珠海控股
ZHUHAI HOLDINGS

ANNUAL REPORT 2015 年報

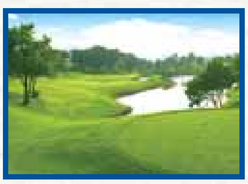
珠海控股投資集團有限公司
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED

(Incorporated in Bermuda with limited liability)（於百慕達註冊成立之有限公司）
Stock Code 股份代號：00908

1

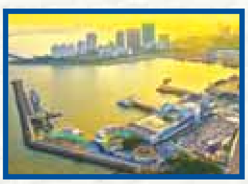
Cuihu Xiangshan Property Project
翠湖香山地產項目

2



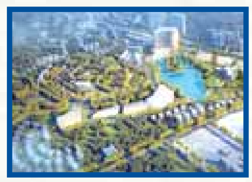
Lakewood Norman Golf Course
翠湖諾曼高爾夫球場

3



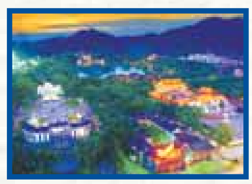
Jiuzhou Passenger Port
九洲港客運碼頭

4



Zhuhai Holiday Resort Hotel and New Hotel Project
珠海度假村酒店及新酒店項目

5



The New Yuanming Palace
圓明新園

6

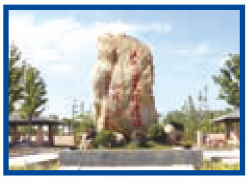
The Fantasy Water World
夢幻水城

CONTENT

7

City Energy Supply
城市能源供應

8



Chengtoushan Management Project
城頭山管理項目

9

Juzizhou Tour
橘子洲遊

10

Sanya Marine Tourism Project
三亞水上旅遊交通項目

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. Lim Seng Lee as his alternate)
Mr. Wang Zhe (appointed on 19 January 2015)
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)

ALTERNATE DIRECTOR

Mr. Lim Seng Lee
(alternate to Datuk Wira Lim Hock Guan) (appointed on 24 March 2016)

Audit Committee

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

Nomination Committee

Mr. Huang Xin *(Chairman)* (appointed on 19 January 2015)
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
Certified Public Accountants

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 annual report, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

Chairman's Statement

2015 was an aggressive year for Zhuhai Holdings Investment Group Limited (the "Company") with remarkable improvements in various aspects including strategic layout. With respect to business development, operating profit reached a new high. The Company together with its subsidiaries (the "Group") actively developed all business segments, achieving a continual growth in total assets, stable growth momentum in the overall revenue and satisfactory results.

As the only overseas red chip platform based in Zhuhai, the Company stresses market-oriented and capital-driven development. During the year, under the leadership of the board of directors of the Company (the "Board") and the joint efforts of all colleagues, and adhering to a strategy combining the elements of "land-based, sea-going, inbound enhancement and international development", the Company achieved breakthroughs in capital operation, investment and mergers, maritime transportation, green leisure tourism, public utilities and finance, and realised the dual-driven development of "Industry + Finance". During the year, the Group attained fruitful results in its operation and development, with the transformation and upgrading of traditional segments including maritime transportation, tourism properties, finance and public utilities, and the brilliant performance of innovative segments including properties, finance and internet plus. The Company recorded a net profit of approximately HK$124.7 million attributable to owners of the Company for 2015, a 110% increase from 2014. Earnings per share were HK8.77 cents. The Board has recommended a final dividend of HK2 cents per share for 2015.

Huang Xin
Chairman

In 2015, based on the three business segments namely (1) Jiuzhou Blue Sea Jet* (九洲藍色幹線) (maritime transportation) and Blue Marine Tourism* (藍色海洋旅遊); (2) composite real estate and green leisure tourism; and (3) public utilities and financial investments, the Group further utilised the leverage of capital operation to implement key projects, fully utilising the new ideas of the internet, and making use of new media and network platforms to seek innovative models of operation and proactively change the traditional model of sales and marketing, fostering investments in its major businesses and export of its brand, with an aim of forging an industry chain of perfect living and travelling.

With the ongoing development and expansion of its Jiuzhou Blue Sea Jet, Blue Marine Tourism, and Composite Real Estate and Green Leisure Tourism businesses, the Group has already met the criteria and possessed the strengths of combining modern industry system and finance businesses. The combination of industry and finance is an urgent need for internally-generated momentum required for the future sustainable growth of a diversified enterprise such as the Company. The Group will focus on developing financial services segment from the perspective of the overall strategy, and make use of the financial platform to gain access to a wider range of financing channels, with an aim of providing conditions for the combination and synergism of all businesses and financial services. Through establishing a business model which combines industry and finance, the Group's own enormous resources including customer resources, financial resources and project resources can be integrated effectively, creating immense value.

Looking into 2016, the global economy will continue to show a sign of weak recovery with greater challenges and uncertainties. China's economy will enter a "new normal" and its growth will remain sluggish. 2016 is the first year of China's 13th Five-Year Plan. In view of this, the Group has laid out a development plan for the next five years with explicit goals and clear strategies. I believe that the healthy development of the Group for prior years is attributable to the effective leadership of the Board, dedication and effort of every employee as well as full trust and great support from the shareholders, customers and business partners. I would like to take this opportunity to express my deepest appreciation to all of you.

Finally, I would like to thank the Board and all the staff for their diligence and dedication in the past year.

By Order of the Board
Huang Xin
Chairman
Hong Kong, 24 March 2016

Chief Executive Officer's Report

Under the effective leadership of the Board, the management team and I are fully committed to implementing the development strategies formulated by the Board. In 2015, the Company achieved leapfrogging development with a number of cornerstone events, and delivered brilliant performance in both business operations and capital operations.

I am pleased to present the Chief Executive Officer's report for the year ended 31 December 2015 ("FY2015").

1. Due to strong market demand, the Company attained both record-high numbers of total operational revenue and profit during the year. The consolidated results of the Group for FY2015 are as follows: (1) the consolidated revenue of the Group for the year was approximately HK$3,067.1 million, representing an increase of about 76.3% as compared to approximately HK$1,739.4 million of last year; (2) gross profit of the Group increased by 44% to HK$764.1 million; and (3) the consolidated profit for the year was HK$301.5 million, representing an increase of about 85.8% as compared to HK$162.3 million of last year. Furthermore, the net profit attributable to owners of the Company was approximately HK$124.7 million, representing an increase of approximately 110% as compared with last year. The substantial increase in results of operation mainly arose from the increase of total turnover and gross profit of the Group.

Zhou Shaoqiang
Chief Executive Officer

2. During the year, fully leveraging upon overseas capital platform, the Company successfully secured a syndicated loan facility of HK$2 billion for a term of four years. This helped optimising the financing structure of the Company and effectively lowered its financing cost. This represented the first time for the Company and for Zhuhai-based enterprises to successfully raise a syndicated loan overseas under favourable conditions. It signified the Company's making full use of its cross-border capital platform to take a new step forward.

3. It successfully swapped the secured loan in the amount of RMB1.5 billion provided by AVIC Trust Co., Ltd., which substantially lowered the finance costs of Cuihu Xiangshan Project.

4. It successfully created the channel for cross-border direct Renminbi lending and cross-border Renminbi capital pool, paving new way for domestic and foreign financing and fostering domestic business development.

5. For innovations in financial services, a platform has been accelerated to form and to create value. Zhuhai Jiuzhou Kingkaid Financial Services Company Limited* (珠海九洲金開貸金融服務有限公司) ("Zhuhai Jiuzhou Kingkaid") was established, and co-operation with Zhuhai Xihu Wetland International Garden project to successfully release crowd-funded products. The formation of a financial platform will represent new driver for growth in the Group's investment development.

6. Zhuhai Cuihu Xiangshan high-end tourism property project ("Cuihu Xiangshan Project") started to contribute to profit and was honoured as one of the Top 10 Super-deluxe Homes in Asia in 2015, laying solid foundation for the Group's further development and acquisition of resources. During the year, Zhuhai Lakewood Norman Golf Course ("Norman Golf Course"), a design masterpiece which was a focus project of the Group, grandly commenced operation and won numerous awards.

7. Traditional business demonstrated flying colours again, scaling new heights in overall performance.

   (A) For maritime transportation, Jiuzhou Blue Sea Jet kicked off a new voyage. In Changsha, Hunan, Xiang Jiang public passenger transportation tourism platform and corresponding piers were constructed, establishing a tourism brand and identity for Changsha. In Sanya, Hainan, the Group signed a framework agreement with a central enterprise for the proposed joint development of tourism spots in Xisha and Nansha. For regional island development, the development of the renovation project for better rural area livelihood in Guishan Island, Zhuhai, was underway with good progress.

   (B) For hotel business, progress was made in both the "hardware" and "software" sides. During the year, the construction of a new Zhuhai holiday resort hotel project ("New Hotel Project") commenced. The New Hotel Project is constructed in accordance with the top-quality standard which comprises high benchmark for planning, high construction standard and high level of management. Upon the completion of the New Hotel Project, hardware facilities and receiving capacity of the hotel will be fully upgraded. In order to address the issues concerning investment return of the New Hotel Project and complementary effect of strengths in sales and marketing, the Group entered into a co-operation agreement with Interstate China Hotels & Resorts, a world-renowned third-party hotel group, with a view to establishing an international hotel management group through introduction and co-operation management with an international hotel.

(C) For green leisure tourism business, adhering to the development strategy of international development in terms of management, investment and intelligence, we successfully achieved the export of management. During the year, Zhuhai Jiuzhou Theme Park Management Company Limited* (珠海九洲景區管理有限公司) ("Jiuzhou Theme Park Management"), a new subsidiary of the Company, entered into a management contract, pursuant to which we were entrusted to manage a magnificent world-class scenic area, signifying the upgrading of the Group's tourism business and achieving management expansion under a light-asset approach, and representing the Group's solid step forward in exporting management.

(D) For public utilities, the Group attained swift expansion. During the year, the Company entered into a co-operation agreement with each of PetroChina Company Limited ("PetroChina") and China Petroleum & Chemical Corporation ("Sinopec"), including the possible capital injection into a subsidiary of the Company and the investment in, relocation, construction and operation of a petro-filling station, thereby swiftly expanding the Group's public utilities supply chain. Based on a strategy of international development, the Group proposes to engage in a project of joint development and operation of energy supply in Shaoguan, the PRC.

8. Facing the continual and fast-escalating pressure, as well as the increasing management complexity, the Group has successively enhanced system construction to establish an improving risk management system. With a view to strengthening the Group's corporate governance and refining its internal control management and mechanism, the Company set up a multi-dimensional management system. Meanwhile, in order to enhance operational capability and internal control capability of management personnel, the Company engaged an external professional advisory firm to provide training for the relevant personnel to strengthen training and internal control capability of the management.

9. The Company focused on speeding up the building of a high-caliber personnel team and accelerating the improvement on aspects including management, culture, corporate organisation, human resources and marketing, etc., which have effectively boosted the Company's development and have further enhanced the ability to mitigate risks and its overall strength.

In this performance year, the Company continually enhanced its communication with investors, promoted investment and financing, provided strong funding support for major projects, and further intensified investors' and potential investors' understanding of the Group's major projects and available resources. Through various approaches, such as annual general meeting, investor meetings, investment conferences and project visits, the Group enhanced communication with shareholders and maintained solid relationship with investors, and in turn enhanced their confidence in the Group.

Into 2016, with the leadership of the Board and support of the Company's shareholders, I believe the Group will adhere to our development philosophy and the strategic target and consistently promote industrial upgrade and transformation to utilise the function of capital operation with an aim of forging an industry chain of perfect living and travelling together with sustainable and profitable growth.

We believe that the Company is on the right track toward the aim of forging an industry chain of perfect living and travelling. To achieve our aim, in addition to the investment in and control over the three major business segments, we have set three major targets:

Firstly, in addition to sustaining continuous growth in the Group's traditional business segments, conducting research and development of new products for maritime transportation, green leisure tourism and public utilities, and enriching and controlling new resources for strategic development, our top priority is to establish the financial services segment as one of the Company's main profit centres and important platform for capital operation in the future, professionalise our strategic business unit of investment and merger and acquisition, and to increase efforts in investment and merger and acquisition by way of seeking opportunities for investment and merger and acquisition based on its strategic development of principal businesses, identifying well-established projects worldwide, rapidly optimising the industry chain and regional layout to form new core competitiveness and grow it into a new profit driver of the Company.

Secondly, in terms of financial strategies, we will further optimise our debt structure and reduce finance costs to maintain a reasonable domestic and foreign debt structure. To ensure liquidity and security, we will maintain the major financial indicators at a reasonable level to improve operating cash flows, and will promote the integration of industry with research and development with an aim to increase the utilisation rate and flexibility of financial resources as well as the supporting effect of financial management on business development.

Thirdly, our management strategies are to enhance organisation and process management through enhancing return on investments and operational efficiency, and strengthen and promote a long-term effective incentive mechanism to focus on investment projects and business plans to bring mutual benefits. We will construct a cost control system based on value creation with a view to enhancing our cost control capability along the entire value chain, and establish a systematic, mechanical and normalised risk management system to strengthen risk management.

Our employees, operation and management team and I are fully committed to making the Group to realise the Company's values and the corporate mission on generating fruitful returns for its shareholders and benefiting the society through an industry chain of perfect living and travelling with sustainable and profitable growth.

Zhou Shaoqiang
Chief Executive Officer
Hong Kong, 24 March 2016

MANAGEMENT DISCUSSION AND ANALYSIS


香洲港
梦幻水城

Business review

1. JIUZHOU BLUE SEA JET AND BLUE MARINE TOURISM

1.1 JIUZHOU BLUE SEA JET

In 2015, based on its "Blue Marine Tourism" strategy, Zhuhai High-speed Passenger Ferry Co., Ltd.* (珠海高速客輪有限公司) ("Ferry Company") and its subsidiaries (collectively the "Ferry Group") proactively sought its business upgrade and transformation to grasp the opportunities presented by the future completion of the Hong Kong-Zhuhai-Macau Bridge.

During the year under review, Ferry Company achieved a historic high for the fourth consecutive year in terms of passenger volume, which was 4,339,000, representing an increase of approximately 1.6% as compared to last year. The passenger traffic of ferry services running between Jiuzhou Port, Zhuhai and Hong Kong (including the Hong Kong Airport line) operated by Ferry Company was approximately 2,186,000, representing a decrease of approximately 1.2% as compared to last year. For the year, Ferry Company accounted for 45.5% of total volume of Guangdong – Hong Kong routes and continued to take the lead in the marine transportation between Guangdong and Hong Kong. The passenger volume of Shekou route for the year was 971,000, which increased by approximately 3.4%. The passenger volume of various island lines in Zhuhai reached 1,182,000 during the year, representing an increase of approximately 5.6%.

As always, Ferry Company maintained its stress on the importance of safe production during the year and recorded no occurrence of accidents or dangerous incidents. For the eighth consecutive year, Ferry Company was awarded as "Safe and Honest Company" (安全誠信公司), the highest honour of safe operation in the People's Republic of China (the "PRC") shipping industry, being the only high-speed ferry company in the PRC to obtain this achievement for eight years in a row.

For developing a nationwide perspective, capturing development opportunities and achieving the strategic target of promoting "Jiuzhou Blue Sea Jet" as an international brand, on 8 May 2015, the Company entered into a strategic co-operation framework agreement ("Hainan Framework Agreement")

with CCCC Hainan Construction Investment Limited* (中交海南建設投資有限公司) in relation to the intention of both parties to establish comprehensive strategic co-operation relationship through the investment in, construction and operation of various projects on port terminals, shipping, maritime transportation, tourism infrastructure, tourism development and related business in Hainan and Guangdong provinces in the PRC. For details of the Hainan Framework Agreement, please refer to the Company's announcement dated 11 May 2015.

On 29 May 2015, Zhuhai Haichang Investment Company Limited* (珠海海昌投資有限公司, a wholly-owned subsidiary of Ferry Company) ("Haichang Investment") 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. As part of the maritime tourism and transportation project of Changsha JV along Xiang Jiang (湘江) in Changsha, Hunan Province, the PRC, the maritime transportation and maritime tourism route, namely "Juzizhou (橘子洲) Tour", commenced operation in September 2015. The night lighting project of the maritime tourism passenger platform at Juzizhou, had been completed and attracted a large number of residents and visitors. With a new pier commenced operation at the end of 2015, the project has become a new scenic spot in Hunan Province of the PRC.

1.2 BLUE MARINE TOURISM

Zhuhai Jiuzhou Cruises Co., Ltd.* (珠海市九洲郵輪有限公司) ("Jiuzhou Cruises") proactively expanded the distribution channel for tickets of the ferry lines for the Chimelong Resort. During the year, Jiuzhou Cruises served 538,000 tourists in total. The delivery and commencement of operation of the new vessels Zhu'ao No. 6 (珠澳6號), Zhu'ao No. 7 (珠澳7號) and Zhu'ao No. 8 (珠澳8號) met travellers' requirements for comfort and safety while at the same time expanded the volume of passenger transportation.

While strengthening the major business of Jiuzhou Blue Sea Jet, in order to thoroughly implement the strategy of "Blue Marine Tourism" with an aim to establish marine-related business segment, Ferry Company proactively sought co-operation with various parties to expedite the upstream and

downstream extension of the industry chain and steadily build up a new landscape of development, on the back of its more than three decades of extensive management experience in the maritime tourism industry and the positive brand name effect.

On 30 April 2015, Ferry Company entered into a 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 characterised 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 (a wholly-owned subsidiary of Ferry Company) 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.

2. COMPOSITE REAL ESTATE AND GREEN LEISURE TOURISM

2.1 JIUZHOU • GREENTOWN – CUIHU XIANGSHAN

Jiuzhou • Greentown – Cuihu Xiangshan Project is the first high-end tourism property development project as part of the Company's strategic transformation and was honoured as one of the Top 10 Super-deluxe Homes in Asia in 2015. Following the overwhelming responses to Phase 1 villas project in 2014, Phase 2 high-rise project of Cuihu Xiangshan achieved robust sales in 2015. In June 2015, Phase 2 was launched for pre-sale in both

Zhuhai and Hong Kong for the first time. On the day the project was launched, all units were sold out, continuing the sales legend of Cuihu Xiangshan Project. Registration of completion in the construction of Phase 1 villas project was successfully completed and relevant construction works of golf villas and golf high-rise projects on other parcels of land have been undertaken strictly in accordance with the quality assurance plan and schedule.

2.2 ZHUHAI LAKEWOOD NORMAN GOLF COURSE

After one and a half years of construction, the Norman Golf Course, of which Mr. Greg Norman, an international top notch golf player, a.k.a. the "Great White Shark" had participated in the design work, officially commenced operation in September 2015. The Norman Golf Course is equipped with dynamic, smooth and

undulating fairways, as well as bunkers which come in all shapes with ups and downs on their surfaces, and has received great acclaim from the golfers for the enjoyment, entertainment and excitement it brings, as well as its playability and maintainability. During the year, the club served a total of 35,000 golfers and organised 14 tournaments. By strengthening and enhancing the club's capability in tournament management and with its strong capability in golf course maintenance, it has gained wide recognition and reputation in the industry and accumulated experience in organising national and international high-level tournaments.

2.3 ZHUHAI HOLIDAY RESORT HOTEL

During the year, 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, successfully passed the inspection and received the "China Hotel Golden Star Award"* (中國飯店金星獎) once again, and has been awarded as the "Model Enterprise of Trustworthiness in Guangdong Province" for nine consecutive years. It was also awarded as the "China's Most Exotic Resort Hotel in 2015" by China Meetings Industry Convention, evidencing its position in the industry. Against the backdrop of intensifying competition in the hotel industry, during this performance year, Zhuhai Holiday Resort Hotel recorded total revenue and operating profit of HK$183.9 million and HK$11.6 million. The average occupancy rate of Zhuhai Holiday Resort Hotel was approximately 59%, representing a decrease of 4% as compared to last year, and the average room rate decreased by 6% as compared to that of last year. While pursuing innovative operation, the resort hotel has strengthened its internal control and management. By striving to reduce costs and improve efficiency, total energy consumption for the whole year reduced by 18% as compared to last year.

2.4 NEW ZHUHAI HOLIDAY RESORT HOTEL PROJECT (THE "NEW HOTEL PROJECT")

As an investor and developer of the New Hotel Project, Zhuhai Jiuzhou Property Development Limited* (珠海九洲置業開發有限公司) ("JPD"), a company wholly-owned by the Group, is fully engaged in pushing forward the construction of the New Hotel Project which is expected to commence operation at the end of 2017. The New Hotel Project is expected to be funded by the internal resources of the Group and/or bank borrowings. During the year, construction of the New Hotel Project commenced, and is currently at the stage of infrastructure construction. For better competitiveness of the new hotel in terms of management, the Company entered into a co-operation agreement with Interstate China Hotels & Resorts, a world-renowned third-party hotel group during the year.

2.5 THE NEW YUANMING PALACE

The total number of visitors of New Yuanming Palace* (圓明新園) was 3,639,000 in 2015, representing a decrease of 5.8% as compared to last year. Revenue from New Yuanming Palace recorded an increase of approximately 29.4%, which was mainly attributable to an increase in revenue from artistic performance due to renovation of the theatre, as well as an increase in revenue from fleet, rental and roving performance. New Yuanming Palace will sustain its effort on building its own influence as a performing arts brand and actively realise export of performing arts resources. During the year, New Yuanming Palace entered into a strategic co-operation framework agreement with Beijing Dingsheng Industrial Investment Company Limited* (北京鼎盛文化產業投資有限公司) in relation to the promotion and marketing by both parties, regular exchange of artists and staff for performance in both places and mutual co-operation in organising new artistic performance.

2.6 HUNAN CHENGTOUSHAN MANAGEMENT PROJECT

New Yuanming Palace was engaged by Chengtoushan scenic area, located in Lixian, Hunan province, to write, direct and perform "A Dream in Chengtoushan"* (《夢回城頭山》) which is a featured program of China Hunan International Tourism Festival and won great acclaim from the domestic and international guests. Meanwhile, the Group has been actively exploring new model of export of scenic area management, adhering to the strategy of international development in terms of management, investment and intelligence. On 23 December 2015, Jiuzhou Theme Park Management, a wholly-owned subsidiary of the Company, entered into a management contract ("Management Contract") with Hunan Chengtoushan Construction Development Company Limited* (湖南城頭山建設開發有限公司) and sent a preparatory working team, comprising key management personnel of Jiuzhou Theme Park Management, to Lixian, Hunan province, in order to provide marketing planning and operational management services for the scenic area in Chengtoushan. For details of the Management Contract, please refer to the Company's announcement dated 23 December 2015.

2.7 THE FANTASY WATER WORLD

The number of visitors of the Fantasy Water World* (夢幻水城) was 325,000 in 2015, maintaining a steady visitor flow. In order to satisfy visitors' experience and enhance its reception capacity on an ongoing basis, the Fantasy Water World continued to update and upgrade its slides while ensuring its normal operation. New slides will be commissioned at the opening of the park in 2016.

3. PUBLIC UTILITIES AND FINANCIAL INVESTMENTS

3.1 JIUZHOU PASSENGER PORT

Operating revenue derived from the use of pier facilities 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") recorded an increase of approximately 9.5% over last year, which was mainly due to an increase in number of passenger trips of the ferry line running between Zhuhai and Shekou of approximately 12%, as compared to last year. In addition, Jiuzhou Port Company has largely benefitted from continual enhancement of service quality and realisation of innovative operation. For users' convenience, Jiuzhou Port Company has launched WeChat Ticketing Platform and established it as an integrated platform for ticketing, collecting passenger data and brand marketing. Meanwhile, Jiuzhou Port Company has successfully activated the "one-stop" cross-border check-in service for passengers of the Hong Kong Airport line, which has significantly increased the attractiveness of the Hong Kong Airport line and heightened the brand effect of Jiuzhou Port. While developing its principal business, Jiuzhou Port Company will fully explore commercial resources and activate terminal resources through maximising property leasing income, introducing high-end tenants and adopting new models of property leasing.

3.2 CITY ENERGY SUPPLY

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 Ferry Company, has actively grasped market trend and strived to expand its business scope. The sales volume of product oil amounted to 308,000 tons, representing a growth of 188% as compared to last year. In order to achieve its development goal of reinforcing product oil wholesale business, Jiuzhou Marine Bunker has been actively seeking external co-operation to rapidly expand its business through mutual operation of gas stations with PetroChina and Sinopec, both being leading energy enterprises in China. Jiuzhou Marine Bunker has become one of the few enterprises in the PRC which are entitled to sell product oil under the brand names of PetroChina and Sinopec. While ensuring that the working capital is safe and operating risks are under control, Jiuzhou Marine Bunker will actively identify new customers with potential. Currently, the outcome of business expansion is desirable and the product oil wholesale business has established its presence in cities including Shenyang, Shanghai and Xiamen. At the same time, in pursuing its development goal of resources integration and combination of industry and finance, Jiuzhou Marine Bunker actively integrated gas station resources and is probing the possibility of substantial acquisition and reorganisation of energy resources. The shore-based gas station in Jiuzhou Port operated by it has obtained the relevant business license and officially became the first shore-based gas station in Guangdong province. On 10 September 2015, based on a strategy of international development, Jiuzhou Marine Bunker also entered into a strategic co-operation framework agreement ("Shaoguan Framework Agreement") with its co-operation partners, for the joint development and operation of energy supply projects in Shaoguan, the PRC. For details of the Shaoguan Framework Agreement, please refer to the Company's announcement dated 10 September 2015.

3.3 FINANCIAL INVESTMENTS

With the ongoing development and expansion of its Jiuzhou Blue Sea Jet, Blue Marine Tourism, and Composite Real Estate and Green Leisure Tourism businesses, the Group has already met the criteria and possessed the strengths of combining modern industry system and finance businesses. The combination of industry and finance is an urgent need for internally-generated momentum required for the future sustainable growth of a diversified enterprise such as the Company. In order to foster the Group's investment layout in the internet financial services sector and to promote the Company's innovative development through the "Industry + Internet" model, on 16 September 2015, the Company entered into a co-operation agreement ("Kingkaid Co-operation Agreement") with Shaanxi Kingkaid Financial Services Company Limited* (陝西金開貸金融服務有限公司) in relation to the possible joint capital contribution for the establishment of a company under the name of Zhuhai Jiuzhou Kingkaid for the gradual cultivation of financial information services and internet intermediary services. Zhuhai Jiuzhou Kingkaid will capitalise on the system platform of Kingkaid financial services platform ("Kingkaid Platform") and its technological edge and take full advantages of its extensive experience in the internet financial services sector, in order to build a competitive internet financial services platform in Hong Kong, Macau and Taiwan. For details of the Kingkaid Co-operation Agreement, please refer to the Company's announcement dated 16 September 2015.

Possible risk exposure and uncertainties

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. During FY2015, the Group further improved the risk management system which covered all aspects including corporate strategies, operation and finance. In future developments, the Group will be highly aware of the following risks and uncertainties and will adopt effective tackling measures proactively. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

1. RISK OF CHANGES IN THE PLANNING OF MARITIME TRANSPORTATION

Risk analysis: As the transportation network in the PRC improves further, ferry lines or alternative expressways may increase continuously, which may have uncertain impact on the growth of certain maritime transportation projects.

Tackling measures: We will track the changes in transportation networks continuously and conduct integrated analysis to gain a comprehensive understanding on the trend of changes in future transportation network planning of the surrounding area; fully utilise the informatised data platform and timely capture the characteristics and specific factors affecting the traffic changes for early adoption of target marketing and guiding measures.

2. RISK IN INVESTMENT DECISIONS

Risk analysis: According to the Group's development strategies, we will continue to acquire new projects in future. Whether high quality projects will be selected and investment decisions will be made scientifically will have far-reaching effects on the Group's development.

Tackling measures: Subject to corporate strategies, we will determine the investment decision indicators and the information required for analysis, and maintain close communication with the relevant assessment agencies and collaborative authorities; combine preliminary investment research with project progress conditions and influencing factors, such as socio-economic policies, to appropriately predict possible external factors which may arise in later stages; select the right timing of entry for the project and formulate the corresponding investment strategies accordingly, and make timely adjustments to achieve the best result.

