

TARGET

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CHINA OCEAN GROUP DEVELOPMENT LTD: WELL ! WHAT DO YOU THINK ?

Whether or not it means very much, this medium cannot make a determination, one way or another, but as far as Elite Partners CPA Ltd (開元信德會計師事務所有限公司), Certified Public Accountants, in its Independent Auditor's Report of China Ocean Group Development Ltd (中國海洋集團發展有限公司), at Page 46 of the 2023-2024 Annual Report, Elite Partners CPA Ltd had made the following pronouncement:

'MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

'We draw attention to note 2 to the consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately HK\$37,401,000 for the year ended 31 March 2024 and as of that date, the Group had net current assets of HK\$323,137,000 and the Group's current portion of borrowings amounted to HK\$147,741,000, while its bank balances and cash equivalents amounted to HK\$243,000. These conditions, along with the other matters as set forth in note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.'

Turning to Note Two, found at Pages 60 through to 62 of the 2023-2024 Annual Report of China Ocean Group Development Ltd, one notes the following statements:

'BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

'These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements under

*the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”)*...

‘Going concern assessment, The Group has incurred a loss attributable to owners of the company of approximately HK\$37,401,000 for the year ended 31 March 2024. As at 31 March 2024, including the Group’s cash and bank balances were approximately HK\$243,000. As at 31 March 2024, the Group had current borrowings of approximately HK\$147,741,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.’

THE BUSINESS OF CHINA OCEAN GROUP DEVELOPMENT LTD

The business of China Ocean Group Development Ltd (Code: 8047, The Growth Enterprise Market – The **GEM** – The Stock Exchange of Hongkong Ltd) is presented at Page 60 of the 2023-2024 Annual Report, under the heading, ‘**CORPORATE INFORMATION**,’ where one was informed of the following:

*‘China Ocean Group Development Limited (the “**Company**”) is 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 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 and ocean fishing. These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand unless otherwise stated.’*

The Chairman of the Board of Directors of China Ocean Group Development Ltd, as well as being an Executive Director of the Company, is Mr Liu Rong Sheng (劉榮生).

At Pages Six through to Eight of the 2023-2024 Annual Report of the Company, this gentleman took the trouble to impart his thinking, making prognostications about the Company that he controls:

RESULTS

‘The Revenue for the Group increased for the Year to approximately HK\$398.2 million as compared to approximately HK\$225.9 million for the previous year. The Group’s aquatic products supply chain business generated a total revenue of approximately HK\$398.2 million as compared to HK\$225.9 million last year; no revenue arose from the fishing

operation during the Year. The Group has continued to develop business relationship with its business partners and potential partners in the PRC (The People's Republic of China) in order to increase and explore new sources of income. The Group continued to concentrate on aquatic products during the Year.

'The Group recorded an increase in gross profit to approximately HK\$45.3 million in the Year as compared to approximately HK\$13.8 million in the previous year. 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, increased from 6.1% to 11.4% during the Year. Gross profit margin of aquatic products from fishing operation were generally higher than from supply chain operation.

'Loss attributable to owners of the Company for the Year amounted to approximately HK\$37.4 million as compared to approximately HK\$45.8 million in the previous year. During the Year, the administrative expenses increased ... [CLICK TO ORDER FULL ARTICLE](#)

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