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

(Incorporated in Bermuda with limited liability)

(stock code: 00908)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

ANNUAL RESULTS

The Board of Directors (the "Board") of Zhuhai Holdings Investment Group Limited (the "Company") is pleased to announce the consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013, together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2013

	Notes	**2013** **HK$'000**	2012 HK$'000 (Restated)
REVENUE	*4*	**1,107,835**	967,547
Cost of sales		**(771,054)**	(709,708)
Gross profit		**336,781**	257,839
Other income and gains, net	*4*	**170,582**	109,838
Gain on bargain purchase		**181,121**	–
Selling and distribution expenses		**(68,362)**	(57,489)
Administrative expenses		**(187,986)**	(129,955)
Other operating expenses, net		**(11,030)**	(8,924)
Finance costs	*6*	**(102,675)**	–
Share of profits and losses of:			
A joint venture		**2,536**	19
An associate		**(238)**	–
PROFIT BEFORE TAX	*5*	**320,729**	171,328
Income tax expense	*7*	**(69,916)**	(52,729)
PROFIT FOR THE YEAR		**250,813**	118,599

	Notes	2013 *HK$'000*	2012 *HK$'000* (Restated)
Attributable to:			
Ordinary equity holders of the Company		**209,129**	69,178
Non-controlling interests		**41,684**	49,421
		250,813	118,599
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
Basic		**HK17.23 cents**	HK6.18 cents
Diluted		**HK16.34 cents**	HK6.18 cents

Details of the dividends for the year are disclosed in note 8 to the announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
PROFIT FOR THE YEAR	**250,813**	118,599
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**1,400**	(1,400)
Exchange differences on translation of foreign operations	**145,889**	(163)
Net other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods	**147,289**	(1,563)
Other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods:		
Gains/(deficits) on property revaluation	**61,581**	(5,645)
Deferred tax effect	**(15,395)**	1,411
Net other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods	**46,186**	(4,234)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	**193,475**	(5,797)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**444,288**	112,802
ATTRIBUTABLE TO:		
Ordinary equity holders of the Company	**358,556**	63,385
Non-controlling interests	**85,732**	49,417
	444,288	112,802

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	**31 December 2013**	31 December 2012	1 January 2012
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**696,490**	560,506	571,474
Prepaid land lease payments		**419,781**	161,737	169,143
Rights to use port facilities		**19,143**	19,271	19,984
Properties under development		**5,502,052**	–	–
Intangible asset		**5,322**	5,160	6,020
Interests in a joint venture		**9,736**	9,185	–
Interests in associates		**9,318**	8,742	1,212
Available-for-sale investments		**11,190**	9,742	11,253
Prepayments and deposits		**24,496**	128,312	113,439
Total non-current assets		**6,697,528**	902,655	892,525
CURRENT ASSETS				
Properties under development		**404,000**	–	–
Securities measured at fair value through profit or loss		**1,138**	70,530	464,463
Inventories		**16,115**	20,596	15,891
Trade receivables	*10*	**58,074**	65,504	59,673
Prepayments, deposits and other receivables		**151,092**	80,072	53,436
Due from a shareholder		**–**	7,155	18,633
Due from related companies		**114,896**	703	4,740
Restricted bank balance		**890**	863	1,727
Cash and cash equivalents		**911,124**	783,318	457,896
Total current assets		**1,657,329**	1,028,741	1,076,459

	Notes	31 December 2013 HK$'000	31 December 2012 HK$'000 (Restated)	1 January 2012 HK$'000 (Restated)
CURRENT LIABILITIES				
Trade payables	11	**39,541**	36,940	32,783
Deferred income, accrued liabilities and other payables		**365,663**	218,215	187,812
Construction payables		**9,066**	17,496	8,588
Interest-bearing bank and other borrowings		**1,717,055**	–	–
Tax payable		**16,702**	21,541	16,094
Derivative financial instruments		**106,064**	–	–
Promissory note		**250,000**	–	–
Warrants		**12,606**	–	–
Due to a shareholder		**16,637**	–	–
Due to related companies		**3,832**	3,475	4,754
Total current liabilities		**2,537,166**	297,667	250,031
NET CURRENT ASSETS/ (LIABILITIES)		**(879,837)**	731,074	826,428
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,817,691**	1,633,729	1,718,953
NON-CURRENT LIABILITIES				
Convertible bonds		**387,121**	–	–
Promissory note		**461,312**	–	–
Loan from a shareholder		**373,468**	–	–
Deferred income		**128,178**	–	–
Deferred tax liabilities		**895,367**	28,399	23,195
Total non-current liabilities		**2,245,446**	28,399	23,195
Net assets		**3,572,245**	1,605,330	1,695,758
EQUITY				
Equity attributable to ordinary equity holders of the Company				
Issued capital		**141,416**	111,860	111,860
Reserves		**2,100,082**	1,313,187	1,359,417
		2,241,498	1,425,047	1,471,277
Non-controlling interests		**1,330,747**	180,283	224,481
Total equity		**3,572,245**	1,605,330	1,695,758

NOTES

1.1 BASIS OF PRESENTATION

As at 31 December 2013, the Group had net current liabilities of HK$879,837,000, which mainly included an interest-bearing other borrowing of RMB1,300,000,000 (approximately HK$1,653,460,000) (the "Bridging Loan"). The Bridging Loan is borrowed by 珠海國際賽車場綜合發展有限公司, a 60%-owned subsidiary of the Group (the "Project Subsidiary" or "Zhuhai Development") from an independent third party for financing the partial payment of the land premium for obtaining land use right certificates of a parcel of land (the "Project Land") located in Zhuhai, the People's Republic of China (the "PRC") with an aggregate area of 788,400 square metres.

The Bridging Loan bears interest at 13% per annum, is repayable in August 2014 and secured by (i) corporate guarantees of Zhuhai Jiuzhou Holdings Group Company Limited ("ZJ Holdings", a substantial shareholder of the Company), the immediate holding company of the non-controlling equity holder of the Project Subsidiary, and the Company; and (ii) the land use right of certain part of the Project Land with an aggregate area of 624,217 square metres.

In order to finance the repayment of the Bridging Loan, on 12 March 2014, the Company entered into a term sheet (the "Term Sheet") with an independent potential investor (the "Investor") which indicated its willingness to invest in the Project Subsidiary by way of subscription of a 30% equity interest of enlarged equity of the Project Subsidiary at a consideration of RMB1,440,000,000 (approximately HK$1,831,000,000). Signing of the formal agreement is subject to conditions set out in the Term Sheet including, amongst others, (i) due diligence on the Project Subsidiary and its related parties being satisfactorily completed by the Investor; (ii) execution of a set of mutually satisfactory set of definitive agreements; (iii) receipt of all necessary approvals from board, shareholders and regulatory bodies; and (iv) other customary closing conditions. The directors expect that the formal agreement with the Investor will likely be concluded in the coming few months.

Should the formal agreement not be entered into or the potential capital injection not be completed, the directors are positive that additional funding would be available from other refinancing arrangements before the maturity of the Bridging Loan.

On the basis that the Group would obtain additional funding to settle the Bridging Loan, the directors are satisfied that the Group will be able to meet its financial obligations, including the Bridging Loan, as and when they fall due for the foreseeable future, and are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in the financial statements.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain buildings classified as property, plant and equipment, certain investments, derivative financial instruments and warrants which have been measured at fair value. The financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Merger accounting for business combination under common control

On 28 December 2012, ZJ Holdings and an independent third party (the "Purchaser") entered into an acquisition agreement, pursuant to which ZJ Holdings has agreed to sell a 8% equity interest in Zhuhai High Speed Passenger Ferry Co. Ltd. ("Ferry Company") to the Purchaser (the "Disposal"). Prior to the completion of the Disposal, ZJ Holdings directly controlled 51% voting right in Ferry Company and indirectly controlled 49% voting right in Ferry Company through the Group. The Disposal was completed on 23 May 2013. Details of the Disposal have been set out in the Company's announcements made on 4 March 2013 and 25 July 2013.