3. FINANCING COSTS RISK

Risk analysis: As the Group's borrowings gradually increase, there are higher requirements for budgeting, management and control of funds. Currently a regular reporting system has been basically established for funding position and financing plans, but the capabilities on assessing actual requirement of funds and the funding term have to be strengthened. At the same time, we will monitor closely the relationship between exchange rate changes and changes in interest rate spreads, further enhance supervision and control capabilities, take action in advance to avoid risk of exchange rate changes and structural risk of financing arrangements.

Tackling measures: We will keep on strengthening the tracking analysis on national currency policies and capital market conditions and trends and closely monitor exchange rate and interest rate changes; enhance joint collaborations with domestic and foreign banks to obtain information on exchange rate and interest rate hedging to further improve supervision and control capabilities.

4. RISK OF THE PRC ECONOMIC POLICIES

Risk analysis: Changes in economic policies in the PRC will have impact on the Group's businesses. Currently, macroeconomic growth in the PRC declined further and entered into the transformation and upgrading stage, which may affect the transportation and tourism demand.

Tackling measures: We will monitor the conditions of the PRC where the Group's subsidiaries operate, including transportation industry policies, economic policies and macroeconomic changes on a real-time basis, collect and compile the relevant information regularly to establish a database for carrying out analysis and research to formulate tackling measures; strengthen the interaction with peer entities and superior authorities to timely understand the changing direction of the industry, exchange management experience and enable good communication.

5. RISK OF STRATEGIC GUIDANCE

Risk analysis: A systematic analysis system is required to be established for asset disposal to ensure the process of implementing the strategic targets is consistent with the corporate vision and operational practice.

Tackling measures: We will carry out timely updating on policy environment and operating environment, establish a systematic analysing system and enhance the ability of asset disposal.

6. OPERATIONAL RISK

Risk analysis: Operational risk is the risk of losses resulting from inadequate or failed internal processes, staff and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

Tackling measures: Key functions in the Group are guided by their own standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

7. INVESTMENT RISK

Risk analysis: Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process.

Tackling measures: Proper authorisation system has been set up by the Group and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of the Group would be submitted to the Board.

8. MANPOWER AND RETENTION RISK

Risk analysis: The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group.

Tackling measures: The Group will provide attractive remuneration package to suitable candidates and personnel.

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 ("Maybank") 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 syndicated 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.

Outlook

In the coming year, the Group will consistently implement its development strategy of "land-based, sea-going, south-in-blue and north-in-green", to proactively push ahead the dual-driven development of the industry and capital operation, and refine and optimise its industry structure, capital structure and asset structure on an ongoing basis, through establishing an industry chain of perfect living and travelling and fully utilising resources in Guangdong province and Hong Kong. By establishing competitive and differentiated business segments, the overall transformation of the Group into a modern diversified enterprise which integrates industry and finance will be pushed forward. In running the core business of all segments, the Group will reinforce its foundation, enhance quality and efficiency, strengthen its management and adopt effective strategic approaches based on explicit goals and focuses. In 2016, the Group will strengthen its investment in and control over the following three major business segments:

1. JIUZHOU BLUE SEA JET AND BLUE MARINE TOURISM

Adhering to the strategy of "Blue Marine Tourism", the Ferry Group will endeavour to build a comprehensive Jiuzhou Blue Sea Jet platform encompassing "Travelling, Transportation and Touring", striving to develop and integrate upstream and downstream industries, and gradually establish three business clusters namely marine passenger transportation, island tourism and yacht industry, in order to further implement the strategy of internationalisation, and maintain the sustainable and scalable development of the enterprise. Jiuzhou Cruises will launch a new route for night-time sightseeing between Zhuhai and Macau, and build a new vessel for the operation of this "Zhuhai-Macau Bay Tour" on the back of its existing capacity.

2. COMPOSITE REAL ESTATE AND GREEN LEISURE TOURISM

For Cuihu Xiangshan Project, based on the planning requirements, the construction and delivery of Phase 1 villas project will continue, while the construction and sales of Phase 2 high-rise project and Phase 3 villas project (with the special launch of new villa products in Chinese style) will proceed. For Zhuhai Lakewood Golf Club, the construction and commencement of use of the nine fairways of Xiangshan Golf Course* (香山球場) will be completed, and the maintenance of the newly-refurbished Norman Golf Course will be brought in line with a high standard, aiming at first-class quality of lawn to further provide high-quality services to its members.

Zhuhai Holiday Resort Hotel will further explore and innovate, developing business markets such as conference groups, business travellers, tours and long-term tenants, and position the newly-established laundry company and wedding planning company as a new identity of Zhuhai Holiday Resort Hotel and a new growth engine. JPD will put all its efforts in speeding up the progress of modification and upgrade of the resort hotel, and also the construction progress of the main building of the new hotel, recreation centre and commercial complex.

New Yuanming Palace will proactively foster the commercial development of the area, with an active pursuit of international development as well as introduction of foreign participation. The export of performing arts and the introduction of Magical Journey* (《魔幻之旅》) have been in progress, to explore new models of revenue generation with its performing arts assets. Apart from traditional revenue from artistic performance, rental income and fleet income, New Yuanming Palace will also explore new revenue models and further engage in the management of export of scenic area services, seek co-operation in new events, and provide focused support to events for brand incubation. At Fantasy Water World, the Rainbow and Speedy Slide* (彩虹和高速滑梯) has become operational after Egypt Water Stockade* (埃及大水寨) and Cobra King* (眼鏡王蛇), while the Family Fun Slide* (合家歡滑梯) has passed testing and is ready to open in 2016.

3. **PUBLIC UTILITIES AND FINANCIAL INVESTMENTS**

Jiuzhou Port Company will strenuously seek to foster the modification of passenger transport stations of Jiuzhou Port, aiming at turning Jiuzhou Port into an integrated passenger transportation hub of the largest scale and with the most comprehensive facilities and functionalities in the coastal area of the Pearl River, and attaining seamless connection of aviation, water transport, road transport and municipal public transportation. Meanwhile, it will further grasp the pulse of the "internet +" era and provide better and more caring services to travellers.

On the basis of maintaining stable volume and expanding incrementally, Jiuzhou Marine Bunker will swiftly develop into a premium brand in the energy industry of Zhuhai. It will proactively seek co-operation within and outside of Zhuhai, gradually expand its business presence, foster the possibility of formulation and implementation of investment and acquisition projects, explore markets, expand market share, exert influence in the industry, and make a solid step forward towards becoming an integrated energy group covering the entire industry chain.

The Group will focus on developing financial services segment from the perspective of the overall strategy, and make use of the financial platform to gain access to a wider range of financing channels, with an aim of providing conditions for the combination and synergism of all businesses and financial services. Through establishing a business model which combines industry and finance, the Group's own enormous resources including customer resources, financial resources and project resources can be integrated effectively, creating immense value. As an important member company in finance and investment segment, Zhuhai Jiuzhou Kingkaid will leverage on the Group's industry chain of living and travelling and the Kingkaid Platform's strengths in financial innovations, and serve brick-and-mortar businesses using social capital. At the inception of Zhuhai Jiuzhou Kingkaid, crowd-funded products were successfully sold through the Kingkaid financial services platform, receiving overwhelming responses. Zhuhai Jiuzhou Kingkaid will successively offer various financial products, expand its financing channels, and create new growth engine for the Group.

The value brought by financial services segment will be substantially higher than the value created by brick-and-mortar business in the future. The Group will utilise its working capital for the overall operation, with a view to creating value through opening up new channels and lowering interest rates to lower costs, and establishing platforms and developing products to provide a solid source of capital for the rapid development of core industry and progress of major projects.

Finally, the Company's ambition is to become an industry chain of perfect living and travelling. To achieve this aim, we have set three targets:

1. establish the financial services segment as one of the Company's main profit centres;

2. on the financial side, optimise our debt structure and reduce finance costs to maintain a reasonable domestic and foreign debt structure; and

3. in terms of management, enhance return on investments and operational efficiency; focus on investment projects and business plans to bring mutual benefits; enhance our cost control capability along the entire value chain and strengthen risk management.

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.

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 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. For the year ended 31 December 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. For the year ended 31 December 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 was first fixed from 21 to 24 March 2016 which was vacated with the hearing to be re-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 round, 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.

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 and its interim report for 2015.

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 ("Promissory Note") in relation to the acquisitions of Lamdeal Consolidated Development Limited ("Lamdeal Development") 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 the Cuihu Xiangshan Project, in 2013, the Group generally finances its operations with internally generated cashflow, bank borrowings provided by its principal bankers and the Syndicated Loan Facility.

As disclosed in the section headed "Management Discussion and Analysis – Entering into a facility agreement for a syndicated loan of HK$2 billion" of this annual 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 annual report, the Company has drawn down HK$1,030 million from the Syndicated Loan Facility.

The Group's time deposits and cash and cash equivalents as at 31 December 2015 amounted to approximately HK$1,872.9 million (31 December 2014: HK$1,146.8 million), of which approximately HK$1,582.4 million (31 December 2014: HK$997.3 million) were denominated in RMB, approximately HK$290.5 million (31 December 2014: HK$149.5 million) were denominated in Hong Kong dollars.

As at 31 December 2015, trade receivables amounted to HK$121.8 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$1.0 million as at 31 December 2015 (31 December 2014: HK$1.4 million), all of which (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.

The Group held short-term available-for-sale investments of approximately HK$17.9 million as at 31 December 2015 (31 December 2014: Nil), all of which (31 December 2014: Nil) were denominated in RMB. The available-for-sale investments comprised financial products offered by a bank in the PRC.

Total interest-bearing bank and other borrowings, promissory note, convertible bonds and loan from a major shareholder amounted to approximately HK$3,976.5 million as at 31 December 2015 (31 December 2014: HK$3,513.4 million).

The Group's gearing ratio was 0.52 as at 31 December 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 31 December 2015, the Group had a current ratio of 1.5 (31 December 2014: 1.7) and net current assets of HK$2,270.1 million (31 December 2014: HK$1,325.9 million).

As at 31 December 2015, interest-bearing bank and other borrowings that were outstanding amounted to HK$2,824.1 million (31 December 2014: HK$2,216.7 million), which mainly comprised of (1) principal amount of RMB300 million due in August 2016; (2) principal amounts of RMB50 million and RMB400 million due in February and August 2017 respectively; (3) principal amounts of RMB300 million and RMB440 million due in February and August 2018 respectively; (4) principal amount of HK$100 million with the final maturity date falling due in June 2017; (5) principal amount of HK$830 million with the final maturity date falling due in July 2019; and (6) principal amount of RMB100 million with the final maturity date falling due in December 2020.

As at 31 December 2015, the aggregate outstanding amount due by the Company in form of the Promissory Note was HK$353.7 million (31 December 2014: HK$517.2 million). The outstanding Promissory Note comprised HK$200 million and HK$200 million with maturity dates of 31 December 2016 and 2017, respectively.

As at 31 December 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 year, Pacific Alliance Asia Opportunity Fund L.P. exercised its rights to partially convert the Convertible Bonds in the principal amount of HK$20 million into 13,633,265 shares in the share capital of the Company at HK$1.467 per share.

As at 31 December 2015 and up to the date of this annual report, no warrantholder had exercised the warrants (the "Warrants") issued pursuant to the subscription agreement dated 18 November 2013.

Number and remuneration of employees

At the year end, the Group had approximately 2,343 employees. During FY2015, the level of our overall staff cost was approximately HK$317.3 million (2014: HK$287.7 million), including share-based payments of around HK$3.8 million (2014: Nil). The increase of staff cost is mainly as a result of more experienced staff hired during 2015, so as to cope with the expansion of the Group. With a view to encouraging and rewarding contribution made by our staff, the Group has adopted a share option scheme and believes that this will be an effective tool for achieving this purpose. During FY2015, out of the total 79,600,000 share options granted, the Group granted 64,050,000 share options under the share option scheme to executive and non-executive and independent non-executive directors of the Company ("Directors") and certain other employees of the Group.

The Group operates and maintains defined benefit pension plans. According to the plans, the Group makes pension payments to its retired employees till their death with reference to their respective positions at the time when they retire. The expected cost of providing these post-retirement benefits is actuarially determined and recognised by using the projected unit credit method, which involves a number of assumptions and estimates, including discount rate, employee turnover rate and mortality rate and etc. The latest actuarial valuation of the defined benefit pension plans was made as at 31 December 2015 by Elaine Hwang, Fellow of Society of Actuaries, of Towers Watson Hong Kong Limited. As at 31 December 2015, the Group's aggregate defined benefit obligations was approximately HK$103.7 million (31 December 2014: HK$90.5 million).

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. In addition to the basic salaries, the Group also provides, depending on the results of the Group and individual performance, staff benefits including discretionary bonus, contributory provident fund or mandatory provident fund, and professional tuition/training subsidies in order to retain quality employees.

Dividend

Basic earnings per share for the year were HK8.77 cents. No interim dividend was paid during the year. The Board has recommended the payment of a final dividend of HK2 cents per share absorbing a total amount of HK$28,556,000 (2014: HK$14,278,000) for the financial year ended 31 December 2015 to the shareholders whose names shall appear on the register of members of the Company on Monday, 6 June 2016. Subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Friday, 27 May 2016, the final dividend will be payable on Friday, 17 June 2016. This represents a dividend pay-out ratio of 22.8%.

Contingent liabilities

As at 31 December 2015, the Group had contingent liabilities in respect of financial guarantees on mortgage facilities for certain purchasers of the Group's properties amounted to approximately HK$802.9 million (2014: HK$8.4 million). Except for these financial guarantees as disclosed above, the Group had no material contingent liabilities as at 31 December 2015 (2014: Nil).

Future plans for material investments or capital assets

As at 31 December 2015, the Group had no future plans for material investments or capital assets except for those disclosed under the heading "Management Discussion and Analysis – Outlook" as stated aforesaid.

Charges on assets

As at 31 December 2015, land use rights of lots S1, S2 and S4 of Cuihu Xiangshan Project with an aggregate carrying value of approximately HK$4,395.1 million (31 December 2014: HK$4,667.6 million) included in properties under development were pledged (together with the Company's guarantee given for part of the repayment obligation) in favour of an independent third party (the "Third Party") to secure a loan of up to approximately RMB1,500 million from the Third Party pursuant to the loan and collateral agreements dated 27 July 2015 entered into between, among others, Zhuhai Jiuzhou Holdings Property Development Co., Ltd.* (珠海九控房地產有限公司) ("ZJ Development") (formerly known as Zhuhai International Circuit Consolidated Development Limited* (珠海國際賽車場綜合發展有限公司)) and the Third Party.

As at 31 December 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.

As at 31 December 2015, the repayment obligation of the Company under a low-interest term loan facility (the "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 31 December 2015, the repayment obligation of the Company under the Syndicated Loan Facility was secured by a 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, and a charge over a bank account of the Company in favour of the facility agent on behalf of the Lenders.

As at 31 December 2015, Ferry Company has executed a guarantee in respect of the Group's bank loan of approximately HK$16.7 million (2014: Nil).

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 31 December 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$2,232 million.

As at 31 December 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.

On 30 March 2015, the Board has recommended the payment of a final dividend of HK1 cent per share of the Company ("2014 Dividend") in respect of the financial year ended 31 December 2014. The shareholders of the Company approved the payment of the 2014 Dividend at the annual general meeting of the Company held on 26 May 2015. In light of the declaration of the 2014 Dividend, pursuant to the respective terms and conditions of the Convertible Bonds and the Warrants, the conversion price of the Convertible Bonds was adjusted from HK$1.467 to HK$1.45 and the subscription price of the Warrants was adjusted from HK$1.76 to HK$1.75, respectively. Details of the adjustment of the conversion price of the Convertible Bonds and the subscription price of the Warrants are set out in an announcement of the Company dated 30 June 2015.

During the year and up to the date of this annual report, the Company received a conversion notice for exercise of conversion rights attached to the Convertible Bonds with principal amount of HK$20 million, which resulted in an issue of 13,633,265 ordinary shares of the Company at HK$1.467 per share, and no subscription notice has been received in respect of the exercise of subscription rights attached to the Warrants.

Share option scheme

The share option scheme (the "Share Option Scheme") was adopted by ordinary resolution passed by the shareholders of the Company on 28 May 2012. Under the Share Option Scheme, the directors of the Company may grant options to subscribe for shares of the Company to eligible participants, including without limitation employees of the Group, directors of the Company and its subsidiaries.

On 13 July 2015, the Company has granted an aggregate of 79,600,000 share options at an exercise price of HK$2.01 to eligible grantees, including certain directors, senior management and connected persons of the Company ("Grantees"), subject to acceptance of the Grantees, primarily to provide incentives or rewards to the Grantees. Such grant of share options enabled 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. The fair value of options granted during the year was determined using the binomial option pricing model amounted to approximately HK$3.8 million (2014: Nil) and was charged to profit or loss during the year. As at 31 December 2015, the share options were vested.

Save as disclosed above, no share option was granted, exercised, cancelled or had lapsed under the Share Option Scheme during the year under review. As at 31 December 2015, an aggregate of 79,600,000 share options in the shares of the Company were outstanding.

Material investments held, significant acquisitions and disposals

During the year, there was no material acquisition or disposal of investment, subsidiary or associated company, except for those disclosed under the heading "Management Discussion and Analysis" as stated aforesaid.

Directors and Senior Management

Executive directors

Mr. Huang Xin, aged 50, was appointed as an executive Director in July 2006. He is chairman of the Board and chairman of the nomination committee of the Company with effect from 19 January 2015. Mr. Huang was also the chief executive officer of the Company from July 2006 to August 2015. Mr. Huang is also currently the chairman of the board of directors, legal representative and general manager of Zhuhai Jiuzhou Holdings Group Co., Ltd.* (珠海九洲控股集團有限公司) ("ZJ Holdings"), a substantial shareholder of the Company. He holds a doctorate degree and obtained a title of senior economist from the Ministry of Finance of the PRC and was invited as visiting professor and researcher of a number of universities. Mr. Huang previously worked with Ministry of Finance, China Trust and Investment Corporation for Economic Development, China Cinda Asset Management Corporation and Beijing Enterprises Holdings Limited. He served as secretary to general manager, secretary to the board of directors, general manager of securities business department, deputy general manager of Beijing Enterprises Holdings High-tech Development Co., Ltd., executive director and general manager of Winghap (Macau) Company Limited, executive director and general manager of East Sea International (Macau) Company Limited, deputy chairman and general manager of Zhuhai Heng Fok Machinery & Electric Industrial Company Limited. He is a director of Zhuhai Tianzhi Development Property Co., Ltd.* (珠海天志發展置業有限公司) ("Tianzhi Development"), a company engaged in sales and development of property, golf course, tourism and recreational entertainment projects. He has over 29 years of experience in trust, insurance, securities, investment banking, financial management, corporate management and venture investment.

Mr. Zhou Shaoqiang, aged 43, has been appointed as an executive Director and chief executive officer of the Company effective from 14 August 2015. He holds a postgraduate master degree in administrative management at Sun Yat-Sen University* (中山大學). He is currently a director and an executive deputy general manager of ZJ Holdings, a substantial shareholder of the Company. Before joining ZJ Holdings and the Company, Mr. Zhou previously worked with China Construction Bank, Zhuhai Qianshan Sub-Branch; Shenzhen Development Bank, Zhuhai Branch; Zhuhai State-owned Assets Administration Bureau* (珠海市國有資產經營管理局); The State-owned Assets Supervision and Administration Commission of the Zhuhai Municipal People's Government* (珠海市人民政府國有資產監督管理委員會) ("Zhuhai SASAC"); Zhuhai Gree Group Co., Ltd.* (珠海格力集團有限公司), Zhuhai Financial Investment Holdings Co., Ltd.* (珠海金融投資控股有限公司), Jingu Futures Corporation* (金谷期貨有限公司) and Tianjin Hua Chong Investment Co., Ltd.* (天津鏵創投資有限公司). He served as an assistant to the chief economist, department head of asset administration division of Zhuhai State-owned Assets Administration Bureau, department head of reformation division of Zhuhai SASAC, deputy head and a member of CPC committee of Zhuhai SASAC, director, the president, a member of and the secretary of the CPC committee of Zhuhai Gree Group Co., Ltd., the general manager and vice-chairman of Zhuhai Financial Investment Holdings Co., Ltd., chairman of Jingu Futures Corporation, and executive director and general manager of Tianjin Hua Chong Investment Co., Ltd. He has over 21 years of experience in administrative management, futures business and financial investment.

Mr. Jin Tao, aged 52, was appointed as an executive Director in January 2012. Mr. Jin is also currently the executive deputy general manager of ZJ Holdings, a substantial shareholder of the Company. He is also the managing director and legal representative of Ferry Company, a non-wholly owned subsidiary of the Company. He holds a master degree in aircraft engineering from Northwestern Industrial University and is qualified as a senior engineer. Mr. Jin was an executive director of the Company from September 2002 to July 2009. In the past, Mr. Jin worked in Liyang Machinery Co., Ltd. under the Ministry of Aviation of the PRC, the Electrical & Mechanical General Factory of Zhuhai, Gongbei Industrial General Corporation of Zhuhai Special Economic Zone, and Zhuhai Dahengqin Investment Co., Ltd. ("ZDIC"). Mr. Jin worked in Ferry Company in the capacity of deputy manager of the Technology Department. He also worked as secretary of the board of directors, manager of the Operation Development Department, chief engineer, and deputy general manager in ZJ Holdings, and as director and general manager in ZDIC. He is a non-executive committee member of the Zhuhai Municipal City Planning Committee. Mr. Jin has over 29 years of experience in enterprise management, shipping management and maintenance, tourism management and project investment, technological development and loan acquisition.

Executive directors *(Continued)*

Mr. Ye Yuhong, aged 51, was appointed as an executive Director in July 2009 and as a member of the nomination committee of the Company in March 2012. He is currently also a director and deputy secretary of CPC Committee and secretary of Discipline Inspection Commission of ZJ Holdings, a substantial shareholder of the Company. Mr. Ye has worked in the State Key Laboratory of Laser Technology of Huazhong University of Science and Technology, the Organisation Department of CPC Zhuhai Committee and the Zhuhai Municipal Hong Kong-Macau Enterprise Office as secretary, deputy division head and leader of Macau work group. Since October 2002, he has worked as the assistant general manager, deputy secretary and secretary of Discipline Inspection Commission and deputy secretary of CPC Committee of ZJ Holdings. Mr. Ye is also a director of Tianzhi Development. Mr. Ye holds a postgraduate of Huazhong University of Science and Technology and has over 26 years experience in Hong Kong and Macau affairs, administrative management and human resource management.

Mr. Li Wenjun, aged 50, was appointed as an executive Director in July 2009. He is currently also the deputy general manager of ZJ Holdings, a substantial shareholder of the Company. He was the managing director of both 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) and 珠海市水上娛樂有限公司, the subsidiaries of the Company, from April 2012 to October 2015. Mr. Li has worked for China Ship Industrial Material South China Co., Zhuhai Commission for Economic Restructuring, Zhuhai Economic and Trade Bureau, Zhuhai State-owned Assets Operation and Administration Bureau, Zhuhai State-owned Assets Supervision and Administration Commission and Zhuhai Xinhe Transportation Group Co., Ltd. as secretary to general manager, deputy division head, division head, deputy chief economist, director and deputy general manager. He holds a postgraduate in Logistics Management of Huazhong University of Science and Technology and has over 26 years experience in administrative management, economic management and financial securities.

Non-executive directors

Datuk Wira Lim Hock Guan, aged 54, was appointed as a non-executive Director effective from 12 August 2013. He has been an executive director of LBS Bina Group Berhad ("LBS"), a public company listed on the main board of Bursa Malaysia Securities Berhad, since 6 December 2001. He is sitting on the board of several LBS group of subsidiaries, including Dragon Hill Corporation Limited and Intellplace Holdings Limited ("LBS Group"); and he is also a director of Gaterich Sdn Bhd (a substantial shareholder of the LBS Group). Datuk Wira Lim holds a Bachelor of Science Civil Engineering from the Tennessee Technology University, USA and started his career as a Civil Engineer upon his graduation. Datuk Wira Lim has more than 24 years of extensive experience in the field of property development, operations and construction. He is in charge of the LBS Group's projects in Klang Valley, Malaysia and is one of the major driving forces behind the LBS Group's successful implementation of the projects in the Klang Valley, Malaysia. He also sits on the risk management committee and the ESOS committee of LBS. Datuk Wira Lim also serves as a non-executive director of ML Global Berhad whose shares are listed on the main board of Bursa Malaysia Securities Berhad since 1 August 2014. He is also active in community works and has involved in several non-profit-making organisations in Malaysia. He is the Vice President of Malaysia – Guangdong Chamber of Investment Promotion and the Vice President of The Malaysian Chamber of Commerce in Guangdong, the PRC. He is also a qualified sharpshooter from National Rifle Association, Washington D.C.

Non-executive directors *(Continued)*

Mr. Wang Zhe, aged 45, has been appointed as a non-executive Director effective from 19 January 2015. He holds a postgraduate master degree in industrial design at Beijing Institute of Technology Graduate School* (北京理工大學研究生院) and is an engineer. Mr. Wang is currently a director of each of ZJ Holdings, a substantial shareholder of the Company, Zhuhai Duty Free Enterprises Group Company Limited* (珠海市免稅企業集團有限公司), Zhuhai Linksun Assets Entrust Co., Ltd.* (珠海市聯晟資產托管有限公司) and Zhuhai Airlines Company Limited (珠海航空有限公司). Mr. Wang worked in Shenzhen Huaqiang Holdings Group Limited* (深圳華強集團有限公司) and worked as an engineer, the head of structure division and deputy general manager of Shenzhen Huaqiang Sanyo Technology Design Co., Ltd.* (深圳華強三洋技術設計有限公司). Mr. Wang also worked as assistant to general manager, deputy general manager, and deputy managing director of Shenzhen Far East Huaqiang Navigation and Positioning Co., Ltd.* (深圳市遠東華強導航定位有限公司), department head of coordination department of Shenzhen Sanyo Huaqiang Laser Electronic Co., Ltd.* (深圳三洋華強激光電子有限公司), deputy general manager and managing director of Dongguan Huaqiang Information Technology Co., Ltd.* (東莞華強信息科技有限公司) and department head of corporate planning department of Optosky Technology Company Limited. Mr. Wang is a director of Zhuhai Huafa Group Limited* (珠海華發集團有限公司) ("Huafa Group"), a company engaged in, among others, property development, and Zhuhai Agricultural Investment Holdings Group Co., Ltd.* (珠海市農業投資控股集團有限公司), a company engaged in, among others, agricultural business. Mr. Wang has over 19 years of experience in engineering structure, technology management, coordination management and corporate planning.

Mr. Kwok Hoi Hing, aged 52, has been appointed as a non-executive Director effective from 16 June 2015. He graduated from the undergraduate programme in Horticulture of Northwest Agriculture Institute of China (now known as Northwest A&F University) in 1985. Mr. Kwok currently is the managing director of Surpassing Investment Limited. He also worked as the managing director of Hongkong Jia Hai International Investment Limited and a director of the fifth session of the board of directors of Shanghai Jin Jiang International Hotels Development Company Limited* (上海錦江國際酒店發展股份有限公司). Mr. Kwok has over 30 years of investment experience in tourism, leisure resort and hotel real estate industry.

Independent non-executive directors

Mr. Hui Chiu Chung J.P., aged 68, joined the Company as an independent non-executive Director in April 1998. He is also the chairman of the remuneration committee, a member of the audit committee and the nomination committee of the Company. Mr. Hui is currently the chairman and chief executive officer of Luk Fook Financial Services Limited. He has over 45 years of experience in the securities and investment industry. Mr. Hui had for years been serving as council member and vice chairman of The Stock Exchange of Hong Kong Limited, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchange and Clearing Limited, an appointed member of the Securities and Futures Appeals Tribunal, a member of Standing Committee on Company Law Reform, a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission, and appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A and also a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace in 2004 and was also appointed a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference in 2006. Mr. Hui also serves as a non-executive director of Luk Fook Holdings (International) Limited (Stock Code: 590), an independent non-executive director of Lifestyle International Holdings Limited (Stock Code: 1212), Gemdale Properties and Investment Corporation Limited (Stock Code: 535), China South City Holdings Limited (Stock Code: 1668), SINOPEC Engineering (Group) Co., Ltd. (Stock Code: 2386), Agile Property Holdings Limited (Stock Code: 3383) and FSE Engineering Holdings Limited (Stock Code: 331) whose shares are listed on The Stock Exchange of Hong Kong Limited. Mr. Hui was an independent non-executive director of Chun Wo Development Holdings Limited (Stock Code: 0711) from 1 January 2006 to 1 February 2015 and an independent non-executive director of Hong Kong Exchanges and Clearing Limited (Stock Code: 388) from 23 April 2009 to 29 April 2015 (whose shares are listed on The Stock Exchange of Hong Kong Limited).

