



**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)**

**2019-2020**

Interim Report





## CHARACTERISTICS OF THE GEM ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors of China Ocean Fishing Holdings Limited (the "Company" and the "Directors", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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 report 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 report misleading.*



## HIGHLIGHTS

For the six months ended 30 September 2019 (the "Period")

- Revenue of the Group was approximately HK\$337,981,000 as compared to the revenue of approximately HK\$547,651,000 recorded in the corresponding period in 2018.
- Profit of the Group for the Period was approximately HK\$9,854,000 (2018: approximately HK\$14,403,000).
- Profit attributable to equity holders of the Company was approximately HK\$10,593,000 (2018: approximately HK\$9,836,000).
- The Directors do not declare the payment of an interim dividend (2018: Nil).
- Basic earnings per share of the Company was approximately HK0.25 cents (2018: approximately HK0.28 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 three months and six months ended 30 September 2019 together with the relevant comparative unaudited figures as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

*For the three months and six months ended 30 September 2019*

	Notes	For the six months ended 30 September		For the three months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Revenue from contracts with customers	3	337,981	547,651	178,593	205,267
Cost of services rendered and cost of goods sold		(298,539)	(498,624)	(157,183)	(178,159)
Gross profit		39,442	49,027	21,410	27,108
Other revenue	3	3	6	–	(3)
Other income	4	4,492	13,697	(58)	10,047
Net loss on disposal of financial assets at fair value through profit or loss		–	(1,005)	–	(1,005)
Selling and distribution costs		(240)	(216)	(189)	(111)
Administrative expenses		(22,152)	(36,389)	(9,921)	(22,414)
Net unrealised loss on financial assets at fair value through profit or loss		–	(8,484)	–	(8,484)
Finance costs		(10,872)	(1,553)	(5,602)	(1,443)



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) *(Continued)*

For the three months and six months ended 30 September 2019

	Notes	For the six months ended 30 September		For the three months ended 30 September	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Profit before taxation</b>	6	<b>10,673</b>	15,083	<b>5,640</b>	3,695
Income tax expenses	7	<b>(819)</b>	(680)	<b>3</b>	3,970
<b>Profit for the period</b>		<b>9,854</b>	14,403	<b>5,643</b>	7,665
<b>Other comprehensive loss for the period, net of tax</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on consolidation		<b>(74,596)</b>	(27,540)	<b>(70,402)</b>	(27,193)
<b>Total comprehensive loss for the period</b>		<b>(64,742)</b>	(13,137)	<b>(64,759)</b>	(19,528)



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) *(Continued)*

For the three months and six months ended 30 September 2019

	For the six months ended 30 September		For the three months ended 30 September	
	2019 (Unaudited) <i>Notes</i> <b>HK\$'000</b>	2018 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <b>HK\$'000</b>	2018 (Unaudited) <i>HK\$'000</i>
<b>Profit for the period</b>				
<b>attributable to:</b>				
Equity holders of the Company	<b>10,593</b>	9,836	<b>5,508</b>	2,602
Non-controlling interests	<b>(739)</b>	4,567	<b>135</b>	5,063
	<b>9,854</b>	14,403	<b>5,643</b>	7,665
<b>Total comprehensive loss</b>				
<b>attributable to:</b>				
Equity holders of the Company	<b>(64,003)</b>	(17,704)	<b>(64,624)</b>	(24,591)
Non-controlling interests	<b>(739)</b>	4,567	<b>(135)</b>	5,063
	<b>(64,742)</b>	(13,137)	<b>(64,759)</b>	(19,528)
<b>Earnings per share</b>	<b>8</b>			
– Basic	<b>HK0.25 cents</b>	HK0.28 cents	<b>HK0.13 cents</b>	HK0.07 cents
– Diluted	<b>HK0.25 cents</b>	HK0.26 cents	<b>HK0.13 cents</b>	HK0.07 cents



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

		As at 30 September 2019 (Unaudited) <i>HK\$'000</i>	As at 31 March 2019 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	10	491,204	465,302
Other assets		484	544
Goodwill		127,439	116,971
		619,127	582,817
<b>Current assets</b>			
Inventories		16,250	530
Other assets		121	121
Trade and other receivables	11	995,946	1,024,344
Loans and interests receivables	12	7,387	70,913
Bank balances and cash		7,439	14,326
		1,027,143	1,110,234
<b>Current liabilities</b>			
Trade and other payables	13	180,486	215,088
Borrowings		123,085	87,325
Corporate bonds		7,589	7,589
Contingent consideration payables		15,739	15,739
Tax payable		12,414	12,347
		339,313	338,088