Upon the completion of the Disposal, Ferry Company is owned as to 49% by the Group, 43% by ZJ Holdings and 8% by the Purchaser and the composition of the board of directors of Ferry Company is revised pursuant to the supplemental joint venture agreement and the supplemental articles of association of Ferry Company entered into among the Group, ZJ Holdings and the Purchaser to the effect that the Group obtains more than half of voting power over Ferry Company and therefore obtains control over the financial and operating policies of Ferry Company. Since then Ferry Company is accounted for as a subsidiary of the Company (the "Deemed Acquisition").

The financial statements have been prepared in accordance with the principles of merger accounting as set out in Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the HKICPA, as if the Deemed Acquisition had been completed at the beginning of the earliest period presented because the Deemed Acquisition were regarded as a business combination under common control of the substantial shareholder of the Company before and after the Deemed Acquisition.

The consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Company and its subsidiaries (collectively referred to as the "Group") for the years ended 31 December 2013 and 2012 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the dates when the subsidiaries first came under common control of the substantial shareholder, where this is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2012 and 1 January 2012 have been prepared to present the assets and liabilities of the Group using the existing carrying values from the substantial shareholder perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Deemed Acquisition.

Equity interests in subsidiaries and/or business held by parties other than the Company prior to the Deemed Acquisition are presented as non-controlling interests in equity in applying the principles of merger accounting.

The effect of the merger accounting restatement described above on the consolidated statement of profit or loss for the year ended 31 December 2012 by line item is as follows:

	Year ended 31 December 2012 *HK$'000* (As previously reported)	Merger accounting restatement *HK$'000*	Year ended 31 December 2012 *HK$'000* (Restated)
Revenue	335,048	632,499	967,547
Cost of sales	(237,937)	(471,771)	(709,708)
Gross profit	97,111	160,728	257,839
Other income and gains, net	57,662	52,176	109,838
Selling and distribution expenses	(4,708)	(52,781)	(57,489)
Administrative expenses	(90,092)	(39,863)	(129,955)
Other operating expenses, net	(4,521)	(4,403)	(8,924)
Share of profit and loss of:			
Joint ventures	32,760	(32,741)	19
Profit before tax	88,212	83,116	171,328
Income tax expense	(25,462)	(27,267)	(52,729)
Profit for the year	62,750	55,849	118,599
Attributable to:			
Ordinary equity holders of the Company	59,405	9,773	69,178
Non-controlling interests	3,345	46,076	49,421
	62,750	55,849	118,599
Earnings per share			
Basic	HK5.31 cents	HK0.87 cents	HK6.18 cents
Diluted	HK5.31 cents	HK0.87 cents	HK6.18 cents

The effect of the merger accounting restatement described above on the consolidated statement of comprehensive income for the year ended 31 December 2012 by line item is as follows:

	Year ended 31 December 2012 *HK$'000* (As previously reported)	Merger accounting restatement *HK$'000*	Year ended 31 December 2012 *HK$'000* (Restated)
Profit for the year	62,750	55,849	118,599
Other comprehensive income/(expense)			
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments			
Changes in fair value	(1,400)	–	(1,400)
Exchange differences on translation of foreign operations	(130)	(33)	(163)
Share of other comprehensive income/(expense)			
Joint ventures	(33)	33	–
Net other comprehensive expense to be reclassified to profit or loss in subsequent periods	(1,563)	–	(1,563)
Other comprehensive expense not to be reclassified to profit or loss in subsequent periods:			
Deficits on property revaluation	(5,645)	–	(5,645)
Deferred tax effect	1,411	–	1,411
Net other comprehensive expense not to be reclassified to profit or loss in subsequent periods	(4,234)	–	(4,234)
Other comprehensive expense for the year, net of tax	(5,797)	–	(5,797)
Total comprehensive income for the year	56,953	55,849	112,802
Attributable to:			
Ordinary equity holders of the Company	53,612	9,773	63,385
Non-controlling interests	3,341	46,076	49,417
	56,953	55,849	112,802

The effects of the merger accounting restatement described above on the consolidated statements of financial position as at 1 January 2012 and 31 December 2012 by line item are as follows:

	31 December 2012 *HK$'000* (As previously reported)	Merger accounting restatement *HK$'000*	31 December 2012 *HK$'000* (Restated)	1 January 2012 *HK$'000* (As previously reported)	Merger accounting restatement *HK$'000*	1 January 2012 *HK$'000* (Restated)
Non-current assets						
Property, plant and equipment	399,391	161,115	560,506	425,400	146,074	571,474
Prepaid land lease payments	161,690	47	161,737	169,143	–	169,143
Rights to use port facilities	19,271	–	19,271	19,984	–	19,984
Intangible asset	5,160	–	5,160	6,020	–	6,020
Interests in joint ventures	174,181	(164,996)	9,185	141,454	(141,454)	–
Interest in an associate	–	8,742	8,742	–	1,212	1,212
Available-for-sale investments	8,971	771	9,742	10,371	882	11,253
Prepayments and deposits	119,154	9,158	128,312	107,378	6,061	113,439
Total non-current assets	887,818	14,837	902,655	879,750	12,775	892,525
Current assets						
Securities measured at fair value through profit or loss	70,530	–	70,530	413,730	50,733	464,463
Inventories	3,396	17,200	20,596	4,241	11,650	15,891
Trade receivables	43,021	22,483	65,504	39,324	20,349	59,673
Prepayments, deposits and other receivables	20,339	59,733	80,072	23,828	29,608	53,436
Due from a shareholder	–	7,155	7,155	–	18,633	18,633
Due from related companies	208	495	703	513	4,227	4,740
Restricted bank balance	863	–	863	1,727	–	1,727
Cash and cash equivalents	656,558	126,760	783,318	249,470	208,426	457,896
Total current assets	794,915	233,826	1,028,741	732,833	343,626	1,076,459
Current liabilities						
Trade payables	29,065	7,875	36,940	22,451	10,332	32,783
Accrued liabilities and other payables	125,980	92,235	218,215	106,974	80,838	187,812
Construction payables	7,622	9,874	17,496	8,588	–	8,588
Tax payable	17,265	4,276	21,541	10,198	5,896	16,094
Due to joint ventures	2,039	(2,039)	–	354	(354)	–
Due to related companies	3,475	–	3,475	3,704	1,050	4,754
Total current liabilities	185,446	112,221	297,667	152,269	97,762	250,031
Net current assets	609,469	121,605	731,074	580,564	245,864	826,428
Total assets less current liabilities	1,497,287	136,442	1,633,729	1,460,314	258,639	1,718,953
Non-current liabilities						
Deferred tax liabilities	28,399	–	28,399	23,195	–	23,195
Net assets	1,468,888	136,442	1,605,330	1,437,119	258,639	1,695,758

	31 December 2012 HK$'000 (As previously reported)	Merger accounting restatement HK$'000	31 December 2012 HK$'000 (Restated)	1 January 2012 HK$'000 (As previously reported)	Merger accounting restatement HK$'000	1 January 2012 HK$'000 (Restated)
Equity						
Equity attributable to ordinary equity holders of the Company						
Issued capital	111,860	–	111,860	111,860	–	111,860
Reserves	1,336,804	(23,617)	1,313,187	1,305,564	53,853	1,359,417
	1,448,664	(23,617)	1,425,047	1,417,424	53,853	1,471,277
Non-controlling interests	20,224	160,059	180,283	19,695	204,786	224,481
Total equity	1,468,888	136,442	1,605,330	1,437,119	258,639	1,695,758

The effects of the merger accounting restatement described above to the Group's equity on 1 January 2012 and 31 December 2012 are as follows:

	31 December 2012 HK$'000 (As previously reported)	Merger accounting restatement HK$'000	31 December 2012 HK$'000 (Restated)	1 January 2012 HK$'000 (As previously reported)	Merger accounting restatement HK$'000	1 January 2012 HK$'000 (Restated)
Issued capital	111,860	–	111,860	111,860	–	111,860
Share premium account	459,870	–	459,870	459,870	–	459,870
Contributed surplus	446,355	–	446,355	446,355	–	446,355
Merger reserve	–	(57,310)	(57,310)	–	29,933	29,933
Goodwill reserve	(200,573)	–	(200,573)	(200,573)	–	(200,573)
Asset revaluation reserve	36,248	–	36,248	40,482	–	40,482
Available-for-sale investment revaluation reserve	2,400	–	2,400	3,800	–	3,800
Statutory reserve funds	129,289	4,247	133,536	117,868	4,247	122,115
Exchange fluctuation reserve	231,792	2,122	233,914	231,951	2,122	234,073
Retained profits	231,423	27,324	258,747	205,811	17,551	223,362
Non-controlling interests	20,224	160,059	180,283	19,695	204,786	224,481
	1,468,888	136,442	1,605,330	1,437,119	258,639	1,695,758