Independent non-executive directors *(Continued)*

Mr. Chu Yu Lin, David, SBS, J.P., aged 72, joined the Company as an independent non-executive Director in April 1998. He is also a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. Chu received his Master of Business Administration degree from Harvard University after degrees in electrical engineering and management at Northeastern University and was awarded an honorary Doctor of Public Service degree from Northeastern University. Prior to joining the Group, he had worked in a number of sizeable international corporations such as Bank of America, General Electric Co., and Jardine Matheson & Company Limited. Mr. Chu is a Justice of the Peace of the Hong Kong Special Administrative Region. He is also an independent non-executive director of Chuang's China Investments Limited (Stock Code: 298), AVIC International Holding (HK) Limited (Stock Code: 232) and Chuang's Consortium International Limited (Stock Code: 367) whose shares are listed on The Stock Exchange of Hong Kong Limited.

Mr. Albert Ho, aged 58, was appointed as an independent non-executive Director in September 2004. He is also the chairman of the audit committee, a member of the remuneration committee and the nomination committee of the Company. Mr. Ho graduated from the Macquarie University, Sydney, Australia with a Bachelor of Economics degree in 1985 and obtained his Master of Business Administration degree from the University of Hong Kong in 1991. He is a Certified Public Accountant and fellow member of the Association of Chartered Certified Accountants. He has extensive experience in financial and corporate management. Mr. Ho is also an independent non-executive director of SHK Hong Kong Industries Limited (Stock Code: 666), a listed company in Hong Kong.

Mr. Wang Yijiang, aged 62, was appointed as an independent non-executive Director in August 2015. He is also a member of the nomination committee of the Company. Mr. Wang holds a doctorate degree of philosophy in economics at Harvard University. He is currently a professor of economics and human resource management and an associate dean of Cheung Kong Graduate School of Management at Beijing in charge of Shenzhen Campus. He is also a member of editorial board at China Economic Review, an advisor of business strategy at credit card centre of Citics Bank, a member of academic committee at Sun Ye-Fang Prize of Economics, a director of VATS Alcohol Chain Shops, an advisor of economic development at Chong Qing Municipal Government, Overseas Association, an overseas advisor of Hunan Provincial Association of Overseas Scholars, an academic advisor of National Center of Fiscal and Tax Policy Research at Tsinghua University, Beijing, a senior researcher of Center of Fiscal Studies at Peking University, a fellow of Center of China in the World Economy at Tsinghua University, a senior fellow of National Centre of Economic Research at Tsinghua University, a permanent fellow of Chinese Economists' Society in North America, professor emeritus of University of Minnesota. Mr. Wang has over 33 years of academic experience in economics and human resource management. Mr. Wang is (i) an independent director of Zhong Qing Bao, also known as 深圳中青寶互動網絡股份有限公司 (Shenzhen ZQGame Co. Ltd.), (stock code: 300052), a company listed on the Shenzhen Stock Exchange; (ii) an independent director of Hua Tu Education, also known as 北京華圖宏陽教育文化發展股份有限公司 (Beijing Huatu Hongyang Education & Culture Corp., Ltd.), (stock code: 830858), a company listed on the National Equities Exchange and Quotations System ("NEEQ") in the People's Republic of China (NEEQ is also commonly known as 新三板 (The New Third Board)); and (iii) a director of Xuzhou Construction Machinery Corporation, also known as 徐工集團工程機械股份有限公司 (XCMG Construction Machinery Co., Ltd.), (stock code: 000425), a company listed on the Shenzhen Stock Exchange. During July 2007 to November 2013, Mr. Wang was also an independent director of 北京清新環境技術股份有限公司 (Beijing SPC Environment Protection Tech Co., Ltd.) (formerly known as 北京國電清新環保技術股份有限公司 (Beijing SPC Environment Protection Tech Co., Ltd.)), (stock code: 002573), a company listed on the Shenzhen Stock Exchange in April 2011.

Alternate director

Mr. Lim Seng Lee, aged 55, was appointed as an alternate to Datuk Wira Lim Hock Guan on 24 March 2016. He is currently a senior general manager of investor relations at LBS. He had worked with the North American Securities Investment Consultants, Inc. in Taipei, Taiwan, LSL (SIMEX Trader) Pte. Ltd. of the Singapore International Monetary Exchange (SIMEX), HA Options & Financial Futures Sdn. Bhd. of The Kuala Lumpur Options and Financial Future Exchange and RHB Investment Bank Berhad in Malaysia. Mr. Lim was also a trainer and speaker of one of the continuous professional course programs approved by the Securities Commission of Malaysia. Mr. Lim has over thirty years of experience dealing in the world financial markets including listed equities and derivatives.

Senior management

Mr. Cheng Hui, aged 44, is the executive vice president of the Company. He holds a master degree. He is currently an assistant to the general manager of ZJ Holdings, a substantial shareholder of the Company, the chairman of both Zhuhai Jiuzhou Holdings Property Development Co., Ltd.* (珠海九控房地產有限公司) ("ZJ Development") and 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) ("Zhuhai Golf"), a director of 珠海經濟特區隆益實業有限公司* (Zhuhai Special Economic Zone Long Yi Enterprise Company Limited) and other companies in the Group. Mr. Cheng had worked in Zhuhai Television, Shanghai New Visual Culture Broadcast Company and ZJ Holdings. He served as marketing director, strategy and planning department manager, together with business and administration department manager. He was involved in the fields of business administration, marketing planning, project financing management and etc. He joined the Company in April 2012. Mr. Cheng obtained his Master of Business Administration degree from the Hong Kong Polytechnic University and is qualified as a financial economist. He has over 21 years of experience in business administration and management, marketing, finance, project planning and investment.

Mr. Lu Tong, aged 48, is the vice president of the Company. He holds a master degree. He is also the chairman and general manager of Zhuhai Jiuzhou Property Development Limited* (珠海九洲置業開發有限公司), and a director of Zhuhai Jiuzhou Corporation Management Co., Ltd.* (珠海九洲企業管理有限公司) ("ZJ Corporation Management"), Zhuhai High-speed Passenger Ferry Co., Ltd.* (珠海高速客輪有限公司) ("Ferry Company"), ZJ Development, Zhuhai Golf and other companies within the Group. Mr. Lu had worked in many enterprises under the Zhu Kuan Group and was involved in various fields including company legal affairs, administrative affairs, project finance, investment management and financial management etc. He joined the Company in May 1998 and worked as a deputy department manager, department manager and assistant president. Mr. Lu received his Bachelor of Laws degree from Shenzhen University and is a qualified lawyer in the PRC. He was also a postgraduate in Finance in the University of International Business and Economics and received his Master of Business Administration degree from the Royal Roads University subsequently. He has over 25 years of experience in company law, finance investment, project finance, financial management and corporate management.

Mr. Wong Kok Ching, aged 40, is the vice president of the Company. Mr. Wong is also a deputy general manager of ZJ Development and a director of Zhuhai Golf. Mr. Wong had worked in LBS, a public company listed on the main board of Bursa Malaysia Securities Berhad, and engaged in real estate business. He joined the Company in August 2013. Mr. Wong received his Bachelor degree of Science (Quantity Surveying) from University of Northumbria at Newcastle in United Kingdom. He has over 16 years of experience in real estate development, quantity survey and cost management. Mr. Wong is the nephew of Datuk Wira Lim Hock Guan.

Mr. Tang Jin, aged 43, is the vice president of the Company. He holds a master degree. He is also a director of Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd.* (珠海九洲港客運服務有限公司), Zhuhai Jiuzhou Cruises Co., Ltd.* (珠海市九洲郵輪有限公司) and ZJ Corporation Management, and a supervisor of Ferry Company. Mr. Tang had worked in many enterprises under the Zhu Kuan Group in the capacities of assistant department manager, deputy department manager, department manager and assistant president, and was involved in the fields of international trading, finance investment, administrative management, asset management and human resources management. Mr. Tang joined the Company in May 1998. He obtained his Master of Business Administration degree from the Royal Roads University. He has nearly 20 years of experience in administrative management, financial investment, project management, asset management and human resources management.

Senior management *(Continued)*

Mr. Zhong Hua, aged 42, is an assistant president of the Company. He holds a master degree and is an executive director of Zhuhai Holdings Assets Management Co., Ltd.* (珠海控股資產管理有限公司) and the chairman of Zhuhai Jiuzhou Kingkaid Financial Services Company Limited* (珠海九洲金開貸金融服務有限公司), which are subsidiaries of the Company. Mr. Zhong worked at Wuhan Institute of Technology, C-Bons Group, Jiuzhou Holdings Group and served as education administrator, internal auditor, project manager and deputy general manager of development and planning department. He joined the Company in 2012 and served as general manager of corporate management department and director of other companies in the Group. Mr. Zhong received a bachelor of laws degree from Central China Normal University* (華中師範大學) and a MBA Degree from Huazhong University of Science and Technology* (華中科技大學). He is a certified internal auditor (CIA) with fund practice qualification. He has over 15 years of experience in corporate internal risk control project management, project planning, operation and management and financial investment.

Mr. Chan Chit Ming, Joeie, aged 43, is the financial controller and the company secretary of the Company. He holds a master degree. Prior to joining the Group, Mr. Chan had worked as finance manager, internal audit manager, company secretary and financial controller of various companies listed on the Main Board and the Growth Enterprise Market Board of The Stock Exchange of Hong Kong Limited. He joined the Company as financial controller in February 2012. Mr. Chan graduated from University of Humberside with a Bachelor degree of Arts (Accountancy and Finance) and received his Master of Business Administration degree from the University of Hull in United Kingdom. He is an associate member of the Institute of Chartered Accountants in England and Wales, a fellow member of the Association of Chartered Certified Accountants as well as a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Chan has over 21 years of solid finance, accounting, auditing experience in various industries and extensive experience and knowledge in company secretarial and corporate governance fields.

Save as disclosed above, the directors or senior management of the Company do not have any relationships with any other director or senior management.

Report of the Directors

The directors of the Company present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 December 2015.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Group consist of investment holding, the provision of port facilities in Zhuhai, the PRC excluding Hong Kong and Macau, the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part, the management of a holiday resort, a theme park and an amusement park, property development and the operation of a golf club. The principal activities of the principal subsidiaries are set out in note 20 to the consolidated financial statements.

Business review

Business review of the Group for the year ended 31 December 2015 can be found in the section headed "Management Discussion and Analysis" of this annual report, of which the discussion forms part of this "Report of the Directors".

Environmental policies, performance and compliance with laws and regulations

The Group is committed progress to raise energy efficiency and minimise both energy consumption and pollutant discharge. The Group uses petrol, diesel fuel, water and electricity as the main sources of energy during operation. The Group strives to reduce emissions through technological adaptation and plant and equipment upgrade.

The Group adheres to the principle of recycling and waste reduction. It implements green office practices such as double-sided printing and copying, setting up recycling bins, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliance.

The Group regards production safely as its primary social responsibility. The Company is committed to becoming a safe production enterprise strictly according to its principles of "safe development" and "people orientation". Since its inception, the Company's businesses have a good history of safety. During FY2015, there was no general and more severe liability accidents occurred for our businesses.

During FY2015, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

Key relationships with employees, customers and suppliers

Being people-oriented, the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers on an annual basis.

Results and dividends

The Group's profit for the year ended 31 December 2015 and the state of affairs of the Company and of the Group at that date are set out in the consolidated financial statements on pages 76 to 166.

The Board recommends the payment of a final dividend of HK2 cents per ordinary share in respect of the financial year ended 31 December 2015 to the shareholders whose names shall appear on the register of members of the Company on 6 June 2016.

Summary financial information

A summary of the results and assets, liabilities and non-controlling interests of the Group for the years ended 31 December 2011, 2012, 2013, 2014 and 2015 is set out on page 168 of this report. This summary does not form part of the audited consolidated financial statements.

Property, plant and equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

Rights to use port facilities

Details of movements in the rights to use port facilities of the Group during the year are set out in note 16 to the consolidated financial statements.

Properties under development

Details of the Group's properties under development are set out in note 17 to the consolidated financial statements and on page 167 of this report.

Completed properties held-for-sale

Details of the Group's completed properties held-for-sale are set out in note 18 to the consolidated financial statements.

Share capital, warrants and convertible bonds

As at 31 December 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 year, 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 ordinary shares in the share capital of the Company at HK$1.467 per share.

Details of movements in the Company's share capital, warrants and convertible bonds during the year are set out in notes 39, 36 and 34 to the consolidated financial statements, respectively.

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").

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 total number of shares which may be issued upon exercise of all share options must not in aggregate exceed 10% of the nominal amount of the issued share capital of the Company as at 28 May 2012 (that is, 111,860,000 shares). As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme is 79,600,000 shares, representing approximately 5.6% of the total number of shares in issue.

The maximum number of shares issued and which may fall to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each participant of the Share Option Scheme in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of share options to a participant of the Share Option Scheme in excess of the Individual Limit (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant must be subject to shareholders' approval in general meeting of the Company with such participant and his or her associates abstaining from voting.

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 exercise price shall be determined by the Board in its absolute discretion at the time the grant of the options is made and shall not be lower than the highest of: (i) the closing price of the shares as stated in The Stock Exchange of Hong Kong Limited (the "Stock Exchange")'s daily quotations sheets on the grant date, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date; and (iii) the nominal value of the shares.

The Share Option Scheme will remain in force for a period of 10 years commencing on its adoption date. The remaining life of the Share Option Scheme is approximately 6 years as at the date of this report.

Share option schemes *(Continued)*

The movements in the outstanding share options granted under the Share Option Scheme during the year:

Name or category of participant	Number of share options as at 1 January 2015	Number of share options granted during the year	Number of share options exercised during the year	Number of share options cancelled during the year	Number of share options lapsed during the year	Number of share options as at 31 December 2015	Date of grant of share options	Exercised period of share options	Exercise price (Note 1)	Approximate percentage of the Company's issued ordinary share capital (Note 2)
Directors										
Mr. Huang Xin	–	4,500,000 *(Note 4)*	–	–	–	4,500,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.32%
Mr. Zhou Shaoqiang *(Note 3)*	–	3,800,000 *(Note 4)*	–	–	–	3,800,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.27%
Mr. Jin Tao	–	3,500,000 *(Note 4)*	–	–	–	3,500,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.25%
Mr. Ye Yuhong	–	3,500,000 *(Note 4)*	–	–	–	3,500,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.25%
Mr. Li Wenjun	–	3,500,000 *(Note 4)*	–	–	–	3,500,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.25%
Datuk Wira Lim Hock Guan	–	1,000,000 *(Note 4)*	–	–	–	1,000,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.07%
Mr. Wang Zhe	–	1,000,000 *(Note 4)*	–	–	–	1,000,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.07%
Mr. Kwok Hoi Hing	–	1,000,000 *(Note 4)*	–	–	–	1,000,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.07%
Mr. Hui Chiu Chung	–	1,000,000 *(Note 4)*	–	–	–	1,000,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.07%
Mr. Chu Yu Lin, David	–	1,000,000 *(Note 4)*	–	–	–	1,000,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.07%
Mr. Albert Ho	–	1,000,000 *(Note 4)*	–	–	–	1,000,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	0.07%
Subtotal	–	24,800,000	–	–	–	24,800,000				
Other employees										
In aggregate	–	39,250,000 *(Note 4)*	–	–	–	39,250,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	2.75%
Others										
In aggregate	–	15,550,000 *(Note 4)*	–	–	–	15,550,000	13 July 2015	13 July 2015 to 12 July 2025	HK$2.01	1.09%
Total	–	79,600,000	–	–	–	79,600,000				

Note 1 The exercise price of the share options is subject to adjustments in the case of rights or bonus issues, or other similar changes in the Company's issued ordinary share capital.

Note 2 The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 31 December 2015 (i.e., 1,427,797,174 shares).

Note 3 Following the appointment of Mr. Zhou Shaoqiang as an executive director of the Company during the year, the share options granted to him was reclassified to "Directors" from "Others".

Note 4 The exercise price is HK$2.01. The share options period during which the options may be exercised is the period from 13 July 2015 to 12 July 2025. The date of grant was 13 July 2015 and the closing price of share immediately before the date of grant was HK$1.34. The Group recognised the total expenses of HK$3,847,000 for year ended 31 December 2015 (2014: Nil) in relation to share options granted by the Company.

Tax relief

The Company is not aware of any relief from taxation available to shareholders of the Company by reason of their holding of Company's shares.

Pre-emptive rights

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

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 year ended 31 December 2015.

Reserves

Details of movements in the reserves of the Company and of the Group during the year are set out in note 47 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

Distributable reserves

As at 31 December 2015, the Company's reserves available for distribution, calculated in accordance with the laws of Bermuda, amounted to HK$104,674,000. In addition, the Company's contributed surplus, amounting to HK$628,440,000 as at 31 December 2015, is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus if (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the net realisable value of its assets would thereby be less than the aggregate of its liabilities and its share capital and share premium account. The Company's share premium account with a balance of HK$911,207,000 as at 31 December 2015 is distributable in the form of fully-paid bonus shares.

Charitable contributions

During the year under review, the Group made charitable contributions totalling HK$1,497,000.

Major customers and suppliers

During the year, the percentages of sales and purchases attributable to the Group's major customers and suppliers were as follows:

	% of sales	% of purchases
The largest customer/supplier	11.2%	16.0%
Five largest customers/suppliers	36.5%	71.3%

None of the directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers during the year.

Permitted indemnity provision

According to the Bye-laws of the Company, subject to the provisions of and so far as may be permitted by the statutes, the directors, managing directors, alternate director, auditors, secretary or other officers for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which may be sustained or incur in or about the execution of the duties of their respective offices or otherwise in relation thereto.

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover the certain legal actions brought against its directors and officers.

Equity-linked agreements

The Company has granted an aggregate of 79,600,000 share options at an exercise price of HK$2.01 to eligible grantees, including certain directors, senior management and connected persons of the Company ("Grantees"), subject to acceptance of the Grantees, under its share option scheme adopted on 28 May 2012, primarily to provide incentives or rewards to the Grantees. Such grant of share options enabled 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. Please refer to note 41 of the consolidated financial statements of the Group for information.

Save as disclosed above, the Company has not entered into any equity-linked agreement during the year ended 31 December 2015.

Directors

The directors of the Company during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. Chen Yuanhe *(Chairman)* (resigned on 19 January 2015)
Mr. Huang Xin *(Chairman)* (appointed as Chairman on 19 January 2015)
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. Lim Seng Lee as his alternate)
Mr. Wang Zhe (appointed on 19 January 2015)
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)

ALTERNATE DIRECTOR:

Mr. Lim Seng Lee (alternate to Datuk Wira Lim Hock Guan) (appointed on 24 March 2016)

The directors of the Company, including the executive directors, non-executive directors and independent non-executive directors, are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provisions of the Company's Bye-laws.

In accordance with Bye-law 111(A) of the Company's Bye-laws, Mr. Li Wenjun, Datuk Wira Lim Hock Guan and Mr. Hui Chiu Chung, directors of the Company, shall retire at the forthcoming annual general meeting. In addition, Mr. Zhou Shaoqiang, Mr. Kwok Hoi Hing and Mr. Wang Yijiang, who have been appointed as directors by the Board on 14 August 2015, 16 June 2015 and 14 August 2015, respectively, shall hold office until the forthcoming annual general meeting pursuant to Bye-law 115 of the Company's Bye-laws. All the above retiring directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting pursuant to Bye-laws 111(A) and 115 of the Company's Bye-laws.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company considers that all the independent non-executive directors are independent.

Directors *(Continued)*

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

Mr. Li Wenjun resigned as the managing director of both The New Yuanming Palace Tourist Co., Ltd. of Zhuhai S.E.Z. and 珠海市水上娛樂有限公司, the subsidiaries of the Company with effect from 10 October 2015.

Directors' service contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' remuneration

The directors' fees are subject to the shareholders' approval at the general meetings. Other emoluments are determined by the Company's board of directors with reference to the directors' duties, responsibilities and performance and the results of the Group.

Directors' material interests in transactions, arrangements or contracts of significance

Save as disclosed in the paragraph headed "Connected and Continuing Connected Transactions" in this report and in note 46 to the consolidated financial statements, no transaction, arrangement or contract of significance to the business of the Group to which the Company, its subsidiaries, its substantial shareholder or any subsidiaries of its substantial shareholder was a party and in which a director or an entity connected with a director has or had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in competing business

Save as disclosed below, as of the date of this report, the directors believe that none of the directors had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group:

- each of Mr. Huang Xin and Mr. Ye Yuhong, an executive director, holds directorship in Tianzhi Development, a company engaged in sales and development of property, golf course, tourism and recreational entertainment projects; and

- Mr. Wang Zhe, a non-executive director, holds directorship in Huafa Group, a company engaged in, among others, property development.

Although the above mentioned directors have competing interests in other companies by virtue of their respective common directorship, they will fulfil their fiduciary duties in order to ensure that they will act in the best interest of the Company's shareholders and the Company as a whole at all times.

Directors' and chief executive's interests and short positions in shares and underlying shares of the Company and its associated corporations

As at 31 December 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 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	Equity derivatives (Share options, *Note 1*)	Number of ordinary shares directly and beneficially owned	Total interests	Approximate percentage of the Company's issued ordinary share capital *(Note 2)*
Mr. Huang Xin	4,500,000	–	4,500,000	0.32%
Mr. Zhou Shaoqiang	3,800,000	–	3,800,000	0.27%
Mr. Jin Tao	3,500,000	1,742,000	5,242,000	0.37%
Mr. Ye Yuhong	3,500,000	700,000	4,200,000	0.29%
Mr. Li Wenjun	3,500,000	–	3,500,000	0.25%
Datuk Wira Lim Hock Guan	1,000,000	–	1,000,000	0.07%
Mr. Wang Zhe	1,000,000	–	1,000,000	0.07%
Mr. Kwok Hoi Hing	1,000,000	199,238,000 *(Note 3)*	200,238,000	14.02%
Mr. Hui Chiu Chung	1,000,000	–	1,000,000	0.07%
Mr. Chu Yu Lin, David	1,000,000	2,700,000	3,700,000	0.26%
Mr. Albert Ho	1,000,000	250,000	1,250,000	0.09%

Note 1 Details of movements in directors' interests in the share options of the Company during the year are disclosed in the section headed "Share option scheme" in this report.

Note 2 The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 31 December 2015 (i.e., 1,427,797,174 shares).

Note 3 Mr. Kwok Hoi Hing held 199,238,000 shares of the Company of which 28,340,000 shares were held through his wholly-owned subsidiary, Surpassing Investment Limited.

Save as disclosed above, as at 31 December 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.

Directors' rights to acquire shares or debentures

At no time during the year 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.

Substantial shareholders' and other persons' interests in shares and underlying shares

As at 31 December 2015, the following persons/parties (other than the directors and chief executive of the Company, whose interests have been disclosed in the above section headed as "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations") 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 OF THE COMPANY:

Name of substantial shareholders	Number of ordinary shares beneficially held and interested	Approximate percentage of the Company's issued ordinary share capital *(Note 1)*
Zhuhai Jiuzhou Holdings Group Co., Ltd. ("ZJ Holdings") *(Note 2)*	586,770,000	41.10%
Longway Services Group Limited *(Note 2)*	351,570,000	24.62%
Dragon Hill Corporation Limited ("Dragon Hill") *(Note 3)*	142,603,909	9.99%

Note 1 The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 31 December 2015 (i.e., 1,427,797,174 shares).

Note 2 Out of the 586,770,000 shares of the Company held by ZJ Holdings, 351,570,000 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.

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 *(Note 1)*
Pacific Alliance Asia Opportunity Fund L.P. ("PAAOFLP") *(Note 2)*	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 31 December 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 ("PAIML"), 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 PAIML 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 2014 Dividend. The shareholders of the Company approved the payment of the 2014 Dividend at the annual general meeting of the Company held on 26 May 2015. In light of the declaration of the 2014 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.

Save as disclosed above, as at 31 December 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.

Specific performance obligations on a substantial shareholder

On 12 December 2014, the Company, as borrower, entered into a facility agreement ("2014 Facility Agreement") with a bank in relation to a HK$300 million term loan facility having the final maturity date falling 36 months from the date of the 2014 Facility Agreement. The Facility is secured and with a floating interest rate. Pursuant to the 2014 Facility Agreement, the Company has covenanted and undertaken to the bank (among other terms and conditions) that, the substantial shareholder of the Company, ZJ Holdings shall, at all times, to (among other terms and conditions): (1) hold (directly or indirectly) at least 30% of the entire issued share capital of the Company; (2) remain as the single largest beneficial shareholder of the Company; and (3) have management control over the Company.

For details of the 2014 Facility Agreement, please refer to the Company's announcement dated 12 December 2014.

On 28 July 2015, the Company, as borrower, entered into the Syndicated Loan Facility Agreement of up to HK$2 billion for a term of four years with Maybank and other Lenders bank in relation to the Syndicated Loan Facility. Pursuant to the Syndicated Loan Facility Agreement, the Company has covenanted and undertaken to the Lenders (among other terms and conditions) that: (1) at least 30% of its entire issued share capital remain to be beneficially owned (directly or indirectly) by ZJ Holdings; (2) ZJ Holdings remains as the single largest beneficial shareholder of the Company; and (3) ZJ Holdings have management control over the Company.

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

Connected and continuing connected transactions

In addition to the related party transactions disclosed in notes 46(A) and (B) to the consolidated financial statements, details of connected transactions or continuing connected transactions ("CCTs") of the Group as defined under the Listing Rules, details of which are required to be disclosed in accordance with the requirements of Chapter 14A of the Listing Rules, are summarised below:

A. CONNECTED TRANSACTIONS

(1) On 14 June 2015, Mr. Ye Yuhong ("Mr. Ye", an executive director of the Company) and his son (collectively, the "Purchasers") and ZJ Development, a non-wholly owned subsidiary of the Company, entered into a sale and purchase agreement ("June Agreement") in respect of the sale and purchase of a residential property under the Cuihu Xiangshan Project at a consideration of RMB6,227,383. Completion is expected to take place before 30 May 2016.

As the Purchasers are Mr. Ye, an executive director, and his son, an associate of Mr. Ye, the Purchasers are connected persons of the Company. Hence, the transactions contemplated under the June Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the transaction contemplated under the Agreement are more than 0.1% but less than 5%, the transactions contemplated under the June Agreement are subject to the reporting and announcement requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules. As Mr. Ye is an executive director and one of the Purchasers to the June Agreement, he has abstained from voting on the relevant Board resolutions to approve the June Agreement. For details of the June Agreement, please refer to the Company's announcement dated 16 June 2015.

Connected and continuing connected transactions *(Continued)*

A. CONNECTED TRANSACTIONS *(Continued)*

(2) On 22 August 2015, Mr. Jin Tao ("Mr. Jin", an executive director of the Company) and ZJ Development entered into a sale and purchase agreement ("August Agreement") in respect of the sale and purchase of a residential property under the Cuihu Xiangshan Project at a consideration of RMB1,996,169. Completion is expected to take place before 30 December 2017.

On 17 October 2015, ZJ Development and Ms. Zhang Lina ("Ms. Zhang", the spouse of Mr. Jin) entered into another sale and purchase agreement ("October Agreement") in respect of the sale and purchase of another residential property under the Cuihu Xiangshan Project at a consideration of RMB1,710,579. Completion is expected to take place before 30 December 2017.

