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**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 PERIOD ENDED  
31 DECEMBER 2016**

**HIGHLIGHTS**

For the nine months period ended 31 December 2016 (the "Period")

- the revenue from continuing operations of the Group was approximately HK\$109,500,000 as compared to the revenue of approximately HK\$1,761,474,000 recorded in the corresponding period last year.
- the loss of the Group was approximately HK\$6,066,000 (2015: approximately HK\$89,235,000).
- the loss attributable to equity holders of the Company was approximately HK\$6,066,000 (2015: approximately HK\$88,901,000).
- the Board does not recommend the payment of any dividend (2015: Nil).
- the loss per share of the Company was approximately HK0.33 cents (2015: approximately HK6.10 cents).

## FINANCIAL RESULTS

The board of directors (the “Directors” and the “Board” respectively) of China Ocean Fishing Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months and three months period ended 31 December 2016 together with the comparative unaudited figures for the corresponding periods in 2015 respectively as follows:

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

For the nine months and three months period ended 31 December 2016

	Notes	Nine months ended 31 December		Three months ended 31 December	
		2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
<b>Continuing operations</b>					
Revenue	3	109,500	1,761,474	5,900	36,648
Cost of services rendered and cost of good sold		(101,284)	(1,751,536)	(2,641)	(34,492)
Gross profit		8,216	9,938	3,259	2,156
Other revenue	3	3	508	1	4
Other income	4	259	21	242	–
Selling and distribution costs		(2,940)	(10,539)	(169)	(2,360)
Administrative expenses		(33,749)	(83,737)	(10,165)	(43,911)
Share of results of associates		–	(1,262)	–	(79)
Net unrealised profit/(loss) on financial assets at fair value through profit or loss		5,119	–	1,089	–
Gain on disposed of a subsidiary		194	–	–	–
<b>Loss before taxation</b>		<b>(22,898)</b>	<b>(85,071)</b>	<b>(5,743)</b>	<b>(44,190)</b>
Income tax expenses	5	(297)	–	(297)	–
<b>Loss for the period from continuing operations</b>		<b>(23,195)</b>	<b>(85,071)</b>	<b>(6,040)</b>	<b>(44,190)</b>
<b>Discontinued operations</b>					
Profit/(Loss) for the period from discontinued operations	6	17,129	(4,164)	–	–
<b>Loss for the period</b>		<b>(6,066)</b>	<b>(89,235)</b>	<b>(6,040)</b>	<b>(44,190)</b>

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

For the nine months and three months period ended 31 December 2016

	Nine months ended 31 December		Three months ended 31 December	
	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
<b>Other comprehensive income/(loss) for the period, net of tax</b>				
Exchange differences on consolidation	5,186	1,860	(534)	1,853
Share of other comprehensive income of associates	-	(179)	-	-
<b>Total comprehensive loss for the period</b>	<b>(880)</b>	<b>(87,554)</b>	<b>(6,574)</b>	<b>(42,337)</b>
<b>Loss for the period attributable to:</b>				
Equity holders of the Company	(6,066)	(88,901)	(6,040)	(44,190)
Non-controlling interests	-	(334)	-	-
	<b>(6,066)</b>	<b>(89,235)</b>	<b>(6,040)</b>	<b>(44,190)</b>
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the Company	(880)	(87,169)	(6,574)	(42,337)
Non-controlling interests	-	(385)	-	-
	<b>(880)</b>	<b>(87,554)</b>	<b>(6,574)</b>	<b>(42,337)</b>
<b>Loss per share</b>				
From continuing and discontinued operations				
- Basic	HK(0.33) cents	HK(6.10) cents	HK(0.30) cents	HK(2.63) cents
- Diluted	HK(0.33) cents	HK(6.10) cents	HK(0.30) cents	HK(2.63) cents
From continuing operations				
- Basic	HK(1.27) cents	HK(5.84) cents	HK(0.30) cents	HK(2.63) cents
- Diluted	HK(1.27) cents	HK(5.84) cents	HK(0.30) cents	HK(2.63) cents

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# Notes to the 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 Growth Enterprise Market (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 Suite 2002, 2/F., United Centre, 95 Queensway, 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 money lending business.

## 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 2016 and have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss, which were stated at fair value.