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2019

	As at 30 September 2019 (Unaudited) <i>Notes</i>	As at 31 March 2019 (Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Net current assets</b>	<b>687,830</b>	772,146
<b>Total assets less current liabilities</b>	<b>1,306,957</b>	1,354,963
<b>Non-current liabilities</b>		
Deferred income	55,638	48,174
Borrowings	20,879	11,628
Corporate bonds	3,034	3,034
Deferred tax liabilities	21	–
	<b>79,572</b>	62,836
<b>NET ASSETS</b>	<b>1,227,385</b>	1,292,127
<b>Capital and reserves</b>		
Share capital	14 42,260	42,260
Reserves	1,125,890	1,189,893
Equity attributable to equity holders of the Company	<b>1,168,150</b>	1,232,153
Non-controlling interests	59,235	59,974
<b>TOTAL EQUITY</b>	<b>1,227,385</b>	1,292,127





## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2019

	Attributable to equity holders of the Company									
	Reserves									
	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Convertible	Accumulated losses (Unaudited) HK\$'000	Total reserves (Unaudited) HK\$'000	Subtotal (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
					equity reserve (Unaudited) HK\$'000					
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	-	-	-	-	-	9,836	9,836	9,836	4,567	14,403
<b>Other comprehensive income</b>										
Items that may be reclassified subsequently to profit or loss										
- Exchange difference on consolidation	-	-	-	(27,540)	-	-	(27,540)	(27,540)	-	(27,540)
Total Comprehensive income for the period	-	-	-	(27,540)	-	9,836	(17,704)	(17,704)	4,567	(13,137)
<b>Transactions with equity holders</b>										
<i>Contributions and distributions</i>										
Issue of shares under subscription	6,700	294,800	-	-	-	-	294,800	301,500	-	301,500
Issue of convertible bonds	-	-	-	-	3,552	-	3,552	3,552	-	3,552
	6,700	294,800	-	-	3,552	-	298,352	305,052	-	305,052
At 30 September 2018	39,876	1,242,169	594,707	(6,931)	92,350	(782,072)	1,140,223	1,180,099	50,934	1,231,033



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) *(Continued)*

For the six months ended 30 September 2019

	Attributable to equity holders of the Company									
	Reserves									
	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Convertible bonds equity reserve		Total reserves (Unaudited) HK\$'000	Subtotal (Unaudited) HK\$'000	Non-controlling interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
					Accumulated losses (Unaudited) HK\$'000	reserve (Unaudited) HK\$'000				
At 1 April 2019	42,260	1,378,822	594,707	(34,918)	-	(748,718)	1,189,893	1,232,153	59,974	1,292,127
Profit for the period	-	-	-	-	-	10,593	10,593	10,593	(739)	9,854
<b>Other comprehensive income</b> Items that may be reclassified subsequently to profit or loss - Exchange difference on consolidation	-	-	-	(74,596)	-	-	(74,596)	(74,596)	-	(74,596)
Total Comprehensive income for the period	-	-	-	(74,596)	-	10,593	(64,003)	(64,003)	(739)	(64,742)
<b>Transactions with equity holders</b> <i>Contributions and distributions</i> Issue of shares under placement	-	-	-	-	-	-	-	-	-	-
At 30 September 2019	42,260	1,378,822	594,707	(109,514)	-	(738,125)	1,125,890	1,168,150	59,235	1,227,385



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six months ended 30 September 2019

	For the six months ended 30 September 2019 (Unaudited) HK\$'000	For the six months ended 30 September 2018 (Unaudited) HK\$'000
<b>NET CASH RECEIVED FROM/(USED IN)</b>		
<b>OPERATING ACTIVITIES</b>	<b>9,897</b>	<b>(206,699)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,893)	(42,707)
Purchase of intangible assets	–	(132)
Proceeds from disposal of financial assets at fair value through profit or loss	–	6,248
Acquisition of a subsidiary	(59,495)	(53,578)
Interest received, other than from loan receivables	3	6
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(63,385)</b>	<b>(90,163)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of shares under subscription	–	301,500
Proceeds from borrowings	48,601	–
Repayment of borrowings	(2,000)	–
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>46,601</b>	<b>301,500</b>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) *(Continued)*