As Mr. Jin is an executive director, and Ms. Zhang, being the spouse and therefore an associate of Mr. Jin, both are connected persons of the Company. Hence, the transactions contemplated under the August Agreement and the October Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the August Agreement and the October Agreement by itself falls within the de minimis exemption under Rule 14A.76 of the Listing Rules. However, pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the August Agreement with Mr. Jin and the October Agreement with Ms. Zhang should be aggregated, as the August Agreement and the October Agreement were entered into by a member of the Group with parties connected with one another within a 12-month period, and the subject matter of each of the August Agreement and the October Agreement relates to the sale of properties under the Cuihu Xiangshan Project. As the applicable percentage ratios in respect of the transactions contemplated under the August Agreement and the October Agreement, on an aggregate basis, are more than 0.1% but less than 5%, the transactions contemplated under the August Agreement and the October Agreement are subject to the reporting and announcement requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules. As Mr. Jin is an executive director and the spouse of Ms. Zhang, he has abstained from voting on the relevant Board resolutions to approve the August Agreement and the October Agreement. For details of the August Agreement and the October Agreement, please refer to the Company's announcement dated 19 October 2015.

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS

(i) On 18 March 2011, Jiuzhou Port Company, a non-wholly owned subsidiary of the Company, and Ferry Company, a non-wholly owned subsidiary of the Company (previously accounted for as a joint venture of the Group), entered into certain agreements on similar terms (collectively, the "2011 AM Fee Agreements") pursuant to which Jiuzhou Port Company acted as agent of Ferry Company for selling of ferry tickets to passengers and for providing management services for the berthing facilities at the Jiuzhou Port in Zhuhai to Ferry Company for the term commencing on 1 January 2011 and expired on 31 December 2013. As (a) Jiuzhou Port Company is indirectly owned by the Company and ZJ Holdings as to 90% and 10%, respectively, as at 31 December 2015; (b) Ferry Company is indirectly owned by the Company and ZJ Holdings as to 49% and 43%, respectively, as at 31 December 2015; and (c) ZJ Holdings is a substantial shareholder of the Company, Ferry Company is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2011 AM Fee Agreements constituted CCTs for the Company under Chapter 14A of the Listing Rules. Under the 2011 AM Fee Agreements, Jiuzhou Port Company was entitled to receive agency cum management fees from Ferry Company calculated on the basis of 23.5% of the gross proceeds from the ferry tickets sold after deducting certain fees and expenses. Ferry Company was required to pay the agency cum management fees in arrears and on a monthly basis under the 2011 AM Fee Agreements. At the special general meeting of the Company held on 27 May 2011, the 2011 AM Fee Agreements, the transactions contemplated thereby and the related annual caps were approved by the independent shareholders of the Company.

On 28 September 2012, Jiuzhou Port Company and Ferry Company entered into certain termination agreements to terminate the 2011 AM Fee Agreements. Three new agency transportation cum management fee agreements for the period commencing on 28 September 2012 and expired on 31 December 2014 on similar terms (collectively, the "2012 AM Fee Agreements") were made between Jiuzhou Port Company, Ferry Company and Zhuhai Jiuzhou Port Passenger Transport Station Co., Ltd. ("Jiuzhou Transport Company"), a wholly-owned subsidiary of ZJ Holdings. Pursuant to the 2012 AM Fee Agreements, Jiuzhou Port Company is mainly responsible for providing waiting lounge for passengers, supplying electricity and fresh water to the ferries of Ferry Company, conducting promotional activities for the ferry lines and providing berthing facilities and services for the ferries of Ferry Company at the Jiuzhou Port, and Jiuzhou Transport Company is mainly responsible for selling ferry tickets to passengers in the PRC, luggage transportation, assisting in the management of waiting lounge services and conducting business promotion activities. Both Jiuzhou Transport Company and Ferry Company are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2012 AM Fee Agreements constituted CCTs for the Company under Chapter 14A of the Listing Rules. Under the 2012 AM Fee Agreements, (i) Jiuzhou Port Company was entitled to receive the agency, transportation cum management fees ("AM Fees") from Ferry Company calculated on the basis of 17.5% or 20.5% of the gross proceeds from the ferry tickets sold, after deducting certain expenses and fees payable to certain independent third parties for certain ferry lines; and (ii) Jiuzhou Transport Company was entitled to receive (1) agency transportation and management fees from Ferry Company calculated on the basis of 3% of the gross proceeds from the ferry tickets sold, after deducting certain expenses and fees payable to certain independent third parties for certain ferry lines; and (2) an agency fee of RMB3 per ticket sold for certain ferry lines. Ferry Company was required to pay the agency cum management fees in arrears and on a monthly basis under the 2012 AM Fee Agreements. At the special general meeting of the Company held on 18 December 2012, the 2012 AM Fee Agreements, the transactions contemplated thereby and the related annual caps were approved by the independent shareholders of the Company.

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(i) *(Continued)*

On 30 September 2013, supplemental agreements ("Supplemental Agreements") to the 2012 AM Fee Agreements were entered into between Ferry Company, Jiuzhou Port Company and Jiuzhou Transport Company. The major terms ("Variation of Terms") of the Supplemental Agreements included: (1) Jiuzhou Port Company was entitled to receive the AM Fees from Ferry Company calculated on the basis of 19.5% or 22.5% of the gross proceeds from the ferry tickets sold, after deducting certain expenses and fees payable to certain independent third parties for certain ferry lines ("Net Proceeds") (the original charging rate under the 2012 AM Fee Agreements before the Variation of Terms was in the range of 17.5% or 20.5%); (2) Jiuzhou Transport Company was entitled to receive agency transportation and management fees from Ferry Company calculated on the basis of 1% of the Net Proceeds from the ferry tickets sold (the original charging rate under the 2012 AM Fee Agreements before the Variation of Terms was 3%); and (3) the sharing ratio of certain expenses in connection with business promotion between Ferry Company, Jiuzhou Port Company and Jiuzhou Transport Company was 76.5%: 22.5%: 1% (the original sharing ratio under the 2012 AM Fee Agreements before the Variation of Terms was 76.5%: 20.5%: 3%). The Variation of Terms did not result in the related annual caps for the years ended 31 December 2013 and 2014 respectively being exceeded. Having considered the factors mentioned above, the Board was of the view that the Variation of Terms did not constitute a material change to the terms of the 2012 AM Fee Agreements. Accordingly, the Company was not required to re-comply with the independent shareholders' approval requirement under Chapter 14A of the Listing Rules in connection with the Variation of Terms.

It was expected that the CCTs under the 2012 AM Fee Agreements (as varied by the Supplemental Agreements) will continue beyond their respective expiry on 31 December 2014. On 31 December 2014, Ferry Company, Jiuzhou Port Company and Jiuzhou Transport Company entered into, on a conditional basis, certain agreements on similar terms (collectively, the "2015 AM Fee Agreements") in relation to the operation of the same ferry lines as in the 2012 AM Fee Agreements (as varied by the Supplemental Agreements) all for a term of three years up to 31 December 2017.

As both Ferry Company and Jiuzhou Port Company are connected subsidiaries of the Company under the Listing Rules and Jiuzhou Transport Company is a connected person of the Company under the Listing Rules, the transactions contemplated by the 2015 AM Fee Agreements thus constitute CCTs for the Company under Chapter 14A of the Listing Rules.

At the special general meeting of the Company held on 26 May 2015, the 2015 AM Fee Agreements, the transactions contemplated thereby and the related annual caps were approved by the independent shareholders of the Company.

During the year ended 31 December 2015, Jiuzhou Port Company received agency, transportation cum management fees from Ferry Company amounted to HK$59,160,000 (2014: HK$57,382,000) and these intra-group transactions were fully eliminated on consolidation of the Group.

During the year ended 31 December 2015, Jiuzhou Transport Company received agency, transportation cum management fees from Ferry Company amounted to HK$2,282,000 (2014: HK$2,530,000).

Details of the 2011 AM Fee Agreements, the 2012 AM Fee Agreements, the Supplemental Agreements and the 2015 AM Fee Agreements are set out in the Company's announcements dated 17 November 2011 and 28 September 2012, the circular dated 23 November 2012, the announcements dated 30 September 2013 and 31 December 2014, and the circular dated 30 April 2015.

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(ii) Under a renewed supply agreement dated 31 December 2014, Jiuzhou Marine Bunker, a company wholly-owned by Ferry Company (and therefore is a connected person of the Company under the Listing Rules), has agreed to supply Zhuhai Holiday Resort Hotel diesel fuel on an on-going basis for a term of three years commencing from 1 January 2015 to 31 December 2017. The purchase price payable by Zhuhai Holiday Resort Hotel would be the same as the price level applicable to the group companies of ZJ Holdings and/or Ferry Company and shall be paid by Zhuhai Holiday Resort Hotel to Jiuzhou Marine Bunker on a monthly basis in arrears.

During the year ended 31 December 2015, Zhuhai Holiday Resort Hotel purchased diesel fuel from Jiuzhou Marine Bunker amounted to HK$2,967,000 (2014: HK$4,559,000) and these intra-group transactions were fully eliminated on consolidation of the Group.

Details of the above agreement are set out in the Company's announcement dated 31 December 2014.

(iii) An agency transportation cum management fee agreement together with its supplemental agreement ("2014 Supplemental Wanshan AM Fee Agreement") both dated 1 January 2014 ("2014 Wanshan AM Fee Agreement") were entered into between 珠海經濟特區海通船務有限公司* (Zhuhai S.E.Z. Haitong Shipping Co., Ltd.) ("HT Shipping"), an indirect non wholly-owned subsidiary of the Company, and 珠海市萬山區港務有限公司* (Zhuhai Wanshan Port Co., Ltd.) ("Wanshan Port Company"), a connected person of the Company, in relation to the provision of certain port and transportation agency services by Wanshan Port Company to HT Shipping at the following terminals (collectively, "Designated Terminals") for a term of one year from 1 January 2014 up to 31 December 2014:

(i) North Terminal of Xiangzhou Port* (香洲港北堤碼頭), Zhuhai; and

(ii) Certain terminals on Wanshan Qundao* (萬山群島), Zhuhai, including Guishan Terminal* (桂山碼頭), Wai Lingding Terminal* (外伶仃碼頭), Dongao Terminal* (東澳碼頭), Wanshan Terminal* (萬山碼頭) and Dangan Terminal* (擔桿碼頭).

Since January 2010, HT Shipping (which was then (and is still) a wholly-owned subsidiary of Ferry Company which in turn was, at the material time, a joint venture of the Company) has been engaging Wanshan Port Company (a then wholly-owned subsidiary of an independent third party) to provide port and transportation agency services to the ferries of HT Shipping at the Designated Terminals pursuant to various written agreements, including the 2014 Wanshan AM Fee Agreement (as supplemented by the 2014 Supplemental Wanshan AM Fee Agreement).

During the period from January 2010 and immediately prior to 23 May 2013, the above transactions between HT Shipping and Wanshan Port Company were transactions of a revenue nature in the ordinary and usual course of business of the Group which were conducted between a joint venture (which was not a member of the Group) of the Company and an independent third party, which transactions did not constitute transactions under Chapter 14 of the Listing Rules or connected transactions under Chapter 14A of the Listing Rules.

On 23 May 2013, following completion of changes to its shareholding composition, Ferry Company has been treated as a 49%-owned subsidiary of the Company, and hence HT Shipping (a wholly-owned subsidiary of Ferry Company), also became a subsidiary of the Company.

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(iii) *(Continued)*

During the period from 23 May 2013 and immediately prior to 29 January 2014, the above transactions between HT Shipping and Wanshan Port Company were transactions of a revenue nature in the ordinary and usual course of business of the Group which were conducted between a member of the Group and an independent third party, which transactions did not constitute transactions under Chapter 14 of the Listing Rules or connected transactions under Chapter 14A of the Listing Rules.

On 29 January 2014, ZJ Holdings completed its acquisition of 50% equity interests in Wanshan Port Company from the latter's then sole equity-holder which was an independent third party. Since then, Wanshan Port Company has become an associate of ZJ Holdings and a connected person of the Company. Accordingly, since 29 January 2014, transactions contemplated between HT Shipping (a member of the Group) and Wanshan Port Company (a connected person of the Company) constituted CCTs under Chapter 14A of the Listing Rules.

Since January 2010, transactions between HT Shipping and Wanshan Port Company were governed under written agreements for a term of either one year or three years. The CCTs between the parties in 2014 were governed by the 2014 Wanshan AM Fee Agreement (as supplemented by the 2014 Supplemental Wanshan AM Fee Agreement).

It was expected that the CCTs under the 2014 Wanshan AM Fee Agreement (as supplemented by the 2014 Supplemental Wanshan AM Fee Agreement) will continue beyond their respective expiry on 31 December 2014. On 20 March 2015, HT Shipping and Wanshan Port Company entered into a renewed agency transportation cum management fee agreement ("2015 Wanshan AM Fee Agreement") on similar terms in relation to the provision of certain port and transportation agency services by Wanshan Port Company to HT Shipping at the Designated Terminals for a term of one year from 1 January 2015 up to 31 December 2015.

As HT Shipping is a member of the Group and Wanshan Port Company is a company in which ZJ Holdings (a substantial shareholder of the Company) is interested in 50% of its equity interest, hence Wanshan Port Company is an associate of ZJ Holdings and a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated by the 2015 Wanshan AM Fee Agreement thus constitute CCTs for the Company under Chapter 14A of the Listing Rules.

During the year ended 31 December 2015, Wanshan Port Company received agency, transportation cum management fees and relevant fees from HT Shipping amounted to HK$11,625,000 (2014: HK$10,109,000).

Details of the 2014 Wanshan AM Fee Agreement, the 2014 Supplemental Wanshan AM Fee Agreement and the 2015 Wanshan AM Fee Agreement are set out in the Company's announcement dated 20 March 2015.

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(iv) Reference is made to the Company's circular dated 28 June 2013 and the Company's announcement dated 12 August 2013 in relation to (among other things) the Group's acquisition of the entire issued shares in each of Lamdeal Development and Lamdeal Golf. Following completion of the Group's acquisition of all the shares in Lamdeal Development and Lamdeal Golf on 12 August 2013, Lamdeal Development and Lamdeal Golf became subsidiaries of the Company. ZJ Development, a 60%-owned subsidiary of Lamdeal Development has obtained the land use right of the Project Land (as defined below) for property development and investment purposes.

Certain golf courses, buildings and facilities (collectively called "Golf Facilities") erected by Zhuhai Golf (which formed part of the Zhuhai Lakewood Golf Club) are situated on a parcel of land (the "Project Land") with an area of approximately 788,400 square metres situated in Xiashanduan East, Jinfeng East Road, Xiashan District of the Zhuhai Prefecture of Guangdong Province of the PRC* (中國廣東省珠海市下柵分區金鳳東路下柵段東) and adjoining to another parcel of land with an area of approximately 1,367,727 square metres.

For the purpose of development of the Project Land, on 12 December 2013, ZJ Development (owned as to 60% by Lamdeal Development and 40% by 珠海經濟特區隆益實業有限公司* (Zhuhai Special Economic Zone Long Yi Enterprise Company Limited) ("Long Yi"), a wholly-owned subsidiary of ZJ Holdings, and Zhuhai Golf (owned as to 60% by Lamdeal Golf and 40% by Long Yi) entered into a compensation agreement (the "Compensation Agreement"), pursuant to which ZJ Development agreed to make compensation to Zhuhai Golf for the demolition and relocation of the Golf Facilities.

Such demolition and relocation should be completed within three years from the date of the Compensation Agreement.

In consideration of Zhuhai Golf agreeing to the demolition and relocation of relevant Golf Facilities, ZJ Development shall pay the following compensation ("Compensation") to Zhuhai Golf during the three financial years ending 31 December 2016:

Financial year concerned	**Amount of Compensation** (RMB)
Financial year ended 31 December 2014	22 million
Financial year ended 31 December 2015	20 million
Financial year ending 31 December 2016	20 million

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(iv) *(Continued)*

During FY2015, ZJ Development accrued the entire amount of RMB20 million (equivalent to about HK$25.4 million) as Compensation for FY2015 pursuant to Compensation Agreement and capitalised such sum as compensation expenses under properties under development in the accounts of ZJ Development for FY2015 and these intra-group transactions were fully eliminated on consolidation of the Group.

Details of the Compensation Agreement are set out in the Company's announcement dated 20 March 2015.

(v) Since January 2012, 珠海九洲港加油站有限公司* (Zhuhai Jiuzhou Port Petro-filling Station Co., Ltd.) ("ZJ Port Station") (a non wholly-owned subsidiary of the Company) has been supplying petrol and diesel to 珠海市九洲旅遊運輸有限公司* (Zhuhai Jiuzhou Travel Transport Co., Ltd.) ("Jiuzhou Travel Transport"), a company in which ZJ Holdings is interested in 49% of its equity interest.

Prior to 23 May 2013, Ferry Company was a joint venture of the Company and was then a connected person of the Company. ZJ Port Station was then (and is still) wholly-owned by Ferry Company (among which 90% equity interest of ZJ Port Station is directly held by Ferry Company and the remaining 10% thereof is directly held by Jiuzhou Marine Bunker, which is a directly wholly-owned subsidiary of Ferry Company), hence, ZJ Port Station was then also a connected person of the Company. At the material time, Jiuzhou Travel Transport was then (and is still) 49%-owned by ZJ Holdings, hence an associate of ZJ Holdings and a connected person of the Company. As both ZJ Port Station and Jiuzhou Travel Transport were then connected persons of the Company and not members of the Group, prior to 23 May 2013, transactions contemplated between them did not constitute connected transactions under Chapter 14A of the Listing Rules.

On 23 May 2013, changes to the shareholding composition of Ferry Company completed and since then Ferry Company has been treated as a 49%-owned subsidiary of the Company. ZJ Port Station, being a subsidiary of Ferry Company, also became a member of the Group since the change of status of Ferry Company becoming effective. Accordingly, since 23 May 2013, transactions contemplated between ZJ Port Station (a member of the Group) and Jiuzhou Travel Transport (a connected person of the Company) constituted connected transactions under Chapter 14A of the Listing Rules.

Prior to 1 September 2013, no written agreement was entered into between ZJ Port Station and Jiuzhou Travel Transport for the supply of fuel. On 1 September 2013, ZJ Port Station and Jiuzhou Travel Transport entered into a supply of petrol and diesel agreement (the "2013-14 Petrol Supply Agreement") dated 1 September 2013 pursuant to which the former agreed to supply to the latter petrol and diesel on an on-going basis for a term of one year up to 31 August 2014. On 1 September 2014, ZJ Port Station and Jiuzhou Travel Transport entered into a supply of petrol and diesel agreement (the "2014-15 Petrol Supply Agreement"), as supplemented by a supplemental agreement dated 31 December 2014 (the "Supplemental Petrol Supply Agreement"), pursuant to which the former agreed to supply to the latter petrol and diesel on an on-going basis for a term commencing from 1 September 2014 up to 31 December 2015.

Connected and continuing connected transactions *(Continued)*

B. CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(v) *(Continued)*
During the year ended 31 December 2015, Jiuzhou Travel Transport purchased petrol and diesel fuel from ZJ Port Station amounted to HK$5,282,000 (2014: HK$5,116,000).

Details of the 2013-14 Petrol Supply Agreement, the 2014-15 Petrol Supply Agreement and the Supplemental Petrol Supply Agreement are set out in the Company's announcement dated 31 December 2014.

(vi) On 29 May 2014, Jiuzhou Cruises, an indirect non wholly-owned subsidiary of the Company, entered into a co-operation agreement (the "Co-operation Agreement") with 珠海市濠江旅行社有限公司* (Zhuhai Haojiang Travel Agency Co., Ltd.) ("Haojiang Travel Agency"), a wholly-owned subsidiary of ZJ Holdings. Pursuant to the Co-operation Agreement, Haojiang Travel Agency may purchase from Jiuzhou Cruises tickets (a) for two designated ferry lines operated by Jiuzhou Cruises (namely (i) a ferry line travelling around Macau and (ii) a ferry line travelling between Macau and Zhuhai, the PRC), and (b) for food and beverage consumed on the said ferry lines, all at fixed prices.

During the year ended 31 December 2015, Haojiang Travel Agency purchased ferry tickets from Jiuzhou Cruises amounted to Nil (2014: HK$162,000).

Details of the above agreement are set out in the Company's announcement dated 29 May 2014.

The independent non-executive directors of the Company have reviewed the CCTs set out above and have confirmed that these CCTs were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

PricewaterhouseCoopers, the Company's auditors, were engaged to report on the Group's CCTs in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. PricewaterhouseCoopers have issued their unqualified letter containing their findings and conclusions in respect of the CCTs disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above CCTs.

Other related party transactions disclosed in notes 46(A) and (B) to the consolidated financial statements also constitute connected transactions entered into or continued by the Group during FY2015 and are regarded as an "exempted transaction" and a "de minimis transaction", respectively, pursuant to the Listing Rules.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

Auditors

PricewaterhouseCoopers has been appointed as the auditors of the Company at the Company's annual general meeting held on 12 June 2014 to fill the casual vacancy arising from the retirement of Ernst & Young. Save as the above, there has been no change of auditors of the Company in the preceding three years.

PricewaterhouseCoopers will retire and a resolution for their re-appointment as auditors of the Company will be proposed at the 2016 annual general meeting of the Company.

ON BEHALF OF THE BOARD

Huang Xin
Chairman

Hong Kong
24 March 2016

Corporate Governance Report

The board of directors (the "Board") of the Company is pleased to present this Corporate Governance Report in the annual report for the year ended 31 December 2015 of the Company and its subsidiaries (the "Group").

The manner in which the principles and code provisions in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") are applied and implemented is explained as follows:

Corporate governance practices

The Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group's corporate governance principles emphasise the importance of a quality Board, effective internal controls and accountability to shareholders.

The Company recognises the importance of high standards of corporate governance to sustain healthy growth and has taken a proactive approach in strengthening corporate governance practices in accordance with the needs of its business.

The Company has applied the principles as set out in the CG Code contained in Appendix 14 of the Listing Rules which set out the principles of good corporate governance and two levels of corporate governance practices, as follows:

(a) code provisions, which listed issuers are expected to comply with or to give considered reasons for any deviation; and

(b) recommended best practices for guidance only, which listed issuers are encouraged to comply with or to give considered reasons for deviation.

The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

Throughout the year under review, the Company has complied with the code provisions as set out in the CG Code in all other respects except for the following deviations:

(i) Code provision A.1.1 – only two regular Board meetings of the Company were held in the first and third quarters of 2015 since the Company does not announce its quarterly results. The Board however held fourteen board meetings during the year ended 31 December 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 practices *(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.

The Company will review periodically and improve its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

Board of directors

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance as well as performing the functions set out in the code provision D.3.1 of the CG Code.

The Board has delegated to the Chief Executive Officer, and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

The overall management of Company's business is vested in the Board, which assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All directors should take decisions objectively in the interests of the Company.

All directors shall ensure that they carry out duties in good faith, in compliance with the standards of applicable laws and regulations, and act in the interests of the Company and its shareholders at all times.

Board of directors *(Continued)*

BOARD COMPOSITION

Up to the date of publication of this report, the Board currently comprises 12 members, consisting of 5 executive directors, 3 non-executive directors and 4 independent non-executive directors.

The Board of the Company comprises the following 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. Lim Seng Lee as his alternate)
Mr. Wang Zhe (appointed on 19 January 2015)
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)

ALTERNATE DIRECTOR:

Mr. Lim Seng Lee (alternate to Datuk Wira Lim Hock Guan) (appointed on 24 March 2016)

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

Save and except for that Mr. Wong Kok Ching is the nephew of Datuk Wira Lim Hock Guan, none of the member of the Board is related to one another and the biographical information of the directors are disclosed under “Directors and Senior Management” on pages 29 to 35.

Board of directors *(Continued)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

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. 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.

During the year ended 31 December 2015, the Board at material times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors representing one-third of the Board, except for aforesaid period from 16 June 2015 to 14 August 2015, with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors are independent in accordance with the independence guidelines set out in the Listing Rules.

All directors, including independent non-executive directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors are invited to serve on the Audit, Nomination and Remuneration Committees of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Before 19 January 2015, the Chairman of the Board was Mr. Chen Yuanhe ("Mr. Chen"), and the Chief Executive Officer was Mr. Huang. The positions of Chairman and Chief Executive Officer were held by separate persons in order to preserve independence and a balanced judgement of views.

Subsequently, Mr. Chen resigned as an executive director, Chairman of the Board and Chairman of the Nomination Committee due to change in work arrangements, whilst Mr. Huang was appointed as both Chairman of the Board and Chairman of the Nomination Committee with effect from 19 January 2015.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Accordingly, following the appointment of Mr. Huang as the Chairman of the Board with effect from 19 January 2015, there was a deviation from code provision A.2.1 by the Company as Mr. Huang was also the Chief Executive Officer of the Company.

The Board was aware of the said deviation and sought to re-comply with code provision A.2.1 by appointing a suitable candidate to the position of the chief executive officer of the Company.

On 14 August 2015, the Board appointed 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.

Board of directors *(Continued)*

CHAIRMAN AND CHIEF EXECUTIVE OFFICER *(Continued)*

With the support of the Company Secretary and the senior management, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings and that all key and appropriate issues are discussed by the Board in a timely manner. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

APPOINTMENT/RE-ELECTION AND REMOVAL OF DIRECTORS

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term and subject to re-election. The Company has deviated from this provision in that the Company's directors including independent non-executive directors are not appointed for a specific term.

Although the directors are not appointed for a specific term, all directors of the Company are subject to retirement by rotation once every three years and re-election at the annual general meeting and any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment pursuant to code provision A.4.2 of the CG Code and the Company's Bye-laws.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Bye-laws. The Board has delegated the power to the Nomination Committee to select and recommend candidates for directorship including the consideration of referrals and engagement of external recruitment professionals when necessary. The responsibilities of Nomination Committee are set out in the heading "Nomination Committee" below.

NOMINATION COMMITTEE

The Board has established a Nomination Committee for the Company. The Nomination Committee, up to the publication date of this report, comprises 6 members, namely Mr. Huang Xin (Chairman), Mr. Ye Yuhong, Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David, Mr. Albert Ho and Mr. Wang Yijiang, the majority of them are independent non-executive directors.

The primary objectives of the Nomination Committee include the following:

– To review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

– To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

– To assess the independence of the independent non-executive directors.

– To make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive.

Board of directors *(Continued)*

NOMINATION COMMITTEE *(Continued)*

The Nomination Committee held four meetings during the year ended 31 December 2015 and the attendance records are set out below:

Name of directors	Attendance/ Number of Meetings
EXECUTIVE DIRECTORS:	
Mr. Chen Yuanhe *(Chairman)* (resigned on 19 January 2015)	1/1
Mr. Huang Xin *(Chairman)* (appointed as Chairman of the Nomination Committee on 19 January 2015)	3/3
Mr. Ye Yuhong	4/4
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Mr. Hui Chiu Chung	4/4
Mr. Chu Yu Lin, David	4/4
Mr. Albert Ho	4/4
Mr. Wang Yijiang (appointed on 14 August 2015)	N/A

The following is a summary of the work performed by the Nomination Committee during FY2015:

(a) reviewing and evaluating the composition of the Board with reference to certain criteria. These criteria included qualifications required under the Listing Rules or any other relevant laws regarding characteristics and skills of the directors, professional ethics and integrity, appropriate professional knowledge and industry experience, as well as ability to devote sufficient time to the work of the Board and its committees and to participate in all Board meetings and shareholders' meetings;

(b) reviewing and recommending the re-appointment of the retiring Directors;

(c) assessing independence of the independent non-executive Directors; and

(d) assessing and recommending the appointment of Mr. Zhou Shaoqiang, Mr. Wang Zhe, Mr. Kwok Hoi Hing and Mr. Wang Yijiang as directors.

In accordance with the Company's Bye-laws, the Company's directors, Mr. Li Wenjun, Datuk Wira Lim Hock Guan and Mr. Hui Chiu Chung, shall retire by rotation at the forthcoming annual general meeting. In addition, Mr. Zhou Shaoqiang, Mr. Kwok Hoi Hing and Mr. Wang Yijiang, who have been appointed as directors by the Board on 14 August 2015, 16 June 2015 and 14 August 2015, respectively, shall hold office until the forthcoming annual general meeting pursuant to the Company's Bye-laws. All the above retiring directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting pursuant to the Company's Bye-laws.

The Company will issue a circular containing detailed information of the retiring directors standing for re-election at the forthcoming annual general meeting.

The Nomination Committee has adopted the board diversity policy and also considered an appropriate balance of diversity perspectives of the Board is maintained.

