



珠海控股投資集團有限公司  
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED



**INTERIM REPORT**  
**2015**

(Incorporated in Bermuda with limited liability)  
Stock Code: 00908

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# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. Huang Xin (Chairman)  
Mr. Zhou Shaoqiang (Chief Executive Officer)  
(appointed on 14 August 2015)  
Mr. Jin Tao  
Mr. Ye Yuhong  
Mr. Li Wenjun

### Non-Executive Directors

Datuk Wira Lim Hock Guan  
Mr. Wang Zhe  
Mr. Kwok Hoi Hing  
(appointed on 16 June 2015)

### Independent Non-Executive Directors

Mr. Hui Chiu Chung  
Mr. Chu Yu Lin, David  
Mr. Albert Ho  
Mr. Wang Yijiang  
(appointed on 14 August 2015)

### Audit Committee

Mr. Albert Ho (Chairman)  
Mr. Hui Chiu Chung  
Mr. Chu Yu Lin, David

### Nomination Committee

Mr. Huang Xin (Chairman)  
Mr. Ye Yuhong  
Mr. Hui Chiu Chung  
Mr. Chu Yu Lin, David  
Mr. Albert Ho  
Mr. Wang Yijiang  
(appointed on 14 August 2015)

### Remuneration Committee

Mr. Hui Chiu Chung (Chairman)  
Mr. Chu Yu Lin, David  
Mr. Albert Ho

### Company Secretary

Mr. Chan Chit Ming, Joeie

### Auditors

PricewaterhouseCoopers

## Principal Bankers

Malayan Banking Berhad,  
Hong Kong Branch  
Industrial and Commercial Bank of China,  
Zhuhai Branch  
Bank of China, Zhuhai Branch  
Everbright Bank of China, Zhuhai Branch  
Xiamen International Bank, Zhuhai Branch  
Shanghai Pudong Development Bank,  
Zhuhai Branch

## Legal Advisors (as to Hong Kong law)

Chiu & Partners  
Ashurst Hong Kong

## Principal Share Registrar

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

## Branch Share Registrar

Tricor Tengis Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## Head Office and Principal Place of Business in Hong Kong

Units 3709–10  
37/F, West Tower, Shun Tak Centre  
168-200 Connaught Road Central  
Sheung Wan  
Hong Kong

## Registered Office

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## Stock Code

00908

## Investors Relation

Email address:  
info@0908.hk

## Website

www.0908.hk

\* The English transliteration of the Chinese names in this interim report, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

## **To the Board of Directors of Zhuhai Holdings Investment Group Limited**

(incorporated in Bermuda with limited liability)

### **Introduction**

We have reviewed the interim financial information set out on pages 5 to 43, which comprises the interim condensed consolidated statement of financial position of Zhuhai Holdings Investment Group Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

## PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28 August 2015

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# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2015	2014
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
	Note		
<b>Revenue</b>	6	<b>907,792</b>	866,099
Cost of sales		<b>(657,771)</b>	(653,423)
Gross profit		<b>250,021</b>	212,676
Other income and gains, net		<b>28,878</b>	43,454
Selling and distribution expenses		<b>(68,554)</b>	(40,474)
Administrative expenses		<b>(84,387)</b>	(85,572)
Other operating expenses		<b>(1,930)</b>	(830)
Finance costs	8	<b>(460)</b>	(13,041)
Share of profits and losses of:			
A joint venture		<b>812</b>	1,742
Associates		<b>1,281</b>	(9)
<b>Profit before tax</b>	7	<b>125,661</b>	117,946
Income tax expense	9	<b>(47,524)</b>	(41,092)
Profit for the period		<b>78,137</b>	76,854

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS (continued)

		<b>Six months ended 30 June</b>	
		<b>2015</b>	2014
		<b>HK\$'000</b>	HK\$'000
		<b>(Unaudited)</b>	(Unaudited)
	Note		
<b>Attributable to:</b>			
Ordinary equity holders of the Company		<b>14,178</b>	33,319
Non-controlling interests		<b>63,959</b>	43,535
		<b>78,137</b>	76,854
<b>Earnings per share attributable to ordinary equity holders of the Company</b>			
	11		
Basic		<b>HK1.00 cents</b>	HK2.36 cents
Diluted		<b>HK0.81 cents</b>	HK1.99 cents

The notes on pages 15 to 43 form an integral part of this condensed consolidated interim financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Profit for the period</b>	<b>78,137</b>	76,854
<b>Other comprehensive income/(loss)</b>		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Remeasurements of defined benefit obligations	<b>(35)</b>	(6,578)
<i>Items that may be reclassified to profit or loss</i>		
Fair value gains on available-for-sale investments	<b>22,400</b>	1,200
Exchange differences on translation of foreign operations	<b>1,059</b>	(44,846)
	<b>23,459</b>	(43,646)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>23,424</b>	(50,224)
<b>Total comprehensive income for the period</b>	<b>101,561</b>	26,630
<b>Attributable to:</b>		
Ordinary equity holders of the Company	<b>37,122</b>	(1,802)
Non-controlling interests	<b>64,439</b>	28,432
	<b>101,561</b>	26,630

The notes on pages 15 to 43 form an integral part of this condensed consolidated interim financial information.



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	845,846	802,747
Prepaid land lease payments		410,299	418,538
Rights to use port facilities		17,992	18,350
Properties under development	13	5,039,789	4,824,437
Intangible asset		4,902	4,900
Interests in a joint venture		12,923	12,109
Interests in associates		5,897	4,614
Available-for-sale investments		35,000	12,600
Prepayments and deposits		65,011	40,439
Deferred tax assets		69,029	59,249
Total non-current assets		6,506,688	6,197,983
<b>Current assets</b>			
Properties under development	13	2,273,204	1,847,883
Securities measured at fair value through profit or loss		1,320	1,440
Available-for-sale investments		95,104	–
Inventories		22,950	19,432
Trade receivables	14	111,803	106,592
Prepayments, deposits and other receivables		140,693	103,866
Prepaid tax		25,511	9,338
Due from related companies		14,792	11,463
Restricted bank balance		251,287	29,004
Time deposits		76,083	8,725
Cash and cash equivalents		903,104	1,138,076
Total current assets		3,915,851	3,275,819
<b>Total assets</b>		<b>10,422,539</b>	<b>9,473,802</b>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (continued)

	Note	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
<b>Current liabilities</b>			
Trade payables	15	30,951	33,153
Deferred income, accrued liabilities and other payables		352,900	340,283
Advance receipts from customers		1,275,569	466,881
Construction payables		165,006	99,100
Interest-bearing bank and other borrowings	16	634,027	651,565
Tax payable		64,197	68,456
Promissory note	17	200,000	200,000
Due to a major shareholder		92,382	67,653
Due to related companies		21,460	22,811
Total current liabilities		2,836,492	1,949,902
<b>Net current assets</b>			
		1,079,359	1,325,917
<b>Total assets less current liabilities</b>			
		7,586,047	7,523,900
<b>Non-current liabilities</b>			
Convertible bonds	18	514,849	506,994
Promissory note	17	337,167	317,224
Interest-bearing bank and other borrowings	16	1,566,045	1,565,086
Loan from a major shareholder	19	272,632	272,542
Deferred income, accrued liabilities and other payables		155,700	147,594
Deferred tax liabilities		911,801	912,827
Defined benefit obligations		92,136	90,466
Total non-current liabilities		3,850,330	3,812,733
<b>Net assets</b>			
		3,735,717	3,711,167

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (continued)

		<b>30 June 2015 HK\$'000 (Unaudited)</b>	31 December 2014 HK\$'000 (Audited)
	Note		
<b>Equity</b>			
Equity attributable to ordinary equity holders of the Company			
Issued share capital	20	<b>142,780</b>	141,416
Reserves		<b>2,171,247</b>	2,128,156
		<b>2,314,027</b>	2,269,572
Non-controlling interests		<b>1,421,690</b>	1,441,595
<b>Total equity</b>		<b>3,735,717</b>	3,711,167

The notes on pages 15 to 43 form an integral part of this condensed consolidated interim financial information.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited													Non-controlling interests	Total equity
	Capital and reserves attributable to ordinary equity holders of the Company														
	Issued share capital	Share premium	Contributed surplus	Merger reserve	Warrant reserve	Convertible bonds equity reserve	Other reserve	Asset revaluation reserve	Investments revaluation reserve	Statutory funds reserve	Exchange fluctuation reserve	Retained profits	Sub-total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2015	141,416	888,209	446,355	(57,310)	690	68,777	(200,573)	70,204	6,800	169,316	325,293	410,395	2,269,572	1,441,595	3,711,167
Total comprehensive income	-	-	-	-	-	-	-	-	22,400	-	574	14,148	37,122	64,439	101,561
Issue of shares upon conversion of convertible bonds (Note 18)	1,364	22,998	-	-	-	(2,751)	-	-	-	-	-	-	21,611	-	21,611
Deemed partial disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	2,029	2,029
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(86,373)	(86,373)
2014 final dividend paid (Note 10)	-	-	-	-	-	-	-	-	-	-	-	(14,278)	(14,278)	-	(14,278)
Total transactions with ordinary equity holders, recognised directly in equity	1,364	22,998	-	-	-	(2,751)	-	-	-	-	-	(14,278)	7,333	(84,344)	(77,011)
At 30 June 2015	142,780	911,207	446,355	(57,310)	690	66,026	(200,573)	70,204	29,200	169,316	325,867	410,265	2,314,027	1,421,690	3,735,717

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Unaudited Capital and reserves attributable to ordinary equity holders of the Company													Total equity HK\$'000	
	Issued share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Merger reserve HK\$'000	Warrant reserve HK\$'000 (Note 21)	Convertible bonds equity reserve HK\$'000	Other reserve HK\$'000	Asset revaluation reserve HK\$'000	Available- for-sale investments revaluation reserve HK\$'000	Statutory reserve funds HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000		Non- controlling interests HK\$'000
At 1 January 2014, as restated	141,416	888,209	446,355	(57,310)	690	68,777	(200,573)	47,438	3,800	148,808	334,568	428,757	2,250,935	1,347,504	3,538,439
Total comprehensive income	-	-	-	-	-	-	-	-	1,200	-	(31,046)	28,044	(1,802)	28,432	26,630
2013 final dividend paid (Note 10)	-	-	-	-	-	-	-	-	-	-	-	(28,283)	(28,283)	-	(28,283)
2013 special dividend paid (Note 10)	-	-	-	-	-	-	-	-	-	-	-	(14,142)	(14,142)	-	(14,142)
Total transactions with ordinary equity holders, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(42,426)	(42,426)	-	(42,426)
At 30 June 2014	141,416	888,209	446,355	(57,310)	690	68,777	(200,573)	47,438	5,000	148,808	303,522	414,376	2,206,708	1,375,936	3,582,644

The notes on pages 15 to 43 form an integral part of this condensed consolidated interim financial information.



