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CHINA OCEAN INDUSTRY GROUP LIMITED

中海重工集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00651)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

The board of directors (the “Board”) of China Ocean Industry Group Limited (the “Company”) announces the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2020 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	<i>Notes</i>	Six months ended 30 June	
		2020	2019
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	12,175	38,776
Cost of sales		(9,120)	(42,791)
Gross profit (loss)		3,055	(4,015)
Other income		4,109	2,386
Other gains and losses	4	(5,085)	(3,507)
Change in fair value of financial assets mandatorily measured at fair value through profit or loss		6	(17)
(Loss) gain on disposal of associates		(60)	69,507
Selling and distribution expenses		(536)	(1,260)
Administrative expenses		(37,719)	(122,117)
Finance costs	5	(102,869)	(248,320)
Share of loss of associates		(1,971)	(1,440)
Loss before tax		(141,070)	(308,783)
Income tax credit	6	3,859	5,330
Loss for the period	7	(137,211)	(303,453)

	Six months ended 30 June	
	2020	2019
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other comprehensive income (expenses):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	52,154	32,873
Share of translation reserve of associates	(12)	(4,845)
Share of translation reserve of joint ventures	–	54
Release of translation reserve upon disposal of associates	19,099	–
	<hr/>	<hr/>
Other comprehensive income for the period, net of income tax	71,241	28,082
	<hr/>	<hr/>
Total comprehensive expenses for the period	(65,970)	(275,371)
	<hr/> <hr/>	<hr/> <hr/>
Loss for the period attributable to:		
– Owners of the Company	(134,439)	(302,016)
– Non-controlling interests	(2,772)	(1,437)
	<hr/>	<hr/>
	(137,211)	(303,453)
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive expenses attributable to:		
– Owners of the Company	(63,288)	(273,750)
– Non-controlling interests	(2,682)	(1,621)
	<hr/>	<hr/>
	(65,970)	(275,371)
	<hr/> <hr/>	<hr/> <hr/>
		(Restated)
Loss per share		
– Basic and diluted	<i>8</i>	
	(HK\$0.39)	(HK\$0.89)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

		30 June	31 December
		2020	2019
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		27,390	46,176
Investment properties		17,901	18,278
Right-of-use assets		282,818	293,060
Goodwill		–	–
Intangible assets		–	–
Interests in associates		31,206	33,189
Interests in joint ventures		5,536	5,536
Deferred tax assets		119	121
		364,970	396,360
CURRENT ASSETS			
Inventories		319,401	324,386
Trade receivables	<i>10</i>	69,853	69,920
Other receivables	<i>10</i>	349,184	362,829
Prepayment	<i>10</i>	29,325	29,902
Tax recoverable		4,865	5,031
Amounts due from associates		487	10,726
Financial assets at fair value through profit or loss		18	12
Finance lease receivables	<i>11</i>	–	–
Pledged bank deposits and restricted cash		625	592
Bank balances and cash		2,535	9,349
		776,293	812,747
Assets classified as held for sale		–	160,000
		776,293	972,747

		30 June	31 December
		2020	2019
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
CURRENT LIABILITIES			
Trade and other payables	12	1,003,984	1,012,702
Amounts due to related parties		28	28
Amounts due to directors		45,316	31,719
Amounts due to associates		11,665	12,363
Borrowings		3,082,359	3,235,678
Lease liabilities		2,754	8,175
Financial guarantee contracts		255,849	255,849
Provision for warranty		1,220	1,242
		<u>4,403,175</u>	<u>4,557,756</u>
NET CURRENT LIABILITIES		<u>(3,626,882)</u>	<u>(3,585,009)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(3,261,912)</u>	<u>(3,188,649)</u>
CAPITAL AND RESERVES			
Share capital		13,637	13,637
Reserves		<u>(3,553,547)</u>	<u>(3,490,259)</u>
Equity attributable to owners of the Company		<u>(3,539,910)</u>	<u>(3,476,622)</u>
Non-controlling interests		244,309	246,991
TOTAL DEFICITS		<u>(3,295,601)</u>	<u>(3,229,631)</u>
NON-CURRENT LIABILITIES			
Other payables – non-current portion	12	4,893	4,982
Lease liabilities		506	842
Convertible bonds payables – non-current portion		9,065	8,775
Deferred tax liabilities		19,225	26,383
		<u>33,689</u>	<u>40,982</u>
		<u>(3,261,912)</u>	<u>(3,188,649)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1. BASIS OF PREPARATION

The condensed consolidated financial statements of China Ocean Industry Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2020 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 (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

In the preparation of the condensed consolidated financial statements, the directors of the Company (the “Directors”) have considered the liquidity of the Group in future. For the six months ended 30 June 2020, the Group reported a loss for the period attributable to owners of the Company of approximately HK\$134,439,000, and as of that date, the Group had net current liabilities and net liabilities of approximately HK\$3,626,882,000 and HK\$3,295,601,000, respectively.

In additions, the Group defaulted on the repayment of certain borrowings and payables on their respective due dates as at 30 June 2020. Those creditors including banks had taken legal actions against the Group to recover the debts and apply for winding up petition against the Company as disclosed in the section of “Litigation and Contingent Liabilities” in this announcement.