Board of directors *(Continued)*

TRAINING INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The directors of the Company are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development as well as reading material on relevant topics to directors will be arranged and issued whenever necessary.

All directors of the Company confirmed that they have complied with the code provision A.6.5 of the CG Code on directors' training. During the reporting year, all directors have participated in continuous professional development by attending seminars/in-house briefing and reading materials on the following topics to develop and refresh their knowledge and skills and provided their records of training to the Company as follows:

Name of directors	Topics of training covered *(Notes)*
EXECUTIVE DIRECTORS:	
Mr. Chen Yuanhe *(Chairman)* (resigned on 19 January 2015)	N/A
Mr. Huang Xin *(Chairman)* (appointed as Chairman on 19 January 2015)	1, 2, 3
Mr. Zhou Shaoqiang *(Chief Executive Officer)* (appointed on 14 August 2015)	1, 2, 3
Mr. Jin Tao	1, 2, 3
Mr. Ye Yuhong	1, 2, 3
Mr. Li Wenjun	1, 2, 3
NON-EXECUTIVE DIRECTORS:	
Datuk Wira Lim Hock Guan (Mr. Lim Seng Lee as his alternate)	1, 2, 3
Mr. Wang Zhe (appointed on 19 January 2015)	1, 2, 3
Mr. Kwok Hoi Hing (appointed on 16 June 2015)	1, 2, 3
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Mr. Hui Chiu Chung	1, 2, 3
Mr. Chu Yu Lin, David	1, 2, 3
Mr. Albert Ho	1, 2, 3
Mr. Wang Yijiang (appointed on 14 August 2015)	1, 2, 3
ALTERNATE DIRECTOR:	
Mr. Lim Seng Lee (alternate to Datuk Wira Lim Hock Guan) (appointed on 24 March 2016)	N/A

Notes:

1 Corporate governance

2 Regulatory updates

3 Industry updates

Board meetings

BOARD PRACTICES AND CONDUCT OF MEETINGS

Annual meeting schedules and draft agenda of each meeting are normally made available to all directors in advance.

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or committee meeting to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the senior management where necessary.

The senior management, Chief Executive Officer and Company Secretary attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Company Secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and final version is open for directors' inspection.

The Company's Bye-laws contain provisions requiring directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest. According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting.

NUMBER OF BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

During the year ended 31 December 2015, save for executive Board meetings held between executive directors during the normal course of business of the Company, two regular Board meetings were held within the first and third quarters of 2015 for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company since the Company does not announce its quarterly results and the Board also had held fourteen Board meetings during the year ended 31 December 2015.

Board meetings *(Continued)*

NUMBER OF BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS *(Continued)*

The attendance records of each director at the Board meetings and general meetings of the Company during the year ended 31 December 2015 are set out below:

	Attendance/ Number of Board Meetings	Attendance/ Number of General Meetings
EXECUTIVE DIRECTORS:		
Mr. Chen Yuanhe *(Chairman)* (resigned on 19 January 2015)	1/1	N/A
Mr. Huang Xin *(Chairman)* (appointed as Chairman on 19 January 2015)	14/14#	2/2
Mr. Zhou Shaoqiang *(Chief Executive Officer)* (appointed on 14 August 2015)	1/1	N/A
Mr. Jin Tao	13/13	0/2
Mr. Ye Yuhong	13/13	2/2
Mr. Li Wenjun	13/13	0/2
NON-EXECUTIVE DIRECTORS:		
Datuk Wira Lim Hock Guan (Mr. Lim Seng Lee as his alternate)	14/14#	0/2
Mr. Wang Zhe (appointed on 19 January 2015)	13/13#	2/2
Mr. Kwok Hoi Hing (appointed on 16 June 2015)	5/5#	N/A
INDEPENDENT NON-EXECUTIVE DIRECTORS:		
Mr. Hui Chiu Chung	14/14#	2/2
Mr. Chu Yu Lin, David	14/14#	0/2
Mr. Albert Ho	14/14#	0/2
Mr. Wang Yijiang (appointed on 14 August 2015)	1/1	N/A
ALTERNATE DIRECTOR:		
Mr. Lim Seng Lee (alternate to Datuk Wira Lim Hock Guan) (appointed on 24 March 2016)	N/A	N/A

Included a meeting among the Chairman and the non-executive directors (including independent non-executive directors) held during the year.

Apart from regular Board meetings, the Chairman also held a meeting with the non-executive directors (including independent non-executive directors) without the presence of executive directors during the year.

Board meetings *(Continued)*

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2015.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Securities Dealing Code") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Securities Dealing Code by the employees was noted by the Company during the year ended 31 December 2015.

Delegation of management functions

The Board reserves for its decision on all major matters of the Company, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The Board has delegated a schedule of responsibilities to the senior management of the Company. These responsibilities include the implementation of decisions of the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the production and operating plans and budgets, and supervising and monitoring the control systems.

The Board has established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Company's website and are available to shareholders of the Company upon request.

The Board also has the full support of the Chief Executive Officer and the senior management to discharge their responsibilities.

Remuneration of directors and senior management

The Company has established a formal and transparent procedure for formulating policies on remuneration and senior management of the Group. Details of the remuneration of each of the directors of the Company for the year ended 31 December 2015 are set out in note 9(A) to the consolidated financial statements.

The remuneration paid to the senior management (excluding the directors) during the year ended 31 December 2015 were within the following bands:

Bands	Number of senior management
Nil to HK$1,000,000	6
HK$1,000,001 to HK$1,500,000	–
	6

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises three independent non-executive directors namely, Mr. Hui Chiu Chung (Chairman), Mr. Chu Yu Lin, David and Mr. Albert Ho.

The primary objectives of the Remuneration Committee include the following:

– To make recommendations on the establishment of procedures for developing the remuneration policy and structure of the executive directors and the senior management, such policy shall ensure that no director or any of his/her associates will participate in deciding his/her own remuneration;

– To make recommendations on the remuneration packages of the executive directors and the senior management;

– To review and approve the remuneration packages of the executive directors and the senior management by reference to the performance of the individual and the Company as well as market practice and conditions; and

– To review and approve the compensation arrangements for the executive directors and the senior management.

The Human Resources Department is responsible for collection and administration of the human resources data and making recommendations to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure and remuneration packages.

Remuneration of directors and senior management *(Continued)*

REMUNERATION COMMITTEE *(Continued)*

The Remuneration Committee held three meetings during the year ended 31 December 2015 and the attendance records are set out below:

Name of directors	Attendance/ Number of Meetings
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Mr. Hui Chiu Chung *(Chairman)*	3/3
Mr. Chu Yu Lin, David	3/3
Mr. Albert Ho	3/3

The following is a summary of work performed by the Remuneration Committee during FY2015:

(a) reviewing and recommending the policy and structure of the remuneration of the directors and senior officers of the Group to the Board;

(b) assessing individual performance of the directors and senior officers of the Group;

(c) reviewing specific remuneration packages of the directors and senior officers of the Group with reference to the Board's corporate goals and objectives as well as individual performances; and

(d) reviewing and making recommendations to the Board on the grant of share options.

Accountability and audit

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2015.

The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The directors are responsible for overseeing the preparation of consolidated financial statements of the Company with a view to ensuring that such consolidated financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory requirements and applicable accounting standards are complied with.

The Board received from the senior management the management accounts, explanation and relevant information which enable the Board to make an informed assessment for approving the consolidated financial statements.

There is no different view taken by the Audit Committee from that of the Board regarding selection, appointment, resignation or dismissal of the external auditors.

INTERNAL CONTROL

During the year under review, the Board has conducted a review of the effectiveness of the internal control system of the Company and considered the internal control system effective and adequate.

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and with the support of the Audit Committee, reviewing the effectiveness of such system on an annual basis.

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The senior management shall review and evaluate the control process and monitor any risk factors on a regular basis and report to the Audit Committee on any findings and measures to address the variances and identified risks.

Audit committee

The Audit Committee currently comprises three independent non-executive directors namely, Mr. Albert Ho (Chairman), Mr. Hui Chiu Chung and Mr. Chu Yu Lin, David (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- To review the consolidated financial statements and reports and consider any significant or unusual items raised by the qualified accountant, internal auditor or external auditors before submission to the Board;

- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors; and

- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The Audit Committee provides supervision on the internal controls system of the Group and reports to the Board on any material issues and makes recommendations to the Board.

During the year under review, the Audit Committee has reviewed the Group's unaudited interim financial report for the six months ended 30 June 2015, annual results and annual report for the year ended 31 December 2015, the financial reporting and compliance procedures, the report from the management on the Company's internal control and risk management review and process, connected transactions and the re-appointment of the external auditors.

The terms of reference of Audit Committee were updated and adopted by the Company on 31 December 2015 pursuant to the amendments to the Corporate Governance Code and Corporate Governance Report as contained in Appendix 14 of the Listing Rules relating to internal control and risk management which would apply to accounting periods beginning on or after 1 January 2016.

The Audit Committee also met the external auditors twice during the year.

The Audit Committee held three meetings during the year ended 31 December 2015 and the attendance records are set out below:

Name of directors	**Attendance/ Number of Meetings**
INDEPENDENT NON-EXECUTIVE DIRECTORS:	
Mr. Albert Ho *(Chairman)*	3/3
Mr. Hui Chiu Chung	3/3
Mr. Chu Yu Lin, David	3/3

External auditors and auditors' remuneration

The statement of the external auditors of the Company about their reporting responsibilities for the consolidated financial statements is set out in the "Independent Auditors' Report" on page 74.

During the year under review, the remuneration paid to the Company's auditors, PricewaterhouseCoopers, is set out below:

Category of services	**Fees paid/Payable** (HK$'000)
Audit service	1,988
Non-audit services	
– Interim review	686
– Taxation service	63
– Continuing connected transaction report	46
– Others	300
Total	3,083

Corporate governance functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Securities Dealing Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Communication with shareholders and investors

The Company believes that effective communication with its shareholders is essential for enhancing investor relations and investors' understanding on the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decisions.

The general meetings of the Company provide an important channel for exchange of views between the Board and the shareholders of the Company. The Chairman of the Board as well as chairman of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees and, where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

During the year under review, the Company has not made any change to its Memorandum of Association and Bye-laws of the Company. A consolidated version of the Company's Memorandum of Association and Bye-laws is available on the Company's website and the Stock Exchange's website respectively.

The Company continues to enhance communication and relationship with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them abreast of the Company's developments. Enquiries from investors are dealt with in an informative and timely manner.

To promote effective communication, the Company maintains a website at www.0908.hk, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Investors may write directly to the Company at its principal place of business in Hong Kong or via email to info@0908.hk for any inquiries.

The 2016 Annual General Meeting ("AGM") will be held on Friday, 27 May 2016. The notice of AGM will be sent to shareholders of the Company at least 20 clear business days before the AGM.

Company secretary

The Company's secretary, namely Mr. Chan Chit Ming, Joeie, is also the financial controller of the Company. Please refer to the section headed "Directors and Senior Management" for his biography. During the year under review, he has taken no less than 15 hours of relevant professional training.

Shareholders' rights

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

The Company should arrange for the notice to be sent to its shareholders at least 20 clear business days before an annual general meeting and at least 10 clear business days before all other general meeting according to the CG Code.

The Chairman of a shareholders' meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and then answer any questions from shareholders regarding voting by way of a poll.

All resolutions (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) put forward at shareholders' meetings must be taken by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after the shareholders' meetings respectively.

The directors may, whenever they think fit, convene a special general meeting other than annual general meeting, and special general meetings shall also be convened on requisition, as provided by the Companies Act 1981 of Bermuda, and, in default, may be convened by the requisitionists according to the Company's Bye-laws.

A. CONVENING OF SPECIAL GENERAL MEETING ON REQUISITION AND PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Shareholders holding not less than one-tenth of the paid-up share capital of the Company which carries the right of voting at general meetings of the Company have the right to requisite the directors to convene a special general meeting of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionist and deposited at the registered office of the Company.

If the directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a general meeting, the requisitionist, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a special general meeting of the Company.

B. ENQUIRIES FROM SHAREHOLDERS

The Company's website (www.0908.hk) provides email address, postal address, fax number and telephone number by which enquiries may be put to the Company.

Independent Auditors' Report

羅兵咸永道

TO THE SHAREHOLDERS OF ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Zhuhai Holdings Investment Group Limited (the "Company") and its subsidiaries set out on pages 76 to 166, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2016

Consolidated Statement of Profit or Loss

	Note	Year ended 31 December 2015 HK$'000	2014 HK$'000
Revenue	*5*	**3,067,067**	1,739,447
Cost of sales	*7*	**(2,302,986)**	(1,208,919)
Gross profit		**764,081**	530,528
Other income and gains, net	*6*	**75,746**	88,398
Selling and distribution expenses	*7*	**(155,334)**	(111,475)
Administrative expenses	*7*	**(210,068)**	(188,677)
Other operating expenses	*7*	**(3,222)**	(4,246)
Finance expenses	*10*	**(2,864)**	(45,189)
Share of profits and losses of:			
A joint venture		**1,469**	2,719
Associates		**2,304**	2,887
PROFIT BEFORE TAX		**472,112**	274,945
Income tax expense	*11*	**(170,641)**	(112,650)
PROFIT FOR THE YEAR		**301,471**	162,295
Profit attributable to:			
Owners of the Company		**124,703**	59,343
Non-controlling interests		**176,768**	102,952
		301,471	162,295
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR	*12*		
Basic earnings per share		**HK8.77 cents**	HK4.20 cents
Diluted earnings per share		**HK7.10 cents**	HK3.77 cents

The notes on pages 83 to 166 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
PROFIT FOR THE YEAR	**301,471**	162,295
OTHER COMPREHENSIVE (LOSS)/INCOME		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit obligations	**(14,018)**	(17,297)
Gain on property revaluation	**28,587**	22,766
	14,569	5,469
Items that may be reclassified to profit or loss		
Fair value gain on available-for-sale investments	**6,000**	3,000
Exchange differences on translation of foreign operations	**(272,394)**	(15,611)
	(266,394)	(12,611)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(251,825)**	(7,142)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**49,646**	155,153
ATTRIBUTABLE TO:		
Owners of the Company	**(48,719)**	61,062
Non-controlling interests	**98,365**	94,091
	49,646	155,153

The notes on pages 83 to 166 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Note	31 December 2015 HK$'000	31 December 2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*14*	**907,288**	802,747
Prepaid land lease payments	*15*	**387,383**	418,538
Rights to use port facilities	*16*	**16,593**	18,350
Properties under development	*17*	**4,407,397**	4,824,437
Intangible asset	*19*	**4,614**	4,900
Interest in a joint venture	*21*	**12,949**	12,109
Interests in associates	*22*	**6,631**	4,614
Available-for-sale investments	*23*	**18,600**	12,600
Prepayments and deposits	*24(a)*	**77,092**	40,439
Deferred tax assets	*37*	**65,320**	59,249
Total non-current assets		**5,903,867**	6,197,983
CURRENT ASSETS			
Properties under development	*17*	**3,276,251**	1,847,883
Completed properties held-for-sale	*18*	**121,021**	–
Securities measured at fair value through profit or loss	*25*	**1,038**	1,440
Available-for-sale investments	*23*	**17,904**	–
Inventories	*26*	**19,148**	19,432
Trade receivables	*27*	**121,797**	106,592
Prepayments, deposits and other receivables	*24(b)*	**250,212**	103,866
Prepaid tax		**102,937**	9,338
Due from related companies	*46*	**8,847**	11,463
Restricted bank balance	*28*	**723,393**	29,004
Time deposits	*28*	**–**	8,725
Cash and cash equivalents	*28*	**1,872,865**	1,138,076
Total current assets		**6,515,413**	3,275,819
Total assets		**12,419,280**	9,473,802
CURRENT LIABILITIES			
Trade payables	*30*	**27,284**	33,153
Deferred income, accrued liabilities and other payables	*31*	**420,042**	340,283
Properties pre-sale proceeds received from customers		**2,393,895**	466,881
Construction payables	*32*	**549,732**	99,100
Interest-bearing bank and other borrowings	*33*	**449,740**	651,565
Tax payable		**188,875**	68,456
Promissory note	*35*	**200,000**	200,000
Due to a major shareholder	*46*	**4,826**	67,653
Due to related companies	*46*	**10,903**	22,811
Total current liabilities		**4,245,297**	1,949,902

	Note	31 December 2015 HK$'000	31 December 2014 HK$'000
NON-CURRENT LIABILITIES			
Convertible bonds	*34*	**542,083**	506,994
Promissory note	*35*	**153,714**	317,224
Interest-bearing bank and other borrowings	*33*	**2,374,345**	1,565,086
Loan from a major shareholder	*46*	**256,631**	272,542
Due to a major shareholder	*46*	**13,067**	–
Deferred income, accrued liabilities and other payables	*31*	**184,631**	147,594
Deferred tax liabilities	*37*	**858,208**	912,827
Defined benefit obligations	*38*	**103,655**	90,466
Total non-current liabilities		**4,486,334**	3,812,733
Total liabilities		**8,731,631**	5,762,635
EQUITY			
Equity attributable to owners of the Company			
Issued share capital	*39*	**142,780**	141,416
Reserves	*40*	**2,089,253**	2,128,156
		2,232,033	2,269,572
Non-controlling interests		**1,455,616**	1,441,595
Total equity		**3,687,649**	3,711,167
Total equity and liabilities		**12,419,280**	9,473,802

The notes on pages 83 to 166 are an integral part of these consolidated financial statements.

The financial statements on pages 76 to 166 were approved by the Board of Directors on 24 March 2016 and were signed on its behalf.

Huang Xin	**Zhou Shaoqiang**
Director	*Director*

Consolidated Statement of Changes in Equity

	Capital and reserves attributable to owners of the Company														
	Issued share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Merger reserve HK$'000	Warrant reserve HK$'000 *(Note 36)*	Convertible bonds equity reserve HK$'000 *(Note 34)*	Other reserve HK$'000	Asset revaluation reserve HK$'000	Available-for-sale investments revaluation reserve HK$'000	Statutory reserve funds HK$'000	Share option reserve HK$'000 *(Note 41)*	Exchange fluctuation reserve HK$'000	Retained profits HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'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
Comprehensive income																
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	124,703	124,703	176,768	301,471
Other comprehensive income for the year																
Remeasurements of defined benefit obligations	-	-	-	-	-	-	-	-	-	-	-	-	(10,534)	(10,534)	(3,484)	(14,018)
Gain on property revaluation	-	-	-	-	-	-	-	28,587	-	-	-	-	-	28,587	-	28,587
Fair value gain on available-for-sales investments	-	-	-	-	-	-	-	-	6,000	-	-	-	-	6,000	-	6,000
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	(197,475)	-	(197,475)	(74,919)	(272,394)
Total other comprehensive income/(loss)	-	-	-	-	-	-	-	28,587	6,000	-	-	(197,475)	(10,534)	(173,422)	(78,403)	(251,825)
Total comprehensive income/(loss)	-	-	-	-	-	-	-	28,587	6,000	-	-	(197,475)	114,169	(48,719)	98,365	49,646
Issue of shares upon conversion of convertible bonds *(Note 34)*	1,364	22,998	-	-	-	(2,751)	-	-	-	-	-	-	-	21,611	-	21,611
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,029	2,029
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(86,373)	(86,373)
Share option scheme	-	-	-	-	-	-	-	-	-	-	3,847	-	-	3,847	-	3,847
2014 final dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(14,278)	(14,278)	-	(14,278)
Appropriation to statutory reserve	-	-	-	-	-	-	-	-	-	29,944	-	-	(29,944)	-	-	-
Total transactions with equity holders, recognised directly in equity	1,364	22,998	-	-	-	(2,751)	-	-	-	29,944	3,847	-	(44,222)	11,180	(84,344)	(73,164)
At 31 December 2015	142,780	911,207	446,355	(57,310)	690	66,026	(200,573)	98,791	12,800	199,260	3,847	127,818	480,342	2,232,033	1,455,616	3,687,649

	Capital and reserves attributable to owners of the Company														
	Issued share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Merger reserve HK$'000	Warrant reserve HK$'000 *(Note 36)*	Convertible bonds equity reserve HK$'000 *(Note 34)*	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	Total equity 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	3,598,439
Comprehensive income															
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	59,343	59,343	102,952	162,295
Other comprehensive income for the year															
Remeasurements of defined benefit obligations	–	–	–	–	–	–	–	–	–	–	–	(14,772)	(14,772)	(2,525)	(17,297)
Gain on property revaluation	–	–	–	–	–	–	–	22,766	–	–	–	–	22,766	–	22,766
Fair value gain on available-for-sale investments	–	–	–	–	–	–	–	–	3,000	–	–	–	3,000	–	3,000
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	–	(9,275)	–	(9,275)	(6,336)	(15,611)
Total other comprehensive income/(loss)	–	–	–	–	–	–	–	22,766	3,000	–	(9,275)	(14,772)	1,719	(8,861)	(7,142)
Total comprehensive income/(loss)	–	–	–	–	–	–	–	22,766	3,000	–	(9,275)	44,571	61,062	94,091	155,153
2013 final dividend paid	–	–	–	–	–	–	–	–	–	–	–	(28,283)	(28,283)	–	(28,283)
2013 special dividend paid	–	–	–	–	–	–	–	–	–	–	–	(14,142)	(14,142)	–	(14,142)
Appropriation to statutory reserve	–	–	–	–	–	–	–	–	–	20,508	–	(20,508)	–	–	–
Total transactions with equity holders, recognised directly in equity	–	–	–	–	–	–	–	–	–	20,508	–	(62,933)	(42,425)	–	(42,425)
At 31 December 2014	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

The notes on pages 83 to 166 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	*42*	**1,204,270**	548,762
Income taxes paid		**(180,249)**	(89,442)
Net cash flows generated from operating activities		**1,024,021**	459,320
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**26,720**	23,317
Prepayment for purchases of property, plant and equipment		**(37,186)**	–
Purchases of property, plant and equipment		**(170,725)**	(169,704)
Proceeds from disposal of property, plant and equipment		**739**	2,284
Increase in restricted bank balance		**(26,653)**	(28,114)
Decrease/(increase) in time deposits		**8,725**	(234)
Cash receipt from related companies		**619**	130,827
Cash receipt from an associate		**3,115**	664
Cash receipt from a joint venture		**25**	–
Purchases of available-for-sale investments		**(17,904)**	–
Recovery of deposit for the proposed acquisition of a company		**–**	30,000
Compensation from the vendor of the proposed acquisition of a company		**–**	13,040
Increase in construction payable		**36,194**	–
Net cash flows (used in)/generated from investing activities		**(176,331)**	2,080
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injection by non-controlling interests		**2,029**	–
Increase in restricted bank balance		**(122,219)**	–
New bank and other borrowings		**2,844,744**	2,222,644
Repayment of bank and other borrowings		**(2,119,201)**	(1,967,055)
Repayment of promissory note		**(196,658)**	–
Cash repayment to related companies		**(10,383)**	–
Dividends paid to shareholders		**(14,278)**	(42,425)
Dividends paid to non-controlling shareholders		**(86,373)**	–
Interest paid		**(356,523)**	(363,161)
Decrease in a loan from a major shareholder		**–**	(82,673)
Net cash flows used in financing activities		**(58,862)**	(232,670)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**788,828**	228,730
Cash and cash equivalents at beginning of year		**1,138,076**	902,633
Effect of foreign exchange rate changes, net		**(54,039)**	6,713
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,872,865**	1,138,076

The notes on pages 83 to 166 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 General information

Zhuhai 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, 37th Floor, 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.

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PRESENTATION

The consolidated financial statements of Zhuhai Holdings Investment Group Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings classified as property, plant and equipment, available-for-sale investments and securities measured at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 Summary of significant accounting policies *(Continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(A) EFFECT OF ADOPTING AMENDMENTS TO EXISTING STANDARDS

The following amendments to existing standards are mandatory to the Group for accounting periods beginning on or after 1 January 2015:

Standards	Subject of amendment
Amendments to HKAS 19 (2011)	Employee Benefits – Defined Benefit Plans: Employee Contributions
Annual Improvements 2012	Annual Improvements 2010–2012 Cycle
Annual Improvements 2013	Annual Improvements 2011–2013 Cycle

The adoption of these amendments to existing standards does not have any significant impact on the results and financial position of the Group.

(B) NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE 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, 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 operation	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 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

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.

2 Summary of significant accounting policies *(Continued)*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

(C) NEW HONG KONG COMPANIES ORDINANCE (CAP. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the financial statements.

2.3 SUBSIDIARIES

2.3.1 CONSOLIDATION

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 Summary of significant accounting policies *(Continued)*

2.3 SUBSIDIARIES *(Continued)*

2.3.1 CONSOLIDATION *(Continued)*

(a) Business combinations (Continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3.2 SEPARATE FINANCIAL STATEMENTS

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 Summary of significant accounting policies *(Continued)*

2.4 ASSOCIATES

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profits and losses of associates" in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

2.5 JOINT ARRANGEMENTS

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

2 Summary of significant accounting policies *(Continued)*

2.5 JOINT ARRANGEMENTS *(Continued)*

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.6 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors that makes strategic decisions.

2.7 FOREIGN CURRENCY TRANSLATION

(A) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars (HK$), which is the Company's functional currency and the Group's presentation currency.

(B) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit of loss within "finance expenses". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "other income and gains, net".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

2 Summary of significant accounting policies *(Continued)*

2.7 FOREIGN CURRENCY TRANSLATION *(Continued)*

(C) GROUP COMPANIES

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;

(ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.8 PROPERTY, PLANT AND EQUIPMENT

Medium term leasehold buildings outside Hong Kong is stated at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is performed with sufficient regularity by independent professional qualified valuers. Changes arising on the revaluation are dealt with in other comprehensive income and are accumulated in the revaluation reserve, except that, when a deficit arises on revaluation, it will be charged to the consolidated statement of profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to revaluation.

When a surplus arises on revaluation, it will be credited to the consolidated statement of profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the consolidated statement of profit or loss.

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

2 Summary of significant accounting policies *(Continued)*

2.8 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Depreciation is calculated using the straight-line or reducing balance method to allocate their cost or revalued amount to their residual values over their estimated useful lives, as follows:

– Medium term leasehold buildings outside Hong Kong	20 to 30 years, on straight-line basis
– Golf club facilities	10 to 20 years, on straight-line basis
– Vessels	10 to 25 years, on reducing balance basis
– Furniture, fixtures, equipment, motor vehicles, plant and machinery and leasehold improvements	5 to 10 years, on straight-line basis

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised within "other income and gains, net", in the consolidated statement of profit or loss.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.9 RIGHTS TO USE PORT FACILITIES

The Group leases the rights to use port facilities. Significant risks and rewards of ownership are received by the lessor. Payments made are charged to profit or loss on a straight-line basis over a period of 40 years.

2.10 INTANGIBLE ASSETS

Intangible assets of the Group represented golf club membership. Intangible assets acquired separately are measured on initial recognition at cost. The useful life of golf club membership is assessed to be indefinite. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.11 IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful live are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Summary of significant accounting policies *(Continued)*

2.12 FINANCIAL ASSETS

2.12.1 CLASSIFICATION

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables", "amounts due from related companies", "prepayments, deposits and other receivables", "restricted bank balance", "time deposits" and "cash and cash equivalents" in the consolidated statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.12.2 RECOGNITION AND MEASUREMENT

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 Summary of significant accounting policies *(Continued)*

2.12 FINANCIAL ASSETS *(Continued)*

2.12.2 RECOGNITION AND MEASUREMENT *(Continued)*

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the consolidated statement of profit or loss within "other income and gains, net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of profit or loss as part of other income when the Group's right to receive payments is established.

2.13 OFFSETTING FINANCIAL INSTRUMENT

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 IMPAIRMENT OF FINANCIAL ASSETS

(A) ASSETS CARRIED AT AMORTISED COST

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 Summary of significant accounting policies *(Continued)*

2.14 IMPAIRMENT OF FINANCIAL ASSETS *(Continued)*

(A) ASSETS CARRIED AT AMORTISED COST *(Continued)*

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

(B) ASSETS CLASSIFIED AS AVAILABLE-FOR-SALE

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

2.15 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 Summary of significant accounting policies *(Continued)*

2.16 PROPERTIES UNDER DEVELOPMENT

Properties under development represent properties being developed for sale and are stated at the lower of cost and net realisable value. Cost comprises the prepaid land lease payments, or cost of land together with any other direct costs attributable to the development of the properties and other related expenses capitalised during the development period. Net realisable value is determined by reference to the sale proceeds of properties in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held-for-sale.