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 12, HKFRS 13 and HKAS 1 Amendments, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 12 set out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(b) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(c) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

(a) the provision of port facilities, ticketing and ferry services segment provides port facilities, ticketing and ferry services in Zhuhai, the PRC, and the trading and distribution of fuel oil ("Maritime Passenger Transportation and Related Services"). The provision of ferry services in Zhuhai, the PRC, and the trading and distribution of fuel oil are included in this segment for the years ended 31 December 2012 and 2013 upon the completion of the Deemed Acquisition as further explained in note 1.2;

(b) the hotel segment consists of the management of a holiday resort hotel in Zhuhai, the PRC (the "Hotel Business");

(c) the tourist attraction segment consists of the management of a theme park and an amusement park in Zhuhai, the PRC;

(d) the property development segment consists of the development of properties for sale in Zhuhai, the PRC;

(e) the golf club operations segment consists of the provision of comprehensive facilities to individuals or corporate members of the Group's golf club in Zhuhai, the PRC; and

(f) the corporate and others segment comprises the Group's investment holding and trading of securities, together with corporate expense items.

Management monitors 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, gain on bargain purchase and finance costs are excluded from such measurement.

Segment assets exclude amounts due from related companies and a shareholder as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, derivative financial instruments, a promissory note, warrants, an amount due to a shareholder, convertible bonds, a loan from a shareholder and deferred tax liabilities as these liabilities are managed on a group basis.

No further geographical information is presented as over 90% of the Group's revenue is derived from customers based in Mainland China, and over 90% of the Group's assets are located in Mainland China.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 December 2013 and 2012.

	Maritime Passenger Transportation and Related Services		Hotel		Tourist attraction		Tourism Properties: Property development		Tourism Properties: Golf club operations		Corporate and others		Eliminations		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)						(Restated)				(Restated)
Segment revenue:																
Sales to external customers	**871,439**	706,927	**181,935**	202,413	**38,349**	58,207	**–**	–	**16,112**	–	**–**	–	**–**	–	**1,107,835**	967,547
Intersegment sales	**5,572**	7,608	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(5,572)**	(7,608)	**–**	–
Total	**877,011**	714,535	**181,935**	202,413	**38,349**	58,207	**–**	–	**16,112**	–	**–**	–	**(5,572)**	(7,608)	**1,107,835**	967,547
Segment results	**207,236**	150,074	**19,526**	22,994	**16,035**	(633)	**(3,919)**	–	**(18,897)**	–	**(4,071)**	(11,201)	**(5,572)**	(7,608)	**210,338**	153,626
Interest income															**29,647**	17,683
Gain on bargain purchase															**181,121**	–
Finance costs															**(102,675)**	–
Share of profits and losses of:																
A joint venture	**2,536**	19	–	–	–	–	–	–	–	–	–	–	–	–	**2,536**	19
Associates	**(238)**	–	–	–	–	–	–	–	–	–	–	–	–	–	**(238)**	–
Profit before tax															**320,729**	171,328
Income tax expense															**(69,916)**	(52,729)
Profit for the year															**250,813**	118,599
Assets and liabilities:																
Segment assets	**649,403**	567,175	**503,638**	504,451	**460,259**	503,645	**6,062,713**	–	**240,104**	–	**304,790**	330,340			**8,220,907**	1,905,611
Interests in a joint venture	**9,736**	9,185	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–			**9,736**	9,185
Interests in associates	**9,318**	8,742	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–			**9,318**	8,742
Unallocated assets															**114,896**	7,858
Total assets															**8,354,857**	1,931,396
Segment liabilities	**195,768**	133,930	**82,271**	95,733	**20,906**	19,852	**86,185**	–	**146,721**	–	**14,429**	26,611			**546,280**	276,126
Unallocated liabilities															**4,236,332**	49,940
Total liabilities															**4,782,612**	326,066
Other segment information:																
Depreciation and amortisation	**22,043**	23,656	**29,138**	34,131	**19,697**	12,649	**16**	–	**6,263**	–	**202**	40			**77,359**	70,476
Capital expenditure in respect of property, plant and equipment	**6,107**	38,366	**25,563**	8,228	**22,586**	9,439	**4,407**	–	**2,654**	–	**804**	90			**62,121**	56,123
Loss/(gain) on disposal and write-off of items of property, plant and equipment, net	**58**	(1,768)	**1,211**	962	**(368)**	1,008	**–**	–	**–**	–	**–**	–			**901**	202
Deficits on property revaluation	**–**	–	**–**	–	**6,461**	–	**–**	–	**–**	–	**–**	–			**6,461**	–
Net fair value gains on securities measured at fair value through profit or loss	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(5,162)**	(1,492)			**(5,162)**	(1,492)
Gains on disposal of securities measured at fair value through profit or loss	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(3,750)**	(12,580)			**(3,570)**	(12,580)
Fair value loss on warrants	**–**	**–**	**–**	–	**–**	–	**–**	–	**–**	–	**11,916**	–			**11,916**	–
Fair value gain on derivative financial instruments	**–**	**–**	**–**	–	**–**	–	**–**	–	**–**	–	**(17,234)**	–			**(17,234)**	–
Gain on disposal of an associate	**–**	(6,883)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–			–	(6,883)
Write-back of impairment on deposit for proposed acquisition of a subsidiary in prior years	**–**	**–**	**–**	–	**–**	–	**–**	–	**–**	–	**(30,000)**	–			**(30,000)**	–
Compensation form the vendor of the proposed acquisition of a subsidiary in prior years	**–**	**–**	**–**	–	**–**	–	**–**	–	**–**	–	**(10,851)**	–			**(10,851)**	–
Impairment of an intangible asset	**–**	–	**–**	860	**–**	–	**–**	–	**–**	–	**–**	–			**–**	860
Impairment/(write-back of impairment) of trade receivables	**372**	34	**–**	(262)	**5,232**	–	**–**	–	**–**	–	**–**	–			**5,604**	(228)

4. REVENUE AND OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered less sales tax during the year.

An analysis of the Group's revenue and other income and gains, net, is as follows:

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Maritime passenger transportation and related services	**871,439**	706,927
Hotel operations	**181,935**	202,413
Tourist attraction operations	**38,349**	58,207
Golf club operations	**16,112**	–
	1,107,835	967,547
Other income and gains, net		
Interest income	**29,647**	17,683
Net fair value gains on securities measured at fair value through profit or loss	**5,162**	1,492
Gains on disposal of securities measured at fair value through profit or loss	**3,570**	12,580
Fair value loss on warrants	**(11,916)**	–
Fair value gain on derivative financial instruments	**17,234**	–
Gain on disposal of an associate	**–**	6,883
Dividend income from listed equity investments	**417**	7,638
Dividend income from unlisted investment funds	**–**	6,484
Government grants*	**60,772**	36,488
Gross rental income	**23,763**	12,911
Write-back of impairment on deposit for the proposed acquisition of a subsidiary in prior years	**30,000**	–
Compensation from the vendor of the proposed acquisition of a subsidiary in prior years	**10,851**	–
Others	**1,082**	7,679
	170,582	109,838
	1,278,417	1,077,385

* There are no unfulfilled conditions or contingencies relating to the government grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2013 *HK$'000*	2012 *HK$'000* (Restated)
Cost of inventories sold	**314,865**	211,204
Cost of services provided*	**456,189**	498,504
Depreciation	**60,685**	57,943
Amortisation of prepayment for the proposed acquisition of certain parcels of land ("Land Prepayments")	**3,872**	4,380
Amortisation of prepaid land lease payments	**12,093**	7,444
Amortisation of rights to use port facilities	**709**	709
Minimum lease payments under operating leases in respect of land and buildings	**14,256**	12,402
Auditors' remuneration	**1,800**	1,220
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	**160,049**	146,629
Pension scheme contributions	**17,871**	10,173
	177,920	156,802
Loss on disposal and write-off of items of property, plant and equipment, net	**901**	202
Net fair value gains on securities measured at fair value through profit or loss	**(5,162)**	(1,492)
Gains on disposals of securities measured at fair value through profit or loss	**(3,570)**	(12,580)
Impairment/(write-back of impairment) of trade receivables	**5,604**	(228)
Impairment of an intangible asset	**–**	860
Deficits on property revaluation	**6,461**	–
Foreign exchange differences, net	**298**	(670)

* Cost of services provided includes an amount of HK$224,579,000 (2012 (Restated): HK$195,821,000) in respect of employee benefit expenses, depreciation of property, plant and equipment, amortisation of Land Prepayments, amortisation of prepaid land lease payments, amortisation of rights to use port facilities and minimum lease payments under operating leases in respect of land and buildings, of which the respective total amounts are also disclosed separately above.