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 2016, except for the adoption of the accounting policy for financial assets at fair value through profit or loss as follows.

## 2. STATEMENT OF COMPLIANCE *(Continued)*

### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. They are carried at fair value, with any resultant gain and loss recognised in profit or loss.

Financial assets are classified as held for trading if they are (i) acquired principally for the purpose of selling in the near future; (ii) part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) derivatives that are not financial guarantee contracts or not designated and effective hedging instruments.

Financial assets are designated at initial recognition as at fair value through profit or loss only if (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or (ii) they are part of a group of financial assets and/or financial liabilities that are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) they contain embedded derivatives that would need to be separately recorded.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Annual Improvements Project	2012-2014 Cycle

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 2016. 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 AND OTHER REVENUE

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

	Nine months ended		Three months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operation				
Sales of goods	<b>104,202</b>	1,761,474	<b>2,683</b>	36,648
Interest income from loan receivables	<b>5,298</b>	–	<b>3,217</b>	–
	<b>109,500</b>	1,761,474	<b>5,900</b>	36,648
Discontinued operation				
Rendering of services	–	760	–	–
Revenue	<b>109,500</b>	1,762,234	<b>5,900</b>	36,648
Continuing operation				
Interest income from available-for-sale financial assets	–	–	–	–
Interest income	<b>3</b>	508	<b>1</b>	4
Other revenue	<b>3</b>	508	<b>1</b>	4
Total revenue and other revenue	<b>109,503</b>	1,762,742	<b>5,901</b>	36,652

#### 4. OTHER INCOME

	Nine months ended		Three months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Reversal of allowance for bad and doubtful debt	-	-	-	-
Sundry Income	<b>259</b>	21	<b>242</b>	-
	<b>259</b>	21	<b>242</b>	-
Representing:				
Continuing operation	<b>259</b>	21	<b>242</b>	-
Discontinued operation	-	-	-	-
	<b>259</b>	21	<b>242</b>	-

## 5. INCOME TAX EXPENSES

No provision for Hong Kong Profits Tax has been made for the Period as the Group did not generate any assessable profits arising in Hong Kong during the Period (2015: Nil).

The income tax 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.

Deferred tax had not been provided for the Group because the Group had no significant temporary differences at the reporting date (2015: Nil).

	Nine months ended		Three months ended	
	31 December		31 December	
	2016	2015	2016	2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Current tax				
– Hong Kong Profits Tax	–	–	–	–
– PRC Enterprise Income Tax	297	–	297	–
Tax charge for the period from continuing and discontinued operations	297	–	297	–

## 6. DISCONTINUED OPERATIONS

On 27 September 2016, Upper Power Limited, a wholly owned subsidiary of the Company, entered into and completed a sale and purchase agreement with an independent third party (the “Investor”) pursuant to which Upper Power Limited sold the entire equity interest of Media Magic Technology Limited and its subsidiaries (collectively known as “Media Magic”), which is engaged in the energy management business, at a consideration of HK\$100,000 (the “Disposal”). Upon completion of the Disposal, the Group no longer has any equity interest in Media Magic.

Management considers that following the Disposal, the Group’s control over Media Magic had been discontinued and thereby constituted discontinued operations. Accordingly, certain comparative figures in the consolidated statement of comprehensive income have been re-presented to separately reflect the results of the continuing operations and discontinued operations. The results of the discontinued operations for the periods ended 31 December 2016 and 2015 have been analysed as follows:

## 6. DISCONTINUED OPERATIONS *(Continued)*

Profit (Loss) for the period from discontinued operations

	<b>For the nine months ended 31 December 2016 (Unaudited) HK\$'000</b>	<b>For the nine months ended 31 December 2015 (Unaudited) HK\$'000</b>	<b>For the three months ended 31 December 2016 (Unaudited) HK\$'000</b>	<b>For the three months ended 31 December 2015 (Unaudited) HK\$'000</b>
Revenue	-	760	-	-
Cost of services rendered and cost of goods sold	<b>(2)</b>	(326)	-	-
	<b>(2)</b>	434	-	-
Other income	-	-	-	-
Selling and distribution costs	-	(94)	-	-
Administrative expenses	<b>(433)</b>	(1,053)	-	-
Loss before taxation	<b>(435)</b>	(713)	-	-
Income tax expenses	-	-	-	-
Loss after taxation	<b>(435)</b>	(713)	-	-
Profit (Loss) on disposal of subsidiaries	<b>17,564</b>	(3,451)	-	-
Income tax related to loss on disposal of subsidiaries	-	-	-	-
Net profit (loss) attributable to discontinued operations	<b>17,129</b>	(4,164)	-	-
Profit (Loss) from discontinued operations attributable to:				
– Equity holders of the Company	<b>17,129</b>	(3,830)	-	-
– Non-controlling interests	-	(334)	-	-
	<b>17,129</b>	(4,164)	-	-