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>368,821</b>	43,945
Income taxes paid	<b>(69,459)</b>	(46,959)
Net cash flows generated from/(used in) operating activities	<b>299,362</b>	(3,014)
<b>Cash flows from investing activities</b>		
Interest received	<b>10,243</b>	10,223
Prepayment for purchases of property, plant and equipment	<b>(19,166)</b>	–
Purchases of property, plant and equipment	<b>(72,836)</b>	(26,238)
Proceeds from disposal of property, plant and equipment	<b>613</b>	990
Cash repayment to related companies	<b>(448)</b>	–
Cash receipt from related companies	<b>174</b>	113,620
Purchases of available-for-sale investments	<b>(95,104)</b>	(233,071)
Recovery of deposit for the proposed acquisition of a subsidiary in prior years	–	30,000
Compensation from the vendor of the proposed acquisition of a subsidiary in prior years	–	12,402
Increase in restricted bank balance	<b>(29,452)</b>	–
(Increase)/decrease in time deposits	<b>(67,358)</b>	8,491
Net cash flows used in investing activities	<b>(273,334)</b>	(83,583)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
CASH FLOWS (continued)

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>Cash flows from financing activities</b>		
New bank loan	–	17,638
Repayment of bank loan	<b>(17,747)</b>	(63,595)
Dividends paid to shareholders	<b>(14,278)</b>	(42,425)
Dividends paid to non-controlling shareholders	<b>(86,373)</b>	–
Interest paid	<b>(142,157)</b>	(126,920)
Net cash flows used in financing activities	<b>(260,555)</b>	(215,302)
Net decrease in cash and cash equivalents	<b>(234,527)</b>	(301,899)
Cash and cash equivalents at beginning of period	<b>1,138,076</b>	902,633
Effect of foreign exchange rate changes, net	<b>(445)</b>	(8,341)
Cash and cash equivalents at end of period	<b>903,104</b>	592,393

The notes on pages 15 to 43 form an integral part of this condensed consolidated interim financial information.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1 General Information

Zuhai Holdings Investment Group Limited (the “Company”) and its subsidiaries (together, the “Group”) was engaged in the following principal activities:

- investment holding
- provision of ferry services
- property development
- operation of a golf club
- management of a holiday resort
- management of a theme park
- management of an amusement park
- provision of port facilities
- trading and distribution of fuel oil

The Company is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at Units 3709–10, 37/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 28 August 2015.

This condensed consolidated interim financial information has been reviewed but not audited.

## 2 Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### 3 Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2014, as described in those annual financial statements.

Amendments to HKFRSs effective for the financial year ending 31 December 2015 do not have a material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on this Group.

### 3 Accounting Policies (continued)

**New and amended standards that have been issued and are effective for periods commencing on or after 1 January 2016 and have not been early adopted by the Group**

Standards	Subject of amendment	Effective for annual periods beginning on or after
HKFRS 14	Regulatory deferral accounts	1 January 2016
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment entities: Applying the consolidation exception	1 January 2016
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to HKAS 1 (Revised)	The disclosure initiative	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants	1 January 2016
Amendments to HKAS 27 (2011)	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	Annual improvements 2012-2014 cycle	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted in.



#### 4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

#### 5 Financial Risk Management and Financial Instruments

##### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk, currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

There have been no changes in any risk management policies since year end.

##### 5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flow for financial liabilities.

## 5 Financial Risk Management and Financial Instruments (continued)

### 5.3 Fair value estimation

The different levels of financial instruments carried at fair value by valuation method are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

#### ***Assets measured at fair value:***

As at 30 June 2015, the available-for-sale investments classified as non-current assets of HK\$35,000,000 (31 December 2014: HK\$12,600,000) and the securities measured at fair value through profit or loss of HK\$1,320,000 (31 December 2014: HK\$1,440,000) of the Group were measured by using quoted prices in active markets (i.e. Level 1).

As at 30 June 2015, the available-for-sale investments classified as current assets of HK\$95,104,000 (31 December 2014: Nil) of the Group was measured at fair value under Level 3.

#### ***Liabilities measured at fair value:***

As at 30 June 2015 and 31 December 2014, the Group had no financial liabilities measured at fair value.

There were no transfers between Level 1, Level 2 and Level 3 during the period.

There were no other changes in valuation techniques during the period.

## 6 Operating Segment Information

The chief operating decision-maker has been identified as the executive directors. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Executive directors monitor the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of profit/(loss) before tax. The profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs and share of profits and losses of a joint venture and associates are excluded from such measurement.

No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in the People's Republic of China (the "PRC"), which is considered as one geographical location in an economic environment with similar risk and returns.

The Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

- (a) the Jiuzhou Blue Sea Jet and Blue Marine Tourism segment consists of the provision of ferry services;
- (b) the property development segment consists of the development of properties for sale;
- (c) the golf club operations segment consists of the provision of comprehensive golf club facilities;
- (d) the hotel segment consists of the management of a holiday resort hotel;
- (e) the tourist attraction segment consists of the management of a theme park and an amusement park;

## 6 Operating Segment Information (continued)

- (f) the public utilities segment consists of the provision of port facilities and the trading and distribution of fuel oil; and
- (g) the corporate and others segment comprises the Group's investment holding and trading of securities, together with corporate expense items.

Segment assets exclude deferred tax assets, prepaid tax and amounts due from related companies as these assets are managed on group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, promissory note, amounts due to a major shareholder and related companies, convertible bonds, a loan from a major shareholder and deferred tax liabilities as these liabilities are managed on group basis.

The Group has changed the internal reporting structure effective from 1 January 2015. Accordingly, the comparative segment information has been restated to reflect the current reporting structure.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

6 Operating Segment Information (continued)

The following table presents revenue and results for the Group's operating segments for the periods ended 30 June 2015 and 2014.

Segment	Composite Real Estate and Green Leisure Tourism																			
	Jiuzhou Blue Sea Jet and Blue Marine Tourism		Property development		Golf club operations		Hotel		Tourist attraction		Public utilities		Corporate and others		Inter-segment eliminations		Consolidated			
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Revenue:																				
Sales to external customers	348,703	330,348	-	-	9,648	11,921	83,946	83,946	10,515	9,745	463,466	430,139	-	-	-	-	-	-	-	866,099
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	48,685	43,689	-	-	(48,685)	(43,689)	-	-	-	-
Total	348,703	330,348	-	-	9,648	11,921	83,946	83,946	10,515	9,745	512,151	473,838	-	-	(48,685)	(43,689)	907,792	866,099	907,792	866,099
Segment results	188,810	152,440	(27,826)	(3,772)	(17,989)	(13,669)	8,196	10,226	(22,020)	(520)	44,748	37,596	(11,449)	(19,571)	(48,685)	(43,689)	113,785	119,031	113,785	119,031
Interest income																	10,243	10,223	10,243	10,223
Finance costs																	(460)	(460)	(460)	(460)
Share of profits and losses of Associates	812	1,742	-	-	-	-	-	-	-	-	-	-	-	-	-	-	812	1,742	812	1,742
Profit before tax	1,275	(9)	-	-	-	-	-	-	-	-	6	-	-	-	-	-	1,281	1,281	1,281	(9)
Income tax expense																	125,661	117,946	125,661	117,946
Profit for the period																	(47,824)	(41,092)	(47,824)	(41,092)
																	78,137	76,854	78,137	76,854



NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

6 Operating Segment Information (continued)

The following table presents certain assets and liabilities for the Group's operating segments as at 30 June 2015 and 31 December 2014.

		Composite Real Estate and Green Leisure Tourism																	
		Juzhou Blue Sea Jet and Blue Marine Tourism			Property development			Golf club operations		Hotel		Tourist attraction		Public utilities		Corporate and others		Consolidated	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets and liabilities</b>																			
Segment assets		402,468	477,323	7,859,040	6,905,823	278,599	273,676	610,656	489,119	450,997	464,940	288,066	313,384	404,561	452,764	10,294,387	9,377,029		
Interests in a joint venture		12,923	12,109	-	-	-	-	-	-	-	-	-	-	-	-	12,923	12,109		
Interests in associates		3,941	2,665	-	-	-	-	-	-	-	-	1,956	1,949	-	-	5,897	4,614		
Unallocated assets																109,332	80,050		
<b>Total assets</b>																10,422,539	9,473,802		
Segment liabilities																			
Unallocated liabilities		80,741	89,717	1,557,560	653,774	201,743	178,512	100,952	108,694	54,489	44,018	71,969	88,452	4,908	14,310	2,072,262	1,177,477		
<b>Total liabilities</b>																4,614,560	4,586,158		
																6,686,822	5,792,655		

NOTES TO CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION (continued)

## 7 Profit Before Tax

An analysis of the amounts presented as operating items in the financial information is given below:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Net fair value (loss)/gain on securities measured at fair value through profit or loss	(120)	229
Depreciation	27,543	27,806
Amortisation of prepaid land lease payments	8,339	8,347
Amortisation of rights to use port facilities	364	366
Loss on disposal and write-off of property, plant and equipment, net	1,587	481

## 8 Finance Costs

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Interest on bank loans wholly repayable within five years	5,119	1,330
Interest on bridging loan from an independent third party	–	109,203
Interest on a loan from AVIC Trust Co., Ltd. ("Trust Loan")	122,579	–
Interest on loan from a major shareholder	17,570	22,958
Interest on promissory note	19,943	27,427
Interest on convertible bonds	41,852	38,361
Less: Interest capitalised	(206,603)	(186,238)
	460	13,041

## 9 Income Tax Expense

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Current income tax:		
– Hong Kong	9	–
– The PRC	58,724	39,149
Deferred income tax (credit)/expense	(11,209)	1,943
	<b>47,524</b>	41,092

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period. No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the six months ended 30 June 2014. The Group's subsidiaries located in Mainland China are subject to the PRC income tax rate of 25% (six months ended 30 June 2014: 25%).