For the six months ended 30 September 2019

	<b>For the six months ended 30 September 2019 (Unaudited) HK\$'000</b>	For the six months ended 30 September 2018 (Unaudited) HK\$'000
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,887)</b>	4,638
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>14,326</b>	19,829
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,439</b>	24,467
	<hr/>	<hr/>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	<b>7,439</b>	24,467
	<hr/>	<hr/>



# Notes to the condensed consolidated 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 GEM ("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 interim financial statements for the Period have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM (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 interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2019 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 interim financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 March 2019.



# Notes to the condensed consolidated financial statements

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

The adoption of the following new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are relevant to the Group and effective from the current period had no significant effects on the financial performance and financial position of the Group for the current and prior periods.

HKFRS 16	Leases
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 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 2019. 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.



## Notes to the condensed consolidated financial statements

### 3. REVENUE AND OTHER REVENUE

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

	For the six months ended 30 September		For the three months ended 30 September	
	2019	2018	2019	2018
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Revenue from contracts with customers				
Supply chain management				
services business	<b>321,456</b>	515,212	<b>167,537</b>	177,522
Ocean fishing business	<b>16,458</b>	30,959	<b>11,029</b>	27,447
Service fees from:				
Interest income from loans to customers	<b>67</b>	1,480	<b>27</b>	298
<b>Revenue</b>	<b>337,981</b>	547,651	<b>178,593</b>	205,267
Interest income	<b>3</b>	6	<b>-</b>	(3)
<b>Other revenue</b>	<b>3</b>	6	<b>-</b>	(3)
<b>Total revenue</b>	<b>337,984</b>	547,657	<b>178,593</b>	205,264



# Notes to the condensed consolidated financial statements

## 4. OTHER INCOME

	For the six months ended 30 September		For the three months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Interest income from other loan	3,240	6,480	–	3,240
Government subsidiary income	463	6,634	(471)	6,634
Sundry income	789	583	413	173
	<b>4,492</b>	13,697	<b>(58)</b>	10,047

## 5. SEGMENT INFORMATION

The Group manages its businesses by individual companies, which are organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers, who are the Directors of the Company, for the purposes of resource allocation and performance assessment, the Group has presented the following reporting segments. No operating segments have been aggregated to form the following reporting segments:

- Supply chain management segment which provides services involving the planning and implementation of an integrated solution for the effective flow of business, logistic, information and funds;
- Money lending segment which provides money lending services; and
- Ocean fishing segment which provides fishing and catching business in open sea beyond the coastal region.





## Notes to the condensed consolidated financial statements

### 5. SEGMENT INFORMATION *(Continued)*

#### (a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision makers monitor the results, assets and liabilities attributable to each reporting segment on the following bases:

Segment assets include all allocated assets with the exception of interest in associates and other corporate assets. Segment liabilities include trade and other payables attributable to the sales/service activities of the individual segments.

Revenue and expenses are allocated to the reporting segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.



# Notes to the condensed consolidated financial statements

## 5. SEGMENT INFORMATION *(Continued)*

### (b) Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

*For the six months ended 30 September*

	Supply chain management		Money lending		Ocean fishing business		Consolidated	
	services business		business					
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
<b>Segment revenue</b>								
Sales/Services to external customers	321,456	515,212	67	1,480	16,458	30,959	337,981	547,651
<b>Segment results</b>	23,234	11,765	(198)	987	6,797	12,665	29,833	25,417
Unallocated income							638	7,063
Unallocated expenses							(19,798)	(17,577)
<b>Profit before taxation</b>							10,673	14,903
Income tax expense							(819)	(500)
<b>Profit for the period</b>							9,854	14,403



