 December		For the three months ended 31 December	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Sales of goods from:				
Supply chain management services business	735,076	803,831	219,864	406,719
Ocean fishing business	42,297	6,928	11,338	6,928
Services fees from:				
Interest income from loan to customers	1,480	13,173	–	4,690
Revenue	778,853	823,932	231,202	418,337
Interest income	8	6	3	3
Other revenue	8	6	3	3
Total revenue	778,861	823,938	231,205	418,340

4. OTHER INCOME

	For the nine months ended 31 December		For the three months ended 31 December	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Interest income from other loan	9,720	2,160	3,240	2,160
Government subsidiary income	6,559	6,295	–	6,295
Sundry income	5,653	705	4,995	238
	21,932	9,160	8,235	8,693

5. INCOME TAX EXPENSES

	For the nine months ended 31 December		For the three months ended 31 December	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Current tax				
– Hong Kong Profits Tax	500	1,541	–	1,362
– PRC EIT	1,011	5,650	831	1,962
Tax charge for the period	1,511	7,191	831	3,324

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 (2017: 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 practises in respect thereof.

6. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the profit 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 nine months ended 31 December		For the three months ended 31 December	
	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Profit attributable to equity holders of the Company	24,739	22,217	14,903	8,701
Effect of dilutive potential ordinary shares:				
Interest on convertible bonds (net of tax)	–	1,955	–	1,955
Earnings for the purpose of diluted earnings per share	24,739	24,172	14,903	10,656

6. EARNINGS PER SHARE *(Continued)*

	For the nine months ended 31 December		For the three months ended 31 December	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
	Number of shares			
Weighted average number of ordinary shares in issue during the period	3,705,319,590	2,559,296,313	4,054,978,570	2,885,189,861
Effect of dilutive potential ordinary shares:				
– Convertible bonds	31,172,000	655,004,667	31,172,000	655,004,667
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>3,736,491,590</u>	3,214,300,980	<u>4,086,150,570</u>	3,540,194,528

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company, adjusted to reflect the interest on the convertible bonds for the nine months ended 31 December 2018 (2017: nil).

The Company has dilutive potential ordinary shares on exercise of the convertible bonds. The convertible bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect for the nine months ended 31 December 2018.

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2018 (2017: Nil).

8. RESERVES

Attributable to equity holders of the Company

	Attributable to equity holders of the Company										
	Reserves										Total
	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Convertible bonds			Accumulated losses (Unaudited) HK\$'000	Total reserves (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	
					equity reserve	Capital reserve					
(Unaudited) HK\$'000					(Unaudited) HK\$'000	(Unaudited) HK\$'000					
At 1 April 2017	20,146	516,585	594,707	(6,359)	-	-	(849,436)	255,497	275,643	-	275,643
Profit for the period	-	-	-	-	-	-	22,217	22,217	22,217	1,877	24,094
Other comprehensive income											
Items that may be reclassified subsequently to profit or loss											
- Exchange difference on consolidation	-	-	-	2,055	-	-	-	2,055	2,055	-	2,055
Total comprehensive income for the period	-	-	-	2,055	-	-	22,217	24,272	24,272	1,877	26,149
Transaction with equity holders											
<i>Contributions and distributions</i>											
Issue of shares under placement	8,864	335,102	-	-	-	-	-	335,102	343,966	-	343,966
Issue of convertible bonds	-	-	-	-	98,328	-	-	98,328	98,328	-	98,328
Capital contribution for subsidiaries	-	-	-	-	-	3,638	-	3,638	3,638	-	3,638
Total transaction with equity holders	8,864	335,102	-	-	98,328	3,638	-	437,068	445,932	-	445,932
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	44,230	44,230
At 31 December 2017	29,010	851,687	594,707	(4,304)	98,328	3,638	(827,219)	716,837	745,847	46,107	791,954
At 1 April 2018	33,176	947,369	594,707	20,609	88,798	-	(791,908)	859,575	892,751	46,367	939,118
Profit for the period	-	-	-	-	-	-	24,739	24,739	24,739	4,065	28,804
Other comprehensive income											
Items that may be reclassified subsequently to profit or loss											
- Exchange difference on consolidation	-	-	-	(71,584)	-	-	-	(71,584)	(71,584)	-	(71,584)
Total Comprehensive income/(loss) for the period	-	-	-	(71,584)	-	-	24,739	(46,845)	(46,845)	4,065	(42,780)
Transaction with equity holders											
<i>Contributions and distributions</i>											
Issue of shares under placement	9,084	349,620	-	-	-	-	-	349,620	358,704	-	358,704
Issue of convertible bonds	-	-	-	-	(3,412)	-	-	(3,412)	(3,412)	-	(3,412)
Change in ownership interest	-	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	(474)	(474)	(474)	26,749	26,275
	9,084	349,620	-	-	(3,412)	-	(474)	345,734	354,818	26,749	381,567
At 31 December 2018	42,260	1,296,989	594,707	(50,975)	85,386	-	(767,643)	1,158,464	1,200,724	77,181	1,277,905

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 minimize 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.