To improve the Group’s operation and financial position, the Directors have been implementing the following operating and financing measures:

- (a) The Group actively reorganised the shipbuilding business, introduced large enterprises to integrate the shipbuilding business, and revitalised the shipbuilding assets. The reorganisation plan, which began in March 2018, has been promoted around the business integration of Jiangxi Jiangzhou Union Shipbuilding Co., Ltd (“Jiangxi Shipbuilding”) and the cooperation with large enterprises. Although unpredictable factors have been encountered, the overall work is now being carried out in an orderly manner. At the same time, the revitalisation of spare resources of Jiangxi Shipbuilding such as wharfs and lands is also under way and the storage and logistics business along Yangtze River is expected to commence operation in the future. In addition, we also expect to carry out new activities related to logistics through business diversification or merge and acquisition to contribute stable long-term cash flows to the Group;

- (b) The Group will dispose of part of its assets and investment to obtain funds so as to improve its financial position;
- (c) Under the government's instruction and with the supports for real economy and private enterprises from all levels of government, the Group is negotiating with lending banks and asset management companies in relation to loan restructuring to extend repayment date and reduce gearing level;
- (d) The Group is in contact with a number of investors to issue new shares or convertible bonds;
- (e) The Group is in negotiation with certain suppliers and creditors to extend payment due date and reduce the amount of payment.

Also, the Directors are of the opinion that, taking into account the measures as above, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from these condensed consolidated financial statements were authorised to issue. Accordingly, the Directors are of the opinion that it is appropriate to prepare these condensed consolidated financial statements for the six months ended 30 June 2020 on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments, which are measured at revalued amounts or fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2019.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 December 2020.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- a) Shipbuilding business – provision of shipbuilding services under shipbuilding construction contracts and operated in the PRC.
- b) Trading business – provision of trading of electronic appliance and operated in Hong Kong.
- c) Finance leasing business – provision of direct finance leasing, sale and leaseback, advisory services and provision of factoring services in the PRC.
- d) Intelligent car parking and automotive device business – manufacturing and sales of car parking equipment, investment, operation and management of car parks and electronic automotive devices in the PRC.
- e) Steel structure engineering and installation – manufacturing and selling of steel structures and fittings for ship, marine equipment, mining equipment, ro-ro equipment, ship, bridge and building steel structure in the PRC.

Six months ended 30 June 2020 (Unaudited)

	Shipbuilding business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Finance leasing business <i>HK\$'000</i>	Intelligent car parking and automotive device business <i>HK\$'000</i>	Steel structure engineering and installation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue						
– External sales	–	–	–	9,662	2,513	12,175
Segment result	(83,385)	–	(18,166)	(15,900)	1,206	(116,245)
Unallocated other income						164
Unallocated other gains and losses						(2,105)
Change in fair value of financial assets mandatorily measured at fair value through profit or loss						6
Unallocated finance costs						(10,304)
Share of loss of associates						(1,971)
Loss on disposal of associates						(60)
Unallocated corporate expenses						(10,555)
Loss before tax						(141,070)

Six months ended 30 June 2019 (Unaudited)

	Shipbuilding business <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Finance leasing business <i>HK\$'000</i>	Intelligent car parking and automotive device business <i>HK\$'000</i>	Steel structure engineering and installation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue						
– External sales	1,248	–	–	15,853	21,675	38,776
Segment result	<u>(214,466)</u>	<u>(17,837)</u>	<u>(9,235)</u>	<u>(34,733)</u>	<u>(64,408)</u>	(340,679)
Unallocated other income						5
Unallocated other gains and losses						(1,837)
Changes in fair value of financial assets mandatorily measured at fair value through profit or loss						(17)
Unallocated finance costs						(25,642)
Share of loss of associates						(1,440)
Gain on disposal of an associate						69,507
Unallocated corporate expenses						<u>(8,680)</u>
Loss before tax						<u><u>(308,783)</u></u>

4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	(2,595)	(780)
Gain on disposal of a subsidiary	–	274
Foreign exchange loss	(2,105)	(1,837)
Penalty arising from litigation	–	(1,110)
Others	(385)	(54)
	<u>(5,085)</u>	<u>(3,507)</u>

5. FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interests on:		
Convertible bonds payable	845	20,771
Lease liabilities	366	–
Bank borrowings and other borrowings	100,590	180,822
Guarantee fee and fund management fee incurred in connection with borrowings	1,068	46,716
Others	–	11
	<u>102,869</u>	<u>248,320</u>

6. INCOME TAX CREDIT

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – PRC tax	–	12
Deferred tax	(3,859)	(5,342)
	<u>(3,859)</u>	<u>(5,330)</u>

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Directors' and chief executives' emoluments:		
Fees, salaries and other benefits	2,934	3,296
Contributions to retirement benefits scheme	32	36
Other staff costs:		
Salaries and other benefits	10,222	22,236
Redundancy fee	–	5,076
Contributions to retirement benefits scheme	3,045	3,992
Total staff costs	<u>16,233</u>	<u>34,636</u>
Auditor's remuneration:		
Audit services	–	66
Non-audit services	–	700
	<u>–</u>	<u>766</u>
Depreciation of right-of-use assets	7,530	9,973
Depreciation of property, plant and equipment	29,848	34,295
Amortisation of intangible assets	–	20,028
Minimum lease payments paid under operating leases in respect of rented premises	642	5,082
Impairment loss recognised in respect of other receivables	–	18,967
Impairment loss recognised in respect of trade receivables	–	17,837
Cost of inventories recognised as expenses	<u>9,111</u>	<u>42,628</u>

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(134,439)	(302,016)

	Six months ended 30 June	
	2020	2019
	'000	'000
	(Unaudited)	(Unaudited)
		(Restated)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	340,921	340,921

Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share

340,921	340,921
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For the six months ended 30 June 2020 and 30 June 2019, the computation of diluted loss per share does not assume i) the exercise of the Company's share options because exercise price of the share options was higher than the average market price per share; and ii) the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share for the year.

9. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period.

10. TRADE RECEIVABLES/OTHER RECEIVABLES/PREPAYMENT

	30 June	31 December
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade receivables – contracts with customers	77,088	77,155
<i>Less:</i> Allowance for credit losses	<u>(7,235)</u>	<u>(7,235)</u>
Total trade receivables, net of allowance for credit losses (<i>Note</i>)	<u>69,853</u>	<u>69,920</u>
Other receivables	249,751	261,640
Value-added tax recoverable	71,667	73,222
Deposit paid	72,901	72,969
Deposits placed to agents and a stakeholder	<u>7,318</u>	<u>7,451</u>
	401,637	415,282
<i>Less:</i> Allowance for credit losses	<u>(52,453)</u>	<u>(52,453)</u>
Other receivables, net of allowance for credit losses	<u>349,184</u>	<u>362,829</u>
Prepayment	<u>29,325</u>	<u>29,902</u>

Note:

At 30 June 2020 and 31 December 2019, the Group's trade receivables included (1) trade receivables from factoring services with one year credit period; (2) trade receivables from intelligent car parking and automotive device business with average 90 days credit period; (3) retention receivables for intelligent car parking with range from one to two years under the respective terms of contract; and (4) trade receivables from steel structure engineering and installation with 30 days credit period.

At 30 June 2020, trade receivables are non-interest bearing, except for trade receivables from factoring services with aggregate amount of approximately HK\$4,037,000 (31 December 2019: HK\$4,110,000) which bear interest rate of 12% (2019: 12%) per annum.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on contract date/delivery date at the end of the reporting periods:

	30 June	31 December
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
0 – 90 days	748	16,181
More than 90 days but not exceeding one year	11,664	–
In more than one year	57,441	53,739
	<u>69,853</u>	<u>53,739</u>
	<u>69,853</u>	<u>69,920</u>

The Group did not hold any collateral over these balances.

11. FINANCE LEASE RECEIVABLES

	30 June	31 December
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Finance lease receivables within one year	4,780	4,780
<i>Less: Unearned finance income</i>	<u>(863)</u>	<u>(863)</u>
Present value of minimum lease payment receivables	3,917	3,917
<i>Less: Allowance for credit losses</i>	<u>(3,917)</u>	<u>(3,917)</u>
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>

There were no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that need to be recorded as at the end of the reporting period.

The finance lease receivables bear interest rate at 7.6% (31 December 2019: 7.6%) per annum.

12. TRADE AND OTHER PAYABLES

	30 June	31 December
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Consideration payable for acquisition of property, plant and equipment – non-current portion	<u>4,893</u>	<u>4,982</u>
Trade payables	74,523	70,478
Payable to guarantors	45,752	46,584
Contribution payables to labour union and education funds	13,085	13,323
Accrual of contractor fees	7,216	12,908
Accrual of government funds	2,077	2,115
Other payables and accruals	<u>861,331</u>	<u>867,294</u>
	<u>1,003,984</u>	<u>1,012,702</u>

The following is an aged analysis of trade payables presented based on invoice date or issue date, respectively, at the end of reporting periods:

	30 June	31 December
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
0 – 30 days	32	76
31 – 60 days	–	929
61 – 90 days	–	6
Over 90 days	<u>74,491</u>	<u>69,467</u>
	<u>74,523</u>	<u>70,478</u>

Trade payables are unsecured, non-interest bearing and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

China Ocean Industry Group Limited is engaged in the intelligent car-parking and automotive electronics, shipbuilding, steel structure engineering and installation business, trading and finance lease business.

Having affected by various unfavorable factors, the global economy has been in a new wave of uncertainty and China's domestic economy has also been experiencing unprecedented difficulties. As an enterprise focusing on manufacturing, the impact on the Group was even more significant. Faced with the continuous downturn in the shipbuilding industry, the Group has encountered difficulties in financing with high cost of funding which were commonly faced by enterprises during the process of transformation, resulting in the standstill of some business segments of the Group. In order to find a way to overcome difficulties, the Group mainly focused on the revitalization of shipbuilding assets and the restructuring of debts during the first half of 2020. Under the guidance of the government, the Group promoted cooperation with leading corporations in order to carry out effective utilization of the Group's lands, factories, shorelines of the Yangtze River, etc. and seek the restructuring of debts on this basis. However, due to certain uncontrollable factors, such cooperation has experienced setbacks. Meanwhile, the Company received a winding up petition from a cooperation party in Hong Kong which also affected the Group's new financing plan. Although surrounded by abovementioned unfavorable factors, the Group refused to give up and continued to enhance the communication with the government, financial institutional creditors with a view to introduce new partnerships and implement strategic business restructuring plans.