2.17 COMPLETED PROPERTIES HELD-FOR-SALE

Completed properties held-for-sale are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties. Net realisable value is determined by reference to management estimates based on prevailing market conditions less estimated costs to be incurred in selling the property.

2.18 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.19 CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less.

2.20 SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 Summary of significant accounting policies *(Continued)*

2.21 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.23 BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency.

2 Summary of significant accounting policies *(Continued)*

2.23 BORROWING COSTS *(Continued)*

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and are limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

2.24 COMPOUND FINANCIAL INSTRUMENTS

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.25 GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of profit or loss on a straight line basis over the expected lives of the related assets.

2 Summary of significant accounting policies *(Continued)*

2.26 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(A) CURRENT INCOME TAX

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(B) DEFERRED INCOME TAX

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 Summary of significant accounting policies *(Continued)*

2.26 CURRENT AND DEFERRED INCOME TAX *(Continued)*

(C) OFFSETTING

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.27 EMPLOYEE BENEFITS

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

(A) PENSION OBLIGATIONS

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the consolidated statement of profit or loss in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

2 Summary of significant accounting policies *(Continued)*

2.27 EMPLOYEE BENEFITS *(Continued)*

(A) PENSION OBLIGATIONS *(Continued)*

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(B) TERMINATION BENEFITS

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.28 SHARE-BASED PAYMENTS

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for share options of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

2 Summary of significant accounting policies *(Continued)*

2.29 PROVISIONS

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.30 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for service provided, goods supplied and properties sold, stated net of discounts, returns and value added taxes (if any). The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(A) SALES OF SERVICES

The Group provides to its customers various of services, including maritime passenger transportation services, hotel services, tourist attraction services and golf club membership service. For sales of services, revenue is recognised in the accounting period in which the services are rendered.

(B) SALES OF GOODS

The Group trades and distributes fuel oil to other ferry companies and certain wholesalers. Sales of goods are recognised when the significant risks and title of the goods have been transferred to the customers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(C) SALE OF PROPERTIES

Revenue from sales of properties is recognised when the significant risks and rewards of the properties are transferred to the buyers, which is when the construction of the relevant properties have been completed, notification of delivery of properties have been issued to the buyers and collectability of related receivables pursuant to the sales agreements is reasonably assured. Deposits and instalments received on properties sold prior to transfer of the significant risks and rewards of the properties are included as "properties pre-sale proceeds received from customers" under current liabilities.

2 Summary of significant accounting policies *(Continued)*

2.30 REVENUE RECOGNITION *(Continued)*

(D) RENTAL INCOME

Rental income is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

(E) INTEREST INCOME

Interest income is recognised using the effective interest method.

2.31 DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established.

2.32 LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Prepaid land lease payment under operating lease are expensed in the consolidated statement of profit or loss on a straight-line basis over the lease term or when there is impairment, the impairment is expensed in the consolidated statement of profit or loss.

2.33 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 Financial risk management

3.1 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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (group treasury) under policies approved by the senior management. Group treasury identifies and evaluates financial risks in close co-operation with the Group's operating units.

3 Financial risk management *(Continued)*

3.1 FINANCIAL RISK FACTORS *(Continued)*

(A) MARKET RISK

(1) Equity securities price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity of other entities that are publicly traded are mainly listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The following table demonstrates the sensitivity to every increase/decrease of 15% change in the fair values of the securities listed in Hong Kong, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	Impact on post-tax profit HK$'000	**Impact on other components of equity** HK$'000
2015		
Investments in:		
Hong Kong		
– Available-for-sale listed equity investment	**–**	**2,790**
– Listed equity investments measured at fair value through profit or loss	**130**	**–**
The People's Republic of China (the "PRC")		
– Available-for-sale financial products	**–**	**2,686**
2014		
Investments in:		
Hong Kong		
– Available-for-sale listed equity investment	–	1,890
– Listed equity investments measured at fair value through profit or loss	180	–

3 Financial risk management *(Continued)*

3.1 FINANCIAL RISK FACTORS *(Continued)*

(A) MARKET RISK *(Continued)*

(1) Equity securities price risk (Continued)

Post-tax profit for the year would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

(2) Commodity price risk

The major component included in the Group's cost of sales is fuel oil. The Group is exposed to fluctuations in the fuel oil price which is influenced by global as well as regional supply and demand conditions. An increase in the oil price could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes.

(3) Foreign currency risk

The Group operates in Hong Kong and the PRC with functional currencies of respective place of business and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to Renminbi ("RMB").

At 31 December 2015, if RMB had strengthened/weakened by 5% against the Hong Kong dollar with all other variables held constant, post-tax profit for the year would have been HK$6,429,000 (2014: HK$14,322,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of RMB denominated monetary assets and liabilities.

(4) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets other than short-term deposits, restricted bank balance, and cash and cash equivalents. The maturity terms of these assets, together with the Group's current borrowings, are within 12 months so that there would not be significant interest rate risk for these financial assets and liabilities.

The Group's interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. During the years ended 31 December 2015 and 2014, the Group's long-term borrowings at variable rate were denominated in Hong Kong dollar.

3 Financial risk management *(Continued)*

3.1 FINANCIAL RISK FACTORS *(Continued)*

(A) MARKET RISK *(Continued)*

(4) Cash flow and fair value interest rate risk (Continued)

At 31 December 2015, if interest rates on Hong Kong dollar-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been HK$429,000 (2014: HK$1,500,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(B) CREDIT RISK

Credit risk is the risk that a customer or counterparty in a transaction may default. It arises from the credit terms which extend to customers and other activities undertaken by the Group. To manage credit risk, the Group has considered the underlying security and the long-established business relationship with the counterparty.

There are no significant concentrations of credit risk within the Group as the intermediate and direct customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

The credit risk of the Group's other financial assets, which comprise, restricted bank balance, time deposits, cash and cash equivalents, securities measured at fair value through profit or loss, available-for-sale investments, balances with related parties, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group's exposure to credit risk arising from deposits and other receivables, trade receivables and balances with related parties are disclosed in notes 24, 27 and 46, respectively, to the financial statements.

(C) LIQUIDITY RISK

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables).

3 Financial risk management *(Continued)*

3.1 FINANCIAL RISK FACTORS *(Continued)*

(C) LIQUIDITY RISK *(Continued)*

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2015		
	Less than 12 months HK$'000	1 to 5 Years HK$'000	Total HK$'000
Trade payables	27,284	–	27,284
Financial liabilities included in deferred income, accrued liabilities and other payables	186,273	–	186,273
Construction payables	549,732	–	549,732
Interest-bearing bank and other borrowings and interest payments	650,395	2,608,643	3,259,038
Promissory note	200,000	200,000	400,000
Due to a major shareholder	4,826	13,067	17,893
Due to related companies	10,903	–	10,903
Loan from a major shareholder and interest payments	–	293,832	293,832
Convertible bonds and interest payments	24,000	762,679	786,679
Financial guarantees *(Note 43)*	802,855	–	802,855
	2,456,268	3,878,221	6,334,489

3 Financial risk management *(Continued)*

3.1 FINANCIAL RISK FACTORS *(Continued)*

(C) LIQUIDITY RISK *(Continued)*

	As at 31 December 2014		
	Less than 12 months HK$'000	1 to 5 Years HK$'000	Total HK$'000
Trade payables	33,153	–	33,153
Financial liabilities included in deferred income, accrued liabilities and other payables	135,053	–	135,053
Construction payables	99,100	–	99,100
Interest-bearing bank and other borrowings and interest payments	870,731	1,670,935	2,541,666
Promissory note	200,000	400,000	600,000
Due to a major shareholder	67,653	–	67,653
Due to related companies	22,811	–	22,811
Loan from a major shareholder and interest payments	21,841	325,736	347,577
Convertible bonds and interest payments	25,000	819,342	844,342
Financial guarantees *(Note 43)*	8,379	–	8,379
	1,483,721	3,216,013	4,699,734

3.2 CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2015 and 2014.

3 Financial risk management *(Continued)*

3.2 CAPITAL MANAGEMENT *(Continued)*

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes 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. Capital represents equity attributable to owners of the Company.

	2015 **HK$'000**	2014 HK$'000
Interest-bearing bank and other borrowings	**2,824,085**	2,216,651
Trade payables	**27,284**	33,153
Accrued liabilities and other payables	**412,429**	334,947
Construction payables	**549,732**	99,100
Promissory note	**353,714**	517,224
Convertible bonds	**542,083**	506,994
Due to a major shareholder	**17,893**	67,653
Due to related companies	**10,903**	22,811
Loan from a major shareholder	**256,631**	272,542
Less: Restricted bank balance	**(723,393)**	(29,004)
Less: Time deposits	**–**	(8,725)
Less: Cash and cash equivalents	**(1,872,865)**	(1,138,076)
Net debt	**2,398,496**	2,895,270
Equity attributable to owners of the Company	**2,232,033**	2,269,572
Capital and net debt	**4,630,529**	5,164,842
Gearing ratio	**52%**	56%

3.3 FAIR VALUE ESTIMATION

Management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed twice a year for interim and annual financial reporting. Such inputs are categorised into three levels within a fair value hierarchy 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).

3 Financial risk management *(Continued)*

3.3 FAIR VALUE ESTIMATION *(Continued)*

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

See Note 14 for disclosure of the leasehold buildings that are measured at fair value.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Level 1 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2015			
Available-for-sale securities:			
Equity investments			
– Investment, trading and real estate industry	**18,600**	**–**	**18,600**
Financial products	**–**	**17,904**	**17,904**
	18,600	**17,904**	**36,504**
Financial assets at fair value through profit or loss:			
Trading securities			
– Utilities industry	**1,038**	**–**	**1,038**
	19,638	**17,904**	**37,542**
At 31 December 2014			
Available-for-sale securities:			
Equity investments			
– Investment, trading and real estate industry	12,600	–	12,600
Financial assets at fair value through profit or loss:			
Trading securities			
– Utilities industry	1,440	–	1,440
	14,040	–	14,040

3 Financial risk management objectives and policies *(Continued)*

3.3 FAIR VALUE ESTIMATION *(Continued)*

There were no transfers of financial instruments between fair hierarchy classifications during the year.

FINANCIAL INSTRUMENTS IN LEVEL 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise equity investments traded in the Hong Kong Stock Exchange and classified as trading securities or available-for-sale. The maximum exposure to credit risk at the reporting date is the fair value of these instruments in the consolidated statement of financial position.

FINANCIAL INSTRUMENTS IN LEVEL 3

The fair value of financial products classifies as level 3 is derived using discounted cash flow method. The key unobservable input is the expected interest rate of 1.9% to 3.2% per annum.

4 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(A) IMPAIRMENT OF ASSETS

In determining whether an asset is impaired or whether the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value, or such an event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows, which are estimated based upon the continued use of the assets; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could have a material effect on the net present value used in the impairment test.

4 Critical accounting estimates and assumptions *(Continued)*

(B) ESTIMATION OF FAIR VALUE OF LEASEHOLD BUILDINGS

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(i) current gross replacement costs of the improvement less allowance for physical deterioration and all relevant forms of obsolescence and optimisation;

(ii) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(iii) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value have been disclosed in Note 14.

(C) RETIREMENT BENEFIT

The Group operates and maintains defined benefit pension plans. The cost of providing the benefits in the defined benefit pension plan is actuarially determined and recognised over the employee's service period by utilising various actuarial assumptions and using the projected unit credit method in accordance with the accounting policy stated in Note 2.27 to the financial statements. These assumptions include, without limitation, the selection of discount rate and employees' turnover rate. The discount rate is based on management's review of government bonds. The employees' turnover rate is based on historical trends of the Group. Additional information regarding the defined benefit plan is disclosed in Note 38 to the financial statements.

(D) INCOME TAXES AND DEFERRED TAXATION

Significant judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax expense in the periods in which such estimate is changed.

4 Critical accounting estimates and assumptions *(Continued)*

(E) PRC LAND APPRECIATION TAXES

The Group is subject to land appreciation taxes in the PRC. The Group has not finalised its PRC land appreciation taxes calculations and payments with local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and the related land appreciation taxes. The Group recognised the land appreciation taxes based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the taxation and tax provisions in the years in which such taxes have been finalised with local tax authorities.

(F) DEVELOPMENT COSTS DIRECTLY ATTRIBUTABLE TO PROPERTY DEVELOPMENT ACTIVITIES

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

5 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 expenses 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 PRC, which is considered as one geographical location in an economic environment with similar risk and returns.

5 Operating segment information *(Continued)*

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;

(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.

For the year ended 31 December 2015, one of the customers of the Group individually accounted for approximately 11.2% (2014: none of the customers of the Group individually accounted for 10% or more) of the Group's total revenue. The revenue was attributable to the public utilities segment.

5 Operating segment information *(Continued)*

The following tables present revenue and results for the Group's operating segments for the years ended 31 December 2015 and 2014.

	Jiuzhou Blue Sea Jet and Blue Marine Tourism		Composite Real Estate and Green Leisure Tourism: Property development		Composite Real Estate and Green Leisure Tourism: Golf club operations		Composite Real Estate and Green Leisure Tourism: Hotel		Composite Real Estate and Green Leisure Tourism: 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 (Restated)	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000	**HK$'000**	HK$'000 (Restated)	**HK$'000**	HK$'000
Segment revenue:																		
Sales to external customers	**750,327**	727,593	**435,682**	–	**18,671**	22,260	**183,922**	194,659	**41,002**	41,855	**1,637,463**	753,080	**–**	–	**–**	–	**3,067,067**	1,739,447
Intersegment sales	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**102,366**	103,788	**–**	–	**(102,366)**	(103,788)	**–**	–
Total	**750,327**	727,593	**435,682**	–	**18,671**	22,260	**183,922**	194,659	**41,002**	41,855	**1,739,829**	856,868	**–**	–	**(102,366)**	(103,788)	**3,067,067**	1,739,447
Segment results	**430,454**	372,222	**88,025**	(33,194)	**(25,469)**	(44,173)	**11,628**	31,414	**(12,030)**	5,186	**92,577**	93,757	**(38,336)**	(30,213)	**(102,366)**	(103,788)	**444,483**	291,211
Interest income																	**26,720**	23,317
Finance expenses																	**(2,864)**	(45,189)
Share of profits and losses of:																		
A joint venture	**1,469**	2,719	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,469**	2,719
Associates	**2,293**	1,727	**–**	–	**–**	–	**–**	–	**–**	–	**11**	1,160	**–**	–	**–**	–	**2,304**	2,887
Profit before tax																	**472,112**	274,945
Income tax expense																	**(170,641)**	(112,650)
Profit for the year																	**301,471**	162,295

5 Operating segment information *(Continued)*

The following tables present certain assets and liabilities for the Group's operating segments as at 31 December 2015 and 2014.

	Jiuzhou Blue Sea Jet and Blue Marine Tourism		Composite Real Estate and Green Leisure 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
	HK$'000	HK$'000 (Restated)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000 (Restated)	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities:																
Segment assets	**572,677**	477,323	**9,051,063**	6,905,823	**313,016**	273,676	**601,110**	489,119	**481,386**	464,940	**339,514**	313,384	**863,830**	452,764	**12,222,596**	9,377,029
Interest in a joint venture	**12,949**	12,109	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**12,949**	12,109
Interests in associates	**4,786**	2,665	**-**	-	**-**	-	**-**	-	**-**	-	**1,845**	1,949	**-**	-	**6,631**	4,614
Unallocated assets															**177,104**	80,050
Total assets															**12,419,280**	9,473,802
Segment liabilities	**91,531**	89,717	**3,112,915**	653,774	**233,382**	178,512	**102,574**	108,694	**40,854**	44,018	**80,550**	88,452	**17,433**	14,310	**3,679,239**	1,177,477
Unallocated liabilities															**5,052,392**	4,585,158
Total liabilities															**8,731,631**	5,762,635
Other segment information:																
Depreciation and amortisation	**10,682**	9,434	**1,332**	666	**12,795**	11,735	**20,432**	21,039	**23,666**	20,176	**6,095**	5,342	**241**	247	**75,243**	68,639
Capital expenditure in respect of property, plant and equipment and properties under development (non-current portion)	**50,351**	64,863	**255,414**	394,509	**69,819**	31,735	**37,011**	41,444	**12,117**	34,206	**9,378**	2,266	**56**	31	**434,146**	569,054
Net fair value losses/(gains) on securities measured at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**402**	(302)	**402**	(302)
Gains on disposal of securities measured at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(182)**	(4,087)	**(182)**	(4,087)
(Write-back of impairment)/impairment of trade receivables	**(419)**	1,367	**-**	-	**15**	33	**5**	4,920	**(2,654)**	(2,006)	**(897)**	1,679	**-**	-	**(3,950)**	5,993

6 Other income and gains, net

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Interest income	**26,720**	23,317
Government grants	**19,368**	37,206
Rental income	**25,447**	21,786
Net fair value (losses)/gains on securities measured at fair value through profit or loss	**(402)**	302
Gains on disposal of securities measured at fair value through profit or loss	**182**	4,087
Others	**4,431**	1,700
	75,746	88,398

7 Expenses by nature

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Advertising and promotion expenses	**56,580**	28,280
Amortisation of prepaid land lease payments	**14,286**	16,235
Amortisation of rights to use port facilities	**729**	732
Auditors' remuneration		
– Audit services	**1,988**	1,880
– Non-audit services	**1,095**	1,156
Commission fee	**68,286**	64,566
Cost of inventories sold	**1,621,381**	767,372
Cost of properties sold	**268,145**	–
Depreciation	**60,228**	51,672
Employee benefit expenses (including directors' remuneration) *(note 8)*	**317,329**	287,719
Fuel and utilities expenses	**64,743**	102,311
Impairment of an intangible asset	**–**	405
(Write-back of impairment)/impairment of trade receivables	**(3,950)**	5,993
Land use tax	**12,480**	12,292
Operating lease payments	**18,962**	17,564
Repair and maintenance	**46,459**	31,902
Others	**122,869**	123,238
Total cost of sales, selling and distribution expenses, administrative expenses and other operating expenses	**2,671,610**	1,513,317

8 Employee benefit expenses

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**279,747**	258,574
Pension costs – defined contribution plans *(note a)*	**24,280**	22,173
Pension costs – defined benefit plans	**9,455**	6,972
Share-based payments	**3,847**	–
	317,329	287,719

(A) PENSION COSTS – DEFINED CONTRIBUTION PLANS

Employees in the Group's PRC subsidiaries are required to participate in a defined contribution pension scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees. The contributions to the scheme are expensed as incurred.

(B) FIVE HIGHEST PAID EMPLOYEES

The five individuals whose emoluments were the highest in the Group for the year include one (2014: one) director whose emoluments are reflected in the analysis presented in Note 9(A)(ii). The emoluments payable to the remaining four (2014: four) individuals during the year are as follows:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,200**	2,159
Pension costs – defined contribution plans	**95**	152
Share-based payments	**249**	–
	2,544	2,311

During the year ended 31 December 2015, the remuneration of all non-director highest paid employees fell within the band of nil to HK$1,000,000 (2014: Nil to HK$1,000,000).

9 Benefits and interests of directors

(A) DIRECTORS' EMOLUMENTS

The remuneration of every director and the chief executive for the year ended 31 December 2015 is set out below:

(i) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Mr. Hui Chiu Chung	**200**	200
Mr. Chu Yu Lin, David	**200**	200
Mr. Albert Ho	**200**	200
Mr. Wang Yijiang[1]	**–**	–
	600	600

[1] Mr. Wang Yijiang was appointed as an independent non-executive director of the Company on 14 August 2015.

In addition to directors' fee, the share-based payments costs attributable to Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David and Mr. Albert Ho are HK$36,000 (2014: Nil) each, totaling HK$108,000. There were no other emoluments payable to the independent non-executive directors during the year (2014: Nil).

9 Benefits and interests of directors *(Continued)*

(A) DIRECTORS' EMOLUMENTS *(Continued)*

(ii) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

	Fees HK$'000	Salary HK$'000	Estimated money value of other benefits HK$'000	Share-based payments HK$'000	Performance related bonuses HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total remuneration HK$'000
2015							
Executive directors:							
Mr. Chen Yuanhe[1]	–	–	–	–	–	–	–
Mr. Huang Xin[2]	–	390	75	164	550	46	1,225
Mr. Zhou Shaoqiang[3]	–	–	–	160	–	–	160
Mr. Ye Yuhong	–	–	–	128	–	–	128
Mr. Li Wenjun	–	–	–	128	–	–	128
Mr. Jin Tao	–	–	–	128	–	–	128
	–	390	75	708	550	46	1,769
Non-executive directors:							
Datuk Wira Lim Hock Guan	200	–	–	36	–	–	236
Mr. Wang Zhe[4]	–	–	–	36	–	–	36
Mr. Kwok Hoi Hing[5]	–	–	–	36	–	–	36
	200	–	–	108	–	–	308
	200	390	75	816	550	46	2,077

9 Benefits and interests of directors *(Continued)*

(A) DIRECTORS' EMOLUMENTS *(Continued)*

(ii) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS *(Continued)*

	Fees HK$'000	Salary HK$'000	Estimated money value of other benefits HK$'000	Performance related bonuses HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total remuneration HK$'000
2014						
Executive directors:						
Mr. Chen Yuanhe[1]	–	–	–	–	–	–
Mr. Huang Xin[2]	–	390	75	433	114	1,012
Mr. Ye Yuhong	–	–	–	–	–	–
Mr. Li Wenjun	–	–	–	–	–	–
Mr. Jin Tao	–	–	–	–	–	–
	–	390	75	433	114	1,012
Non-executive director:						
Datuk Wira Lim Hock Guan	200	–	–	–	–	200
	200	–	–	–	–	200
	200	390	75	433	114	1,212

1 Mr. Chen Yuanhe resigned as an executive director of the Company on 19 January 2015.

2 Mr. Huang Xin resigned as the chief executive officer of the Company on 14 August 2015.

3 Mr. Zhou Shaoqiang was appointed as an executive director and the chief executive officer of the Company on 14 August 2015.

4 Mr. Wang Zhe was appointed as a non-executive director of the Company on 19 January 2015.

5 Mr. Kwok Hoi Hing was appointed as a non-executive director of the Company on 16 June 2015.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2014: Nil).

9 Benefits and interests of directors *(Continued)*

(B) DIRECTORS' TERMINATION BENEFITS

None of the directors received or will receive any termination benefits during the year (2014: Nil).

(C) CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the year ended 31 December 2015, the Company did not pay consideration to any third parties for making available directors' services (2014: Nil).

(D) INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOUR OF DIRECTORS, CONTROLLED BODIES CORPORATE BY AND CONNECTED ENTITIES WITH SUCH DIRECTORS

As at 31 December 2015, there is no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2014: Nil).

(E) DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2014: Nil).

10 Finance expenses

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Interest on bank loans	**25,572**	3,180
Interest on a bridging loan from an independent third party	**–**	136,485
Interest on a loan from AVIC Trust Co., Ltd. ("Trust Loan")	**132,346**	115,601
Interest on a loan from Pingan-UOB Wealthtone Asset Management Co., Ltd. ("Entrusted Loan")	**76,205**	–
Interest on loan from a major shareholder	**36,797**	44,589
Interest on promissory note	**33,148**	55,912
Interest on convertible bonds	**81,086**	72,020
Less: Interest capitalised	**(382,290)**	(382,598)
	2,864	45,189

11 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Current income tax:		
– Hong Kong	**20**	19
– PRC corporate income tax *(Note (a))*	**173,696**	135,706
– Current PRC land appreciation tax *(Note (b))*	**19,385**	–
Deferred income tax *(Note 37)*	**(22,460)**	(23,075)
	170,641	112,650

Note:

(a) PRC corporate income tax

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2015 and 2014 based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the group entities located in the PRC is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") effective on 1 January 2008.

(b) PRC land appreciation tax ("LAT")

Pursuant to the requirements of the Provisional Regulations of the PRC on LAT effective 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective on 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

11 Income tax expense *(Continued)*

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Profit before tax	**472,112**	274,945
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	**121,076**	66,513
A joint venture and associates' results reported net of tax	**(943)**	(1,401)
Income not subject to tax	**(100)**	(1,209)
Expenses not deductible for tax purposes	**547**	16,504
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	**16,262**	15,003
PRC LAT deductible for income tax purpose	**(10,406)**	–
Tax losses for which no deferred income tax asset was recognised	**2,581**	435
Written-off of deferred tax assets *(note (i))*	**–**	16,805
Corporate income tax expenses	**129,017**	112,650
Land appreciation tax (including current and deferred LAT)	**41,624**	–
Income tax expense	**170,641**	112,650

Pursuant to the CIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

The Group is also liable for withholding taxes on dividends distributed by those joint venture and associates established in the PRC in respect of earnings generated from 1 January 2008. The joint venture and associates of the Group did not distribute earnings during the year and in the past, thus no withholding tax provision is made.

Note:

(i) According to Circular ShuiZongBanHan (2014) No.652 issued in 2014, pension payment to retirees is not tax deductible. Accordingly, the Group wrote off deferred tax assets recognised for defined benefit obligations of HK$16,805,000 to consolidated statement of profit or loss in the year ended 31 December 2014.

11 Income tax expense *(Continued)*

The tax (charge)/credit relating to components of other comprehensive income is as follows:

	2015			2014		
	Before tax HK$'000	**Tax charge HK$'000**	**After tax HK$'000**	Before tax HK$'000	Tax charge HK$'000	After tax HK$'000
Remeasurements of defined benefit obligations	**(14,018)**	**–**	**(14,018)**	(17,297)	–	(17,297)
Gain on property revaluation	**38,116**	**(9,529)**	**28,587**	30,355	(7,589)	22,766
Other comprehensive income	**24,098**	**(9,529)**	**14,569**	13,058	(7,589)	5,469
Deferred tax *(Note 37)*		**9,529**			7,589	

12 Earnings per share attributable to owners of the Company

(A) BASIC

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares.

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately HK$124,703,000 (2014: profit of HK$59,343,000) and the weighted average number of ordinary shares in issue during the year of 1,422,567,976 (2014: 1,414,163,909).

(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 three categories of dilutive potential ordinary shares: convertible bonds, warrants and share options. 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 and share options of the Company had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share.

12 Earnings per share attributable to owners of the Company *(Continued)*

(B) DILUTED *(Continued)*

The calculation of diluted earnings per share is based on:

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Earnings		
Profit attributable to owners of the Company	**124,703**	59,343
Interest expense on convertible bonds charged to consolidated statement of profit or loss	**–**	6,897
Profits used to determine diluted earnings per share	**124,703**	66,240
Shares		
Weighted average number of ordinary shares in issue	**1,422,567,976**	1,414,163,909
Adjustment for: assumed conversion of convertible bonds	**334,650,975**	340,831,629
Weighted average number of ordinary shares for diluted earnings per share	**1,757,218,951**	1,754,995,538

13 Dividends

The dividends paid in the year ended 31 December 2015 and the year ended 31 December 2014 were HK$14,278,000* (HK1 cent per share) and HK$42,425,000 (HK3 cents per share) respectively. A final dividend in respect of the year ended 31 December 2015 of HK2 cents per share, amounting to a total dividend of HK$28,556,000, is to be proposed at the forthcoming annual general meeting on 27 May 2016. These consolidated financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Proposed final dividend of HK2 cents (2014: HK1 cent) per ordinary share	**28,556**	14,142

* On 21 May 2015, Pacific Alliance Asia Opportunity Fund L.P., the convertible bonds holder partially converted the convertible bonds in the principal amount of HK$20,000,000 into shares of the Company. Since then, the number of shares entitled to the dividend increased and the dividends paid was increased from proposed value of HK$14,142,000 to HK$14,278,000.