The Group expanded its supply chain management service to include aquatic products, the supply chain management and related services regained its forward momentum. The Group also expanded its operation to vertically integrate with a fishing subsidiary to secure the supply of aquatic products.

Money lending business

At the end of the Period, unsecured loans totaling HK\$3,880,530 were granted to 2 individuals. Depending on the financial strength of the various lenders, the Group charged interest at rates which varied from 12% to 15% per annum. The Group regularly assessed the recoverability risk of its loan receivables portfolio to ensure that impairment loss, if any, would be made in a timely manner. During the Period, the Group generated interest income of approximately HK\$1,480,000 from its money lending business.

Financial Review

The Revenue for the Group decreased slightly for the Period to approximately HK\$778,853,000 as compared to approximately HK\$823,932,000 for the corresponding period in 2017. As the Group expanded into aquatic products and generated a total revenue of approximately HK\$735,076,000, the fishing operation also contributed to approximately HK\$42,297,000 to the Group's total revenue. The Group has continued to develop its business relationships 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 and due to consumer's health consciousness, the demand for aquatic products increased.

The Group recorded an increase in gross profit to approximately HK\$66,695,000 in the Period as compared to approximately HK\$45,625,000 in the corresponding period in 2017. 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, excluding interest income received from the money lending business, increased from 3.6% to 8.4% during the Period. Gross profit margin for aquatic products were generally higher than the electronic products. With the shift of trading to aquatic products, there was a favourable impact on the Group's gross profit margin.

Profit attributable to equity holders of the Company for the Period amounted to approximately HK\$24,739,000 as compared to a profit of approximately HK\$22,217,000 in the corresponding period in 2017. Included in the profit attributable to equity holders were losses of approximately HK\$18,649,000 for the financial assets at fair value through profit or loss held by the Group, which was not considered to be the core business of the Group. The major component of the Group's expenses were rent and rates, salaries and payroll, legal and professional fee, depreciation and transportation expenses. These major expenses components experienced increases during the Period because ocean fishing business need to have more employee, together with the addition to property, plant and equipments, the depreciation expenses also increased.

Outlook

Despite the stable growth of the Company's supply chain management business during the Period because of the new contracts being signed with the Company's customers, 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 continue to proactively seek other promising investment and business opportunities to broaden the source of income of the Group and enhance value to the shareholders of the Company through investment 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 opportunities in the marine fishing business.

Liquidity, financial resources and capital structure

As at 31 December 2018, the Group had total assets of approximately HK\$1,574,538,000 (31 March 2018: approximately HK\$1,299,849,000), including bank balances and cash equivalent of approximately HK\$8,470,000 (31 March 2018: approximately HK\$19,829,000).

As at 31 December 2018, there was general banking facilities granted to a subsidiary of RMB16,000,000 (31 March 2018: RMB16,000,000) of which RMB14,900,000 (31 March 2018: RMB16,000,000) 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/subsorption shares.

As at 31 December 2018, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was approximately 1.08% (31 March 2018: 1.54%). The Group's total bank borrowings as at 31 December 2018 was HK\$16,932,000 (31 March 2018: HK\$20,000,000).

Subscription of new shares

On 27 June 2018, the Company obtained the grant of a specific mandate from the shareholders to issue 670 million subscription shares to four subscribers at a subscription price of HK\$0.45 per subscription share, representing a total subscription proceed of HK\$301.5 million. The estimated net proceeds from the subscription after deduction of expenses, will amount to approximately HK\$290 million. The proceeds have been applied as follows, (i) approximately 13.79% (i.e. approximately HK\$40 million) to be used for the development of the aquiculture business in Cambodia; (ii) approximately 31.03% (i.e. approximately HK\$90 million) to development of aquatic trading business; (iii) approximately 6.90% (i.e. approximately HK\$20 million) for the construction of 1,000 Tons cold storage facilities in Mozambique to facilitate the storage before exporting the aquatic products to PRC; (iv) approximately 6.90% (i.e. approximately HK\$20 million) for the construction of pier in Mozambique; (v) approximately 3.45% (i.e. approximately HK\$10 million) for the construction of processing plant of fishing-related business in Mozambique; (vi) approximately 34.48% (i.e. approximately HK\$100 million) for the development of fishing business including the construction of steel fishing vessels; and (vii) approximately 3.45% (i.e. approximately HK\$10 million) to the general working capital of the Group.

Please refer to the Company's announcements dated 27 June 2018 and the Company's circular dated 8 June 2018 respectively for further details.

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"). 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 minimize exposure to foreign exchange risks. As at 31 December 2018, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

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

As at 31 December 2018, the Group held investments in securities in Hong Kong (collectively, the "Investments") with a market value of approximately HK\$15,923,000 (2017: approximately HK\$2,000), representing an investment portfolio of 2 (2017: 1) listed securities in Hong Kong, which accounted for approximately 1.32% of the net assets of the Group. The Group recorded net unrealised fair value loss and a realised loss on disposal of approximately HK\$12,224,000 and approximately HK\$6,425,000 respectively (2017: Nil and gain of approximately HK\$919,000 respectively) during the Period. The unrealised loss was mainly caused by the changes in market expectation and market performance from the PRC market and the global economy.