The current business restructuring plans of the Group has received great supports from different levels of governments in Jiangxi Province and Jiangsu Province, and received positive response from financial institutions. Despite the impact of the COVID-19 virus, the Group has been achieving substantive progress in various aspects.

For the six months ended 30 June 2020 (the "Period"), the Group recorded an external revenue of HK\$12.18 million (2019: HK\$38.78 million).

During the Period under review, the Group recorded gross profit of HK\$3.06 million (2019: gross loss of HK\$4.02 million), while the Group recorded gross loss in last period.

The Group's finance cost decreased from HK\$248.32 million to HK\$102.87 million, mainly due to the decreased in interests and guarantee fee in connection with borrowings.

In general, for the six months ended 30 June 2020, the Group recorded a loss attributable to owners of the Company of approximately HK\$134.44 million (2019: HK\$302.02 million), representing a substantial decrease, as compared to last period, which was mainly due to the significant reduction in finance costs.

Shipbuilding Business

The shipbuilding business had not recorded external revenue (2019: HK\$1.25 million) during the Period under review.

The Six Vessels

In relation to the six vessels, four of them (the "Four Vessels") which had been rescinded in 2018 are in the course of seeking buyers and relevant intentional agreements have already been reached. Meanwhile, the Group is negotiating with relevant creditor banks and financial institutions in relation to the disposal of these vessels.

For the remaining two vessels (the "Two vessels") which had been rescinded in 2019 are in the course of seeking buyers. In order to maximize the benefits to the Group, the solutions will be taken account in conjunction with the overall restructuring plan of Jiangxi Jiangzhou Union Shipbuilding Ltd.

Shipbuilding business is the focus of the restructuring of the Group. The Group will gradually adjust the operation model and product structure of the shipbuilding business to reduce the losses of the shipbuilding business.

In order to completely alter the constraints arising from its shipbuilding business to the Group, the Group continues to promote cooperation with relevant state-owned enterprises with a view to restructure the shipbuilding assets of Jiangzhou, Jiangxi Province. Meanwhile, the Group committed to expand the logistic, storage and shipping business leveraging on its geographical advantages and shoreline of Yangtze River, and related work is in progress.

Intelligent Car-Parking and Automotive Device Business

For the six months ended 30 June 2020, the intelligent car-parking and automotive electronics business recorded an external revenue of HK\$9.66 million (2019: HK\$15.85 million), representing a decrease of 39.05% as compared with last period. The intelligent car-parking and automotive electronics business of the Group has been greatly affected by the litigation of associates. The Group has adopted closing part of the production facilities and reducing the number of employees to scale down the business of this segment.

Finance Leasing Business

The finance lease company is a company established in Zhoushan jointly by the Group and an investment platform company of the government. In order to improve the balance sheet, the Group may consider to quit this business segment.

Disclaimer of Opinion of 2019 Annual Report

As disclosed in the section “Independent Auditor’s Report” (the “Auditor’s report”) of 2019 annual report, the Auditor do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described under the paragraph (a) to (i) headed “BASIC FOR DISCLAIMER OF OPINION” set out on pages 69 to 80 of 2019 annual report, the Auditors have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. Such qualification are mainly the results of the issues surrounding the Six Vessels which the cost of sales incurred, whether the inventories was fairly stated could not be determined and the going concern of the Group.

The Management has spared no efforts in working out solutions for the Six Vessels during 2020. It is expected that before the end of financial year 2020, all the Four Vessels and the Two Vessels will be disposed of.

Upon discussion with the Auditor, if legally-binding agreement will be entered into in relation to the disposal of the Six Vessels during the year ending 31 December 2020, the inventory would be stated at the lower of cost (including budgeted cost to complete the Six Vessels, if any) and net realizable values as at the year ending 31 December 2020. This audit qualification would be removed for the year ending 31 December 2020.

Uncertainties Relating to Going Concern

For the six months ended 30 June 2020, the Group reported a loss attributable to the owners of the Company of approximately HK\$134.44 million. As of that date, the Group's current liabilities exceeded its current assets by approximately HK\$3,626.88 million and the Group had net liabilities of approximately HK\$3,295.60 million, in which total borrowings amounted to approximately HK\$3,082.36 million, its bank balances and cash were only approximately HK\$2.54 million. It is uncertain about the ability of the Group to maintain adequate future cash flow and the assumptions made by the Directors in preparing the consolidated financial statements on a going concern basis.

Considering the consensus reached with asset management company, several banks and other financial institutions, as well as the intention to cooperate with relevant state-owned enterprises. Also, taking into account the measures as below, the Directors are of the opinion that, the Group will have sufficient working capital to meet its financial obligations as they fall due in the next twelve months from these condensed consolidated financial statements were authorised to issue. Accordingly, the Directors are of the opinion that it is appropriate to prepare these condensed consolidated financial statements on a going concern basis.