14 Property, plant and equipment

	Construction in progress HK$'000	Medium term leasehold buildings outside Hong Kong HK$'000	Golf club facilities HK$'000	Vessels HK$'000	Furniture, fixtures, equipment, motor vehicles, plant and machinery and leasehold improvements HK$'000	Total HK$'000
Year ended 31 December 2015						
Cost or valuation:						
At 1 January 2015	109,659	356,460	45,607	297,755	430,988	1,240,469
Additions	100,645	1,681	59,819	8,189	9,412	179,746
Disposals and write-off	–	(2,327)	(3,114)	(1,285)	(10,948)	(17,674)
Gain on revaluation, net	–	22,255	–	–	–	22,255
Deficit on revaluation charged to statement of profit or loss	–	(2,344)	–	–	–	(2,344)
Transfer in/(out)	(36,105)	467	22,883	–	12,755	–
Exchange realignment	(8,757)	(21,962)	(665)	(17,786)	(25,609)	(74,779)
At 31 December 2015	165,442	354,230	124,530	286,873	416,598	1,347,673
Accumulated depreciation and impairment:						
At 1 January 2015	–	–	6,932	145,419	285,371	437,722
Depreciation charge	–	17,180	9,151	7,973	25,924	60,228
Disposals and write-off	–	(1,319)	(2,764)	(1,031)	(9,881)	(14,995)
Gains on revaluation, net	–	(15,861)	–	–	–	(15,861)
Exchange realignment	–	–	(407)	(8,895)	(17,407)	(26,709)
At 31 December 2015	–	–	12,912	143,466	284,007	440,385
Net book amount:						
At 31 December 2015	165,442	354,230	111,618	143,407	132,591	907,288
At 31 December 2014	109,659	356,460	38,675	152,336	145,617	802,747
At 31 December 2015						
Analysis of cost or valuation:						
At cost	165,442	–	124,530	286,873	416,598	993,443
At valuation	–	354,230	–	–	–	354,230
	165,442	354,230	124,530	286,873	416,598	1,347,673

14 Property, plant and equipment *(Continued)*

	Construction in progress HK$'000	Medium term leasehold buildings outside Hong Kong HK$'000 (Restated)	Golf club facilities HK$'000	Vessels HK$'000	Furniture, fixtures, equipment, motor vehicles, plant and machinery and leasehold improvements HK$'000	Total HK$'000 (Restated)
Year ended 31 December 2014						
Cost or valuation:						
At 1 January 2014	37,173	338,195	47,510	278,903	384,063	1,085,844
Additions	140,435	–	–	21,758	16,992	179,185
Disposals and write-off	–	–	–	–	(28,998)	(28,998)
Gain on revaluation, net	–	14,824	–	–	–	14,824
Transfer in/(out)	(65,277)	4,283	–	668	60,326	–
Exchange realignment	(2,672)	(842)	(1,903)	(3,574)	(1,395)	(10,386)
At 31 December 2014	109,659	356,460	45,607	297,755	430,988	1,240,469
Accumulated depreciation and impairment:						
At 1 January 2014	–	–	891	138,686	284,773	424,350
Depreciation charge	–	15,531	6,077	6,795	23,269	51,672
Disposals and write-off	–	–	–	–	(21,980)	(21,980)
Gains on revaluation, net	–	(15,531)	–	–	–	(15,531)
Exchange realignment	–	–	(36)	(62)	(691)	(789)
At 31 December 2014	–	–	6,932	145,419	285,371	437,722
Net book amount:						
At 31 December 2014	109,659	356,460	38,675	152,336	145,617	802,747
At 31 December 2013	37,173	338,195	46,619	140,217	99,290	661,494
At 31 December 2014						
Analysis of cost or valuation:						
At cost	109,659	–	45,607	297,755	430,988	884,009
At valuation	–	356,460	–	–	–	356,460
	109,659	356,460	45,607	297,755	430,988	1,240,469

14 Property, plant and equipment *(Continued)*

Had the Group's medium term leasehold buildings been carried at cost less accumulated depreciation, they would have been included in the financial statements at a net book value of HK$271,446,000 (2014: HK$278,278,000).

Depreciation expenses of HK$54,482,000 (2014: HK$47,060,000) has been charged in "Cost of sales", HK$645,000 (2014: HK$281,000) in "Selling and distribution expenses" and HK$5,101,000 (2014: HK$4,331,000) in "Administrative expenses".

FAIR VALUE HIERARCHY

As at 31 December 2015, the fair value measurement of these land and buildings is categorised in Level 3 of the fair value hierarchy (i.e., fair value measurement using significant unobservable inputs).

During the year, there were no transfers into or out of Level 3.

Reconciliation of fair value measurement categorised within Level 3 of the fair value hierarchy:

	Leasehold buildings located in the Group's theme park and amusement park HK$'000	Leasehold buildings located in the Group's resort hotel, excluding the main building, office building and various ancillary facilities HK$'000	Remaining leasehold buildings located in the Group's resort hotel HK$'000	Remaining leasehold buildings located in Zhuhai, the PRC HK$'000	Total HK$'000
Carrying amount at 1 January 2015	186,342	62,039	87,835	20,244	356,460
Additions	1,638	43	–	–	1,681
Transfer from construction in progress	467	–	–	–	467
Depreciation charge	(11,201)	(2,368)	(3,352)	(259)	(17,180)
Disposals and write-off	(1,008)	–	–	–	(1,008)
Gain on property revaluation, net recognised in other comprehensive income	30,194	1,104	(692)	7,510	38,116
Deficit on revaluation charged to statement of profit or loss	(2,344)	–	–	–	(2,344)
Exchange realignment	(11,914)	(3,550)	(4,893)	(1,605)	(21,962)
Carrying amount at 31 December 2015	192,174	57,268	78,898	25,890	354,230

14 Property, plant and equipment *(Continued)*

FAIR VALUE HIERARCHY *(Continued)*

	Leasehold buildings located in the Group's theme park and amusement park HK$'000	Leasehold buildings located in the Group's resort hotel, excluding the main building, office building and various ancillary facilities HK$'000	Remaining leasehold buildings located in the Group's resort hotel and Zhuhai, the PRC HK$'000	Total HK$'000
Carrying amount at 1 January 2014	172,977	62,323	102,895	338,195
Transfer from construction in progress	4,283	–	–	4,283
Depreciation charge	(9,967)	(2,291)	(3,273)	(15,531)
Gain on property revaluation, net recognised in other comprehensive income	19,529	2,216	8,610	30,355
Exchange realignment	(480)	(209)	(153)	(842)
Carrying amount at 31 December 2014	186,342	62,039	108,079	356,460

VALUATION PROCESSES OF THE GROUP

The Group's medium term leasehold buildings outside Hong Kong were valued at 31 December 2015 and 2014 by independent professionally qualified valuers who hold a recognised relevant professional qualification.

The Group's finance department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management. Discussions of valuation processes and results are held between management and valuers annually. As at 31 December 2015 and 2014, the fair values of the properties have been determined by Knight Frank Petty Limited ("Knight Frank").

At each financial year end the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

VALUATION TECHNIQUE

(1) Fair value of leasehold buildings located in the Group's theme park and amusement park is derived using current replacement cost method. Under this method, fair value is estimated using an estimate of the new replacement cost of the buildings and structures from which deductions are then made to allow for the age, condition and functional obsolescence.

(2) Fair value of leasehold buildings located in the Group's resort hotel excluding the main building, office building and various ancillary facilities is derived using direct comparison method. Under this method, fair value is estimated with reference to market comparable sales evidence available in the market.

14 Property, plant and equipment *(Continued)*

FAIR VALUE HIERARCHY *(Continued)*

VALUATION TECHNIQUE *(Continued)*

(3) Fair value of remaining leasehold buildings located in the Group's resort hotel is derived using discounted cash flow method. Under this method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income is then discounted.

(4) Due to the fact that the direct comparison method is more appropriate in valuation of properties than income approach, the Group changed its valuation technique for the remaining leasehold buildings located in Zhuhai, the PRC from discounted cash flow method to direct comparison method.

Breakdown of the fair value of the properties into land element and building element are required.

Below is a summary of the valuation techniques used and the key inputs to the valuation of leasehold buildings:

2015

	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs (weighted average)	Relationship of unobservable inputs to fair value
Leasehold buildings located in the Group's theme park and amusement park	Cost approach (Depreciated replacement cost method)	Construction cost by use	RMB1,800 to RMB5,400 per square metre	The higher the depreciated replacement cost, the higher the fair value
Leasehold buildings located in the Group's resort hotel, excluding the main building, office building, and various ancillary facilities	Direct comparison method	Price	RMB7,800 per square metre	The higher the price, the higher the fair value
Remaining leasehold buildings located in the Group's resort hotel	Income approach (Discounted cash flow method)	Estimated rental value	RMB550 per night	The higher the estimated rental value, the higher the fair value
		Discount rate	6.5%	The higher the discount rate, the lower the fair value
		Occupancy rate	59%	The higher the occupancy rate, the higher the fair value
Remaining leasehold buildings located in Zhuhai, the PRC	Direct comparison method	Price	RMB7,900 per square metre	The higher the price, the higher the fair value

14 Property, plant and equipment *(Continued)*

FAIR VALUE HIERARCHY *(Continued)*

VALUATION TECHNIQUE *(Continued)*

2014

	Valuation techniques	**Significant unobservable inputs**	**Range of unobservable inputs (weighted average)**	**Relationship of unobservable inputs to fair value**
Leasehold buildings located in the Group's theme park and amusement park	Cost approach (Depreciated replacement cost method)	Construction cost by use	RMB1,000 to RMB6,000 per square metre	The higher the depreciated replacement cost, the higher the fair value
Leasehold buildings located in the Group's resort hotel, excluding the main building, office building, and various ancillary facilities	Direct comparison method	Price	RMB7,700 per square metre	The higher the price, the higher the fair value
Remaining leasehold buildings located in the Group's resort hotel and Zhuhai, the PRC	Income approach (Discounted cash flow method)	Estimated rental value	RMB12 to RMB13 per square metre and per month and RMB580 per night	The higher the estimated rental value, the higher the fair value
		Discount rate	2.5% – 6.5%	The higher the discount rate, the lower the fair value
		Occupancy rate	63%	The higher the occupancy rate, the higher the fair value

15 Prepaid land lease payments

	2015 HK$'000	2014 HK$'000
At 1 January	**418,538**	435,374
Amortisation charge	**(14,286)**	(16,235)
Exchange realignment	**(16,869)**	(601)
	387,383	418,538

The parcels of leasehold land are situated in the PRC and are held under medium term leases (10 to 50 years).

Amortisation charge of HK$14,286,000 (2014: HK$16,235,000) is included in "Cost of sales".

16 Rights to use port facilities

	2015 HK$'000	2014 HK$'000
At 1 January	**18,350**	19,143
Amortisation charge	**(729)**	(732)
Exchange realignment	**(1,028)**	(61)
At 31 December	**16,593**	18,350

The balance represents the amount of the Group's rights to use certain buildings and structures erected at the Jiuzhou Port in Zhuhai, the PRC, for a term up to 27 March 2040.

Amortisation charge of HK$729,000 (2014: HK$732,000) is included in "Cost of sales".

17 Properties under development

	31 December 2015 HK$'000	31 December 2014 HK$'000
Properties under development expected to be completed:		
– Within one operating cycle included under current assets	**3,276,251**	1,847,883
– Beyond one operating cycle included under non-current assets	**4,407,397**	4,824,437
	7,683,648	6,672,320
Properties under development expected to be completed and available for sale:		
– Within one year	**2,800,911**	874,390
– Beyond one year	**4,882,737**	5,797,930
	7,683,648	6,672,320
Properties under development comprise:		
– Capitalised interests	**781,422**	444,494
– Land use rights	**5,397,128**	5,831,126
– Construction costs and capitalised expenditures	**1,505,098**	396,700
	7,683,648	6,672,320

As at 31 December 2015, certain land use rights with a carrying amount of HK$4,395,068,000 (2014: HK$4,667,562,000) included in properties under development were pledged to secure the Group's borrowings.

18 Completed properties held-for-sale

	31 December 2015 HK$'000	31 December 2014 HK$'000
Completed properties held-for-sale comprise:		
– Capitalised interests	**8,589**	–
– Land use rights	**58,255**	–
– Construction costs and capitalised expenditures	**54,177**	–
	121,021	–

19 Intangible asset

	HK$'000
At 1 January 2014	
Cost	29,260
Accumulated impairment	(23,938)
Net book amount	5,322
Year ended 31 December 2014	
Opening net book amount	5,322
Impairment recognised during the year	(405)
Exchange realignment	(17)
Closing net book amount	4,900
At 31 December 2014	
Cost	29,162
Accumulated impairment	(24,262)
Net book amount	4,900
Year ended 31 December 2015	
Opening net book amount	4,900
Exchange realignment	(286)
Closing net book amount	4,614
At 31 December 2015	
Cost	27,459
Accumulated impairment	(22,845)
Net book amount	4,614

19 Intangible asset *(Continued)*

The balance represents the carrying amount of the membership of a golf club in Zhuhai, the PRC, held by the Group. The membership is perpetual and is freely transferrable. The membership is acquired by the Group to provide golf club facilities for the Group's customers.

The recoverable amount of the golf club membership at 31 December 2015 and 2014 was determined by the Group with reference to the open market basis assessed by Knight Frank.

20 Subsidiaries

(A) The following is a list of the principal subsidiaries at 31 December 2015:

Name	Place of establishment and operations	Nominal value of issued and paid-up share/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Zhuhai Holiday Resort Hotel Co., Ltd. *(note a)*	PRC	HK$184,880,000	–	100	Management of a holiday resort
The New Yuanming Palace Tourist Co., Ltd. of Zhuhai S.E.Z. *(note a)*	PRC	RMB60,000,000	–	100	Management of a theme park
珠海市水上娛樂有限公司 *(note a)*	PRC	RMB22,500,000	–	100	Management of an amusement park
Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd. ("Jiuzhou Port Company") *(note b)*	PRC	RMB42,330,000	–	90	Provision of port facilities
Zhuhai High-Speed Passenger Ferry Co., Ltd. ("Ferry Company") *(notes c, d)*	PRC	RMB65,374,000	–	49	Provision of ferry services
珠海經濟特區海通船務有限公司 *(note e)*	PRC	RMB15,000,000	–	49 *(note f)*	Provision of ferry services
珠海市九洲郵輪有限公司 *(note e)*	PRC	RMB20,000,000	–	49 *(note f)*	Provision of ferry services
Zhuhai Jiuzhou Marine Bunker Supply Co., Ltd. *(note e)*	PRC	RMB30,000,000	–	49 *(note f)*	Trading and distribution of fuel oil
珠海九控房地產有限公司 (formerly known as 珠海國際賽車場綜合發展有限公司) ("ZJ Development") *(note c)*	PRC	US$24,080,000	–	60	Property development
珠海國際賽車場高爾夫俱樂部有限公司 ("Zhuhai Golf") *(note c)*	PRC	US$8,800,000	–	60	Operation of a golf club

20 Subsidiaries *(Continued)*

(A) The following is a list of the principal subsidiaries at 31 December 2015: *(Continued)*

Notes:

(a) Registered as wholly-foreign-owned enterprises under PRC law.

(b) Registered as a contractual joint venture under PRC law.

(c) Registered as sino-foreign equity joint venture under PRC law.

(d) The Group considers that it controls Ferry Company even though it owns less than 50% of the equity interests. Ferry Company is owned as to 49% by the Group, 43% by Zhuhai Jiuzhou Holdings Group Co., Ltd. ("ZJ Holdings") and 8% by an independent third party. According to articles of association and the composition of the board of directors of Ferry Company, the Group obtains more than half of voting power over Ferry Company and therefore obtains control of Ferry Company.

(e) Registered as limited liability companies under PRC law.

(f) These entities are subsidiaries of Ferry Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.

(B) MATERIAL NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 December 2015 is HK$1,455,616,000 (2014: HK$1,441,595,000), of which HK$329,515,000 (2014: HK$286,883,000) is for Ferry Company and its subsidiaries ("Ferry Company Group") and HK$1,039,717,000 (2014: HK$1,096,328,000) is attributed to ZJ Development and its subsidiaries ("ZJ Development Group"). The non-controlling interests in respect of other entities are not material.

SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Set out below are the summarised financial information for subsidiaries that have non-controlling interests that are material to the Group.

20 Subsidiaries *(Continued)*

(B) MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

SUMMARISED STATEMENT OF FINANCIAL POSITION

	Ferry Company Group		ZJ Development Group	
	31 December 2015 HK$'000	31 December 2014 HK$'000	**31 December 2015 HK$'000**	31 December 2014 HK$'000
Current				
Assets	**552,476**	499,657	**4,635,156**	2,050,178
Liabilities	**(139,818)**	(152,786)	**(3,995,644)**	(1,807,207)
Total current net assets	**412,658**	346,871	**639,512**	242,971
Non-current				
Assets	**266,955**	244,070	**4,386,740**	4,827,042
Liabilities	**(33,505)**	(28,426)	**(2,426,959)**	(2,329,192)
Total non-current net assets	**233,450**	215,644	**1,959,781**	2,497,850
Net assets	**646,108**	562,515	**2,599,293**	2,740,821

SUMMARISED STATEMENT OF PROFIT OR LOSS

	Ferry Company Group Year ended 31 December		ZJ Development Group Year ended 31 December	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Revenue	**2,344,780**	1,446,651	**435,682**	–
Profit/(loss) before income tax	**387,077**	321,472	**94,732**	(31,902)
Income tax (expense)/credit	**(95,385)**	(84,843)	**(69,916)**	665
Other comprehensive loss	**(47,188)**	(9,041)	**(166,344)**	(9,265)
Total comprehensive income/(loss) for the year	**244,504**	227,588	**(141,528)**	(40,502)
Total comprehensive income/(loss) allocated to non-controlling interests	**124,697**	116,070	**(56,611)**	(16,201)
Dividends paid to non-controlling shareholders	**82,065**	–	**–**	–

20 Subsidiaries *(Continued)*

(B) MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

SUMMARISED STATEMENT OF CASH FLOWS

	Ferry Company Group Year ended 31 December		ZJ Development Group Year ended 31 December	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash flows from operating activities				
Cash generated from/(used in) operations	**333,571**	199,545	**751,668**	(106,838)
Income tax paid	**(90,347)**	(59,407)	**(24,202)**	(5,489)
Net cash generated from/(used in) operating activities	**243,224**	140,138	**727,466**	(112,327)
Net cash (used in)/generated from investing activities	**(32,227)**	(135,263)	**3,288**	51,188
Net cash (used in)/generated from financing activities	**(161,758)**	(49,272)	**(409,866)**	53,866
Net increase/(decrease) in cash and cash equivalents	**49,239**	(44,397)	**320,888**	(7,273)
Cash and cash equivalents at beginning of year	**235,569**	279,966	**129,342**	136,615
Cash and cash equivalents at end of year	**284,808**	235,569	**450,230**	129,342

The information above is the amount before inter-company eliminations.

21 Interest in a joint venture

	2015 HK$'000	2014 HK$'000
At 1 January	**12,109**	9,736
Share of profit	**1,469**	2,719
Exchange realignment	**(629)**	(346)
At 31 December	**12,949**	12,109

Particulars of the Group's joint venture indirectly held by the Company as at 31 December 2015 are as follows:

Name	**Place of business/ country of establishment**	**% of ownership interest**	**Principal activities**	**Measurement method**
珠海市珠澳輪渡有限公司	PRC	49	Provision of ferry services	Equity

珠海市珠澳輪渡有限公司 is a private company and there is no quoted market price available for its shares.

The Group has no commitment and contingent liability relating to its interests in the joint venture.

22 Interests in associates

	31 December 2015 HK$'000	31 December 2014 HK$'000
Share of net assets of unlisted associates	**6,631**	4,614

	2015 HK$'000	2014 HK$'000
At 1 January	**4,614**	9,318
Transfer from available-for-sale investments	**–**	1,590
Share of profit	**2,304**	2,887
Repayment from an associate	**–**	(9,137)
Exchange realignment	**(287)**	(44)
At 31 December	**6,631**	4,614

22 Interests in associates *(Continued)*

Particulars of the associates as at 31 December 2015 are as follows:

Name	Place of business/ country of incorporation/ establishment	% of ownership interest	Principal activities	Measurement method
Allways Internet Limited	Hong Kong	50	Investment holding	Equity
深圳市機場高速客運有限公司	PRC	40	Provision of ticketing services	Equity
珠海市九洲快運有限公司	PRC	25	Transportation	Equity

All the associates are private companies and there are no quoted market prices available for their shares.

The Group has no commitment and contingent liability relating to its interest in the associates.

23 Available-for-sale investments

	31 December 2015 HK$'000	31 December 2014 HK$'000
Hong Kong listed equity investments, at fair value and denominated in HK$	**18,600**	12,600
Financial products, at fair value and denominated in RMB	**17,904**	–
	36,504	12,600
Less: non-current portion	**(18,600)**	(12,600)
Current portion	**17,904**	–

	2015 HK$'000	2014 HK$'000
At 1 January	**12,600**	11,190
Additions	**19,015**	–
Transfer to interests in associates	**–**	(1,590)
Net gains recognised as other comprehensive income	**6,000**	3,000
Exchange realignment	**(1,111)**	–
At 31 December	**36,504**	12,600

24 Prepayments, deposits and other receivables

(a) Prepayments and deposits included in non-current assets:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Rental prepayments	3,030	3,563
Other prepayments and deposits	74,062	36,876
	77,092	40,439

(b) Prepayments, deposits and other receivables included in current assets:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Prepayments	216,188	83,101
Deposits and other receivables	34,024	20,765
	250,212	103,866

(i) The fair values of the Group's deposits and other receivables as at 31 December 2015 and 2014 approximate their carrying amounts.

(ii) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

(iii) The Group's prepayments, deposits and other receivables are mainly denominated in RMB.

25 Securities measured at fair value through profit or loss

	31 December 2015 HK$'000	31 December 2014 HK$'000
Listed equity securities in Hong Kong – held-for-trading Investments in Hong Kong, at fair value	1,038	1,440

Changes in fair values of securities measured at fair value through profit or loss are recorded in 'Other income and gains, net' in the consolidated statement of profit or loss.

The fair value of all equity securities in based on their current bid prices in an active market.

26 Inventories

	31 December 2015 HK$'000	31 December 2014 HK$'000
Food, beverages and souvenirs held for resale	**1,898**	2,561
Spare parts and consumables	**17,250**	16,871
	19,148	19,432

The cost of inventories recognised as expense and included in 'cost of sales' amounted to HK$1,621,381,000 (2014: HK$767,372,000).

27 Trade receivables

	31 December 2015 HK$'000	31 December 2014 HK$'000
Trade receivables	**131,451**	121,673
Less: allowance for impairment of trade receivables	**(9,654)**	(15,081)
	121,797	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 ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Current to 3 months	**121,701**	108,420
4 to 6 months	**865**	1,312
7 to 12 months	**859**	137
Over 12 months	**8,026**	11,804
	131,451	121,673

27 Trade receivables *(Continued)*

As of 31 December 2015, trade receivables of HK$1,579,000 (31 December 2014: HK$1,697,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Within 1 year	**1,579**	1,697

As of 31 December 2015, trade receivables of HK$9,654,000 (31 December 2014: HK$15,081,000) were impaired and provided. The ageing of these receivables is as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Current to 3 months	**1,483**	3,194
4 to 6 months	**45**	–
7 to 12 months	**100**	83
Over 12 months	**8,026**	11,804
	9,654	15,081

The movements on the Group's allowance for impairment of trade receivables are as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**15,081**	9,139
(Write-back of impairment)/impairment losses recognised, net	**(3,950)**	5,993
Amount written off as uncollectible	**(560)**	–
Exchange realignment	**(917)**	(51)
At 31 December	**9,654**	15,081

The carrying amounts of trade receivables approximate their fair values.

28 Cash and bank balances

	31 December 2015 HK$'000	31 December 2014 HK$'000
Cash and cash equivalents	**1,872,865**	1,138,076
Time deposits	**–**	8,725
Tourism deposits *(note (a))*	**1,074**	1,141
Deposits for construction fee payable *(note (b))*	**46,111**	19,458
Guarantee deposits for construction of pre-sold properties *(note (c))*	**553,989**	8,405
Deposits collateral for borrowings *(note (d))*	**122,219**	–
Restricted bank balance	**723,393**	29,004

Note:

(a) Pursuant to the requirement from Guangdong Provincial Supervisory Bureau of Tourism Quality (廣東省旅遊質量監督管理所), the Group has to maintain certain cash balance in a designated bank account for securing the quality of the tourist business operated by the Group. The bank balance can only be released upon the approval from Guangdong Provincial Supervisory Bureau of Tourism Quality and restricted to be used by the Group.

(b) According to the relevant construction contracts, the Group is required to place deposits at designated bank accounts with certain amount of the construction payables as cash collateral. Such guarantee deposits will only be released after settlement of the construction payables.

(c) In accordance with the relevant documents issued by the local State-Owned Land and Resource Bureau, a property development company of the Group is required to place at designated bank accounts the pre-sale proceeds of properties received as the guarantee deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and payments of construction fees of related property projects upon the approval of the local State-Owned Land and Resource Bureau. Such guarantee deposits will be released according to the completion stage of the related pre-sold properties.

(d) As at 31 December 2015, HK$122,219,000 (2014: Nil) are pledged deposits for certain bank borrowings.

As at 31 December 2015, the cash and bank balances of the Group denominated in RMB amounted to approximately HK$2,302,936,000 (31 December 2014: HK$997,268,000). RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of cash and bank balances approximate their fair values.

29 Financial instruments by category

	Assets at fair value through profit or loss HK$'000	Loans and receivables HK$'000	Available-for-sale HK$'000	Total HK$'000
31 December 2015				
Assets as per consolidated statement of financial position				
Available-for-sale investments	**–**	**–**	**36,504**	**36,504**
Securities measured at fair value through profit or loss	**1,038**	**–**	**–**	**1,038**
Trade receivables	**–**	**121,797**	**–**	**121,797**
Financial assets included in other receivables	**–**	**34,024**	**–**	**34,024**
Due from related companies	**–**	**8,847**	**–**	**8,847**
Restricted bank balance	**–**	**723,393**	**–**	**723,393**
Cash and cash equivalents	**–**	**1,872,865**	**–**	**1,872,865**
	1,038	**2,760,926**	**36,504**	**2,798,468**

	Assets at fair value through profit or loss HK$'000	Loans and receivables HK$'000	Available-for-sale HK$'000	Total HK$'000
31 December 2014				
Assets as per consolidated statement of financial position				
Available-for-sale investments	–	–	12,600	12,600
Securities measured at fair value through profit or loss	1,440	–	–	1,440
Trade receivables	–	106,592	–	106,592
Financial assets included in other receivables	–	20,765	–	20,765
Due from related companies	–	11,463	–	11,463
Restricted bank balance	–	29,004	–	29,004
Time deposits	–	8,725	–	8,725
Cash and cash equivalents	–	1,138,076	–	1,138,076
	1,440	1,314,625	12,600	1,328,665

29 Financial instruments by category *(Continued)*

	31 December 2015 HK$'000	31 December 2014 HK$'000
Liabilities as per consolidated statement of financial position		
Financial liabilities at amortised cost:		
Trade payables	**27,284**	33,153
Financial liabilities included in deferred income, accrued liabilities and other payables	**186,273**	135,053
Construction payables	**549,732**	99,100
Interest-bearing bank and other borrowings	**2,824,085**	2,216,651
Promissory note	**353,714**	517,224
Due to a major shareholder	**17,893**	67,653
Due to related companies	**10,903**	22,811
Convertible bonds	**542,083**	506,994
Loan from a major shareholder	**256,631**	272,542
	4,768,598	3,871,181

30 Trade payables

An ageing analysis of the trade payables as at 31 December 2015, based on the invoice date, is as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Current to 3 months	**22,315**	28,961
4 to 6 months	**580**	245
7 to 12 months	**320**	196
Over 12 months	**4,069**	3,751
	27,284	33,153

The trade payables are non-interest-bearing and are normally settled on 60-day terms and approximate to their fair values.

31 Deferred income, accrued liabilities and other payables

	31 December 2015 HK$'000	31 December 2014 HK$'000
Accrued liabilities and other payables	**412,429**	334,947
Deferred income	**192,244**	152,930
	604,673	487,877
Less: Current portion	**(420,042)**	(340,283)
Non-current portion	**184,631**	147,594

Other payables are non-interest-bearing and have average payment terms of one to three months.

Deferred income represents golf club membership admission fees of which the respective services have not yet been rendered.