6. FINANCE COSTS

	Group 2013 *HK$'000*	 2012 *HK$'000*
Interest on a bank loan wholly repayable within five years	**1,726**	–
Interest on Bridging Loan	**78,978**	–
Interest on loan from a shareholder	**17,298**	–
Interest on promissory note	**19,903**	–
Interest on liability portion of convertible bonds	**27,468**	–
Less: Interest capitalised	**(42,698)**	–
	102,675	–

7. INCOME TAX

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong during the year (2012: Nil). The Group's subsidiaries located in Mainland China are subject to the PRC income tax rate of 25% (2012: 25%).

	Group	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Group:		
Current		
– Hong Kong	**–**	–
– PRC	**66,893**	46,112
Deferred	**3,023**	6,617
Total tax charge for the year	**69,916**	52,729

8. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Dividends paid during the year		
Final in respect of the financial year ended 31 December 2012 – Nil (year ended 31 December 2011: HK1 cent) per ordinary share	**–**	11,186
Special in respect of the financial year ended 31 December 2012 – Nil (year ended 31 December 2011: HK1 cent) per ordinary share	**–**	11,186
	–	22,372
Proposed final dividend – HK2 cents (2012: Nil) per ordinary share	**28,283**	–
Proposed special dividend – HK1 cent (2012: Nil) per ordinary share	**14,142**	–
	42,425	–

The proposed final and special dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the final and special dividends payable.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of approximately HK$209,129,000 (2012 (Restated): HK$69,178,000) and the weighted average number of ordinary shares in issue during the year of 1,213,449,521 (2012: 1,118,600,000).

The calculation of diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the convertible bonds and fair value gain on the derivative component of the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of diluted earnings per share is based on:

	2013	2012
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**209,129**	69,178
Interest on convertible bonds	**27,468**	–
Less: Fair value gain on the derivative component of the convertible bonds	**(17,234)**	–
Profit attributable to ordinary equity holders of the Company before interest on convertible bonds	**219,363**	69,178

	Number of shares	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,213,449,521**	1,118,600,000
Effect of dilution – weighted average number of ordinary shares: Convertible bonds	**129,326,047**	–
	1,342,775,568	1,118,600,000

The warrants 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.

10. TRADE RECEIVABLES

A defined credit policy is maintained within the Group. The general credit terms range from one to three months, except for certain well-established customers with a good repayment history, where the terms are extended to 18 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 aged analysis of the trade receivables at the end of the reporting period, net of impairment allowance and based on the invoice date, is as follows:

	Group	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Current to 3 months	**53,132**	42,590
4 to 6 months	**1,107**	7,065
7 to 12 months	**3,835**	15,849
	58,074	65,504

11. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Current to 3 months	**39,541**	32,357
4 to 6 months	**–**	706
7 to 12 months	**–**	274
Over 12 months	**–**	3,603
	39,541	36,940

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

12. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had no significant contingent liabilities (2012: Nil).

At the end of the reporting period, the contingent liabilities of the Company in respect of guarantees given to a financial institution to secure the Bridging Loan utilised by the Project Subsidiary amounted to approximately HK$992,076,000 (2012: Nil).

13. EVENT AFTER THE REPORTING PERIOD

On 12 March 2014, the Company entered into a term sheet with the Investor which indicated its willingness to invest in the Project Subsidiary by way of subscription of 30% equity interest of enlarged equity of the Project Subsidiary at a consideration of RMB1,440,000,000 (approximately HK$1,831,000,000).

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The following is an extract of the independent auditors' report on the Group's annual audited financial statements for the year ended 31 December 2013 which has included an emphasis of matter, but without qualification:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matters

Without qualifying our opinion, we draw attention to note 2.2 to the financial statements which indicates that the Group has net current liabilities of HK$879,837,000 as at 31 December 2013. This condition, along with other matters as set forth in note 2.2 to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The aforesaid "note 2.2 to the consolidated financial statements" in the extract from the independent auditors' report is disclosed as note 1.1 to this results announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

The consolidated revenue of the Group for the year was approximately HK$1,107.8 million, representing an increase of about 14.5% as compared to approximately HK$967.5 million (restated) of last year. Gross profit of the Group increased by 30.6% to HK$336.8 million. The consolidated profit for the year was HK$250.8 million, comparing to HK$118.6 million (restated) for last year. Furthermore, the net profit attributable to ordinary equity holders of the Company was approximately HK$209.1 million, representing an increase of approximately 202.3% as compared with last year. Basic earnings per share for the year were HK17.23 cents.

As explained in note 1.2 to this annual results announcement above, the results of Ferry Company and its subsidiaries (collectively, "Ferry Group") have been consolidated into the Group because of the Deemed Acquisition (as mentioned in such note). Because of the applicable Accounting Guideline, the comparative figures of consolidated financial statements for the year ended 31 December 2013 are also restated.

Business Review

1. *Maritime Passenger Transportation and Related Services*

   During the year, the maritime passenger transportation and related services recorded total revenue and segment result of HK$871.4 million and HK$207.2 million, respectively.

   1.1 Maritime Passenger Transportation

   While dedicated to its business operations, Ferry Company proactively introduced strategic partners. In December 2012, ZJ Holdings entered into a sales and purchase agreement ("Ferry SP Agreement") with an independent third party (the "Purchaser") for the sale and purchase of 8% equity interest in Ferry Company, a joint venture owned as to 51% by ZJ Holdings and 49% by the Company at that time. After the completion of the Ferry SP Agreement and pursuant to the supplemental joint venture agreement and the supplemental articles of association of the Ferry Company entered into between the Company, ZJ Holdings and the Purchaser, the majority of the directors of the Ferry Company is nominated by the Company. As a result, the Ferry Group are treated as subsidiaries (instead of formerly as joint ventures) of the Company after the Deemed Acquisition.

   As the Group and the Ferry Group were under the common control of ZJ Holdings, the substantial shareholder of the Company, before and after the Deemed Acquisition, the financial results of the Company presented in this announcement have been prepared under the principles of merger accounting as if the Deemed Acquisition had already been completed at the beginning of the periods covered by this announcement.

During the year under review, the passenger volume of ferry services running between Jiuzhou Port in Zhuhai and Hong Kong (including the Hong Kong Airport line) operated by Ferry Company was approximately 2,089,000, representing an increase of approximately 8.7% as compared to last year. For the year, Jiuzhou Port accounted for 42.42% of total volume of Guangdong – Hong Kong routes and the proportion increased by 1.53% year-on-year. The passenger volume of Shekou route for the year was 803,000, which increased by approximately 21.0%. Passenger volume of various islands lines in Zhuhai reached 799,000 during the year, representing an increase of approximately 13.4%.

Besides the year-on-year growth in passenger volume, the safety management system of Ferry Company passed "zero defects" review. In addition, Ferry Company was once again awarded as "Safe and Honest Company" (安全誠信公司) for the year 2012. Since being first elected in 2008, Ferry Company has been awarded this highest honour of safe operation in the PRC shipping industry for six consecutive years, which is one of the only three shipping companies in the PRC that obtain such an achievement.