## 8. RESERVES

	Attributable to equity holders of the Company									
	Reserves							Sub-total (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
	Issued share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Statutory reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Total reserves (Unaudited) HK\$'000			
At 1 April 2015	13,254	437,446	594,707	9,127	2,512	(576,705)	467,087	480,341	(2,251)	478,090
Loss for the period	-	-	-	-	-	(88,901)	(88,901)	(88,901)	(334)	(89,235)
Other comprehensive income										
Item that may be reclassified subsequently to profit or loss										
- Exchange difference on consolidation	-	-	-	1,911	-	-	1,911	1,911	(51)	1,860
- Share of other comprehensive income of associate	-	-	-	(179)	-	-	(179)	(179)	-	(179)
Total comprehensive loss for the period	-	-	-	1,732	-	(88,901)	(87,169)	(87,169)	(385)	(87,554)
<b>Transaction with equity holders</b>										
<i>Contributions and distributions</i>										
Issue of shares under placing	3,533	49,947	-	-	-	-	49,947	53,480	-	53,480
<i>Change in ownership interest</i>										
Disposal of subsidiaries	-	-	-	(180)	(91)	-	(271)	(271)	2,636	2,365
	3,533	49,947	-	(180)	(91)	-	49,676	53,209	2,636	55,845
At 31 December 2015	16,787	487,393	594,707	10,679	2,421	(665,606)	429,594	446,381	-	446,381
At 1 April 2016	16,787	487,389	594,707	8,694	2,421	(782,237)	310,974	327,761	-	327,761
Loss for the period	-	-	-	-	-	(6,066)	(6,066)	(6,066)	-	(6,066)
Other comprehensive income										
Item that may be reclassified subsequently to profit or loss										
- Exchange difference on consolidation	-	-	-	5,186	-	-	5,186	5,186	-	5,186
Total comprehensive loss for the period	-	-	-	5,186	-	(6,066)	(880)	(880)	-	(880)
<b>Transaction with equity holders</b>										
<i>Contributions and distributions</i>										
Issue of shares under placing	3,358	29,197	-	-	-	-	29,197	32,555	-	32,555
<i>Change in ownership interest</i>										
Disposal of subsidiaries	-	-	-	(9,126)	(2,421)	-	(11,547)	(11,547)	-	(11,547)
At 31 December 2016	20,145	516,586	594,707	4,754	-	(788,303)	327,744	347,889	-	347,889

## 9. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months period ended 31 December 2016 (2015: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational Review

#### ***Supply chain management and related services***

The supply chain management service is 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.

#### ***Money lending business***

During the Period, the Group began to explore new opportunities to broaden its source of income and expand the business operations, e.g. the money lending business, in order to generate profits and return for the Group and the shareholders. The Group obtained a money lender license in Hong Kong under the Money Lenders Ordinance through the acquisition of a subsidiary in June 2016. The Group commenced the granting of loans to independent third parties during the Period. At the end of the Period, unsecured loans totaling HK\$97,000,000 were granted to 7 individuals and 3 corporations. Depending on the financial strength of the various lenders, the Group charged interest at rates which varied from 6% to 24% 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 HK\$5,298,000 from its money lending business which resulted in a profit of HK\$4,992,000.

### Financial Review

After the completion of the various trading contracts, the revenue for the Group reduced significantly for the Period to approximately HK\$109,500,000 as compared to approximately HK\$1,761,474,000 for the corresponding period in 2015. 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 experienced substantial decreases in the service fee income from the energy management business, as a result, the Group disposed the energy management business during the Period.