# Notes to the condensed consolidated financial statements

## 5. SEGMENT INFORMATION *(Continued)*

### (b) Business segments *(Continued)*

	Supply chain management		Money lending		Ocean fishing business		Consolidated	
	services business		business					
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2019	2019	2019	2019	2019	2019	2019	2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets and liabilities</b>								
Segment assets	999,910	927,313	659	4,161	490,600	549,638	1,491,169	1,481,112
Unallocated assets including interests in associates							155,101	211,939
Consolidated total assets							<u>1,646,270</u>	<u>1,693,051</u>
Segment liabilities	191,973	150,783	61	7	134,518	136,250	326,552	287,040
Unallocated liabilities							<u>92,333</u>	<u>113,884</u>
Consolidated total liabilities							<u>418,885</u>	<u>400,924</u>



## Notes to the condensed consolidated financial statements

### 6. PROFIT BEFORE TAXATION

The Group's profit before taxation is stated after charging (crediting) the following:

	For the six months ended 30 September		For the three months ended 30 September	
	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>
Loss on disposal of financial assets at fair value through profit or loss	-	(1,005)	-	(1,005)
Depreciation of property, plant and equipment	3,277	2,584	1,421	1,377
Amortisation of				
– intangible assets	-	6	-	3
– other assets	60	60	30	30
	<b>60</b>	<b>60</b>	<b>30</b>	<b>30</b>



# Notes to the condensed consolidated financial statements

## 7. INCOME TAX EXPENSES

	For the six months ended 30 September		For the three months ended 30 September	
	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>	2019 (Unaudited) <i>HK\$'000</i>	2018 (Unaudited) <i>HK\$'000</i>
Current tax				
– Hong Kong Profits Tax	–	500	–	–
– PRC EIT	<b>819</b>	180	<b>(3)</b>	(3,970)
	<hr/>			
Tax charge for the period	<b>819</b>	680	<b>(3)</b>	(3,970)
	<hr/>			

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 (2018: 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 practices in respect thereof.



## Notes to the condensed consolidated financial statements

### 8. 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 six months ended 30 September		For the three months ended 30 September	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
	Profit attributable to equity holders of the Company	<b>10,593</b>	9,836	<b>5,508</b>
<b>Number of shares</b>				
Weighted average number of ordinary shares in issue during the period	<b>4,225,960,179</b>	3,535,327,097	<b>4,225,960,179</b>	3,750,665,657
Effect of dilutive potential ordinary shares				
– Convertible bonds	<b>31,172,000</b>	269,510,000	<b>31,172,000</b>	269,510,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>4,257,132,179</b>	3,804,837,097	<b>4,257,132,179</b>	4,020,175,657

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 six months ended 30 September 2019 (2018: nil).



## Notes to the condensed consolidated financial statements

### 8. EARNINGS PER SHARE *(Continued)*

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 six months ended 30 September 2019.

### 9. DIVIDENDS

The Directors do not declare the payment of an interim dividend for the Period (2018: Nil).

### 10. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$3,893,000 which comprises mainly of fishing vessels amounting to RMB1,705,000 (approximately HK\$1,874,000). (31 March 2019: approximately HK\$96,593,000).

As at 30 September 2019, the Group pledged certain leasehold land and building with carrying amount of approximately HK\$20,049,000 (31 March 2019: approximately HK\$20,500,000) as collateral to secure borrowings granted to the Group.



# Notes to the condensed consolidated financial statements

## 11. TRADE AND OTHER RECEIVABLES

	<b>As at 30 September 2019 (Unaudited) HK\$'000</b>	<b>As at 31 March 2019 (Audited) HK\$'000</b>
	<i>Note</i>	
<b>Trade receivables from third parties</b>	<b>190,027</b>	231,238
Less: loss allowance	<b>(564)</b>	(564)
	<b>(a) 189,463</b>	230,674
<b>Other receivables</b>		
Prepayments	<b>175</b>	674
Advance payment to suppliers	<b>747,867</b>	739,434
Deposit	<b>23,605</b>	10,959
Other receivables	<b>29,670</b>	37,480
Other tax recoverable	<b>5,166</b>	5,123
	<b>806,483</b>	793,670
	<b>995,946</b>	1,024,344





## Notes to the condensed consolidated financial statements

### 11. TRADE AND OTHER RECEIVABLES *(Continued)*

- (a) The Group normally grants credit term of 30 days to 90 days to its customers upon the delivery of products or when the services are rendered and invoices are issued. The aging of trade receivables (net of loss allowance) based on invoice date is as follows:

	<b>As at 30 September 2019 (Unaudited) HK\$'000</b>	<b>As at 31 March 2019 (Audited) HK\$'000</b>
Less than 90 days	<b>124,819</b>	92,761
91 – 180 days	<b>27,009</b>	52,216
181 – 270 days	<b>21,600</b>	44,616
271 – 365 days	<b>3,177</b>	4,050
Over 1 year	<b>12,858</b>	37,031
	<hr/> <b>189,463</b>	<hr/> 230,674



## Notes to the condensed consolidated financial statements

### 12. LOANS AND INTERESTS RECEIVABLES

	<b>As at 30 September 2019 (Unaudited) HK'000</b>	<b>As at 31 March 2019 (Audited) HK'000</b>
Loans to customers	<b>473</b>	3,746
Accrued interest receivables	<b>118</b>	346
	<b>591</b>	4,092
Other loan	–	60,000
Accrued interest receivables	–	–
	–	60,000
Loan to staff	<b>6,242</b>	6,395
Accrued interest receivables	<b>554</b>	426
	<b>6,796</b>	6,821
Impairment allowance on individual assessment	–	–
	<b>7,387</b>	70,913
Analysed as:		
Non-current assets	–	–
Current assets	<b>7,387</b>	70,913
	<b>7,387</b>	70,913

The Group seeks to maintain strict control over its outstanding loans receivable to minimize credit risk. Overdue balances are reviewed regularly by management.

The Group's loan receivable from customers which arise from money lending business of providing personal loans in Hong Kong, are denominated in Hong Kong Dollars.



## Notes to the condensed consolidated financial statements

### 12. LOANS AND INTERESTS RECEIVABLES *(Continued)*

The credit quality analysis of the loans receivable is as follows:

	<b>As at 30 September 2019 (Unaudited) HK'000</b>	<b>As at 31 March 2019 (Audited) HK'000</b>
Neither past due nor impaired		
– Unsecured	<b>6,796</b>	66,821
Less than 1 month past due	–	–
1 to 3 months past due	–	–
Over 3 months past due	<b>591</b>	4,092
	<b>7,387</b>	70,913
Impaired	–	–
	<b>7,387</b>	70,913

### 13. TRADE AND OTHER PAYABLES

	<b>As at 30 September 2019 (Unaudited) HK\$'000</b>	<b>As at 31 March 2019 (Audited) HK\$'000</b>
	<i>Note</i>	
Trade payables	<b>16,239</b>	56,216
Accruals	<b>10,837</b>	11,637
Other tax payables	<b>2,965</b>	2,965
Other payables	<b>150,445</b>	144,270
	<b>180,486</b>	215,088



## Notes to the condensed consolidated financial statements

### 13. TRADE AND OTHER PAYABLES *(Continued)*

- (a) Included in trade and other payables are trade payable with the following aging analysis, based on invoice date:

	<b>As at 30 September 2019 (Unaudited) HK\$'000</b>	<b>As at 31 March 2019 (Audited) HK\$'000</b>
Less than 90 days	<b>24</b>	48,951
91 – 180 days	<b>–</b>	4,859
181 – 270 days	<b>12,210</b>	681
271 – 365 days	<b>3,893</b>	1,725
Over 1 year	<b>112</b>	–
	<hr/> <b>16,239</b>	<hr/> 56,216



# Notes to the condensed consolidated financial statements

## 14. SHARE CAPITAL

	Number of shares		Nominal value	
	30 September 2019 (Unaudited)	31 March 2019 (Audited)	30 September 2019 (Unaudited) HK\$'000	31 March 2019 (Audited) HK\$'000
<i>Authorised:</i>				
At beginning and at end of the period/year				
Ordinary shares of HK\$0.01 each	<b>20,000,000,000</b>	20,000,000,000	<b>200,000</b>	200,000
<i>Issued and fully paid:</i>				
At beginning of the period/year				
Ordinary shares of HK\$0.01 each	<b>4,225,960,179</b>	3,317,622,179	<b>42,260</b>	33,177
Issue of shares under subscription	-	908,338,000	-	9,083
At the end of the period/year				
Ordinary shares of HK\$0.01 each	<b>4,225,960,179</b>	4,225,960,179	<b>42,260</b>	42,260