## 10 Dividends

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Dividends paid during the period		
Final in respect of the financial year ended 31 December 2014		
– HK1 cent (2013: HK2 cents) per ordinary share	<b>14,278</b>	28,283
Special in respect of the financial year ended 31 December 2014		
– Nil (2013: HK1 cent) per ordinary share	–	14,142
	<b>14,278</b>	42,425

No interim dividend in respect of six months ended 30 June 2015 was proposed by the board of directors.

## 11 Earnings Per Share Attributable to Ordinary Equity Holders of the Company

### (a) Basic

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of approximately HK\$14,178,000 (six months ended 30 June 2014: HK\$33,319,000) and the weighted average number of ordinary shares in issue during the period of 1,417,252,107 (six months ended 30 June 2014: 1,414,163,909).

## 11 Earnings Per Share Attributable to Ordinary Equity Holders of the Company (continued)

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and warrants. 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, if any. The warrants of the Company had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share.

The calculation of diluted earnings per share is based on:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company	14,178	33,319
Interest expense on convertible bonds charged to interim consolidated statement of profit or loss	-	1,577
Profit used to determine diluted earnings per share	<b>14,178</b>	34,896



## 11 Earnings Per Share Attributable to Ordinary Equity Holders of the Company (continued)

### (b) Diluted (continued)

	Six months ended 30 June	
	2015	2014
<b>Shares</b>		
Weighted average number of ordinary shares in issue	<b>1,417,252,107</b>	1,414,163,909
Adjustment for: assumed conversion of convertible bonds	<b>338,327,410</b>	340,831,629
Weighted average number of ordinary shares for diluted earnings per share	<b>1,755,579,517</b>	1,754,995,538

## 12 Property, Plant and Equipment

During the six months ended 30 June 2015, the Group acquired property, plant and equipment with a cost of HK\$72,836,000 (six months ended 30 June 2014: HK\$26,238,000). Property, plant and equipment with a net book value of HK\$2,200,000 (six months ended 30 June 2014: HK\$1,471,000) were disposed of during the period, resulting in loss on disposal of HK\$1,587,000 (six months ended 30 June 2014: loss on disposal of HK\$481,000).

### 13 Properties Under Development

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Properties under development expected to be completed:		
– Within one operating cycle included under current assets	<b>2,273,204</b>	1,847,883
– Beyond one operating cycle included under non-current assets	<b>5,039,789</b>	4,824,437
<b>Total</b>	<b>7,312,993</b>	6,672,320
Properties under development comprise:		
– Capitalised interests	<b>651,246</b>	444,494
– Land use rights	<b>5,833,048</b>	5,831,126
– Construction costs and capitalised expenditures	<b>828,699</b>	396,700
<b>Total</b>	<b>7,312,993</b>	6,672,320

## 14 Trade Receivables

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Trade receivables	<b>125,472</b>	121,673
Less: allowance for impairment of trade receivables	<b>(13,669)</b>	(15,081)
	<b>111,803</b>	106,592

A defined credit policy is maintained within the Group. The general credit terms range from one to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise its credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Overdue balances are regularly reviewed by senior management. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at 30 June 2015 and 31 December 2014, based on the invoice date, is as follows:

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Current to 3 months	<b>94,901</b>	108,420
4 to 6 months	<b>1,245</b>	1,312
7 to 12 months	<b>20,279</b>	137
Over 12 months	<b>9,047</b>	11,804
	<b>125,472</b>	121,673

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

### 15 Trade Payables

An aging analysis of the trade payables as at 30 June 2015 and 31 December 2014, based on the invoice date, is as follows:

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Current to 3 months	<b>25,366</b>	28,961
4 to 6 months	<b>1,186</b>	245
7 to 12 months	<b>483</b>	196
Over 12 months	<b>3,916</b>	3,751
	<b>30,951</b>	33,153

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

## 16 Interest-Bearing Bank and Other Borrowings

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
<b>Non-current</b>		
Trust Loan – secured (note (a))	<b>1,268,054</b>	1,267,636
Bank loans – secured	<b>297,991</b>	297,450
	<b>1,566,045</b>	1,565,086
<b>Current</b>		
Trust Loan – secured (note (a))	<b>634,027</b>	633,818
Bank loans – secured (note (b))	–	17,747
	<b>634,027</b>	651,565
	<b>2,200,072</b>	2,216,651

Movements in borrowings are analysed as follows:

	<b>Six months ended 30 June</b>	
	<b>2015 HK\$'000</b>	2014 HK\$'000
At beginning of the period	<b>2,216,651</b>	1,717,055
Proceeds of new borrowings	–	17,638
Repayments of borrowings	<b>(17,747)</b>	(63,595)
Exchange difference	<b>1,168</b>	(15,665)
At end of the period	<b>2,200,072</b>	1,655,433

NOTES TO CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION (continued)

**16 Interest-Bearing Bank and Other Borrowings (continued)**

At 30 June 2015 and 31 December 2014, the Group's borrowings were repayable as follows:

	Bank loans		Trust Loan		Total	
	30 June 2015 HK\$'000	31 December 2014 HK\$'000	30 June 2015 HK\$'000	31 December 2014 HK\$'000	30 June 2015 HK\$'000	31 December 2014 HK\$'000
	Within 1 year	–	17,747	634,027	633,818	634,027
Between 1 and 2 years	148,225	72,716	1,268,054	1,267,636	1,416,279	1,340,352
Between 2 and 5 years	149,766	224,734	–	–	149,766	224,734
	<b>297,991</b>	315,197	<b>1,902,081</b>	1,901,454	<b>2,200,072</b>	2,216,651

Notes:

- (a) Pursuant to the loan agreements dated 15 July 2014 and the supplemental loan agreement dated 2 August 2014 signed between Zhuhai International Circuit Consolidated Development Limited\* (珠海國際賽車場綜合發展有限公司) ("Zhuhai Development") and AVIC Trust Co., Ltd. ("AVIC Trust"), AVIC Trust released a Trust Loan of RMB1,500,000,000 to Zhuhai Development in August 2014. The applicable interest rate on the Trust Loan is 13% annually. The first tranche of Trust Loan amounting to RMB500,000,000 matured in August 2015, while the remaining loan balance will be repayable in August 2016.

As at 30 June 2015, Zhuhai Jiuzhou Holdings Group Co., Ltd. ("ZJ Holdings"), a major shareholder of the Company, and the Company have executed guarantees in respect of the Trust Loan borrowed by Zhuhai Development up to HK\$1,902,081,000 (31 December 2014: HK\$1,901,454,000) and HK\$1,084,186,000 (31 December 2014: HK\$1,083,829,000), respectively.

Trust Loan is secured by the land use rights included in the properties under development of the Group of HK\$4,669,101,000 (31 December 2014: HK\$4,667,562,000).

- (b) As at 30 June 2015, ZJ Holdings did not execute any guarantee in respect of the Group's bank loan. As at 31 December 2014, ZJ Holdings executed a guarantee in respect of the Group's bank loan of HK\$17,747,000.
- (c) The fair value of borrowings approximates to their carrying amount.
- (d) Borrowings bear average coupons of 3.2%–13% annually (2014: 3.2%–13% annually).

## 17 Promissory Note

The promissory note with a face value of HK\$850,000,000, which was issued on 12 August 2013, is interest-free, with a principal amount of HK\$250,000,000 repayable on or before 31 December 2014 and a principal amount of HK\$200,000,000 each repayable on or before 31 December 2015, 2016 and 2017, respectively. The promissory note is secured by 100% shares of Lamdeal Golf & Country Club Limited, a subsidiary of the Group.

Movements of the promissory note are as follows:

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
At beginning of the period	<b>517,224</b>	711,312
Interest expenses	<b>19,943</b>	27,427
At end of the period	<b>537,167</b>	738,739
Less: current portion	<b>(200,000)</b>	(250,000)
Non-current portion	<b>337,167</b>	488,739



## 18 Convertible Bonds

On 12 August 2013, the Company issued convertible bonds with a nominal value of HK\$500,000,000.

Pursuant to the subscription agreement, the convertible bonds are:

- (a) convertible at the option of the bondholders into ordinary shares on or after 12 August 2013 and prior to 12 August 2018, on the basis of one ordinary share with nominal value of HK\$0.10 each at an initial conversion price of HK\$1.50, subject to adjustments in certain events. In light of the declaration of final dividend and special dividend in respect of the financial year ended 31 December 2013, pursuant to the respective terms and conditions of the convertible bonds, the conversion price was adjusted from HK\$1.50 to HK\$1.467 with effect from 21 June 2014. In light of the declaration of final dividend in respect of the financial year ended 31 December 2014, pursuant to the respective terms and conditions of the convertible bonds, the conversion price was adjusted from HK\$1.467 to HK\$1.45 with effect from 6 June 2015;
- (b) redeemable at the option of the bondholders at any time within one month from the date falling three years from 12 August 2013 at a value that will provide the bondholders with an internal rate of return of 13% per annum (including the accrued 5% interest paid) on the principal amount of the convertible bonds to be redeemed;
- (c) redeemable at the option of the Company at any time on or after the second anniversary from 12 August 2013 and up to the third business day prior to 12 August 2018 at a value that will provide the bondholders with an internal rate of return of 13% per annum (including the accrued 5% interest paid) on the principal amount of the convertible bonds to be redeemed; and

## 18 Convertible Bonds (continued)

- (d) mandatory convertible at the option of the Company at any time in whole or in part of the convertible bonds for the time being outstanding, provided that (i) the volume weighted average closing price of the Company's shares in the immediately preceding 30 consecutive trading days represents 120% or more of the then conversion price; and (ii) the average daily trading volume of the Company's shares in the immediately preceding 30 consecutive trading days represents not less than 5,000,000 shares (subject to adjustment) and the daily trading volume of the Company's shares on each of such 30 consecutive trading days is not less than 3,000,000 shares (subject to adjustment).

Unless previously redeemed, converted or purchased or cancelled, any convertible bonds not converted will be redeemed at a value that will provide the bondholders with an internal rate of return of 13% per annum (including the accrued 5% interest paid) on the principal amount of the convertible bonds to be redeemed on 12 August 2018. The convertible bonds carry interest at a rate of 5% per annum, which is payable semi-annually in arrears on 30 June and 31 December.

On 21 May 2015, Pacific Alliance Asia Opportunity Fund L. P. (the "CB Holder") partially converted the convertible bonds in the principal amount of HK\$20,000,000 into shares of the Company. The Company allotted and issued a total of 13,633,265 shares to the CB Holder at a conversion price of HK\$1.467 per share. Upon the conversion, the Company derecognised the liability component of HK\$21,611,000 and transferred this amount with equity component (convertible bonds equity reserve) of HK\$2,751,000 into share capital and share premium with the amount of HK\$1,364,000 and HK\$22,998,000, respectively.