- (a) The Group actively reorganised the shipbuilding business, introduced large enterprises to integrate the shipbuilding business, and revitalised the shipbuilding assets. The reorganisation plan, which began in March 2018, has been promoted around the business integration of Jiangxi Jiangzhou Union Shipbuilding Co., Ltd (“Jiangxi Shipbuilding”) and the cooperation with large enterprises. Although unpredictable factors have been encountered, the overall work is now being carried out in an orderly manner. At the same time, the revitalisation of spare resources of Jiangxi Shipbuilding such as wharfs and lands is also under way and the storage and logistics business along Yangtze River is expected to commence operation in the future. In addition, we also expect to carry out new activities related to logistics through business diversification or merge and acquisition to contribute stable long-term cash flows to the Group;

- (b) The Group will dispose of part of its assets and investment to obtain funds so as to improve its financial position;
- (c) Under the government's instruction and with the supports for real economy and private enterprises from all levels of government, the Group is negotiating with lending banks and asset management companies in relation to loan restructuring to extend repayment date and reduce gearing level;
- (d) The Group is in contact with a number of investors to issue new shares or convertible bonds;
- (e) The Group is in negotiation with certain suppliers and creditors to extend payment due date and reduce the amount of payment.

The audit committee of the Company ("Audit Committee") understands the uncertainties in relation to going concern and has discussions with the management in this regard. The Audit Committee concurs the view with the management, particularly, deliberations were focused on the uncertainty and difficulties faced by the asset-heavy related business segments. Notwithstanding this, the Audit Committee believes that the asset revitalization of Jiangxi Shipbuilding and the new business arising therefrom would enable to broaden the revenue stream of the Group and correspond to the Company's continual effort in transforming its business. Meanwhile, the Audit Committee believes that efforts to reduce debts will relieve the funding pressure of the Company. The Audit Committee is of the view that the Group could address the issue of uncertainties relating to going concern.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Group had bank balances and cash (including pledged bank deposits and restricted cash) of approximately HK\$3.16 million (31 December 2019: HK\$9.94 million); short-term borrowings of HK\$3,082.36 million (31 December 2019: HK\$3,235.68 million); convertible bonds payable amounted to approximately HK\$9.07 million (31 December 2019: HK\$8.78 million) represented the carrying values of principal amount of HK\$11.10 million (31 December 2019: HK\$11.10 million). The gearing ratio defined as non-current liabilities and short-term borrowing divided by total shareholders' equity was (0.95) (31 December 2019: (1.01)).

FUND RAISING FROM ISSUE OF SHARES/CONVERTIBLE BONDS

On 10 March 2020, the Company entered into the Subscription Agreements with Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 68 million Subscription Shares at the Subscription Price of HK\$0.105 per Subscription Share. The total consideration payable by the Subscribers under the Subscription Agreements amounts to HK\$7.14 million.

For more details of the subscription of shares, please refer to the announcements of the Company dated 10 March 2020 and 17 March 2020, 9 April 2020, 15 May 2020, 5 June 2020, 19 June 2020, 10 July 2020, 31 July 2020 and 31 August 2020.

2019 Convertible Bonds

On 19 July 2019, the Company and each of the Subscribers entered into the Subscription Agreement I and Subscription Agreement II, pursuant to which the Company conditionally agreed to issue, and the Subscribers conditionally agreed to subscribe for, the Convertible Bonds with an aggregate principal amount of HK\$110 million due 3 years from the date of issue of the Convertible Bonds at the Conversion Price of HK\$0.64 per Conversion Share upon the Capital Reorganisation becoming effective (“2019 Convertible Bonds”). As at the date of this announcement, the issued 2019 Convertible Bonds with principal amount of approximately HK\$11.10 million (equivalent to approximately RMB10.00 million) in accordance with the terms of Subscription Agreement II and the Subscription Agreement I has lapsed on 29 February 2020.

Details regarding the subscription of convertible bonds under specific mandate are disclosed in the Company’s announcements dated 19 July 2019, 12 January 2020 and 29 February 2020 and circular dated 3 October 2019.

The shareholders' dilution impact in the event of the allotment and issue of Conversion Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.64 per Share are as follows:

Shareholder	At the 30 June 2020		Immediately after full conversion of the Convertible Bonds (Note 2)	
	No. of Shares	Approximate percentage	No. of Shares	Approximate percentage
Mr. Li Ming	31,219,448	9.16%	31,219,448	8.71%
Lead Dragon Limited (Note 1)	13,550,125	3.97%	13,550,125	3.78%
Mr. Zhang Shi Hong	642,750	0.19%	642,750	0.18%
Wise Benefit Investment Limited	0	0%	17,343,750	4.84%
Public Shareholders	295,508,648	86.68%	295,508,648	82.49%
Total:	<u>340,920,971</u>	<u>100.00%</u>	<u>358,264,721</u>	<u>100.00%</u>

Notes:

1. Lead Dragon Limited is wholly-owned by Mr. Li Ming, the chairman and an executive Director.
2. The shareholding structure set out in this column is shown for illustration purposes only. The Conversion Rights shall only be exercisable so long as not less than 25% of the then total number of issued Shares as enlarged by the issue of the Conversion Shares are being held in public hands and will not result in the relevant Bondholder, its associates and parties acting in concert with it will, in aggregate, control or be interested in 30% or more of the voting rights of the Company unless: (i) a whitewash waiver is obtained in accordance with the requirements of the Takeovers Code; or (ii) a general offer is made in accordance with the requirements of the Takeovers Code.