In order to strengthen the future development of Ferry Company and the intangible benefits which the brand may produce, Ferry Company decided to commence its brand system building in order to build-up its brand image and enhance its core competitiveness. Upon communications and discussions with various professional institutions, Ferry Company made some progress in aspects such as brand development strategic plan, positioning, corporate culture foundation system and foundation system construction.

1.2 Port Service

The operating revenue derived from the use of pier facilities business of Zhuhai Jiuzhou Port Passenger Traffic Service Co., Ltd. ("Jiuzhou Port Company") recorded an increase of approximately 9.3% over the last year, which was mainly due to an increase in number of passenger trips of the two main ferry lines running between Zhuhai and Hong Kong, and between Zhuhai and Shekou of approximately 10.5% and 12.8%, respectively, as compared to last year. In addition, the retail stores in the terminal of the port were all leased out. This activated the resources of Jiuzhou Port terminal and significantly broadened the sources of revenue. Hence, it has become an integrated terminal with diversified operations and income sources.

1.3 Tour around Macao Ferry Line

Zhuhai Jiuzhou Cruises Co., Ltd. ("Jiuzhou Cruises") operates the "Tour Around Macao" ferry line, which proactively adjusted its market strategies and strengthened its management with an aim to promote its product competitiveness, in which achievements have been obtained in current year. During the year, Jiuzhou Cruises served 604,800 tourists in total, representing an increase of approximately 3.26% compared with last year. In addition, Jiuzhou Cruises successfully completed the construction project of temporary ferry pier for marine emergency and connection in Hengqin and the marine emergency and connection work during the International Circus Festival. Moreover, it commenced the construction project of 14 yacht parking spaces at quay piers nos. 14 and 15 in Wanzai and the project was successfully completed during the year.

1.4 Sales of Fuel

Zhuhai Jiuzhou Marine Bunker Supply Co., Ltd. ("Jiuzhou Marine Bunker") adjusted its marketing strategies in time in respond to government control measures on fuel prices and put more effort in its marketing. While pursuing for performances in high-speed ferry ancillary refuel business, Jiuzhou Marine Bunker expanded direct sales business. The number of large contracts entered into with new customers increased during the year. Room for profit was developed to a certain extent and gross profit was satisfactory with gross profit margin increased by 0.7%. The growth in both selling price and quantity sold has driven the increase in operating profit.

2. *Hotel and Tourist Attractions Business*

2.1 Hotel Business

In 2013, domestic hotel industry has been facing a tough operating environment and had to withstand enormous pressure. Zhuhai Holiday Resort Hotel Co., Ltd. ("Resort Hotel") was dedicated to be market-oriented and efficiency-oriented. It formulated corresponding measures in time, adjusted its operating ideas and strengthened its internal management and control. All the works were in smooth progress and the results of brand and corporate culture building were significant.

During the year, hotel business recorded total revenue and segment result of HK$181.9 million and HK$19.5 million, respectively, representing a decrease of 10.1% and 15.1%, respectively, compared to last year. The average occupancy rate of our hotel was approximately 63.6% and the average room rate dropped by approximately 1.3% as compared to that of last year. Revenue from room services and catering services rendered by Resort Hotel during the year recorded an increase of approximately 0.6% and a decrease of approximately 16.8%, respectively.

In light of the decrease in demand for wedding banquet in the second half of 2013, Resort Hotel adopted effective measures to control costs and the integrated gross profit margin of catering services increased as a result. Revenue from catering services decreased while net profit remained stable was mainly because of the benefit from the effective measures of "optimising structure, promoting quality and controlling costs" which were adopted by the management of the hotel in time after their comprehensive consideration. With our endeavours, the hotel's development of main business and cost control achieved significant results.

In respect of sustainable development, the transfer and registration procedures for land use rights in Resort Hotel were completed. A design proposal for the renovation, enhancement and conceptual plan of Resort Hotel's renovation project was finished during the year and was initially approved.

2.2 The New Yuanming Palace and the Fantasy Water World

In 2013, the New Yuanming Palace and the Fantasy Water World served 5,191,100 visitors in total, representing an increase of 3,122,500 visitors or 150.9% over the last year. Such increase was mainly due to the significant increase in visitors after free entrance of the New Yuanming Palace. Increase in revenue was attributable to increase in rental income and operating efficiency of performing art programmes. During the year, this business recorded total revenue dropped by 34.1% to HK$38.3 million while segment result recorded profit of approximately HK$16.0 million (2012: loss of HK$0.6 million). In response to the new operating environment, the New Yuanming Palace proactively organised large scale cultural activities such as "Zhuhai Culture and Arts Season", Lantern Festival riddle-solving activity and Mid-autumn lantern exhibition. There were 4 large scale recreational areas added to the main area of the New Yuanming Palace through renovation and expansion. Business operations such as amusement rides and catering services were also being introduced, which mitigated the problem of inadequacy in ancillary facilities such as convenience stores due to huge influx of visitors after the free entrance of the New Yuanming Palace. Moreover, its scope of operation was also enriched. Also, area of the New Yuanming Palace increased and visitors can be diverged to different areas so that visitors flow in each area can be alleviated and the chance of causing dangers can be reduced. New facilities were also being introduced to the Fantasy Water World – the Grand Water Castle was completed as planned. It has been well-received by visitors since its opening and has soon become the most attractive spot of the Fantasy Water World.

3. *Tourism Properties Business*

During this year, the Group recorded a gain on bargain purchase of approximately HK$181.1 million due to the acquisitions of Lamdeal Consolidated Development Limited ("Lamdeal Development") and Lamdeal Golf & Country Club Limited ("Lamdeal Golf") (the "Acquisitions").

3.1 Zhuhai Cuihu Property Project

In April 2013, the Company entered into conditional sale and purchase agreement and convertible bonds subscription agreement with Malaysian LBS Bina Group Berhad ("LBS Group") and institutional investors, respectively. The Group acquired the entire issued share capital of Lamdeal Development and Lamdeal Golf at the aggregate consideration of HK$1,650 million and raised funds by issuing convertible bonds ("Convertible Bonds") with principle amount of HK$500 million to PA Bloom Opportunity III Limited and Prominent Investment Opportunity IV Limited (collectively the "CB Investors") to indirectly acquire, among other things, the Zhuhai International Circuit Consolidated Development project land (the "Project Land") with an aim to transform the Group to engage in high-end tourism real estate sector and establish a new resort city combining resort, health fitness and property investment. The Directors believe that upon the completion of the said project will enhance the financing ability of the Company and will provide strong driving forces for the Group's strategic transformation.

As the Acquisitions and the applications of the relevant land use right certificates were completed during the year, the Group will seize this opportunity to substantiate the property development plan of the Project Land. Strategic business development and management agreement was entered into with Greentown Property Construction Management Co., Ltd. ("Greentown Construction"), a domestic well-known property developer in relation to the said tourism property project. All construction works of the project are actively under way. The Company believes that leveraging the Group's geographical strengths, high reputation of Greentown Construction and experience in development and management of high-end properties, the said tourism property project will achieve satisfactory sales results. The Group will seize this development opportunity to achieve its plan of high-end tourism property development in Zhuhai.

3.2 Zhuhai Lakewood Golf Club

Following the acquisition of Lamdeal Golf by the Group, the Zhuhai Lakewood Golf Club (the "Club") operated by Lamdeal Golf will coordinate in the development and construction of the Zhuhai Cuihu Property Project by relocating certain golf courses and renovation. During such period, the Club will only provide limited services. While undergoing operation during renovation, the Club put great emphasis on enhancing service quality by offering discounts to golfers to sustain its market share. Upon the completion of land development and renovation of golf course of the Zhuhai Cuihu Property Project, hardware facilities and service quality of the Club will be significantly enhanced. The number of membership for sale and the value thereof will also be increased. Since the Acquisitions and up to 31 December 2013, revenue generated from operation amounted to HK$16.1 million and segment results recorded loss of HK$18.9 million due to the aforesaid project development and renovation in golf course of the Club.