## 15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement.

The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;



# Notes to the condensed consolidated financial statements

## 15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

### (a) Assets measured at fair value

	<b>Level 1</b> <b>As at</b> <b>30 September 2019</b> <b>(Unaudited)</b> <b>HK\$'000</b>	Level 1 As at 31 March 2019 (Audited) HK\$'000
Financial assets at fair value through profit or loss		
Equity investments listed in Hong Kong	—	—

During the six months ended 30 September 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

### (b) Financial assets and liabilities not measured at fair value

The carrying amounts of the financial assets and liabilities of the Group carried accounts at other than their fair value are not materially different from their fair values as at 30 September 2019 and 31 March 2019.



## 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 minimise 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.

During the Period, the Group continued its supply chain management services of aquatic products. The Group also expanded its operation to vertically integrated with fishing subsidiaries to secure the supply of aquatic products.

#### *Money lending business*

As at the end of the Period, unsecured loans receivables amounted to approximately HK\$591,000 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\$67,000 from its money lending business.

### Financial review

The Revenue for the Group decreased for the Period to approximately HK\$337,981,000 as compared to approximately HK\$547,651,000 for the corresponding period in 2018 because of the uncertain market due to the trade conflicts between the United States and China, therefore, the Company has taken a more cautious approach when negotiating sales contracts with the customers. The Group's aquatic products business generated a total revenue of approximately HK\$321,456,000, the fishing operation also contributed to approximately HK\$16,458,000 to the Group's total revenue during the Period. 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 continued to concentrate on aquatic products during the Period.



The Group recorded an decrease in gross profit to approximately HK\$39,442,000 in the Period as compared to approximately HK\$49,027,000 in the corresponding period in 2018. 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 8.7% to 11.7% during the Period. Gross profit margin of aquatic products from fishing operation were generally higher than from supply chain operation.

Net profit attributable to equity holders of the Company for the Period amounted to approximately HK\$10,593,000 as compared to a profit of approximately HK\$9,836,000 in the corresponding period in 2018. During the period, the administrative expenses decreased to approximately HK\$22.2 million from HK\$36.4 million in 2018 because of non-recurring exchange losses and impairment of HK\$11.4 million and impairment on interest receivables of HK\$2.1 million respectively. Due to the expansion of the Company's operation in Mozambique and Cambodia, more staff were employed and operation set-up enhanced in anticipation of the commencement of large scale fishing operations. The major components in administrative expenses being salaries and welfare for both staff and directors; rent and rates, legal and professional fee and depreciation.

## Loans receivables

As at 30 September 2019, the Company has the following outstanding loan transactions:

Loan No.	Date of Loan	Name of borrower	Loan amount (HK\$'000)	Interest amount (HK\$'000)	Status as of the date of this report:	Collateral
1	10 April 2017	Fu Xiong* 符雄	473	2	Repayable by 30 November 2019	Unsecured
2	11 May 2017	Lee Kim Wan 李劍雲	-	116	Repayable by 30 November 2019	Unsecured

\* for identification purposes only





The Board confirms that the above loans were entered in the ordinary course of business and on normal commercial terms. The Board considers that the terms of the above loans are in the interests of the Company and the Shareholders as a whole.

All of the above loans were funded by internal resources of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the borrowers is a third party independent from the Company and its connected persons.

## Outlook

Even though the supply chain management business is having a stable growth during the Period because of the new contract with 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 keep proactively seeking for other investment and business opportunities with promising prospect to broaden the source of income of the Group and enhance value to the shareholders of the Company through making investments 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 in the marine fishing business.

## Liquidity, financial resources and capital structure

As at 30 September 2019, the Group had total assets of approximately HK\$1,646,270,000 (31 March 2019: approximately HK\$1,693,031,000), including bank balances and cash of approximately HK\$7,439,000 (31 March 2019: approximately HK\$14,326,000).

As at 30 September 2019, there was general banking facilities of RMB33,000,000 (31 March 2019: RMB24,900,000). Excluding the above banking facilities, during the Period, the Group financed its operation mainly with its own working capital, proceeds from the issue of placing/subscription shares and borrowings.