## 18 Convertible Bonds (continued)

Movements of the convertible bonds during the period:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
At beginning of the period	506,994	459,974
Conversion of the convertible bonds	(21,611)	–
Interest expenses	41,852	38,361
Interest paid	(12,386)	(15,727)
At end of the period	514,849	482,608

## 19 Loan from A Major Shareholder

	30 June	31 December
	2015 HK\$'000	2014 HK\$'000
ZJ Holdings	272,632	272,542

The amount as at 30 June 2015 represents unsecured loan with principal of RMB215,000,000 (approximately HK\$272,632,000) (31 December 2014: HK\$272,542,000). The loan bears interests at 13% (2014: 13%) per annum and is repayable in 2017.

## 20 Issued Share Capital

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
<b>Shares</b>		
Authorised:		
4,000,000,000 shares of HK\$0.10 each	<b>400,000</b>	400,000
Issued and fully paid:		
1,427,797,174 (2014:1,414,163,909) ordinary shares of HK\$0.10 each	<b>142,780</b>	141,416

## 21 Warrants

Pursuant to a subscription agreement entered into with LIM Asia Special Situations Master Fund Limited (the "Subscriber") on 25 November 2013, the Company issued 70,000,000 ordinary shares at HK\$1.52 each and 30,000,000 unlisted warrants (the "Warrants") at the warrant issue price of HK\$0.023 per warrant to the Subscriber in 2013.

The Warrants give the holder of the Warrants the rights to subscribe for 30,000,000 new shares of the Company's ordinary shares. The initial subscription price of the Warrants is HK\$1.80 per share, subject to adjustments, at any time during the period from 25 November 2013 to 24 November 2018.

In light of the declaration of final dividend and special dividend in respect of the financial year ended 31 December 2013, pursuant to the respective terms and conditions of the Warrants, the subscription price of the Warrants was adjusted from HK\$1.80 to HK\$1.76 with effect from 21 June 2014. In light of the declaration of final dividend in respect of the financial year ended 31 December 2014, pursuant to the respective terms and conditions of the Warrants, the subscription price of the Warrants was adjusted from HK\$1.76 to HK\$1.75 with effect from 6 June 2015.

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

### 21 Warrants (continued)

No Warrants were exercised from issue date to 30 June 2015. Upon full exercise of the Warrants, a total of 30,000,000 new shares will be issued under the present capital structure of the Company and the net proceeds upon full exercise are approximately HK\$52,500,000.

Warrants issued meet the definition of equity instrument and the total proceeds of HK\$690,000 were classified as warrant reserve in equity on issuance date.

### 22 Related Party Transactions

The Company's major shareholder is ZJ Holdings, which is a state-owned enterprise established in the PRC. As at 30 June 2015, ZJ Holdings' equity interest in the Company is 40.73% (31 December 2014: 40.72%). The transactions with related parties were conducted in the ordinary and usual course of business in accordance with terms agreed between the Group and its related parties.

- (a) In addition to those disclosed elsewhere in this condensed consolidated interim financial information, the Group had the following material transactions with related parties during the period:

Name	Relationship with the Company	Nature	Six months ended 30 June	
			2015 HK\$'000	2014 HK\$'000
Zhuhai Jiuzhou Port Passenger Transport Station Co., Ltd.	A subsidiary of a major shareholder	Port service fees	1,108	1,081
ZJ Holdings	A major shareholder	Rental expenses	2,640	2,614
ZJ Holdings	A major shareholder	Interest expenses	17,570	22,958
Zhuhai Jiuzhou Travel Transport Co., Ltd.	An associate of a major shareholder	Sales of diesel and petrol	2,459	1,921
Zhuhai Wanshan Port Co., Ltd.	A joint venture of a major shareholder	Commission expenses	4,187	3,330

## 22 Related Party Transactions (continued)

### (b) Other transactions with related parties

In addition, in 1994, Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd. (“Jiuzhou Port Company”), a subsidiary of the Group, was granted by ZJ Holdings the rights to use the port facilities at the Jiuzhou Port for a period of 20 years at a lump sum payment of approximately RMB33,000,000 (approximately HK\$31,000,000). Under a supplemental lease agreement dated 1 March 2000, the terms of the lease were renegotiated, and both parties agreed to extend the lease to Jiuzhou Port Company for the use of the port facilities, which include certain buildings and structures erected at the Jiuzhou Port, to 40 years from that date up to 27 March 2040 at no additional cost.

### (c) Other transactions with key management

As disclosed in the announcement of the Company dated 16 June 2015, Mr. Ye Yuhong, an executive director of the Company and his close family member entered into a sale and purchase agreement with Zhuhai Development in respect of the sale and purchase of a residential property under the Cuihu Xiangshan Project, a property development project in Zhuhai, the PRC undertaken by Zhuhai Development, at a consideration of RMB6,227,383 (approximately HK\$7,894,000). The delivery of the property is expected to take place before 30 May 2016.

### (d) Key management compensation

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Salaries, allowances and benefits in kind	1,136	1,070
Pension costs – defined contribution plans	120	117
	<b>1,256</b>	<b>1,187</b>

## 23 Contingent Liabilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities as at the dates below:

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	<b>268,929</b>	8,379

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owned by the defaulting purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The Group's guarantees period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and their obligations are well covered by the value of the properties and therefore the fair value of financial guarantees is immaterial.

Except for the financial guarantees as disclosed above, the Group had no material contingent liabilities as at 30 June 2015 (31 December 2014: Nil).



## 24 Operating Lease Commitments

As at 30 June 2015 and 31 December 2014, the Group had future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Within one year	<b>8,251</b>	2,946
In the second to fifth years, inclusive	<b>11,404</b>	7,148
After five years	<b>14,795</b>	15,365
	<b>34,450</b>	25,459

## 25 Capital Commitments

As at 30 June 2015, the Group had the following contracted, but not provided for, commitments:

- (a) In respect of acquisition of property, plant and equipment of HK\$487,576,000 (31 December 2014: HK\$234,226,000); and
- (b) In respect of construction works related to properties under development of HK\$467,465,000 (31 December 2014: HK\$704,863,000).

## 25 Capital Commitments (continued)

The Group has entered into an agreement with an independent third party to pay an annual management fee of RMB24,000,000 (approximately HK\$30,433,000) for a period of 90 months for management of the property development project of the Group. At the end of the reporting period, total management fee commitment falling due was as follows:

	<b>30 June 2015 HK\$'000</b>	31 December 2014 HK\$'000
Within one year	<b>30,433</b>	30,423
In the second to fifth years, inclusive	<b>121,733</b>	121,693
After five years	<b>30,433</b>	45,635
	<b>182,599</b>	197,751

## 26 Events Occurring After the Date of Statement of Financial Position

- (a) On 13 July 2015, the Company has granted an aggregate of 79,600,000 share options to eligible grantees, including certain directors, senior management and connected persons of the Group, under its share option scheme adopted on 28 May 2012. The share options will enable the grantees to subscribe for an aggregate of 79,600,000 new ordinary shares of HK\$0.1 each in the share capital of the Company at an exercise price of HK\$2.01 per share. The share options granted to each grantee are subject to certain vesting conditions and valid for a period of 10 years commencing from the date of grant.
- (b) On 28 July 2015, the Group entered into a facility agreement with a group of banks for a four-year term loan facilities of up to HK\$2,000,000,000.

# MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION

## Management Discussion and Analysis

### Business Review

In the first half of 2015, China's economy maintained steady development and the development environment of China's tourism industry was relatively favourable. Against this backdrop, due to the emergence of demand in the passenger transportation and tourism industry and the fact that it is less cyclical than other industries, China's passenger transportation and tourism industry recorded a stable performance compared with most of other industries. Zhuhai Holdings Investment Group Limited (the "Company") and its subsidiaries (collectively, the "Group") achieved stable performance for the six months ended 30 June 2015 (the "Period Under Review"). The unaudited consolidated revenue of the Group amounted to approximately HK\$907.8 million, representing a slight increase of about 4.8% as compared to approximately HK\$866.1 million for the same period last year. Gross profit of the Group increased by 17.6% to HK\$250.0 million. The unaudited consolidated profit for the period was HK\$78.1 million, comparing to HK\$76.9 million for the same period last year. Furthermore, the unaudited consolidated net profit attributable to ordinary equity holders of the Company was approximately HK\$14.2 million (six months ended 30 June 2014: HK\$33.3 million). The decrease in profit attributable to ordinary equity holders of the Company during the Period Under Review was mainly attributable to the following two factors: (1) the increase in selling and distribution expenses for the property development business segment due to the commencement of pre-sale of high-rise residential buildings in Zhuhai and no such pre-sale was realised as revenue; and (2) the decrease in government grants received by the Group for the New Yuanming Palace. Excluding these two factors, the businesses of the Group including Jiuzhou Blue Sea Jet and Blue Marine Tourism, hotel and public utilities performed satisfactorily and contributed profit to the Group during the Period Under Review.

### 1. *Jiuzhou Blue Sea Jet and Blue Marine Tourism*

#### 1.1 Jiuzhou Blue Sea Jet

During the Period Under Review, Zhuhai High-Speed Passenger Ferry Co., Ltd.\* (珠海高速客輪有限公司) (the "Ferry Company", a non wholly-owned subsidiary of the Company) and its subsidiaries (collectively the "Ferry Group") has officially launched the implementation of the new brand "Jiuzhou Blue Sea Jet" and gradually completed the replacement of all logos in ship cabins, with the purposes of reviving company image, further enhancing its core competitiveness through the utilisation of the brand and further increasing reputation and influence of the Ferry Company.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 1. *Jiuzhou Blue Sea Jet and Blue Marine Tourism (continued)*

##### 1.1 Jiuzhou Blue Sea Jet (continued)

In the first half of 2015, the passenger volume of ferry services running between Zhuhai and Hong Kong (including the Hong Kong Airport line) and between Zhuhai and Shekou operated by the Ferry Company was approximately 1,078,000 and 466,500 respectively, representing an increase of approximately 0.5% and 5.6% as compared to the same period last year. During the Period Under Review, the passenger volume of various islands lines in Zhuhai was approximately 447,000, recorded an increase of approximately 10.0% over the same period of last year.