4. *Recovery of Earnest Money*

The Group recovered the entire earnest money and interests and related fees, amounting to approximately HK$40.8 million in partial satisfaction of the CA Judgment (as defined below), as more particularly set out in section headed "Updates on disputes in respect of certain earnest money paid by the Group".

Acquisitions of Lamdeal Development and Lamdeal Golf

On 10 April 2013, Jiuzhou Tourism Property Company Limited ("JTP"), a wholly-owned subsidiary of the Company, as purchaser, the Company as the purchaser's guarantor, Dragon Hill Corporation Limited ("Dragon Hill"), an indirectly wholly-owned subsidiary of LBS Group, as vendor and LBS Group as the vendor's guarantor entered into a conditional sale and purchase agreement ("Sale And Purchase Agreement"), pursuant to which JTP conditionally agreed to acquire from Dragon Hill the entire issued share capital of Lamdeal Development and Lamdeal Golf at the aggregate consideration of HK$1,650 million, which was satisfied by (1) cash in the amount of HK$500 million; (2) allotment and issue of 225,563,909 consideration shares by the Company at the issue price of HK$1.33 per share and in the aggregate amount of HK$300 million ("Consideration Shares"); and (3) a promissory note issued by the Company to Dragon Hill in the amount of HK$850 million ("Promissory Note").

The Promissory Note is interest-free (subject to default interest) and the principal amount of the Promissory Note shall be settled by the Company in four tranches, with the first tranche in the amount of HK$250 million to be paid on or before 31 December 2014, and the following three tranches in the amount of HK$200 million each to be paid on or before 31 December 2015, 2016 and 2017 respectively. The Company's obligations under the Promissory Note are secured by JTP charging the shares of Lamdeal Golf in favour of Dragon Hill. For more details of the terms of the Promissory Note, please refer to the Company's circular dated 28 June 2013 in relation to, among other things, the Acquisitions ("Circular").

The principal subsidiary of Lamdeal Development is Zhuhai Development, a sino-foreign cooperative joint venture enterprise ("CJV") established in the PRC, which is owned as to 60% by Lamdeal Development. On 18 September 2013, Zhuhai Development obtained the land use right permit in respect of a parcel of land located at Xiashanduan East, Jinfeng East Road, Xianshan District of Zhuhai, the PRC, as announced by the Company in its announcement dated 23 September 2013. Zhuhai Development intended to develop the Project Land into (i) high-end, low-density villas and residential properties with an aggregate gross floor area of approximately 707,000 sq.m., and (ii) ancillary commercial properties of approximately 71,000 sq.m. Lamdeal Golf through its subsidiary, 珠海國際賽車場高爾夫俱樂部有限公司 ("Zhuhai Golf"), a CJV established in the PRC owned as to 60% by Lamdeal Golf, engages in the operation of the Lakewood Golf Club in Zhuhai, the PRC. The PRC joint venture partner holding 40% interests in Zhuhai Development and Zhuhai Golf is Zhuhai Special Economic Zone Long Yi Enterprise Company Limited ("Long Yi"), which in turn is a wholly-owned subsidiary of ZJ Holdings.

The completion of the Acquisitions took place on 12 August 2013. As disclosed in the Circular, the cash consideration was funded by the proceeds from subscription of the Convertible Bonds (as defined below), as more particularly set out in section headed "Subscription of Convertible Bonds" below. Further, as announced by the Company in its announcement dated 12 August 2013, pursuant to the terms of the Sale And Purchase Agreement for the Acquisitions, Datuk Lim Hock Guan, as nominated by Dragon Hill and LBS Group, was appointed as a non-executive Director of the Company on 12 August 2013.

Subscription of Convertible Bonds

On 10 April 2013, the Company entered into a subscription agreement with the CB Investors, pursuant to which each of the CB Investors had severally (but not jointly) and conditionally agreed to subscribe and the Company conditionally agreed to issue the Convertible Bonds in the aggregate principal amount of HK$500 million. Completion of the subscription agreement took place on 12 August 2013 at which the Convertible Bonds were issued to the CB Investors in equal shares.

The Convertible Bonds are in the aggregate principal amount of HK$500 million (in the denomination of HK$1 million) with an initial conversion price of HK$1.50 (subject to adjustments, if any) per conversion share. The Convertible Bonds bear an interest rate of 5% per annum, payable semi-annually in arrears, and will mature on the date falling five years from the date of issue. Conversion of the Convertible Bonds by the bondholders is subject to certain conversion restrictions and the Company is entitled to exercise mandatory conversion in certain circumstances. Subject to early redemption, the Company shall on the maturity date (or on such earlier date as the principal amount outstanding on the Convertible Bonds shall become repayable in accordance with the terms of the Convertible Bonds) redeem the Convertible Bonds at a value that will provide the bondholder(s) with an internal rate of return of 13% per annum (including the accrued interest paid but excluding default interest (if any)) on the principal amount of the Convertible Bonds to be redeemed. The Convertible Bonds are non-transferable other than to affiliates or related funds of the CB Investors. The Convertible Bonds are unsecured and the conversion shares, when issued, will rank pari passu in all respects with all existing shares in issue on the conversion date. For more details of the terms of the Convertible Bonds, please refer to the Circular.

Exercise of conversion rights under the Convertible Bonds

Up to the date of this announcement, no conversion notice has been received in respect of the exercise of conversion rights attached to the Convertible Bonds.

Financing of the remaining land price for the Project Land

On 25 July 2013, Zhuhai Development, as financee, ZJ Holdings and the Company, as guarantors, and Long Yi entered into a financing agreement (the "Financing Agreement") with an asset management company (the "Financier") and its consultant. The amount of the financing provided by the Financier to Zhuhai Development pursuant to the Financing Agreement was RMB1,300 million. Pursuant to the Financing Agreement, the financing provided by the Financier to Zhuhai Development should be applied for the payment of the remaining land price for the Project Land and the land use right of slots 1, 2 and 4 of the Project Land should be pledged to secure the financing. Details of the Financing Agreement are set out in the Company's announcement made on 25 July 2013.

Further, Long Yi/ZJ Holdings and the Company agreed to, in accordance with their respective shareholding in Zhuhai Development, provide entrusted loans in the aggregate amount of RMB700 million to Zhuhai Development (i.e., RMB280 million by Long Yi/ZJ Holdings and RMB420 million by the Company) for the payment of the remaining land price. During the year under review, an entrusted loan in the amount of RMB280 million was provided by ZJ Holdings and an entrusted loan in the amount of RMB320 million was provided by the Company through a wholly-owned subsidiary to Zhuhai Development. On 18 September 2013, Zhuhai Development obtained the land use right permit for the Project Land.

Development and management agreement of the Project Land

On 23 September 2013, Zhuhai Development and Greentown Construction entered into a strategic property development and management agreement (the "Development and Management Agreement") in respect of the development and management of the Project Land. Greentown Construction is a company established in the PRC principally engaged in project management and is a subsidiary of Greentown China Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Pursuant to the Development and Management Agreement, Greentown Construction will co-operate with Zhuhai Development and provide a variety of services in relation to the development and management of the Project Land including, among other things, the following:

- overall planning and positioning of the development project;
- obtaining the relevant permits required for the construction work;
- engaging and managing designers for the development;
- formulating cost control policy and implementing the same in the course of the development;
- selecting and managing sub-contractors, raw materials suppliers and supervising units to manage the quality, efficiency and safety of the property development;
- sales and marketing management;
- organising and conducting interim and final property inspections;
- providing customer and property maintenance services;
- selecting property management units and formulating and monitoring property management guidelines;
- filing and record-keeping management;

- human resources management; and
- administration management.

In November and December 2013, preliminary work such as planning and construction design and the property development on the Project Land commenced.

Co-operation Framework Agreement

On 23 January 2013, the Company entered into a co-operation framework agreement ("Co-operation Framework Agreement") with a possible partner (being a State-owned enterprise and an independent third party of the Company) in relation to the possible co-operation ("Co-operation Project") in the investment, construction and operation of a shipping centre complex comprising port terminal and waiting lounge, shopping mall, hotel and office in Hengqin, the PRC. Pursuant to the Co-operation Framework Agreement, it is intended that the possible partner will form a project company as an investment vehicle jointly owned by the Group and the possible partner for the development and construction of the said co-operation project.