The Group recorded a decrease in gross profit to approximately HK\$8,216,000 in the Period as compared with approximately HK\$9,938,000 in the corresponding period in 2015. The gross profit margin, however, improved from 0.46% in the corresponding period in 2015 to 7.51% in the Period because of the interest income from loans receivables. The Group will continue to control the material costs and explore new business so as to improve the gross profit of the Group.

During the reporting period, administrative expenses from continuing operation incurred by the Group were approximately HK\$33,749,000 (2015: approximately HK\$83,737,000). The major component of the Group's expenses were exchange losses, rent and rates, salaries and payroll. However, the Group recorded a gain on disposal of subsidiaries for the energy management business of approximately HK\$17,129,000 during the Period (2015: loss on disposal of subsidiaries for the lightning electromagnetic pulse business of HK\$4,164,000) from its discontinued operation. Overall, net loss attributable to equity holders of the Company for the Period amounted to approximately HK\$6,066,000 (2015: approximately HK\$88,901,000).

## Outlook

With the slow-down in the development of the PRC economy, the Group would try its best endeavour to further explore and enhance its business of supply chain management and broaden its customer base and geographic reach. The Group will continue to work with partners from different sectors to build a national and comprehensive integrated supply chain platform. Meanwhile, the Group will continue to look for opportunities to create shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects, in particular, marine fishing business.

In December 2016, the Group entered into a series of contractual arrangement with the beneficial owner of Shenzhen Jinyutang Fishery Company Limited (深圳市進玉堂漁業有限公司) ("Jinyutang") to obtain effective control of Jinyutang with effective from 1 January 2017. Jinyutang is an investment holding company and operates a small scale fishery trading operation.

Jinyutang entered into a joint venture agreement with Khmer First Investment Holding Group Co., Limited on 20 January 2017 to set up a joint venture company (the "JV Company") to invest in fishing activities in Cambodia. Jinyutang will hold 80% of the issued shares of the JV Company. The capital commitment under this joint venture agreement will be US\$8 million.

## Liquidity, financial resources and capital structure

As at 31 December 2016, the Group had total assets of approximately HK\$373,014,000 (31 March 2016: approximately HK\$344,763,000), including bank balances and cash of approximately HK\$3,116,000 (31 March 2016: approximately HK\$7,444,000).

For the Period, the Group financed its operations mainly with its own working capital and there were no general banking facilities. There was no charge on the Group's assets as at 31 December 2016 (31 March 2016: Nil).

As at 31 December 2016, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (31 March 2016: Nil). The Group had no bank borrowings as at 31 December 2016 (31 March 2016: Nil).

## Placing of new shares

On 17 August 2016, a placing agreement (the "Placing Agreement") was entered into between the Company and Kingston Securities Limited (the "Placing Agent"), pursuant to which the Company had conditionally agreed to place through the Placing Agent on a best effort basis, of up to 335,760,000 new shares (the "Placing Shares") at HK\$0.10 per Placing Share (the "Placing"). On 6 September 2016, 335,760,000 Placing Shares were allotted and issued by the Company pursuant to the Placing Agreement.

The net proceeds arising from the Placing amounted to approximately HK\$32,556,000, net of expenses, which have been used as general working capital for money lending business.

Please refer to the Company's announcements dated 17 August 2016 and 6 September 2016 respectively for further details of the Placing.

## 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 2016, 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 2016, the Group held investments in securities in Hong Kong (collectively, the “Investments”) with a market value of HK\$64,070,000 (31 March 2016: Nil), representing an investment portfolio of 8 (31 March 2016: Nil) listed securities in Hong Kong, which accounted for approximately 18% of the net assets of the Company. The Group recorded net unrealised fair value gain and a realised loss on disposal of HK\$5,119,000 and HK\$1,293,000 respectively (year ended 31 March 2016: Nil) in respect of investment in listed securities held for trading as at 31 December 2016. The unrealised gain was caused by the changes in market expectation and market performance from the PRC market and the global economy.

The Hong Kong stock market has been volatile during the Period. Looking forward, the Board believes that the performance of the listed equity securities will be dependent on market sentiment which is susceptible to external market conditions such as interest rate movements, geo-political conditions and macro-economic performance. To mitigate the associated financial risks, the Group will regularly review its investment strategy and take appropriate steps in response to market changes whenever necessary.