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 31 December 2018, the Group's share investment was held at a securities margin account maintained with a stockbroker for margin facilities granted. The margin facilities was not utilized by the Group as at 31 December 2018.

CONTINGENT LIABILITIES

Save as disclosed above, the Group had no contingent liability as at 31 December 2018 (31 March 2018: Nil).

Employees and remuneration policies

As at 31 December 2018, the Group had 133 (31 December 2017: 161) employees including the Directors. Total staff costs (excluding Directors' emoluments) amounted to approximately HK\$9,909,000 for the Period, as compared to approximately HK\$6,074,000 in the corresponding period in 2017. 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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, 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
Ms. Wei Qing (Note 1)	Beneficial owner	79,028,000	1.87%
Mr. Fan Guocheng	Beneficial owner	800,000	0.02%

Note:

- (1) Ms. Wei Qing is beneficial interested in 69,032,000 shares through Sunny Sky Capital Management Limited.

Save as disclosed above, as at 31 December 2018, 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.

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

As at 31 December 2018, 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)	17.14%

(L) denotes long position

Save as disclosed above, as at 31 December 2018, 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.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

Apart from as disclosed under the section headed "Directors' and chief executive's interests in shares, underlying shares and debentures" 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 directors 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 the Company or any other body corporate.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 18 October 2011 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 under the Share Option Scheme since its adoption.

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

During the Period, there were no purchases, sales or redemptions of the Company's listed shares by the Company or any of its subsidiaries, save as those disclosed under the section headed "Placing of new Shares and Issue of Convertible Bond" above.

DIRECTORS' INTEREST IN COMPETING INTERESTS

During the Period and up to the date of this announcement, the director who has an interest in any business apart from the Group's business, which competes or is likely to compete either directly or indirectly, with the Group's business that need to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules is as follows:

Director	Name of company	Nature of business	Nature of interest
Mr. Liu Rongsheng	Royal Century Resources Holdings Limited ("Royal Century") and its subsidiaries	Money lending business	Executive director and chief executive officer of Royal Century
Mr. Pang Pui Hung, Paton	Markway Finance Limited ("Markway")	Money lending business	a director of Markway

As Mr. Liu Rongsheng is the executive director and chief executive officer of Royal Century and has not involved in the daily operation of the subsidiaries of Royal Century which are operating the money lending business, the Group is capable of carrying on its business independently to, and at arm's length from the business of those companies.

As Mr. Pang Pui Hung, Paton is an independent non-executive director of the Company and has not involved in the daily operation of the Group, the Group is capable of carrying on its business independently to, and at arm's length from the business of Markway.

Save as disclosed above, 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 RIGHT

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

CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct regarding director's securities transactions by directors 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. Throughout the Period, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions.

CORPORATE GOVERNANCE PRACTICES

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, except for the deviation from the CG Code provision A.2.1, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual to ensure a balance of power and authority. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The roles of the chairman and the chief executive officer of the Company are performed by Mr. Liu Rongsheng. The Board considers that the present structure is more suitable for the Company for it provides strong and consistent leadership in the planning and execution of long-term business plans and strategies of the Company. The Directors will continue to review the effectiveness of the Group’s corporate governance structure to assess whether changes, including the separation of the roles of the chairman and chief executive officer, as and when necessary.

CHANGES OF DIRECTOR’S AND CHIEF EXECUTIVE’S INFORMATION

The changes of the Directors’ and Chief Executive’s information since the disclosure made in the Company’s 2018-2019 interim report dated 8 November 2018 were set out as follows:

- Mr. Lui Chun Pong has resigned as a Non-executive Director and a member of the Nomination Committee of Hsin Chong Group Holdings Limited (Stock Code: 00404) on 23 November 2018.
- Ms. Li Yuen Fong, Michelle has resigned as an independent non-executive Director and a member of each of the nomination committee, remuneration committee and audit committee of the Board and Mr. Li Cao has been appointed as an independent non-executive Director and a member of each of the Nomination Committee, Remuneration Committee and Audit Committee.

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 overseeing the financial reporting system, risk management and internal control systems of the Group. As at 31 December 2018, the Audit Committee comprises the three independent non-executive Directors of the Company, namely, Mr. Pang Pui Hung, Paton, Mr. Lam Man Hing and Mr. Li Cao. The chairman of the Audit Committee was Mr. Pang Pui Hung, Paton.

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

By order of the Board
China Ocean Fishing Holdings Limited
Liu Rongsheng
Chairman and executive Director

Hong Kong, 11 February 2019

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. Yang Yong and Mr. Lui Chun Pong; independent non-executive Directors are Mr. Pang Pui Hung, Paton, Mr. Lam Man Hing and Mr. Li Cao.

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 GEM of the Stock Exchange (the "GEM") 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.chinaoceanfishing.hk>.