During the Period Under Review, there were different levels of decline in the passenger volume among the other ports in Guangdong and Hong Kong while that of the Ferry Company increased instead of decreased. The market share of the passenger volume of ferry services between Guangdong and Hong Kong operated by the Ferry Company increased to approximately 44.9%, which continued to outpace the waterway transportation market between Guangdong and Hong Kong. Moreover, a total of nine vessels passed the inspection conducted by the Marine Department of the Government of the Hong Kong Special Administrative Region and the Maritime Safety Administration in China with zero defect, and received acclaims from both the inspectors of the two competent authorities.

On 8 May 2015, the Company entered into a Hainan strategic co-operation framework agreement (“Hainan Framework Agreement”) with CCCC Hainan Construction Investment Limited in relation to, subject to entering into definitive agreement(s) between the parties (if any), the co-operation of both parties to launch the maritime tourism project, namely, the “Blue Sea Jet” in South China region of the People’s Republic of China (“PRC”) which focuses on the co-operation projects in the maritime tourism and transportation in Hainan and Guangdong provinces in the PRC, investment, development and operation of passenger transportation terminals and marina as well as launching new maritime transportation and tourism routes. For details of the Hainan Framework Agreement, please refer to the Company’s announcement dated 11 May 2015.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 1. Jiuzhou Blue Sea Jet and Blue Marine Tourism (continued)

##### 1.1 Jiuzhou Blue Sea Jet (continued)

In order to thoroughly capture external development opportunities and achieve the strategic target of promoting “Jiuzhou Blue Sea Jet” as an international brand, on 29 May 2015, Zhuhai Haichang Investment Company Limited\* (珠海海昌投資有限公司) (“Haichang Investment”, a wholly-owned subsidiary of the Ferry Company) and Zhuhai Jiuzhou Longxiang Equity Investment Funds Company\* (珠海九洲龍驤股權投資基金企業) (a company held by Haichang Investment, as the limited partner) entered into a joint venture contract with Hunan Longxiang Juzizhou Travel Services Development Company Limited\* (湖南龍驤橘子洲旅遊服務開發有限責任公司) and other parties in relation to the joint capital contribution and formation of a joint venture enterprise, namely Hunan Jiuzhou Longxiang Marine Tourism Passenger Transport Company Limited\* (湖南九洲龍驤水上旅遊客運有限公司, “Changsha JV”). For details, please refer to the Company’s announcement dated 1 June 2015.

The night lighting project of the maritime tourism passenger platform at Juzizhou, which is the only stopping point for tourist vessels approved for establishment by the government of Changsha, was completed by Changsha JV and has attracted a large number of residents and visitors. The platform will provide visitors with brand new maritime sightseeing experience at Xiangjiang.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 1. Jiuzhou Blue Sea Jet and Blue Marine Tourism (continued)

##### 1.2 Blue Marine Tourism

During the Period Under Review, Zhuhai Jiuzhou Cruises Co., Ltd.\* (珠海市九洲郵輪有限公司) (“Jiuzhou Cruises”, a wholly-owned subsidiary of the Ferry Company) proactively expanded the distribution channel of the ferry tickets for Chimelong Resort and served 228,000 tourists in total.

In order to thoroughly implement the strategy of “Blue Marine Tourism” with an aim to establish marine-related business segment, on 30 April 2015, the Ferry Company entered into a Guishan strategic co-operation framework agreement (“Guishan Framework Agreement”) with The People’s Government of Guishan City\*, Zhuhai (珠海市桂山鎮人民政府) in relation to the possible co-operation in the investment, construction and operation of a project on Guishan Island\* (桂山島), Zhuhai of the PRC involving distinctive cultural industry and home-stay tourism industry on Guishan Island. For details of the Guishan Framework Agreement, please refer to the Company’s announcement dated 5 May 2015.

On 15 June 2015, Haichang Investment entered into a preliminary co-operation agreement with a subsidiary of a state-owned enterprise in Zhuhai in relation to the development of “Zhuhai Sailboat Station Project” in Zhuhai City, the PRC. The project will include maritime sports, including but not limited to, sailboats, yachts, kayaks and motor boats, and operation of marine restaurant business and marine culture memorial, etc. For details, please refer to the Company’s announcement dated 15 June 2015.



## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 2. Composite Real Estate and Green Leisure Tourism

##### 2.1 Jiuzhou • Greentown – Cuihu Xiangshan Project

During the Period Under Review, Zhuhai International Circuit Consolidated Development Limited\* (珠海國際賽車場綜合發展有限公司) (“Zhuhai Development”, a non wholly-owned subsidiary of the Company) developed Jiuzhou • Greentown – Cuihu Xiangshan Project (“Cuihu Xiangshan Project”) and underwent relevant marketing to the fullest. In the first half of 2015, the construction of show flat of the high-rise project of Phase 2 and sales centre has been completed and officially opened to public, where quality of the show flat delivered was well-received by customers and the market. The high-rise project of Phase 2 was launched on schedule and created a new record of selling out all flats on the launch day within three hours. To further strengthen the relationship with customers and realise brand value, Zhuhai Development has set up the “Xiangshan Club” (香山會) in the first half of the year to provide owners with privileged services and successfully entered into co-operation agreements with Hong Kong Adventist Hospital and The EtonHouse International Education Group of Singapore in building a solid foundation for better marketing and services for owners.

##### 2.2 Zhuhai Lakewood Golf Club (the “Club”)

The Club operated by Zhuhai International Circuit Golf and Country Club Limited\* (珠海國際賽車場高爾夫俱樂部有限公司), a non wholly-owned subsidiary of the Company, is building a first class golf course in the PRC with reference to the design work participated by Mr. Greg Norman, an international top notch golf player, a.k.a. the “Great White Shark”. The new golf course “Norman Course” has finished the basic renovation and strived for the official opening in the second half of the year. Following the hardware upgrade of the new golf course, the Club has considerably improved its services in various aspects and provided trainings conducted by Hunan Xiangti Golf Course Management Co., Ltd.\* (湖南湘體高爾夫管理公司) to the operation department through which a first-class golf caddie service standard has been set up and an internal training team has been formed, thereby raising the service level of the Club thoroughly. During the Period Under Review, the Club served 16,000 golfers and held the 2015 “Jiuzhou Greentown • Cuihu Xiangshan Cup” Spring tournament for the Club’s members.



## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 2. Composite Real Estate and Green Leisure Tourism (continued)

##### 2.3 Zhuhai Holiday Resort Hotel

During the Period Under Review, in response to the changing market, Zhuhai Holiday Resort Hotel Company Limited\* (珠海度假村酒店有限公司) (“Zhuhai Holiday Resort Hotel”, a wholly-owned subsidiary of the Company) has strengthened its internal management and cost control and proactively expanded market by adopting various marketing means and working with several renowned online sales platforms for promotion of guest rooms and food and beverage. It was awarded as “The Best Resort Hotel in 2014” and has been awarded as the “Model Enterprise of Trustworthiness in 2014” by the Guangdong Provincial Enterprise Confederation for nine consecutive years. In terms of cost control, to further lower purchase costs, the procurement department has invited suppliers for open tender to ensure the quality as well as reduce purchase costs.

During the Period Under Review, the total income of Zhuhai Holiday Resort Hotel amounted to HK\$75.5 million. The average occupancy rate of Zhuhai Holiday Resort Hotel during the period was approximately 56.7% and its average room rate dropped by approximately 0.9% when compared to the same period last year. In the first half of 2015, the hotel segment recorded a segment profit of HK\$8.2 million.

In order to continually improve the service quality of Zhuhai Holiday Resort Hotel with a view to enhancing competitiveness and expanding business of Zhuhai Holiday Resort Hotel, the Group has put strenuous efforts in the construction of the main building of the new hotel project. As the investor and developer of the project, Zhuhai Jiuzhou Property Development Limited\* (珠海九洲置業開發有限公司) (“JPD”), a wholly-owned subsidiary of the Company, has completed the improvement of the landscape from the original main building of Zhuhai Holiday Resort Hotel and the renovation of roads within the site before spring festival 2015 and operated the hotel with new look. The construction of the new main building and health center project of Zhuhai Holiday Resort Hotel has commenced in this March, while other works under this project are also in progress.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 2. Composite Real Estate and Green Leisure Tourism (continued)

##### 2.4 The New Yuanming Palace

During the Period Under Review, the number of visitors of the New Yuanming Palace operated by The New Yuanming Palace Tourist Co., Ltd. of Zhuhai S.E.Z.\* (珠海經濟特區圓明新園旅遊有限公司), a wholly-owned subsidiary of the Company, was approximately 1,690,000. To carry forward the second planning of the New Yuanming Palace and thoroughly improve its cultural atmosphere to enrich visitors' experience and realise an increase in the consolidated income from the New Yuanming Palace, it has set up a working group for renovation of commercial projects. It invited tenders from internationally renowned consultancy firms for business planning, seeking to consolidate actual needs and resources for giving priority to the upgrade of the existing tourism and commercial projects while gradually developing more new cultural tourism projects on the premise to ensure the public service capacity within the site and the quality of the cultural park. The New Yuanming Palace will continue to boost the second planning to achieve new breakthroughs.

Moreover, to optimise the commercial image of the site, the New Yuanming Palace underwent an overhaul to uplift the overall image of the leased concession points, achieving desirable effect.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 2. Composite Real Estate and Green Leisure Tourism (continued)

##### 2.5 The Fantasy Water World

The Fantasy Water World operated by 珠海市水上娛樂有限公司, a wholly-owned subsidiary of the Company, operates for six months from May to October each year. For the remaining months, it only opens partially for the operation of winter events. Operating results of the Fantasy Water World during the Period Under Review only included its operation in May and June this year. The number of visitors of the Fantasy Water World was approximately 72,000 for these two months.

This year, the feature opening of rainbow waterslides and high-speed waterslides in the Fantasy Water World created a better opening atmosphere, and the advertising of such opening was published and widespread among the media. We promoted the Fantasy Water World on the WeChat platform with the combination of above-the-line and below-the-line advertising prior to such opening, which had maximised the promotional effect, getting the Fantasy Water World off to a flying start.