CHARGES ON GROUP ASSETS

As at 30 June 2020, HK\$20.64 million (31 December 2019: HK\$26.04 million) of property, plant and equipment and HK\$133.73 million (31 December 2019: HK\$139.20 million) of right-of-use assets were pledged to banks or other parties to secure borrowings, bills payable and facilities granted to the Group.

As at 30 June 2020, the Company pledged the entire equity interest of a wholly-owned subsidiary of the Company, Jiangxi Jiangzhou Union Shipbuilding Ltd., to secure an bank borrowing amounting to RMB108.96 million (31 December 2019: RMB105.51 million).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The income and expenditure of the Group were denominated in Renminbi, Hong Kong Dollars and United States Dollars. As at 30 June 2020, the Group did not hedge its exposure to foreign exchange risk profile as the Group could not find a suitable instrument to manage this exposure. The Board will continue to consider the appropriate hedging measures.

NEW BUSINESS, MATERIAL ACQUISITIONS AND DISPOSALS

Forced Transfer of Equity Interest in Associated Company

On 20 June 2020, the Company received a notice of conclusion of enforcement dated 16 June 2020 issued by the Intermediate People's Court of Zhoushan City, Zhejiang Province* (浙江省舟山市中級人民法院) (the "Court") pursuant to which the Court has ordered the Group to transfer its 20% equity interest in Zhejiang Ocean in satisfaction of the outstanding sum owed to Zhoushan Ocean Leasing New Energy Limited (舟山海租新能源有限公司) ("Claimant").

In February 2020, the Claimant had applied to enforce a mediation award in the amount of approximately RMB132.30 million against Merge Limited, a direct wholly-owned subsidiary of the Company.

As Merge Limited failed to settle the outstanding sum, in the course of enforcement, the Court has ordered, among others, that Merge Limited shall transfer the 20% equity interest it held in Zhejiang Ocean through Online Judicial Auction and such equity interest was subsequently transferred at a consideration of approximately RMB142.00 million to an independent third party to the Company and its connected persons (as defined in the Listing Rules) in satisfaction of, among others, (i) the outstanding sum in the amount of approximately RMB132.30 million owed to the Claimant by Merge Limited and (ii) taxes, court charges, service charges and other related expenses (the "Forced Transfer") and the Forced Transfer has taken effect on 10 June 2020.

Details regarding the Forced Transfer are disclosed in the Company's announcements dated 22 June 2020.

Save as disclosed elsewhere under the section headed "Management Discussion and Analysis", there was no new business, material acquisitions and disposals of subsidiaries and associated companies during the Period under review.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCES OF FUNDING

Save as disclosed elsewhere under the section headed "Management Discussion and Analysis", there was no future plans for material investments and expected sources of funding during the Period under review.

The Company, however, will continue to seek investments in companies or projects that could bring synergy to the Group should the targets or opportunities arise. In addition, the Company may also invest in new business projects only if such investment is in favourable to the future development of the Group. Given the current uncertain market conditions, the Company may obtain funding for new projects through fund raising or loans while reserving the internal resources for its core businesses.

HUMAN RESOURCES

The Group had around 335 employees as at 30 June 2020. It has been the Group's policy to ensure that the pay levels of its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. The Group has participated in a mandatory provident fund scheme for its employees in Hong Kong. Shares options may also be granted to eligible persons of the Group.

LITIGATION AND CONTINGENT LIABILITIES

Status and Actions of The Company in Respect of The Winding Up Petition

On 2 August 2019, the Company received a petition (the “Petition”) from Titan Petrochemicals Group Limited (the “Petitioner”) in the matter of the Companies (Winding Up and Miscellaneous Provision) Ordinance (Chapter 32, Laws of Hong Kong) filed in the High Court of the of The Hong Kong Special Administrative Region (the “High Court”) under Companies Winding-up Proceedings No. 230 of 2019 that the Company may be wound up by the High Court on the ground that the Company is insolvent and unable to pay its debt. The court hearing of the winding up petition and the Time Summons were held on 25 September 2019, 20 November 2019, 16 December 2019, 20 January 2020, 31 March 2020 and 19 June 2020 and has been adjourned to 5 October 2020 (the “Hearing Date”).

In order to eliminate the uncertainties arising from the Petition, which are associated with the transfer of the Shares, the subscription of the Convertible Bonds and any issuance of Conversion Shares thereafter, the Company has engaged and consulted legal advisers for application for necessary validation order(s) from the High Court. The Validation Order has been granted by the High Court on 23 September 2019. By the Validation Order, any transfer of Shares since the date of presentation of the Petition is valid and the Company shall proceed with the issuance of the Convertible Bonds.

For more details of the Petition, please refer to the announcements of the Company dated 5 August 2019, 28 August 2019, 23 September 2019, 25 September 2019, 27 September 2019, 20 November 2019, 11 December 2019, 16 December 2019, 31 December 2019, 12 January 2020, 17 January 2020, 20 January 2020, 3 February 2020, 20 March 2020, 25 March 2020, 27 March 2020, 31 March 2020 and 19 June 2020.