The Co-operation Framework Agreement will be terminated upon the occurrence of the following events, whichever is the earliest: (1) the Co-operation Project is not approved by the relevant governmental authorities; (2) both parties agree to terminate the Co-operation Framework Agreement; (3) the signing of the definitive agreement by both parties for the Co-operation Project; (4) the date falling the 5th anniversary from the date of Co-operation Framework Agreement (i.e., 22 January 2018).

Please refer to the announcement dated 23 January 2013 issued by the Company for details of the Co-operation Framework Agreement.

The Company is still undergoing due diligence review on the Co-operation Project and is in negotiation with the said possible partner for the terms of the investment.

Prospects

1. *Maritime Passenger Transportation and Related Services*

   1.1 Ferry Company

   Ferry Company will strive for opening new marine passenger transportation lines. It will seize the opportunity of opening marine passenger transportation lines from Hengqin, the PRC, to other ports by leveraging on the development trend in Hengqin. Taking into account the opening of Hong Kong – Zhuhai – Macau Bridge with the current passenger volume of ferries, Ferry Company has established a ship-building working group to research on building economic and appropriate new ships. At the same time, Ferry Company has led the research in proposal of building ships which are suitable for island-to-island tours. Currently, Ferry Company has contacted a number of shipyards for issues such as model selection of building a new high-speed passenger ship and has preliminarily confirmed the new model. Ferry Company will focus on the bidding and supervision of the ship-building process in 2014.

1.2 Jiuzhou Port Company

Jiuzhou Port Company will make use of the advantage of Zhuhai Cimelong Ocean Kingdom's opening to integrate, coordinate and open both marine and land routes from Jiuzhou Port to Hengqin in order to further develop customer sources from Gongbei and Hengqin regions.

1.3 Jiuzhou Cruises

Jiuzhou Cruises will continue its operation of marine emergency connection in Hengqin. It will ensure safety before commencing tourism passenger line to Hengqin Pier. At the same time, it will proactively explore the possibility of cooperating with Hengqin Pier.

1.4 Jiuzhou Marine Bunker

The key development plan of Jiuzhou Marine Bunker include putting more efforts on business expansion, strengthening market research and increasing number of customers. Jiuzhou Marine Bunker will also seek cooperation opportunities by leveraging its brand name and also its own strengths.

2. *Hotel and Tourist Attractions Business*

2.1 Resort Hotel

In the coming year, affected by policy of the government, prospects of catering, wedding banquet and conference markets will still be gloom and operating environment will still be challenging. In respond, marketing will be more forward-looking. Marketing modes will be changed flexibly and more efforts will be put on online marketing. At the same time, conference groups, business customers, travel tours and long-staying customers should also be developed. Resort Hotel will also accelerate the progress of its renovation and upgrading projects, villa renovation, flat and room renovation, landscaping and renovation of roads for the whole resort.

The Group will also start its work in constructing a new hotel building and related commercial ancillary facilities to fully proceed upgrade and renovation of the Resort Hotel.

2.2 The New Yuanming Palace and the Fantasy Water World

The New Yuanming Palace will plan abundant performances, festival activities and theme scenic exhibitions to enrich cultural and art activities of the palace. Combining its cultural contents with its unique geographical advantages, the New Yuanming Palace will bring a feast of culture to the public and establish the most popular scenic spot. At the same time, the civil work of another new facility in the Fantasy Water World, which is Cobra King Waterslide project, was completed and will be in use during 2014.

3. *Tourism Properties Business*

3.1 Zhuhai Cuihu Property Project

Zhuhai Cuihu Property Project is the Group's major support for business transformation. The Group will co-operate with Greentown Construction to fully proceed with such project and will apply additional profit generated by the project to support the Group's other business development.

3.2 Zhuhai Lakewood Golf Club

The renovation of the Club commenced as scheduled and most of the construction of the golf course are expected to be completed during 2014.

4. *Endeavoured to Explore New Development Projects*

The Group will continue to pay attention to the development progress of new project in Hengqin and proactively develop the related project in Hengqin.

Updates on disputes in respect of certain 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) 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 to 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 had been filed by the Appellants. Up to the date of this announcement, a total sum of approximately HK$40.8 million has been 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.

The Company was informed that the Possible Vendor had 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 the Possible Vendor took steps to appeal and the same is still in progress.

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 in 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, and/or the Receivers taking steps to seek indemnity from the Company for losses suffered by the Receivers in the discharge of their duties under the Share Charge. Based on the advice of the Company's legal counsel, the Company 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, the Company's annual reports for 2011 and 2012 and its interim report for 2013.

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.

Updates on the agreement for acquisition of land use rights in respect of parcels of land in Zhuhai

On 29 December 2006, the Group entered into a conditional sale and purchase agreement ("Land Acquisition Agreement") with Zhuhai Guoyuan Investment Company Limited ("Zhuhai Guoyuan") for the acquisition of the land use rights in respect of several parcels of land in the PRC, which were leased to the Group and on which certain building structures of the hotel business of the Group were erected ("Hotel Land"). The total purchase price is RMB90.9 million (equivalent to approximately HK$103.2 million) payable in cash.

During the year ended 31 December 2009, the Group paid the purchase price in full pursuant to the Land Acquisition Agreement.

Pursuant to the Land Acquisition Agreement, completion of the acquisition of the Hotel Land is conditional upon the completion of the Debt Restructuring Agreement (as defined below). The Debt Restructuring Agreement was completed on 25 September 2009. During the year under review, the Group finished all steps to complete the transfer and registration procedures for the acquisition of the land use rights and building certificates in respect of the Hotel Land and the buildings erected on the Hotel Land. As at 31 December 2013, all land use right certificates and building certificates of the Hotel Land and the buildings erected on the Hotel Land had been obtained by the Group.

Updates on the winding-up proceedings in connection with certain substantial shareholders of the Company

On 5 August 2006, (1) a debt restructuring agreement was entered into between, among other parties, Zhu Kuan Group Company Limited ("Zhu Kuan Macau"), Zhu Kuan (Hong Kong) Company Limited ("Zhu Kuan HK"), the liquidators of Zhu Kuan Macau and Zhu Kuan HK (the "Liquidators") and Zhuhai Guoyuan ("Debt Restructuring Agreement"); and (2) a settlement agreement was entered into between, among other parties, Zhu Kuan Macau, Pioneer Investment Ventures Limited ("PIV"), Longway Services Group Limited ("Longway") and the Liquidators.

The Company was advised that all conditions precedent set out in the Debt Restructuring Agreement were satisfied and the whole debt restructuring process of Zhu Kuan Macau and Zhu Kuan HK was completed in late 2009. The Company was also advised that following the restoration of both Zhu Kuan Macau and Zhu Kuan HK, proceedings of provisional liquidations on PIV in Hong Kong and the British Virgin Islands has been put on permanent stay or withdrawn and set aside. However, Longway's action to perfect the share charge over 337 million shares (the "PIV Charged Shares") in the Company attributable to PIV has not been withdrawn.

On 15 April 2010, Zhu Kuan Macau, ZJ Holdings and Longway entered into a framework agreement (the "Framework Agreement"). Under such Framework Agreement, Zhu Kuan Macau recorded its intent to procure PIV to sell to Longway the PIV Charged Shares at a consideration equivalent to the total amount of debts owed by Zhu Kuan Macau to ZJ Holdings pursuant to previous loan and related security documents made between the parties.

The Company was informed that following efforts expended by the parties to the Framework Agreement, most conditions precedent laid down in the Framework Agreement were fulfilled.

Following further discussions between the parties and after obtaining the necessary approvals and consents, the Board was informed that on 11 September 2013, Longway and PIV entered into an agreement ("SP Agreement"), pursuant to which PIV has agreed to sell to Longway a total of 337 million shares of HK$0.1 each in the Company. Completion of the SP Agreement took place on the same day (i.e., 11 September 2013). Details of the said transfer are set out in the Company's announcement dated 11 September 2013.

As at 31 December 2013, following the above transfer, ZJ Holdings was deemed to be interested in 572,200,000 shares of the Company. Out of the 572,200,000 shares, 337,000,000 shares are held by Longway, a wholly-owned subsidiary of ZJ Holdings.