On top of ensuring normal operation, to advance the upgrade and renovation of the project, the Fantasy Water World commenced subsequent equipment upgrade by renovating certain facilities and introducing more distinctive amusement facilities, further improving its attractiveness and competitiveness.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 3. Public Utilities

##### 3.1 Jiuzhou Passenger Port

Operating revenue derived from the use of pier facilities business of Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd.\* (珠海九洲港客運服務有限公司) (“Jiuzhou Port Company”, a non wholly-owned subsidiary of the Company) recorded an increase of approximately 11.1% over the same period last year, which was mainly due to an increase in number of passenger trips of the two main ferry lines running between Zhuhai and Hong Kong and between Zhuhai and Shekou of approximately 0.4% and 12.4% respectively as compared to the same period last year as well as the rise in rental and introduction of new shops.

Jiuzhou Port Company is actively undergoing commercial transformation and upgrade of ports. It has introduced international chain brands, leading to an increase in both the rental and advertising income during the Period Under Review. In addition, Jiuzhou Port Company has launched ticketing services on the WeChat Public Platform, where the tourists are able to access real-time ferry status and relevant information timely through this platform. The establishment of the WeChat Public Platform has enriched the sales channel of Jiuzhou Port Company and improved user experiences, interactions and timeliness.

Moreover, Jiuzhou Port Company continued the innovation of service mode and content. For instance, the launching of the “one-stop” cross-border check-in service for passengers of the Hong Kong Airport line has streamlined their immigration clearance, attracting more passengers to prioritise the ferry line of Jiuzhou Port Company, and in turn increasing the passenger volume of ferry services running between Zhuhai and Hong Kong Airport line.

## Management Discussion and Analysis (continued)

### Business Review (continued)

#### 3. Public Utilities (continued)

##### 3.2 City Energy Supply

Being market-oriented, Zhuhai Jiuzhou Marine Bunker Supply Co., Ltd.\* (珠海九洲船舶燃料供應有限公司) (“Jiuzhou Marine Bunker”, a wholly-owned subsidiary of the Ferry Company) aims for breakthroughs in the finished oil wholesale business with the utilisation of its advantages to improve its service quality by strengthening the quality management of finished oil retail business and fortify its comprehensive competitiveness with its determination to market expansion.

Under difficult circumstances such as the volatile international oil supply market and further narrowing of price differences between wholesale oil and retail oil, the revenue of Jiuzhou Marine Bunker for the first half of 2015 recorded an increase of 7.7% over the same period last year. The sales volume of oil products and net profit increased by 68% and 122% respectively over the same period last year, mainly due to Jiuzhou Marine Bunker’s active engagement in the communication, interaction and learning with the major peer enterprises and co-operation partners. Meanwhile, Jiuzhou Marine Bunker has raised its standard in the purchase and supply of oil products and improved the facilities of gas stations in order to provide high quality services to customers.

On 9 July 2015, the Company entered into a strategic co-operation agreement with Sinopec Marketing Co., Ltd., Guangdong Oil Branch in relation to the possible capital injection into Zhuhai Shihuadong Resort Petro-filling Station Co., Ltd.\* (珠海市石花東度度假村加油站有限公司), a wholly-owned subsidiary of Jiuzhou Marine Bunker, and the investment in relocation, construction and operation of a resort petro-filling station, which will strengthen the Company’s energy utilities supply chain and focus on and continuously expand the Group’s energy utilities business of the public utilities segment. For details, please refer to the Company’s announcement dated 13 July 2015.

### **Entering into a Facility Agreement for a Syndicated Loan of HK\$2 billion**

On 28 July 2015, the Company, as borrower, entered into a facility agreement (“Syndicated Loan Facility Agreement”) with Malayan Banking Berhad and nine other banks as the lenders (“Lenders”) pursuant to which a term loan facility (“Syndicated Loan Facility”) up to HK\$2 billion was agreed to be granted by the relevant Lenders to the Company for a term of four years from the date of the Syndicated Loan Facility Agreement and subject to the terms and conditions of such agreement.

The Company fully utilises its advantages as a cross-border capital platform and seeks diversified financing channels at lower cost. For the first time, the Company successfully raised the loan under the Syndicated Loan Facility Agreement overseas, which in turn helped optimising the financing structure of the Company and lowered its financing cost. The loan under the Syndicated Loan Facility Agreement provides strong capital support to the Company’s business development and growth and generates momentum to increase its overall strength.

For details of the Syndicated Loan Facility Agreement, please refer to the Company’s announcement dated 28 July 2015.

## Prospects

For the segment of Jiuzhou Blue Sea Jet\* (九洲藍色幹線) and Blue Marine Tourism\* (藍色海洋旅遊), the Ferry Group will orient itself towards the strategy of Blue Marine Tourism and put great effort in constructing the “Jiuzhou Blue Sea Jet Platform” as a new business line to materialise various highlighted projects including the Changsha joint venture project and the co-operation project under the Hainan Framework Agreement, in order to continuously make breakthroughs. Meanwhile, the Ferry Group will also integrate resources and actively develop Blue Marine Tourism related industries such as the co-operation under the Guishan Framework Agreement and the Zhuhai Sailboat Station Project. Moreover, the Group will promote strategic transformation by: (1) utilising its traditional advantages, exploring potential for maritime passenger ferry lines and developing new routes in the region; (2) integrating island transportation routes, realising popular use of public transportation on the island, adopting the new idea of “island branch and main routes operation”, further managing route resources and lifting the profitability of island routes; (3) reinforcing the co-operation with the government of Wanshan district, Zhuhai and project development of Sanjiao Island and island-to-island routes, channelling cutting-edge industries and resources to the Group and forming a complementary and coupling effect.



### Prospects (continued)

In the face of challenging operating conditions, Jiuzhou Cruises will actively launch marketing activities to expand its business, explore new markets and attract new customers. At the same time, Jiuzhou Cruises will continue to raise service quality to enhance its product competitiveness through improving port facilities, hardware and software of cruises. On the other hand, Jiuzhou Cruises will actively communicate with relevant government authorities to closely follow up on the relocation of Wanzai Travel Terminal\* (灣仔旅遊碼頭) and will continue to follow up on the planning and implementation of “Retention and Enhancement of Wanzai Travel Terminal” project. In addition, Jiuzhou Cruises will launch and promote the sightseeing route round the bay of Zhuhai and Macau as scheduled.

For the composite real estate and green leisure tourism segment, Zhuhai Development will put immense effort into safe construction and ensure the smooth completion and filing of Phase 1 of Cuihu Xiangshan Project. It will also strive to complete the construction of Phase 1 villas and Phase 2 high rise projects and the development of the next phase of villas as scheduled. The Club will continuously raise its competitiveness and awareness of risks in its operation and management, as well as promote and realise an operating mode of professional and standardised management mechanism and services. Through continuous innovation and construction and brand-building, the Club will establish itself as a first class golf club in the country.

Zhuhai Holiday Resort Hotel will fully promote its renovation project in line with JPD, which includes the construction of a new hotel and a recreation centre and the renovation of an administration centre and villas. Meanwhile, Zhuhai Holiday Resort Hotel will further extend its business into wedding and other types of banquets, convention tours, business travel, travel tours and long-term tenancy, improve internal control and management and build up talent reserves for the new hotel, especially providing training to the junior management. The New Yuanming Palace will continue to promote its second planning to achieve a breakthrough in promoting its commercial development, resolve the issues regarding commercial development and realise the re-development. As for the Fantasy Water World, efforts will be made to ensure the smooth commencement of new facilities. In terms of marketing promotion, the WeChat platform and online campaigns will be utilised to raise its popularity.

### Prospects (continued)

For the public utilities segment, Jiuzhou Port Company will optimise and rigorously promote the WeChat and online ticketing operations, and extend its services to cover tickets for attractions, while working with the Ferry Company on preparing the launching of new routes and continuously promoting the repair and maintenance project of Jiuzhou Passenger Port and the renovation of its observation deck. Along with the emerging opportunities and the intensifying competition in the retail end of the product oil market, Jiuzhou Marine Bunker will actively promote resources integration among Zhuhai's state-owned gas stations, and at the same time, take the initiatives to strenuously expand its market, in order to realise the output of energy supply and seek further development with its extensive operational and management experience.

### Updates on disputes in respect of the earnest money paid by the Group

A letter of intent ("Letter of Intent") in relation to the possible acquisition of 80% of the issued share capital in a company ("Target Company") was entered into in August 2008 (as amended and supplemented) by the Group with a possible vendor ("Possible Vendor", being an independent third party of the Company). The Target Company then owned a wholly foreign-owned enterprise established in the PRC. Pursuant to the Letter of Intent, earnest money ("Earnest Money") in the amount of RMB26 million was paid by the Company to the Possible Vendor. The repayment of the Earnest Money was secured by, among others, certain pledge created by the Possible Vendor over certain shares of the Target Company ("Share Charge") and a loan assignment executed by a company owned and controlled by the Possible Vendor, both in favour of the Company.

Since the Company could not reach agreement with the Possible Vendor on the terms of the proposed acquisition after undertaking detailed due diligence review on the Target Company, the Company decided not to proceed with the proposed acquisition and the Letter of Intent was terminated accordingly. However, the Possible Vendor refused to refund the Earnest Money to the Company. As such, legal proceedings were instituted against the Possible Vendor for the refund of the Earnest Money. In this connection, receivers ("Receivers") were also appointed by the Company under the Share Charge.

## Prospects (continued)

### Updates on disputes in respect of the earnest money paid by the Group (continued)

Trial of the case was conducted in the Court of First Instance of the High Court of Hong Kong in May 2012. Judgment (“CFI Judgment”) was delivered on 7 June 2012. Written reasons for the CFI Judgment were handed down on 19 June 2012. The CFI Judgment was awarded in favour of the Company.

In June 2012, the Possible Vendor and related parties (“Appellants”) applied for appeal against the CFI Judgment. The appeal was heard before the Court of Appeal on 10 September 2013 and judgment (“CA Judgment”) was handed down on 27 September 2013. Save for an order in the CFI Judgment be substituted with an order that the Company be paid HK\$30 million (instead of the Hong Kong dollars equivalent of RMB26 million) with interest at the best lending rate of Hong Kong banks from 27 May 2009 to 7 June 2012, the appeal was dismissed with costs in the Company’s favour and the CFI Judgment was upheld.

No further appeal against the CA Judgment was filed by the Appellants. In 2013, a total sum of approximately HK\$40.8 million was received by the Company in partial satisfaction of the CA Judgment, which includes (1) full payment of the Earnest Money with interest thereon; and (2) partial payment of agreed costs and interest thereon payable by the Appellants to the Company. In 2014, a further total sum of approximately HK\$2.2 million was received by the Company as partial payment of agreed costs and interest thereon payable by the Appellants to the Company. The Company will soon proceed to assess its damages against the Appellants pursuant to the CFI Judgment and the CA Judgment. The assessment of damages hearing is yet to be fixed.