As at 30 June 2020, other material pending litigations and contingent liabilities are set out as follows:

- (a) At 30 June 2020, the Group has not paid the social security fund for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The social security fund accrued up to 30 June 2020 of approximately HK\$60,349,000 (equivalent to RMB54,863,000) in aggregate, were recorded as “Trade and other payables” in the consolidated statement of financial position (31 December 2019: HK\$59,457,000 (equivalent to RMB53,086,000)).

A repayment agreement was signed between Jiangxi Shipbuilding, a wholly-owned subsidiary of the Company and the relevant government authority on 26 January 2015 in respect of the settlement of the unpaid social security fund. Per the agreement, all outstanding amounts should be repaid before December 2019. The Directors considered that if the Group could settle the unpaid social security fund according to the repayment agreement, no penalty would be imposed by the relevant government authority. The balances had not been settled at the end of the reporting period.

- (b) At 30 June 2020, the Group has not paid the housing provident fund contributions for and on behalf of its employees which expose the Group to the risk of being imposed the penalty by the relevant government authority. The housing provident fund contributions accrued up to 30 June 2020 of approximately HK\$6,297,000 (equivalent to RMB5,725,000) in aggregate, were recorded as “Trade and other payables” in the consolidated statement of financial position (31 December 2019: HK\$6,445,000 (equivalent to RMB5,755,000)).

- (c) The Company had recognised the provision in relation to the litigations of approximately RMB945,501,000 (2019: RMB945,501,000) under “Trade, other payables” and “other borrowings” in the consolidated statement of financial position as at 30 June 2020. The Directors are of the opinion that it is not probable that these claims would result in an out flow of economic benefits exceeding the provisions made by the Group. Details are set out as follows:
- (i) In 2018, a shipbuilding administrator filed litigation to the Intermediate People’s Court of Zhoushan City against Jiangxi Shipbuilding and China Ocean Shipbuilding Holdings Limited for bankruptcy revocation, involving litigation amounts of RMB257,611,000. In 2019, the litigation was judged. At 30 June 2020, the outstanding payable had not been settled.
 - (ii) In 2018, a shipbuilding administrator filed litigation to the Intermediate People’s Court of Zhoushan City against Jiangxi Shipbuilding and Jiujiang Jinhu Equipment Manufacturing Company Limited for bankruptcy revocation, involving litigation amounts of RMB63,930,000. In 2019, the litigation was judged. At 30 June 2020, the outstanding payable had not been settled.
 - (iii) In 2018, an independent third party filed litigation to the People’s Court of Ruichang City against Jiangxi Shipbuilding for outstanding liabilities, involving litigation amounts of RMB12,000,000. In 2019, the litigation was judged. At 30 June 2020, the outstanding payable of the principal payment and the relevant interests of approximately RMB12,000,000 had not been settled.
 - (iv) In 2018, a contractor filed litigation to Wuhan Marine Court against Jiangxi Shipbuilding for the failure to make payment of service fees, involving the total amount of litigation of approximately RMB6,691,000. In 2019, the litigation was judged. At 30 June 2020, the outstanding payable of service fees of approximately RMB4,535,000 had not been settled.
 - (v) In 2019, an guarantor filed litigation to the Intermediate People’s Court of Wuhan City against Jiangxi Shipbuilding for outstanding liabilities, involving litigation amounts of RMB210,845,000. At 30 June 2020, the litigation was not in trial yet.

- (vi) In 2019, a supplier filed litigation to the Intermediate People's Court of Jiujiang City against Jiangxi Shipbuilding for outstanding liabilities, involving litigation amounts of RMB36,096,000. At 30 June 2020, the litigation was not judged yet.
- (vii) In 2019, an independent third party filed litigation to the Intermediate People's Court of Jiangxi Jiujiang City against the Company and China Ocean Industry (Shenzhen) Financial Leasing Company Limited for outstanding borrowings. In 2019, the litigation was judged. At 30 June 2020, the outstanding payable of approximately RMB360,484,000.
- (d) On 3 December 2015, Merge Limited and other shareholders of Zhejiang Ocean as counter guarantors (collectively referred to the "Counter Guarantor") entered into the counter guarantee agreement with Zhoushan Marine Comprehensive Development and Investment Co., Ltd (舟山海洋綜合開發投資有限公司) (the "Guarantor"), pursuant to which the Counter Guarantors shall, in proportion to their respective shareholding in Zhejiang Ocean and upon demand of the Guarantor, indemnify the Guarantor for all liabilities and expenses which may be incurred by the Guarantor under any guarantee given or to be given by the Guarantor in favour of Zhejiang Ocean during the period from 1 January 2015 to 31 December 2020 in respect of loan agreements and asset securitization agreements entered into by Zhejiang Ocean (the "Guarantee"), up to an aggregate amount of RMB900,000,000, together with any interests, penalty, compensation and related fees and expenses which may be payable by the Guarantor under the Guarantee. Accordingly, the maximum amount which Merge shall indemnify the Guarantor is 20% of the aforesaid aggregate amount, being RMB180,000,000.

Save as disclosed above, the Directors are of the opinion that the Group has no other material contingent liabilities at 30 June 2020.