Liquidity and Financial Resources

In November 2013, to raise capital while broadening the shareholder base and strengthening the capital base of the Company, the Company placed (1) 70,000,000 subscription shares at the subscription price of HK$1.52 per share and (2) 30,000,000 warrants ("Warrants") at the issue price of HK$0.023 per warrant ("Placement") to LIM Asia Special Situations Master Fund Limited ("LIM Asia"). The aggregate market price of the subscription shares and the warrant shares (assuming exercise of the warrants in full) was HK$100.8 million and HK$43.2 million, respectively, based on the closing price of HK$1.44 per share as quoted on the Stock Exchange on 18 November 2013, the date of the subscription agreement. The aggregate gross amount raised from the Placement (excluding any monies payable to the Company upon exercise of the warrants, if any) was approximately HK$107.1 million. After deducting the related expenses of the Placement, the net amount raised was approximately HK$104.5 million which was intended to be used as general working capital for the Group.

Except for (1) the Promissory Note issued in relation to the Acquisitions, (2) the subscription of Convertible Bonds, and (3) the financing of the remaining land price for the Project Land, disclosed under the heading "Management Discussion and Analysis – Business Review" as stated aforesaid, the Group generally finances its operations with internally generated cashflow and bank borrowings provided by its principal bankers in the PRC. The Group's cash and cash equivalents as at 31 December 2013 amounted to approximately HK$911.1 million (31 December 2012: HK$783.3 million (Restated)), of which approximately HK$860.4 million (31 December 2012: HK$750.5 million (Restated)) were denominated in RMB and the remaining were all in Hong Kong dollars. In addition, the Group held securities measured at fair value through profit or loss of approximately HK$1.1 million as at 31 December 2013 (31 December 2012: HK$70.5 million), all of approximately HK$1.1 million (31 December 2012: HK$1.0 million) were denominated in Hong Kong dollars. The securities measured at fair value through profit or loss comprised some listed securities in Hong Kong. Total interest-bearing bank and other borrowings, derivative financial instruments, promissory note, warrants, convertible bonds and loan from a shareholder amounted to HK$3,307.6 million as at 31 December 2013 (2012: Nil).

The Group's gearing ratio, which is net debt divided by total shareholders' equity plus net debt, raised from zero as at 31 December 2012 to 0.56 as at 31 December 2013. Net debt included interest-bearing bank and other borrowings, trade payables, accrued liabilities and other payables, construction payables, derivative financial instruments, promissory note, warrants, convertible bonds and loan from a shareholder less cash and cash equivalents.

As at 31 December 2013, the Group had a current ratio of 0.65 (31 December 2012: 3.46 (Restated)) and net current liabilities of HK$879.8 million (31 December 2012: net current assets of HK$731.1 million (Restated)).

As at 31 December 2013, the interest-bearing bank and other borrowings that were outstanding amounted to HK$1,717.1 million, which comprised of (1) principal amount of RMB1,300 million due in August 2014 and (2) principal amount of RMB50 million due in April 2014.

As at 31 December 2013, the aggregate outstanding amount due by the Company in form of the promissory note was HK$711.3 million. The Promissory Notes comprised of HK$250 million, HK$200 million, HK$200 million and HK$200 million with maturity dates of 31 December 2014, 2015, 2016 and 2017, respectively.

As at 31 December 2013, the Convertible Bonds with aggregate principal amount of HK$500 million due in August 2018 was outstanding. During the year under review, no conversion notice has been received in respect of the exercise of conversion rights attached to the Convertible Bonds.

As at 31 December 2013 and up to the date of this announcement, LIM Asia had not exercised the Warrants.

Number and Remuneration of Employees

At the year end, the Group had approximately 2,525 employees. 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.

Dividends

The Board of Directors has recommended the payment of a final dividend of HK2 cents per share absorbing a total amount of HK$28,283,000 (2012: Nil) and the payment of a special dividend of HK1 cent per share absorbing a total amount of HK$14,142,000 (2012: Nil) for the financial year ended 31 December 2013 to the shareholders whose names shall appear on the register of members of the Company on 6 June 2014. Subject to the approval of the shareholders at the forthcoming annual general meeting to be held on Thursday, 29 May 2014, the final dividend and the special dividend will be payable on 16 June 2014.

Contingent Liabilities

As at 31 December 2013, details of the contingent liabilities of the Group and the Company are set out in note 12 to this annual result announcement above.

Future Plans for Material Investments or Capital Assets

As at 31 December 2013, the Group had no future plans for material investments or capital assets except for those disclosed under the heading "Management Discussion and Analysis – Prospects" as stated aforesaid.

Charges on Assets

As at 31 December 2013, certain land use rights with an aggregate carrying value of approximately HK$4,621.3 million (31 December 2012: Nil) included in properties under development were pledged to secure the interest-bearing bank and other borrowings of the Group.

As at 31 December 2013, 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.

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, the management considers that no significant exposure to foreign exchange exists.

Capital Structure

On 12 August 2013, pursuant to the Sale And Purchase Agreement, the Company issued 225,563,909 Consideration Shares at the issue price of HK$1.33 per share and in the aggregate amount of HK$300 million to Dragon Hill. The completion of the Acquisitions took place on 12 August 2013.

On 12 August 2013, the Convertible Bonds were issued to the CB Investors in equal shares pursuant to the subscription agreement dated 10 April 2013. For details of the Convertible Bonds and the conversion rights thereunder, please refer to the section "Management Analysis and Discussions – Business Review" as stated aforesaid in this announcement.

On 25 November 2013, the Company completed the Placement with LIM Asia and issued (1) 70,000,000 subscription shares at the subscription price of HK$1.52 per share and (2) 30,000,000 warrants at the issue price of HK$0.023 per warrant.

As at 31 December 2013, the number of issued ordinary shares was 1,414,163,909 shares in aggregate and the shareholders' equity of the Group was approximately HK$2,241.5 million. The Group's consolidated net assets value per share as at the reporting date was HK$2.53.

Material Investments Held, Significant Acquisition 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 – Business Review" as stated aforesaid.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as the code of conduct regarding directors' securities transactions. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out on the Model Code during the year ended 31 December 2013.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Company's forthcoming annual general meeting, the Register of Members of the Company will be closed from Wednesday, 28 May 2014 to Thursday, 29 May 2014 (both dates inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong (to be moved to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration not later than 4:30 p.m. on Tuesday, 27 May 2014.

For determining the entitlement to the proposed final and special dividends for the year ended 31 December 2013, the register of members of the Company will be closed from Thursday, 5 June 2014 to Friday, 6 June 2014, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the said proposed final and special dividends, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong (to be moved to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration not later than 4:30 p.m. on Wednesday, 4 June 2014.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules 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 2013 since the Company does not announce its quarterly results;

(ii) Code provision A.4.1 – the Company's directors including independent non-executive directors, who may not have fixed term of office, are subject to retirement by rotation and re-election in accordance with the Company's Bye-laws; and

(iii) Code provision A.6.7 – one independent non-executive director of the Company was unable to attend the annual general meeting of the Company held on 26 June 2013 and the special general meeting of the Company held on 18 July 2013 due to other unavoidable work commitments.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the CG Code for the purpose of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises all the three independent non-executive directors of the Company. The annual results of the Group for the year ended 31 December 2013 has been reviewed by the audit committee.

PUBLICATION OF 2013 ANNUAL REPORT

The Company's 2013 annual report will be published on The Stock Exchange of Hong Kong Limited's website at www.hkexnews.hk and the Company's website at www.0908.hk and dispatched to the shareholders of the Company in due course.

By Order of the Board
Zhuhai Holdings Investment Group Limited
Chen Yuanhe
Chairman

Hong Kong, 27 March 2014

As at the date of this announcement, the directors of the Company are Mr Chen Yuanhe, Mr Huang Xin, Mr Jin Tao, Mr Ye Yuhong and Mr Li Wenjun as Executive Directors; Datuk Lim Hock Guan as Non-executive Director; and Mr Hui Chiu Chung, Mr Chu Yu Lin, David and Mr Albert Ho as Independent Non-executive Directors.