The Company was informed that the Possible Vendor commenced legal proceedings in the PRC against the Receivers for personal liabilities in the sale of certain assets which indirectly belonged to the Target Company. Judgment of such proceedings was given in favour of the Receivers in the first instance, and an appeal made by the Possible Vendor was also dismissed.

The Company was also informed that in August 2013, the Target Company commenced proceedings in Hong Kong against the Receivers for recovery of loss in respect of the sale of the assets of the Target Company as mentioned above.

## Prospects (continued)

### **Updates on disputes in respect of the earnest money paid by the Group (continued)**

So far as the Company is aware, the Company has not been named as a party to any such proceedings brought against the Receivers. However, the Company cannot preclude the possibility of being subsequently named as a party to any of such proceedings. The Company has received requests from the Receivers to seek indemnity from the Company for certain liability (including costs) falling upon the Receivers in connection with the exercise of their powers under the Share Charge. As advised by the Company's legal counsel, the Receivers have yet to substantiate its demand for such indemnity from the Company, the Company therefore believes that no provision has to be made in such connection for the time being.

For details of the above matters, please refer to the Company's announcements dated 10 September 2008, 20 July 2009, 21 June 2012, 2 October 2013 and 24 January 2014 respectively, and the Company's annual reports for 2011, 2012, 2013 and 2014.

The Company will closely monitor the development of the matter. Where necessary, the Company will make announcement to inform shareholders and investors of any material development.

## Liquidity and Financial Resources

Except for the issue by the Company of (1) a promissory note (the “Promissory Note”) in relation to the acquisitions of Lamdeal Consolidated Development Limited and Lamdeal Golf & Country Club Limited (“Lamdeal Golf”), (2) the convertible bonds with an aggregate value of HK\$500 million to PA Bloom Opportunity III Limited and Prominent Investment Opportunity IV Limited pursuant to a subscription agreement dated 10 April 2013 (the “Convertible Bonds”), and (3) the financing obtained for payment of the remaining land price for Cuihu Xiangshan Project, in 2013, the Group generally finances its operations with internally generated cashflow and bank borrowings provided by its principal bankers.

As disclosed in the section headed “Management Discussion and Analysis and Other Information – Entering into a Facility Agreement for a Syndicated Loan of HK\$2 billion” of this interim report, the Company has entered into the Syndicated Loan Facility Agreement with the Lenders pursuant to which the Syndicated Loan Facility was agreed to be granted by the relevant Lenders to the Company for a term of four years from the date of the Syndicated Loan Facility Agreement. The Syndicated Loan Facility is secured and with a floating interest rate. As at the date of this interim report, the Company has drawn down HK\$830 million from the Syndicated Loan Facility.

The Group’s time deposits and cash and cash equivalents as at 30 June 2015 amounted to approximately HK\$979.2 million (31 December 2014: HK\$1,146.8 million), of which approximately HK\$820.5 million (31 December 2014: HK\$997.3 million) were denominated in RMB, approximately HK\$120.5 million (31 December 2014: HK\$149.5 million) were denominated in Hong Kong dollars, approximately HK\$38.2 million (31 December 2014: Nil) were denominated in United States dollars.

As at 30 June 2015, trade receivables amounted to HK\$111.8 million (31 December 2014: HK\$106.6 million). Increase in trade receivables was mainly due to the increase in fuel wholesale business under the city energy supply segment.

In addition, the Group held securities measured at fair value through profit or loss of approximately HK\$1.3 million as at 30 June 2015 (31 December 2014: HK\$1.4 million), all of approximately HK\$1.3 million (31 December 2014: HK\$1.4 million) were denominated in Hong Kong dollars. The securities measured at fair value through profit or loss comprised some listed securities in Hong Kong.

### Liquidity and Financial Resources (continued)

The Group's short-term available-for-sale investments of approximately HK\$95.1 million as at 30 June 2015 (31 December 2014: Nil), all of which approximately HK\$95.1 million (31 December 2014: Nil) were denominated in RMB. The available-for-sale investments comprised some unlisted investment funds in the PRC.

Total interest-bearing bank and other borrowings, promissory note, convertible bonds and loan from a major shareholder amounted to approximately HK\$3,524.7 million as at 30 June 2015 (31 December 2014: HK\$3,513.4 million).

The Group's gearing ratio was 0.56 as at 30 June 2015 (31 December 2014: 0.56), which is net debt divided by total shareholders' equity plus net debt. Net debt included interest-bearing bank and other borrowings, trade payables, accrued liabilities and other payables, construction payables, promissory note, convertible bonds, amounts due to a major shareholder and related companies and a loan from a major shareholder less restricted bank balance, time deposits and cash and cash equivalents.

As at 30 June 2015, the Group had a current ratio of 1.4 (31 December 2014: 1.7) and net current assets of HK\$1,079.4 million (31 December 2014: HK\$1,325.9 million).

As at 30 June 2015, interest-bearing bank and other borrowings that were outstanding amounted to HK\$2,200.1 million (31 December 2014: HK\$2,216.7 million), which comprised of (1) principal amount of RMB500 million due in August 2015; (2) principal amount of RMB1,000 million due in August 2016; and (3) principal amount of HK\$300 million with the final maturity date falling due in December 2017.

As at 30 June 2015, the aggregate outstanding amount due by the Company in form of the Promissory Note was HK\$537.2 million (31 December 2014: HK\$517.2 million). The outstanding Promissory Note comprised HK\$200 million, HK\$200 million and HK\$200 million with maturity dates of 31 December 2015, 2016 and 2017, respectively.



### Liquidity and Financial Resources (continued)

As at 30 June 2015, the Convertible Bonds with aggregate principal amount of HK\$480 million (31 December 2014: HK\$500 million) due in August 2018 was outstanding. During the Period Under Review, Pacific Alliance Asia Opportunity Fund L.P. exercised its rights to partially convert the Convertible Bonds in the principal amount of HK\$20,000,000 into 13,633,265 shares in the share capital of the Company at HK\$1.467 per share.

As at 30 June 2015 and up to the date of this interim report, no warrant holder had exercised the warrants (the “Warrants”) issued pursuant to the subscription agreement dated 18 November 2013.

### Contingent Liabilities

As at 30 June 2015, details of the contingent liabilities of the Group are set out in note 23 to the condensed consolidated interim financial information.

### Future Plans for Material Investments or Capital Assets

As at 30 June 2015, the Group had no future plans for material investments or capital assets except for those disclosed under the heading “Management Discussion and Analysis and Other Information – Prospects” as stated aforesaid.

### Charges on Assets

As at 30 June 2015, land use rights of lots S1, S2 and S4 of Cuihu Xiangshan Project with an aggregate carrying value of approximately HK\$4,669.1 million (31 December 2014: HK\$4,667.6 million) included in properties under development were pledged in favour of AVIC Trust Co., Ltd.\* (中航信託股份有限公司) (“AVIC Trust”) to secure a raised funds of up to RMB1,500 million from third party investors for the purpose of providing a secured loan pursuant to the loan agreements dated 15 July 2014 as amended and supplemented by the supplemental loan agreements dated 2 August 2014 entered between Zhuhai Development and AVIC Trust.

As at 30 June 2015, the repayment obligation of the Company under the Promissory Note was secured by a charge over two ordinary shares in Lamdeal Golf, representing the entire issued share capital of Lamdeal Golf, in favour of Dragon Hill Corporation Limited.



### Charges on Assets (continued)

As at 30 June 2015, the repayment obligation of the Company under a low-interest term facility of HK\$300 million from an offshore bank was secured by a charge over two ordinary shares in Jiuzhou Transportation Investment Company Limited (“JTI”), representing the entire issued share capital of JTI, in favour of the bank.

As at the date of this interim report, the repayment obligation of the Company under the Syndicated Loan Facility was secured by charge over 15,600 ordinary shares in Jiuzhou Tourist Development Company Limited (“JTD”) and 100 ordinary shares in Jiuzhou Tourism Property Company Limited (“JTP”), representing the entire issued share capital of JTD and JTP, in favour of the facility agent on behalf of the Lenders.

### Foreign Exchange Exposure

Most of the businesses of the Group are operated in Mainland China, and the principal revenues and costs were denominated in RMB or Hong Kong dollars. Therefore, the management believes that there is no need for the Group to make use of financial instruments for hedging purposes.

As the assets and liabilities of the Group are mostly denominated in RMB or Hong Kong dollars, the management considers that no significant exposure to foreign exchange exists.

### Capital Structure

As at 30 June 2015, the number of issued ordinary shares was 1,427,797,174 shares in aggregate and the shareholders’ equity of the Group was approximately HK\$2,314.0 million.

As at 30 June 2015, the Company had (1) the outstanding Convertible Bonds with the aggregate principal value of HK\$480 million pursuant to a subscription agreement dated 10 April 2013; and (2) 30,000,000 outstanding Warrants at the issue price of HK\$0.023 per Warrant pursuant to a subscription agreement dated 18 November 2013.

During the Period Under Review and up to the date of this interim report, the Company received a conversion notice for exercise of conversion rights attached to the Convertible Bonds with principal amount of HK\$20,000,000 and no subscription notice has been received in respect of the exercise of subscription rights attached to the Warrants.

### **Material Investments Held, Significant Acquisitions and Disposals**

During the Period Under Review, there was no material acquisition or disposal of investment, subsidiary or associated company, except for those disclosed under the heading “Management Discussion and Analysis and Other Information” as stated aforesaid.

### **Number and Remuneration of Employees**

The Group had 2,374 employees as at 30 June 2015. The remuneration of employees is determined and reviewed annually with reference to the market standard, individual performance and working experience, and certain staff is entitled to commission and share options.

### **Directors’ Rights to Acquire Shares or Debentures**

At no time during the Period Under Review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire such rights in any other body corporate.

### **Share Option Scheme**

Pursuant to an ordinary resolution passed by the annual general meeting of the Company held on 28 May 2012, a share option scheme (“Share Option Scheme”) was adopted. The principal terms of the Share Option Scheme are set out in the circular of the Company dated 26 April 2012.

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest (“Invested Entity”).