CAPITAL COMMITMENTS

	June 30	31 December
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted for but not provided in the consolidated financial statement:		
Unpaid registered capital for the associates	39,710	80,845
Unpaid registered capital for the subsidiaries	390,170	397,264
Unpaid registered capital for a joint venture	110,594	112,605
	<u>540,474</u>	<u>590,714</u>

EVENTS AFTER THE REPORTING PERIOD

The outbreak of COVID-19 (“COVID-19”) in early 2020 has affected the Group’s business segment adversely. The Group has closely monitored on the development of the COVID-19 and taken a number of cost control measures to mitigate the impact of this challenging situation. The Group will pay close attention to the change of situation and evaluate its impact on the financial position and operating results of the Group.

Save as discussed elsewhere under the section headed “Management Discussion and Analysis”, the Group had no other material events after the reporting period as at the date of this announcement.

PROSPECTS

The adjustment faced by the China's real economy, together with the impacts to the economies by the global epidemic of COVID-19, have brought new challenges to the Group's business transformation. It will also be a challenge for to the Group to tackle the above changes. We believe that there would be more measures and greater efforts from the government to support and rescue the real economy. The Group will actively leverage on relevant policies to promote the business integration and debt restructuring of Jiangxi Shipbuilding so as to achieve substantive breakthroughs as soon as practicable and effectively carry out integration of the wharfs, coastline, land resources, etc. The Group will continue to expand related businesses and combine such expansion with the demand from the local governments for investment promotion and capital introduction, and seek various cooperation opportunities in terms of logistics, storage and transportation of new energy, green building materials and steel structure processing, etc. along the Yangtze River. On this basis, the Group will actively create conditions necessary to reduce the Group's debt burden through the support from the government to the real economy.

DIVIDEND

No dividends were paid or proposed for the six months ended 30 June 2020, nor has any dividend been proposed since the end of the reporting period (2019: Nil).

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rule regarding Directors' securities transactions. Based on specific enquiry of all the Directors of the Company, the Directors have complied with the required standard as set out in the Model Code for the six months ended 30 June 2020.

CORPORATE GOVERNANCE

The Group has recognized the importance of transparency and accountability, and the Board believes that shareholders can be benefited from good corporate governance. The Company aims to achieve good standard of corporate governance. During the six months ended 30 June 2020, the Company has complied with the code provisions as set out in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), except for the deviations from Codes Provision disclosed below.

Code provision A.1.8 stipulates that The Company should arrange appropriate insurance cover in respect of legal action against its directors.

The Company has been looking for a suitable insurance policy to purchase in the market since the expiration of the previous insurance policy.

As disclosed in the section “Management Discussion and Analysis” under the paragraphs headed “Uncertainties relating to going concern” set out on pages 10 to 12 and “Report on Corporate Governance” set out on pages 29 to 30 of 2019 annual report, the auditors of the Company issued a disclaimer of opinion over the Group’s ability to continue as a going concern due to the conditions indicate the material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group incurred a loss attributable to owners of the Company of approximately HK\$134,439,000 for the six months ended 30 June 2020 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$3,626,882,000 and the Group had net liabilities of approximately HK\$3,295,601,000 in which total borrowings amounted to approximately HK\$3,082,359,000, while its bank balance and cash were only approximately HK\$2,535,000. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern.

The Board has adopted and considered different measures with different dimensions to further improve its cash flow, e.g. (i) revitalising shipbuilding assets of Jiangxi Shipbuilding by using its spare resources such as wharfs and lands for production, storage and transportation and by introduced large shipbuilding companies to integrate and recognise the shipbuilding business; (ii) negotiating with banks, under government's instruction, to delay the repayment of debt or to apply for additional instalment to decrease the Group's financial burden; (iii) seeking investors to issue new shares and/or convertible bonds; (iv) negotiating with its suppliers and creditors to extend payment due date; and (v) disposing its assets and investment to enable the Group to restructure its core business and to obtain funds to improve its financial position.

In view of the aforesaid, the Board, including the Audit Committee, believes that the above measures, if materialised, will not only bring to the Group a significant improvement on the financial performance but also help to address the Disclaimer of Opinions of the Auditor, and accordingly is of the view that the Group could continue as a going concern.

For more details regarding the uncertainties relating to going concern are disclosed in the session "MANAGEMENT DISCUSSION AND ANALYSIS" under the paragraphs headed "UNCERTAINTIES RELATING TO GOING CONCERN" set out on pages 20 to 21 of this announcement.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

PRE-EMPTIVE RIGHTS

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

AUDIT COMMITTEE REVIEW OF ACCOUNTS

The Audit Committee of the Company as at the date of this announcement comprises three independent non-executive directors, namely, Mr. Hu Bai He, Ms. Xiang Siying and Ms. Xiang Ying. The Chairman of the Audit Committee is Mr. Hu Bai He. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the review of the interim financial results of the Group for the six months ended 30 June 2020.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The 2020 interim results announcement is published on the websites of the Stock Exchange and the Company. The 2020 interim report will be dispatched to shareholders of the Company and will also be published on the website of both the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.irasia.com/listco/hk/chinaoceanindustry/ in due course.

BOARD OF DIRECTORS

The Board of the Company as at the date of this announcement comprises three executive directors, namely, Mr. Li Ming, Mr. Zhang Shi Hong and Mr. Zhang Chuanjun; and three independent non-executive directors, namely, Ms. Xiang Siying, Mr. Hu Bai He and Ms. Xiang Ying.

By order of the Board

LI Ming

Chairman

Hong Kong, 31 August 2020