As at 30 September 2019, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was 2.2% (31 March 2019: 1.7%). The Group's bank borrowings as at 30 September 2019 was approximately HK\$36,264,000 (31 March 2019: approximately HK\$28,953,000).

### 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"). As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between HKD and 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 minimise exposure to foreign exchange risks. As at 30 September 2019, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

### Significant investment, material acquisitions and disposal of subsidiaries and affiliated companies

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 30 September 2019, the Group pledged certain leasehold land and building with carrying amount of approximately HK\$20.1 million (31 March 2019: approximately HK\$20.5 million) as collateral to secure borrowings granted to the Group.

### Contingent liabilities

Save as disclosed above, the Group had no contingent liability as at 30 September 2019 (31 March 2019: Nil).



## Employees and remuneration policies

As at 30 September 2019, the Group had 131 (31 March 2019: 127) employees including the Directors. Total staff costs (excluding Directors' emoluments) amounted to approximately HK\$6,365,000 for the Period, as compared to approximately HK\$6,498,000 in the corresponding period in 2018. 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.

## RISKS AND UNCERTAINTIES RELATING TO THE GROUP'S BUSINESS

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

### Market Risk

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.



## Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

## Investment Risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorisation system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of the Group would be submitted to the Board.

## Manpower and Retention Risk

The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will provide attractive remuneration package to suitable candidates and personnel.

## Financial Risk

The Group's also faces financial risks including interest rate risk, foreign currency risk, credit risk and liquidity risk. Details of these financial risks are set out in annual report for the year ended 31 March 2019.

## INTERIM DIVIDEND

The Directors do not declare the payment of an interim dividend for the Period (2018: Nil).



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 30 September 2019, 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

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of ordinary Shares held</b>	<b>Approximate percentage of issued share capital</b>
Mr. Fan Guochang	Beneficial owner	800,000	0.02%
Ms. Wei Qing ( <i>Note 1</i> )	Beneficial owner	79,608,000	1.88%

*Note:*

- (1) Ms. Wei Qing is beneficial interested in 67,852,000 Shares through Sunny Sky Capital Management Limited.



Save as disclosed above, as at 30 September 2019, 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.

## SHARE OPTION SCHEME

The Company adopted a share option scheme on 18 October 2011 (the “Share Option Scheme”) 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, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under paragraphs headed “Directors’ and Chief Executive’s Interests in Shares, Underlying Shares and Debentures” and “Share Option Scheme” 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 Director 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 any other body corporate.



## DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Period and up to the date of this report, 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:

<b>Director</b>	<b>Name of company</b>	<b>Nature of business</b>	<b>Nature of interest</b>
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.



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

As at 30 September 2019, 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>
Liu Yi	Beneficial owner	724,292,000 (L)	17.14%

*(L) denotes long position*

Save as disclosed above, as at 30 September 2019, 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.





## SHAREHOLDERS' INTERESTS IN SECURITIES OF SIGNIFICANCE

Other than the interests disclosed above in respect of the substantial shareholders, as at 30 September 2019, no person is individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at the general meetings of the Company and are able, as a practicable manner, to direct or influence the management of the Company.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeem any of its shares (the "Shares"), nor did the Company or any of its subsidiaries purchase or sell any such Shares during the Period.

## CHANGES OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

There is no change of the Directors' information since the disclosure made in the Company's 2017-2018 Annual report dated 24 June 2019.

## PRE-EMPTIVE RIGHTS

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

## CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Director's securities transactions 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. Having been made a specific enquiry by the Company, each of them confirmed that he/she had complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the Period.



## CORPORATE GOVERNANCE CODE

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.

## 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 reviewing and providing supervision over the financial reporting process and internal control of the Group. As at 30 September 2019, the Audit Committee comprised of three independent non-executive Directors, 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 condensed consolidated financial statements of the Group for the Period have been reviewed by the Audit Committee, which is of the opinion that such statements comply with the applicable accounting standards, requirements of the GEM Listing Rules and any other applicable laws 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 November 2019

*As at the date of this report, the executive Directors are Mr. Liu Rongsheng, Mr. Fan Guocheng and Ms. Wei Qing; the non-executive Directors are Mr. YangYong and Mr. Lui Chun Pong; independent non-executive Directors are Mr. Pang Pui Hung, Paton, Mr. Lam Man Hing and Mr. Li Cao.*