### Share Option Scheme (continued)

The participants of the Share Option Scheme include: (a) any eligible employee; (b) any non-executive director of the Company, any of its subsidiaries or any Invested Entity; (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon the payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company and shall not be more than 10 years from the date of offer of the share options, subject to the provisions for early termination as set out in the scheme. There is no minimum period for which an option must be held before the exercise of the subscription right attaching thereto, except as otherwise imposed by the board of directors of the Company (the "Board").

During the Period Under Review, no share options have lapsed or have been granted, exercised or cancelled under the Share Option Scheme. Moreover, the Company had no share options outstanding as at 30 June 2015 and 31 December 2014.

As at 13 July 2015, the Company has granted an aggregate of 79,600,000 share options under the Share Option Scheme, in which 21,000,000 share options were granted to the directors and chief executive of the Company. For details, please refer to the Company's announcement dated 13 July 2015.

## Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations

As at 30 June 2015, the interests and short positions of the directors and chief executive of the Company in shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), that were recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

### Long positions in ordinary shares of HK\$0.10 each of the Company:

Name of director	Number of ordinary shares directly and beneficially owned	Approximate percentage of the Company's issued ordinary share capital
Mr. Jin Tao	1,742,000	0.12%
Mr. Ye Yuhong	700,000	0.05%
Mr. Kwok Hoi Hing <sup>(Note 1)</sup>	197,890,000	13.86%
Mr. Chu Yu Lin, David	2,700,000	0.19%
Mr. Albert Ho	250,000	0.02%

Note 1 Mr. Kwok Hoi Hing held 197,890,000 shares of the Company of which 27,822,000 shares were held through his wholly-owned subsidiary, Surpassing Investment Limited.

Save as disclosed above, as at 30 June 2015, none of the directors or chief executive of the Company had any interests and short positions in the shares and underlying shares of the Company or any of its associated corporations that were recorded in the register pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code.

## Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 30 June 2015, the following persons/parties (other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations" above) had interests of 5% or more in the shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### A. Long positions in ordinary shares and warrants of the Company:

Name of substantial shareholders	Number of ordinary shares beneficially held and interested	Number of warrants directly and beneficially held	Approximate percentage of the Company's issued ordinary share capital <sup>(Note 1)</sup>
Zhuhai Jiuzhou Holdings Group Co., Ltd. ("ZJ Holdings") <sup>(Note 2)</sup>	581,496,000	–	40.73%
Longway Services Group Limited <sup>(Note 2)</sup>	346,296,000	–	24.25%
Dragon Hill Corporation Limited ("Dragon Hill") <sup>(Note 3)</sup>	142,603,909	–	9.99%
LIM Asia Special Situations Master Fund Limited ("LIM Asia") <sup>(Note 4)</sup>	55,154,000	30,000,000 <sup>(Note 5)</sup>	5.96%

## Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares (continued)

### A. Long positions in ordinary shares and warrants of the Company: (continued)

- Note 1 The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 30 June 2015 (i.e., 1,427,797,174 shares).
- Note 2 Out of the 581,496,000 shares of the Company held by ZJ Holdings, 346,296,000 shares are owned by Longway Services Group Limited, a wholly-owned subsidiary of ZJ Holdings. The remaining 235,200,000 shares are owned by ZJ Holdings.
- Note 3 Dragon Hill held interest in the 142,603,909 shares in which Intellplace Holdings Limited ("IHL"), LBS Bina Group Berhad ("LBS Group"), Gaterich Sdn Bhd ("Gaterich") and Tan Sri Lim Hock San were deemed to be interested in by virtue of SFO because:
- Dragon Hill is 100% owned by IHL which in turn is owned by LBS Group;
  - LBS Group is 54.49% owned by Gaterich; and
  - Gaterich is 50% owned by Tan Sri Lim Hock San.
- Note 4 LIM Asia held interest in the 85,154,000 shares i.e., 55,154,000 shares and 30,000,000 warrants, in which LIM Asia Special Situations Fund Limited ("LIMASSFL"), LIM Advisors Limited ("LIMAL"), Long Investment Management International Limited ("LIMIL") and Mr. George Williamson Long were deemed to be interested in by virtue of SFO because:
- LIM Asia is 99% owned by LIMASSFL which in turn is 100% controlled by LIMAL as investment manager; and
  - LIMAL is 100% controlled by LIMIL as manager which in turn is 98% owned by Mr. George Williamson Long.
- Note 5 On 30 March 2015, the Board has recommended the payment of a final dividend of HK1 cent per ordinary share (the "Dividend") in respect of the financial year ended 31 December 2014. The shareholders of the Company approved the payment of the Dividend at the annual general meeting of the Company held on 26 May 2015. In light of the declaration of the Dividend, pursuant to the respective terms and conditions of the Warrants, the subscription price was adjusted from HK\$1.76 to HK\$1.75. The details of the adjustment of the subscription price of the Warrants are set out in an announcement of the Company dated 30 June 2015.

## Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares (continued)

### B. Long positions in the underlying shares of the convertible bonds of the Company:

Name of the holder of the convertible bonds	Approximate principal amount of the convertible bonds HK\$	Number of the total underlying shares	Approximate percentage of the Company's issued ordinary share capital <sup>(Note 1)</sup>
Pacific Alliance Asia Opportunity Fund L.P. ("PAAOFLP") <sup>(Note 2)</sup>	480,000,000	331,034,482	23.18%

Note 1 The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 30 June 2015 (i.e., 1,427,797,174 shares).

Note 2 PAAOFLP is interested in 343,961,747 shares of the Company, in which 331,034,482 shares of the Company, which may be allotted and issued upon the exercise of the conversion right under the convertible bonds of the Company issued to PAAOFLP assuming the adjusted conversion price to be HK\$1.45 (Note 3) per conversion share in which Pacific Alliance Group Asset Management Limited ("PAGAML"), Pacific Alliance Investment Management Limited ("PAILM"), Pacific Alliance Group Limited ("PAGL") and PAG Holdings Limited ("PAGHL") were deemed to be interested in by virtue of SFO because:

- PAGAML is the general partner of PAAOFLP;
- PAGAML is 100% owned by PAILM which in turn is 90% owned by PAGL; and
- PAGL is 99.17% owned by PAGHL.

Note 3 On 30 March 2015, the Board has recommended the payment of the Dividend. The shareholders of the Company approved the payment of the Dividend at the annual general meeting of the Company held on 26 May 2015. In light of the declaration of the Dividend, pursuant to the respective terms and conditions of the Convertible Bonds, the conversion price was adjusted from HK\$1.467 to HK\$1.45. Based on the outstanding principal amount of the Convertible Bonds (HK\$480 million), the number of shares of the Company to be issued and allotted upon full conversion of the Convertible Bonds after adjustment to the conversion price shall be 331,034,482 shares. The details of the adjustment of the conversion price of the Convertible Bonds are set out in an announcement of the Company dated 30 June 2015.



### **Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares (continued)**

Save as disclosed above, as at 30 June 2015, the Company had not been notified by any persons (other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations" above), who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

### **Purchase, Sale or Redemption of Listed Securities of the Company**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period Under Review.

### **Corporate Governance**

Throughout the Period Under Review, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange in all other respects except for the following deviations:

- (i) Code provision A.1.1 – only one regular board meeting of the Company was held in the first quarter of 2015 since the Company does not announce its quarterly results. The Board however held ten board meetings during the period from 1 January 2015 to 30 June 2015;
- (ii) Code provision A.4.1 – the Company's directors including non-executive directors and independent non-executive directors, who may not have fixed term of office, as they are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws; and

### Corporate Governance (continued)

- (iii) Code provision A.2.1 – following the appointment of Mr. Huang Xin (“Mr. Huang”) as the chairman (“Chairman”) of the Board with effect from 19 January 2015, Mr. Huang was both the Chairman and chief executive officer of the Company (“Chief Executive Officer”) and there was a deviation from code provision A.2.1 of the CG Code by the Company.

On 14 August 2015, the Board appointed Mr. Zhou Shaoqiang (“Mr. Zhou”) as an executive director and Chief Executive Officer of the Company and Mr. Huang resigned as Chief Executive Officer, both with effect from 14 August 2015. Following the appointment of Mr. Zhou as the new Chief Executive Officer with effect from 14 August 2015, the Company has complied with code provision A.2.1 of the CG Code regarding the separation of the roles of the Chairman and the Chief Executive Officer.

Save as disclosed above, the Company had complied with the code provisions set out in the CG Code during the six months ended 30 June 2015.

Rule 3.10A of the Listing Rules provides that the Company shall appoint independent non-executive directors (“INEDs”) of the Company representing at least one-third of the Board. On 16 June 2015, the Board appointed Mr. Kwok Hoi Hing (“Mr. Kwok”) as a non-executive director of the Company with effect from 16 June 2015. Following the appointment of Mr. Kwok as a non-executive director of the Company with effect from 16 June 2015, the proportion of INEDs on the Board fell below one-third of the Board members, which did not satisfy the relevant requirements prescribed under Rule 3.10A of the Listing Rules. On 14 August 2015, the Board appointed Mr. Wang Yijiang (“Mr. Wang”) as an INED and a member of the nomination committee of the Company. Subsequent to the appointment of Mr. Wang as the INED of the Company on 14 August 2015, the Company has complied with the requirement of Rule 3.10A of the Listing Rules.

### Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors’ securities transactions. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2015.

### **Audit Committee**

The Company has established an audit committee for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises three independent non-executive directors of the Company. The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2015 has been reviewed by the audit committee and the Company's auditors, PricewaterhouseCoopers.

### **Interim Dividend**

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

### **Disclosures of Directors' Updated Information Pursuant to Rule 13.51B(1) of the Listing Rules**

Update on the information of directors of the Company under Rule 13.51B(1) of the Listing Rules:

- Mr. Kwok Hoi Hing has been appointed as a non-executive director of the Company with effect from 16 June 2015.
- Mr. Huang Xin resigned as Chief Executive Officer of the Company with effect from 14 August 2015.
- Mr. Zhou Shaoqiang has been appointed as an executive director and Chief Executive Officer of the Company with effect from 14 August 2015.
- Mr. Wang Yijiang has been appointed as an independent non-executive director and a member of the nomination committee of the Company with effect from 14 August 2015.
- Mr. Hui Chiu Chung, as an independent non-executive director of the Company, has retired as an independent non-executive director of Hong Kong Exchanges and Clearing Limited (a company listed on the Stock Exchange under stock code 388) with effect from 29 April 2015.

By Order of the Board

**Huang Xin**  
*Chairman*

Hong Kong, 28 August 2015