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

## Pledge of Assets and Contingent liabilities

The Group had no pledge of assets and contingent liability as at 31 December 2016 (31 March 2016: Nil).

## Employees and remuneration policies

As at 31 December 2016, the Group had 24 (31 March 2016: 39) employees including the Directors. Total staff costs (excluding Directors’ emoluments) amounted to approximately HK\$7,665,000 for the Period, as compared to approximately HK\$10,000,000 in the corresponding period in 2015. 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.

### Events after the reporting date

The Company announced on 20 January 2017 that Jinyutang entered into a joint venture agreement with Khmer First Investment Holding Group Co., Limited to set up the JV Company for the purpose of investing in fishing activities in Cambodian coastal area, aquatic process, sale of fishing products, cultivation in aquaculture and import and export trading. The joint venture company will have a capital of 40,000 million Riels (equal to US\$10,000,000 at an exchange rate of 4,000:1) divided into 1,000 shares of par value of 40 million Riels each. Jinyutang will hold 80% of the issued shares of the JV Company. The capital commitment under the joint venture agreement will be US\$8 million. The Group expects to finance the capital commitment by way of equity financing. Details of the JV Company are set out in the announcement of the Company dated 20 January 2017.

On 31 January 2017, the JV Company has entered into a memorandum of understanding with the Ministry of Agriculture, Forestry and Fisheries of the Kingdom of Cambodia on the strategic cooperation of fishery industrialization development. Details of the memorandum of understanding are disclosed in the announcement of the Company dated 1 February 2017.

### DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, 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 SFO) which are 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 they are 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 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 2016, 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:

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of the ordinary shares held</b>	<b>Approximate percentage of issued share capital</b>
Li Yi	Beneficial owner	400,000,000	19.86%
A Plus Capital Management Limited ( <i>Note 1</i> )	Investment manager	110,000,000	5.46%
Avia Asset Management Ltd ( <i>Note 2</i> )	Investment manager	137,700,000	6.85%
Tiger Capital Fund SPC – Tiger Global SP (“Tiger Capital”) ( <i>Note 1</i> )	Beneficial owner	110,000,000	5.46%

*Notes:*

- (1) According to the information available on the website of the Stock Exchange, 110,000,000 Shares were held by Tiger Capital as beneficial owner and Tiger Capital is wholly owned by A Plus Capital Management Limited.
- (2) According to the information available on the website of the Stock Exchange, 137,900,000 Shares were held by Avia Asset Management Ltd.

Save as disclosed above, as at 31 December 2016, 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" above.

## DIRECTORS' INTEREST IN COMPETING INTERESTS

During the Period, none of the Directors or the controlling shareholders or substantial shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

## 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 Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the Period.

## CHANGE OF COMPANY NAME

On 21 November 2016, the English name of the Company was changed from "Sky Forever Supply Chain Management Group Limited" to "China Ocean Fishing Holdings Limited" and adopt the Chinese name "中國海洋捕撈控股有限公司" as the secondary name of the Company to replace its existing secondary name in Chinese "宇恒供應鏈集團有限公司".

## 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 2016-2017 interim report dated 11 November 2016 were set out as follows:

- Mr. Chen Jiang has resigned as an executive Director and Chief Executive Officer with effect from 2 December 2016.
- Dr. Chu Ping Hang has been appointed as the Chief Executive Officer with effect from 2 December 2016.

## 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 2016, the Audit Committee comprises the three independent non-executive Directors of the Company, namely, Mr. Chui Man Lung, Everett, Ms. Li Mei and Ms. Li Yuen Fong, Michelle. The chairman of the Audit Committee was Mr. Chui Man Lung, Everett.

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, 8 February 2017

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 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 in this announcement misleading.*

*As at the date of this announcement, the executive Directors are Mr. Liu Rongsheng, Dr. Chu Ping Hang, Mr. Gan Weiming and Ms. Huang He and the independent non-executive Directors are Mr. Chui Man Lung Everett, Ms. Li Mei and Ms. Li Yuen Fong, Michelle.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://hkgem.com> for seven days after the date of publication and website of the Company at <http://www.chinaoceanfishing.hk>.*