The accrued liabilities and other payables mainly include accrued staff costs, advances from customers, interest payables and provision of vessel maintenance fund.

32 Construction payables

Construction payables, which represent amounts due to contractors for construction of properties under development, property, plant and equipment, are unsecured, interest-free and payable in accordance with the terms of the respective construction contracts.

33 Interest-bearing bank and other borrowings

	31 December 2015 HK$'000	31 December 2014 HK$'000
Non-current		
Trust Loan – secured *(note (a))*	**–**	1,267,636
Entrusted Loan – secured *(note (b))*	**1,432,356**	–
Bank loans and syndicated loan – secured *(note (d))*	**941,989**	297,450
	2,374,345	1,565,086
Current		
Trust Loan – secured *(note (a))*	**–**	633,818
Entrusted Loan – secured *(note (b))*	**358,089**	–
Bank loans – secured *(note (c))*	**91,651**	17,747
	449,740	651,565
	2,824,085	2,216,651

At 31 December 2015, the Group's borrowings were repayable as follows:

	Bank loans and syndicated loan		Entrusted Loan		Trust Loan		Total	
	31 December 2015 HK$'000	31 December 2014 HK$'000	31 December 2015 HK$'000	31 December 2014 HK$'000	31 December 2015 HK$'000	31 December 2014 HK$'000	31 December 2015 HK$'000	31 December 2014 HK$'000
Within 1 year	**91,651**	17,747	**358,089**	–	**–**	633,818	**449,740**	651,565
Between 1 and 2 years	**23,783**	72,716	**537,134**	–	**–**	1,267,636	**560,917**	1,340,352
Between 2 and 5 years	**918,206**	224,734	**895,222**	–	**–**	–	**1,813,428**	224,734
	1,033,640	315,197	**1,790,445**	–	**–**	1,901,454	**2,824,085**	2,216,651

The exposure of the Group's bank borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
6 months or less	**897,625**	297,450

33 Interest-bearing bank and other borrowings *(Continued)*

The carrying amounts of the Group's borrowings are denominated in the following currency:

	31 December 2015 HK$'000	31 December 2014 HK$'000
HK$	**897,625**	297,450
RMB	**1,926,460**	1,919,201
	2,824,085	2,216,651

Notes:

(a) Pursuant to the loan agreements dated 15 July 2014 and the supplemental loan agreements dated 2 August 2014 signed between ZJ Development and AVIC Trust Co., Ltd. ("AVIC Trust"), AVIC Trust released a loan of RMB1,500,000,000 to ZJ 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 was repaid in August 2015, while the remaining were repayable in August 2016.

Before the application of the Trust Loan, ZJ Development was financed by (i) Zhuhai Jiuzhou Corporation Management Co., Ltd. ("ZJ Corporation Management"), a wholly-owned subsidiary of the Company and (ii) ZJ Holdings, a major shareholder of the Company, of RMB500,000,000. In addition to the fund raising from third parties as holders of the preferential trust units of a maximum aggregate principal amount of RMB1,500,000,000, the establishment of the Trust Loan was also be subject to the subscription of subordinated trust units of an aggregate principal amount of RMB500,000,000 by ZJ Corporation Management and ZJ Holdings. Therefore, ZJ Corporation Management and ZJ Holdings entrusted AVIC Trust to provide the loan to ZJ Development. The interest rate of the restructured loan of the subordinated trust units was maintained as 13% annually, same as the loan from ZJ Corporation Management and ZJ Holdings. Thus the Group viewed there was no substantial change in the loan arrangement and continue to recognise the loan from ZJ Holdings (note 46).

AVIC Trust acquired 3% equity interest in ZJ Development of RMB10,000,000 according to an equity transfer agreement signed on 15 July 2014. The equity transfer was completed in August 2014. AVIC Trust became shareholder of ZJ Development. The 3% equity interest will be transferred back to the Group upon the settlement of the Trust Loan. The directors considered this equity transfer as a collateral provided to AVIC Trust and therefore, no non-controlling interest was recognised.

The Trust Loan was early repaid in full during the current year. According to the equity transfer agreement signed between Pingan-UOB Wealthtone Asset Management Co., Ltd. ("Pingan-UOB") and AVIC Trust on 15 September 2015, the 3% equity interest in ZJ Development was transferred from AVIC Trust to Pingan-UOB. Details please refer to Note 33 (b).

As at 31 December 2014, ZJ Holdings and the Company have executed guarantees in respects of the Trust Loan borrowed by ZJ Development up to HK$1,901,454,000 and HK$1,083,829,000.

As at 31 December 2014, Trust Loan is secured by the land use rights included in the properties under development of the Group of HK$4,667,562,000.

(b) Pursuant to the entrusted loan agreement dated 27 July 2015 signed between ZJ Development, Pingan-UOB and a bank as trustee, Pingan-UOB released a loan of RMB1,490,000,000 to ZJ Development in August 2015. ZJ Development has applied proceeds from Entrusted Loan to repay all the Trust Loan in August 2015. The applicable interest rate on the Entrusted Loan is 9.434% annually.

Pingan-UOB acquired 3% equity interest in ZJ Development in a consideration of RMB10,000,000 according to an equity transfer and repurchase agreement signed between Lamdeal Consolidated Development Limited and Pingan-UOB on 27 July 2015 and an equity transfer agreement signed between Pingan-UOB and AVIC Trust on 15 September 2015. According to the equity transfer and repurchase agreement, the 3% equity interest will be transferred back to the Group upon the settlement of the Entrusted Loan at RMB10,000,000. The directors considered this equity transfer as a collateral provided to Pingan-UOB and therefore, no non-controlling interest was recognised.

As at 31 December 2015, ZJ Holdings and the Company have executed guarantees in respect of the Entrusted Loan borrowed by ZJ Development up to HK$1,790,445,000 and HK$1,025,686,000.

As at 31 December 2015, Entrusted Loan is secured by the land use rights included in the properties under development of the Group of HK$4,395,068,000.

33 Interest-bearing bank and other borrowings *(Continued)*

Notes: (Continued)

(c) As at 31 December 2015, Ferry Company has executed a guarantee in respect of the Group's bank loan of HK$16,651,000 (2014: Nil). As at 31 December 2014, ZJ Holdings has executed a guarantee in respect of the Group's bank loan of HK$17,747,000.

(d) As at 31 December 2015, the Group's bank loan of HK$119,363,000 (2014: Nil) is secured by its bank deposits.

As at 31 December 2015, the repayment obligation of the Company under the Syndicated Loan facility was secured by a 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, and a charge over a bank account of the Company in favour of the facility agent on behalf of the lenders.

As at 31 December 2015, the repayment obligation of the Company under a low-interest term loan 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.

(e) The fair value of borrowings approximates their carrying amount.

(f) Borrowings bear average coupons of 0.5% – 9.434% annually (2014: 3.2% – 13% annually). The capitalisation rate of borrowings for assets under construction was 7.42% (2014: 11.68%) for the year ended 31 December 2015.

34 Convertible bonds

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

Pursuant to the subscription agreement, the CB 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

(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).

34 Convertible bonds *(Continued)*

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 CB carries 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.

Movement of the CB during the year:

	2015 **HK$'000**	2014 HK$'000
At 1 January	**506,994**	459,974
Conversion of convertible bonds	**(21,611)**	–
Interest expenses	**81,086**	72,020
Interest paid	**(24,386)**	(25,000)
At 31 December	**542,083**	506,994

35 Promissory note

The promissory note, 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 of the Group during the year are as follows:

	2015 **HK$'000**	2014 HK$'000
At 1 January	**517,224**	711,312
Net repayment*	**(196,658)**	(250,000)
Interest expenses	**33,148**	55,912
At 31 December	**353,714**	517,224
Less: Current portion	**(200,000)**	(200,000)
Non-current portion	**153,714**	317,224

* During the year ended 31 December 2015, Dragon Hill Corporation Limited, the holder of the promissory note, offered a rebate option of cash amount calculated at a discounting rate of 5% per annum from the date of repayment until the maturity date of 31 December 2015 to the Group in relation to early settlement of principal amount of HK$200,000,000. A net amount of HK$196,658,000 was settled by the Group during the year.

36 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.

No Warrants were exercised from issued date to 31 December 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 which meet the definition of equity instrument and the total proceeds of HK$690,000 were classified as warrant reserve in equity on issuance day.

37 Deferred income tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Deferred tax assets:		
– Deferred tax asset to be recovered after more than 12 months	**(65,320)**	(59,249)
Deferred tax liabilities:		
– Deferred tax liability to be settled after more than 12 months	**844,710**	904,836
– Deferred tax liability to be settled within 12 months	**13,498**	7,991
	858,208	912,827
Deferred tax liabilities (net)	**792,888**	853,578

37 Deferred income tax *(Continued)*

The gross movement on the deferred income tax account is as follows:

	2015 **HK$'000**	2014 HK$'000
At 1 January	**853,578**	872,691
Credited to the statement of profit or loss	**(22,460)**	(23,075)
Tax charge relating to components of other comprehensive income	**9,529**	7,589
Exchange realignment	**(47,759)**	(3,627)
At 31 December	**792,888**	853,578

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

DEFERRED TAX LIABILITIES

	Leasehold buildings and prepaid land lease payment HK$'000	**Fair value adjustments arising from acquisition of subsidiaries and subsequent changes** HK$'000	**Withholding taxes on undistributed profit of subsidiaries** HK$'000	**Total** HK$'000
At 1 January 2014	34,110	886,342	15,671	936,123
Charged/(credited) to the statement of profit or loss	1,701	(23,341)	11,829	(9,811)
Charged to other comprehensive income	7,589	–	–	7,589
Exchange realignment	(158)	(2,938)	(10)	(3,106)
At 31 December 2014	43,242	860,063	27,490	930,795
Charged/(credited) to the statement of profit or loss	2,547	(36,491)	4,500	(29,444)
Charged to other comprehensive income	9,529	–	–	9,529
Exchange realignment	(3,158)	(45,139)	(1,605)	(49,902)
At 31 December 2015	52,160	778,433	30,385	860,978

37 Deferred income tax *(Continued)*

DEFERRED TAX ASSETS

	Timing difference in golf club sales recognition HK$'000	Defined benefit obligations HK$'000	Depreciation of vessels HK$'000	Unused tax losses, bad debt provision and others HK$'000	Total HK$'000
At 1 January 2014	(32,627)	(16,805)	–	(14,000)	(63,432)
(Credited)/charged to the statement of profit or loss	(5,348)	16,805	(14,883)	(9,838)	(13,264)
Exchange realignment	(258)	–	–	(263)	(521)
At 31 December 2014	(38,233)	–	(14,883)	(24,101)	(77,217)
(Credited)/charged to the statement of profit or loss	(10,878)	–	2,272	15,590	6,984
Exchange realignment	1,217	–	599	327	2,143
At 31 December 2015	(47,894)	–	(12,012)	(8,184)	(68,090)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$19,935,000 (2014: HK$17,353,000) in respect of losses amounting to HK$106,116,000 (2014: HK$95,790,000) that can be carried forward against future taxable income. Losses arising in Hong Kong amounting to HK$77,582,000 (2014: 77,582,000) are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Losses arising in the PRC amounting to HK$28,534,000 (2014: HK$18,208,000) will expire between 2016 and 2020.

38 Defined benefit obligations

The Group operates and maintains defined benefit pension plans. According the plan, the Group has continuing practice of pension payments to their retired employees till the death of the retired employees with reference to the position of the retired employees at the time when they retire. The expected cost of providing these post-retirement benefits is actuarially determined and recognised by using the projected unit credit method, which involves a number of assumptions and estimates, including discount rate, employee turnover rate and mortality rate and etc.

The table below outlines where the Group's post-employment pension amounts and activity are included in the financial statements.

	31 December 2015 HK$'000	31 December 2014 HK$'000
Consolidated statement of financial position obligations for:		
– Defined pension benefits	**103,655**	90,466

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Statement of profit or loss charge included in operating profit:		
– Defined pension benefits	**9,455**	6,972

The movements in the defined benefit obligations over the year are as follows:

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Opening defined benefit obligations	**90,466**	69,142
Current service	**3,795**	3,215
Past service cost – scheme amendments and changes	**2,196**	608
Interest expense	**3,464**	3,149
	9,455	6,972
Remeasurements:		
– Loss from change in financial assumptions	**10,611**	9,575
– Experience losses	**3,407**	7,722
	14,018	17,297
Exchange differences	**(6,427)**	315
Benefit payments	**(3,857)**	(3,260)
Closing defined benefit obligations	**103,655**	90,466

38 Defined benefit obligations *(Continued)*

The significant actuarial assumptions were as follows:

DISCOUNT RATE

	31 December 2015	31 December 2014
Discount rate	**3.1%**	3.8%

EMPLOYEE TURNOVER RATE

Active employees are assumed to leave the Company before retirement in accordance with an age-related table as at 31 December 2015 and 2014:

Age	**Employee turnover rate (p.a.)**
Less than 25	20%
25–29	15%
30–39	10%
40–54	7.5%
Age 55 and over	5%

MORTALITY RATE

Mortality rate is based on China Life Insurance Mortality Table (2000-2003).

The sensitivity of the defined benefit obligations to changes in the principal assumptions is:

31 December 2015

	Impact on defined benefit obligations		
	Change in assumption	**Increase in assumption** HK$'000	**Decrease in assumption** HK$'000
Discount rate	0.25%	(3,752)	3,974
Mortality rate (age)	1 year	(2,477)	2,439
		(6,229)	6,413

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to principal actuarial assumptions, the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

39 Issued share capital

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

A summary of the movements in the Company's issued share capital during the year ended 31 December 2015 is as follows:

	Number of shares in issue	**Issued share capital** HK$'000	**Share premium** HK$'000	**Total** HK$'000
Issued:				
At 1 January 2014, 31 December 2014 and 1 January 2015	1,414,163,909	141,416	888,209	1,029,625
Issue of shares upon conversion of convertible bonds *(Note 34)*	13,633,265	1,364	22,998	24,362
At 31 December 2015	1,427,797,174	142,780	911,207	1,053,987

40 Reserves

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2015 and 2014 are presented in the consolidated statement of changes in equity.

The contributed surplus of the Group represents the difference between the nominal value of the shares of the subsidiaries acquired, together with the surplus arising on the acquisition of the site of the Group's theme park, pursuant to the Group reorganisation on 30 April 1998, and the nominal value of the Company's shares issued pursuant to the Group reorganisation.

In accordance with the relevant PRC regulations, the group companies established in the PRC are required to transfer a certain percentage of their profits after tax to the statutory reserve funds. Subject to certain restrictions set out in the relevant PRC regulations and the articles of association of the subsidiaries, the statutory reserve funds may be used to offset against losses and/or may be capitalised as paid-up capital.

Other reserve arising on the acquisition of subsidiaries in prior years of HK$200,573,000 (2014: HK$200,573,000) remains eliminated against consolidated reserves.

41 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").

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.

On 13 July 2015, the Company, has granted an aggregate of 79,600,000 share options ("Share Options") to eligible grantees (the "Grantees"), including certain directors, senior management and connected persons of the Company under the Share Option Scheme.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2015	
	Average exercise price in HK$ per share option	**Number of share options**
At 1 January	**–**	**–**
Granted during the year	**2.01**	**79,600,000**
At 31 December	**2.01**	**79,600,000**
Exercisable at 31 December	**2.01**	**79,600,000**

The share options outstanding as at 31 December 2015 had an exercise price of HK$2.01.

FAIR VALUE OF OPTIONS AND ASSUMPTIONS

The fair value of options granted during the year was determined using the binomial option pricing model amounting to HK$3,847,000 (2014: Nil). The significant inputs to the model were volatility of 48%, expected dividend yield of 0.71%, risk-free rates ranging from 1.17% to 1.42% and forfeiture rates ranging from 0% to 6.7%.

42 Cash generated from operations

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**472,112**	274,945
Adjustments for:		
Share of profits of a joint venture	**(1,469)**	(2,719)
Share of profits of associates	**(2,304)**	(2,887)
Interest income	**(26,720)**	(23,317)
Finance expenses	**2,864**	45,189
Depreciation	**60,228**	51,672
Amortisation of prepaid land lease payments	**14,286**	16,235
Amortisation of rights to use port facilities	**729**	732
Loss on disposal and write-off of property, plant and equipment	**1,940**	4,734
Impairment of an intangible asset	**–**	405
Deficits on property revaluation	**2,344**	–
Capitalised interest expenses included in cost of properties sold	**27,752**	–
Net fair value losses/(gains) on securities measured at fair value through profit or loss	**402**	(302)
Share-based payments	**3,847**	–
	556,011	364,687
Change in working capital:		
Properties under development	**(1,151,458)**	(386,993)
Inventories	**284**	(3,317)
Completed properties held-for-sale	**(112,432)**	–
Trade receivables	**(15,205)**	(48,518)
Prepayments, deposits and other receivables	**(55,611)**	(31,913)
Trade payables	**(5,869)**	(6,388)
Deferred income, accrued liabilities and other payables	**42,271**	118,632
Construction payables	**442,377**	72,065
Defined benefit obligations	**5,598**	3,712
Restricted bank balance	**(545,517)**	–
Balances from related companies	**(2,668)**	(86)
Properties pre-sale proceeds received from customers	**2,046,489**	466,881
Cash generated from operations	**1,204,270**	548,762

43 Financial guarantees

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

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**802,855**	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 purchases is minimal and their obligations are well covered by the value of the properties and therefore the fair value of financial guarantees is immaterial.

44 Contingent liabilities

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

45 Commitments

(A) CAPITAL COMMITMENTS

The Group had the following contracted, but not provided for, commitments at the end of the reporting period:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Property, plant and equipment	**453,289**	234,226
Properties under development	**458,676**	704,863
	911,965	939,089

45 Commitments *(Continued)*

(A) CAPITAL COMMITMENTS *(Continued)*

The Group entered into an agreement with an independent third party to pay an annual management fee of RMB24,000,000 (equivalent to HK$28,647,000) for a period of 90 months for management of the property development project of the Group. As at 31 December 2015, total management fee commitment falling due as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Within one year	**28,647**	30,423
In the second to fifth years, inclusive	**114,589**	121,693
After five years	**14,324**	45,635
	157,560	197,751

(B) OPERATING LEASE COMMITMENTS

(I) AS LESSOR

The Group leases certain of its leasehold buildings and sub-leases certain of its leased premises under operating lease arrangements, with leases negotiated for original terms ranging from 1 to 20 years (2014: 1 to 15 years). The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 31 December 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Within one year	**28,696**	27,090
In the second to fifth years, inclusive	**51,357**	49,372
After five years	**68,369**	41,321
	148,422	117,783

45 Commitments *(Continued)*

(B) OPERATING LEASE COMMITMENTS *(Continued)*

(II) AS LESSEE

The Group leases certain of its office premises, the port properties and facilities under operating lease arrangements. Leases are negotiated for original terms ranging from 1 to 40 years (2014: 1 to 40 years).

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

	31 December 2015 HK$'000	31 December 2014 HK$'000
Within one year	**10,776**	2,946
In the second to fifth years inclusive	**13,538**	7,148
After five years	**13,457**	15,365
	37,771	25,459

46 Related party transactions

The following is a summary of significant related party transactions which, in the opinion of the directors, are entered into in the ordinary course of business between the Company and its related parties, and the balances arising from related party transactions in addition to the related party information shown elsewhere in these financial statements.

The Company's major shareholder is ZJ Holdings, which is a state-owned enterprise established in the PRC. As at 31 December 2015, ZJ Holdings' equity interest in the Company is 41.10% (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) SIGNIFICANT RELATED PARTY TRANSACTIONS

Name	Relationship with the Company	Nature	Year ended 31 December 2015 HK$'000	2014 HK$'000
Zhuhai Jiuzhou Port Passenger Transport Station Co., Ltd. ("Jiuzhou Transport Company")	A subsidiary of a major shareholder	Port service fees	**2,282**	2,530
ZJ Holdings	A major shareholder	Rental expenses	**6,148**	5,326
ZJ Holdings	A major shareholder	Interest expenses	**36,797**	44,589
Zhuhai Haojiang Travel Agency Co., Ltd. ("Haojiang Travel Agency")	A subsidiary of a major shareholder	Ticketing income	**–**	162
Zhuhai Jiuzhou Travel Transport Co., Ltd. ("Jiuzhou Travel Transport")	An associate of a major shareholder	Sales of diesel and petrol	**5,282**	5,116
Zhuhai Wanshan Port Co., Ltd. ("Wanshan Port Company")	A joint venture of a major shareholder	Commission expenses	**11,625**	10,109

46 Related party transactions *(Continued)*

(B) OTHER TRANSACTIONS WITH RELATED PARTIES

In addition, in 1994, Jiuzhou Port Company 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.

During the year ended 31 December 2015, the amortisation of "Rights to use port facilities" of HK$729,000 (2014: HK$732,000) was charged to "Cost of sales".

(C) KEY MANAGEMENT COMPENSATION

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,434**	2,277
Pension costs – defined contribution plans	**110**	237
Share-based payments	**413**	–
	2,957	2,514

46 Related party transactions *(Continued)*

(D) YEAR-END BALANCES

In addition to those disclosed elsewhere, particulars of the amounts due from/(to) related companies and a major shareholder and a loan from a major shareholder are as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Amount due from an associate:		
深圳市機場高速客運有限公司	**5,386**	8,501
Amount due from a joint venture:		
珠海市珠澳輪渡有限公司	**81**	106
Amounts due from related companies:		
Subsidiaries of a major shareholder:		
珠澳旅遊集散中心	**–**	34
Haojiang Travel Agency	**–**	95
珠海度假村酒店管理有限公司	**–**	103
珠海南油大酒店	**–**	71
珠海九洲文化產業投資發展有限公司	**6**	2
珠海九洲綠色生態旅遊發展有限公司	**222**	–
An associate of a major shareholder:		
Jiuzhou Travel Transport	**960**	976
A joint venture of a major shareholder:		
Wanshan Port Company	**2,192**	1,575
	3,380	2,856
Total	**8,847**	11,463

46 Related party transactions *(Continued)*

(D) YEAR-END BALANCES *(Continued)*

	31 December 2015 HK$'000	31 December 2014 HK$'000
Amount due to an associate:		
珠海市九洲快運有限公司	**–**	(153)
Amounts due to related companies:		
Subsidiaries of a major shareholder:		
珠海度假村有限公司	**(5,426)**	(15,238)
珠海九洲綠道旅遊有限公司	**(636)**	(707)
日昇金舫旅遊有限公司	**(1,764)**	(1,361)
珠海度假村有限公司加油站	**(2,795)**	(2,918)
Jiuzhou Transport Company	**(274)**	(2,434)
珠海南油大酒店	**(8)**	–
	(10,903)	(22,658)
	(10,903)	(22,811)
Amounts due to a major shareholder:		
ZJ Holdings	**(17,893)**	(67,653)
Less: non-current portion	**13,067**	–
Current portion	**(4,826)**	(67,653)
Loan from a major shareholder:		
ZJ Holdings	**(256,631)**	(272,542)

Except for a loan from a major shareholder of RMB215,000,000 (approximately HK$256,631,000) (2014: RMB215,000,000 (approximately HK$272,542,000)) which bears interests at 13% (2014: 13%) per annum and is repayable in 2017, the balances with related companies and a major shareholder are unsecured, interest-free and repayable on demand. The balances with related companies and a major shareholder approximated to their fair value.

47 Statement of financial position and reserves movement of the Company

(A) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	31 December 2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS		
Property, plant and equipment	**266**	454
Investments in subsidiaries	**3,241,869**	2,552,080
Available-for-sale investments	**18,600**	12,600
Total non-current assets	**3,260,735**	2,565,134
CURRENT ASSETS		
Securities measured at fair value through profit or loss	**1,038**	1,440
Deposits and other receivables	**719**	664
Due from subsidiaries	**–**	433,758
Restricted bank balance	**122,219**	–
Cash and cash equivalents	**286,920**	147,823
Total current assets	**410,896**	583,685
Total assets	**3,671,631**	3,148,819
CURRENT LIABILITIES		
Accrued liabilities and other payables	**7,745**	12,807
Interest-bearing bank borrowings	**75,000**	–
Promissory note	**200,000**	200,000
Total current liabilities	**282,745**	212,807
NON-CURRENT LIABILITIES		
Convertible bonds	**542,083**	506,994
Promissory note	**153,714**	317,224
Interest-bearing bank borrowings	**822,625**	297,450
Total non-current liabilities	**1,518,422**	1,121,668
Total liabilities	**1,801,167**	1,334,475
EQUITY		
Issued share capital	**142,780**	141,416
Reserves	**1,727,684**	1,672,928
Total equity	**1,870,464**	1,814,344
Total equity and liabilities	**3,671,631**	3,148,819

The statement of financial position was approved by the Board of Directors on 24 March 2016 and was signed on its behalf.

Huang Xin
Director

Zhou Shaoqiang
Director

47 Statement of financial position and reserves movement of the Company *(Continued)*

(B) RESERVES MOVEMENT OF THE COMPANY

	Contributed surplus HK$'000	Share premium HK$'000	Warrant reserve HK$'000	Convertible bonds equity reserve HK$'000	Available-for-sale investments revaluation reserve HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
For the year ended 31 December 2015								
At 1 January 2015	**628,440**	**888,209**	**690**	**68,777**	**6,800**	**–**	**80,012**	**1,672,928**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**38,940**	**38,940**
Issue of shares upon conversion of convertible bonds	**–**	**22,998**	**–**	**(2,751)**	**–**	**–**	**–**	**20,247**
Fair value gain on available-for-sale investments	**–**	**–**	**–**	**–**	**6,000**	**–**	**–**	**6,000**
Share option scheme	**–**	**–**	**–**	**–**	**–**	**3,847**	**–**	**3,847**
2014 final dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(14,278)**	**(14,278)**
At 31 December 2015	**628,440**	**911,207**	**690**	**66,026**	**12,800**	**3,847**	**104,674**	**1,727,684**
For the year ended 31 December 2014								
At 1 January 2014	628,440	888,209	690	68,777	3,800	–	107,591	1,697,507
Profit for the year	–	–	–	–	–	–	14,846	14,846
Fair value gain on available-for-sale investments	–	–	–	–	3,000	–	–	3,000
2013 final dividend paid	–	–	–	–	–	–	(28,283)	(28,283)
2013 special dividend paid	–	–	–	–	–	–	(14,142)	(14,142)
At 31 December 2014	628,440	888,209	690	68,777	6,800	–	80,012	1,672,928

Particulars of Properties

Properties under development

Location	Use	Site area (sq.m.)	Approximate gross floor area (sq.m.)	Stage	Attributable interest of the Group
South of Jintang East Road, East of Jinfeng Road, Tangjiawan, Hi-tech Development Zone, Zhuhai City, Guangdong Province, the PRC	Commercial/ residential	788,400	718,316	Construction commenced and partially completed	60%

Financial Summary

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out below.

Results

	Year ended 31 December				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**3,067,067**	1,739,447	1,107,835	967,547	903,670
PROFIT BEFORE TAX	**472,112**	274,945	312,468	164,679	93,945
Income tax expense	**(170,641)**	(112,650)	(55,225)	(51,067)	(35,637)
PROFIT FOR THE YEAR	**301,471**	162,295	257,243	113,612	58,308
Profit attributable to:					
Owners of the Company	**124,703**	59,343	210,322	65,232	24,141
Non-controlling interests	**176,768**	102,952	46,921	48,380	34,167
	301,471	162,295	257,243	113,612	58,308

Assets, liabilities and non-controlling interests

	31 December				
	2015	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**12,419,280**	9,473,802	8,342,516	1,898,722	1,939,973
Total liabilities	**(8,731,631)**	(5,762,635)	(4,744,077)	(341,285)	(301,323)
Non-controlling interests	**(1,455,616)**	(1,441,595)	(1,347,504)	(191,879)	(232,758)
	2,232,033	2,269,572	2,250,935	1,365,558	1,405,892

珠海控股
ZHUHAI HOLDINGS

UNITS 3709-10, 37/F, WEST TOWER, SHUN TAK CENTRE,
168-200 CONNAUGHT ROAD CENTRAL, SHEUNG WAN, HONG KONG
香港上環干諾道中168-200號信德中心西座37樓3709-10室
TEL電話：+852 2803 0866

WEBSITE網址：WWW.0908.HK