# 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)**

## UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

### INTERIM RESULTS

The Board of Directors (the "Board") of Zhuhai Holdings Investment Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2020, together with the comparative figures for the corresponding period in 2019. The unaudited consolidated interim results have been reviewed by the Company's audit committee.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
*Six months ended 30 June 2020*

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2020** | 2019 |
| | *Note* | ***RMB'000*** | *RMB'000* |
| | | **(Unaudited)** | (Unaudited) |
| **Revenue** | *3* | **3,948,958** | 4,545,326 |
| Cost of sales | | **(3,755,111)** | (4,333,114) |
| Gross profit | | **193,847** | 212,212 |
| Other income and gains, net | | **48,313** | 31,670 |
| Selling and distribution expenses | | **(30,732)** | (54,950) |
| Administrative expenses | | **(100,474)** | (94,758) |
| Other operating expenses | | **(2,891)** | (23) |
| Finance expenses | *5* | **(16,331)** | (13,248) |
| Share of losses of: | | | |
| Joint ventures | | **(1,425)** | (3,639) |
| Associates | | **(1,288)** | (6,173) |
| **Profit before tax** | *4* | **89,019** | 71,091 |
| Income tax expense | *6* | **(129,025)** | (40,067) |
| **(Loss)/profit for the period** | | **(40,006)** | 31,024 |
| **(Loss)/profit attributable to:** | | | |
| Owners of the Company | | **(46,281)** | 6,088 |
| Non-controlling interests | | **6,275** | 24,936 |
| | | **(40,006)** | 31,024 |
| **(Loss)/earnings per share attributable to owners of the Company for the period** | | | |
| Basic (loss)/earnings per share | *8* | **(RMB3.24 cents)** | RMB0.43 cent |
| Diluted (loss)/earnings per share | *8* | **(RMB3.24 cents)** | RMB0.43 cent |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*Six months ended 30 June 2020*

| | Six months ended 30 June | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **(Loss)/profit for the period** | **(40,006)** | 31,024 |
| **Other comprehensive (loss)/income** | | |
| *Item that may be reclassified to profit or loss* | | |
| Exchange differences on translation of foreign operations | **(26,691)** | (4,377) |
| *Items that will not be reclassified to profit or loss* | | |
| Fair value (loss)/gain on financial assets at fair value through other comprehensive income | **(90)** | 526 |
| Loss on property revaluation | **(18,104)** | – |
| **Other comprehensive loss for the period, net of tax** | **(44,885)** | (3,851) |
| **Total comprehensive (loss)/income for the period** | **(84,891)** | 27,173 |
| **Attributable to:** | | |
| Owners of the Company | **(91,174)** | 2,236 |
| Non-controlling interests | **6,283** | 24,937 |
| | **(84,891)** | 27,173 |

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*30 June 2020*

| | Note | **As at 30 June 2020** ***RMB'000*** **(Unaudited)** | As at 31 December 2019 *RMB'000* (Audited) |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **1,484,305** | 1,463,042 |
| Right-of-use assets | | **367,436** | 385,888 |
| Investment properties | | **35,500** | 32,360 |
| Properties under development | | **2,892,612** | 2,087,070 |
| Intangible asset | | **3,865** | 3,865 |
| Interests in joint ventures | | **78,483** | 85,010 |
| Interests in associates | | **48,745** | 45,387 |
| Loan to an associate | | **15,000** | 15,000 |
| Financial assets at fair value through other comprehensive income | | **8,221** | 8,152 |
| Prepayments and deposits | | **24,315** | 25,251 |
| Contract assets | | **281,335** | 182,056 |
| Restricted bank balance | | – | 8,971 |
| Deferred tax assets | | **73,402** | 78,166 |
| Total non-current assets | | **5,313,219** | 4,420,218 |
| **Current assets** | | | |
| Properties under development | | **3,785,157** | 3,367,630 |
| Completed properties held-for-sale | | **528,195** | 786,643 |
| Securities measured at fair value through profit or loss | | **208** | 287 |
| Inventories | | **21,482** | 19,950 |
| Trade receivables | *9* | **592,132** | 510,272 |
| Prepayments, deposits and other receivables | | **764,667** | 902,064 |
| Factoring receivables | | **458,165** | 581,780 |
| Prepaid tax | | **490,164** | 417,227 |
| Due from related companies | | **18,127** | 19,519 |
| Restricted bank balance | | **1,136,655** | 923,718 |
| Time deposits | | – | 5,000 |
| Cash and cash equivalents | | **869,890** | 1,452,837 |
| Total current assets | | **8,664,842** | 8,986,927 |
| **Total assets** | | **13,978,061** | 13,407,145 |

| | Note | As at 30 June 2020 RMB'000 (Unaudited) | As at 31 December 2019 RMB'000 (Audited) |
|---|---|---|---|
| **Current liabilities** | | | |
| Trade and bill payables | *10* | **945,173** | 597,515 |
| Deferred income, accrued liabilities and other payables | | **386,436** | 373,642 |
| Contract liabilities | | **2,874,592** | 2,365,642 |
| Construction payables | | **932,620** | 1,014,192 |
| Interest-bearing bank borrowings | | **1,546,752** | 1,257,290 |
| Lease liabilities | | **7,812** | 14,015 |
| Tax payable | | **934,128** | 1,063,618 |
| Due to a shareholder | | **15,506** | 8,598 |
| Due to related companies | | **28,341** | 34,899 |
| Total current liabilities | | **7,671,360** | 6,729,411 |
| **Non-current liabilities** | | | |
| Interest-bearing bank borrowings | | **1,904,562** | 2,168,931 |
| Lease liabilities | | **7,363** | 14,009 |
| Contract liabilities | | **201,343** | 203,342 |
| Deferred tax liabilities | | **603,035** | 617,767 |
| Defined benefit obligations | | **137,330** | 135,726 |
| Total non-current liabilities | | **2,853,633** | 3,139,775 |
| **Total liabilities** | | **10,524,993** | 9,869,186 |
| **Equity** | | | |
| **Equity attributable to owners of the Company** | | | |
| Share capital | | **142,874** | 142,874 |
| Reserves | | **1,740,456** | 1,831,630 |
| | | **1,883,330** | 1,974,504 |
| **Non-controlling interests** | | **1,569,738** | 1,563,455 |
| **Total equity** | | **3,453,068** | 3,537,959 |
| **Total equity and liabilities** | | **13,978,061** | 13,407,145 |

## NOTES

### 1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2020 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

### 2 ACCOUNTING POLICIES

The accounting policies applied to this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2019, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of new standards, amendments to standards and interpretation as set out below.

(a) The following amendments and revised conceptual framework are mandatory for adoption for the financial year beginning 1 January 2020 and currently relevant to the Group:

- Amendments to HKAS 1 and HKAS 8, "Definition of Material"
- Amendments to HKFRS 3, "Definition of a Business"
- Conceptual Framework for Financial Reporting 2018, "Revised Conceptual Framework for Financial Reporting"
- Amendments to HKAS 39, HKFRS 7 and HKFRS 9, "Interest Rate Benchmark Reform"
- Amendments to HKFRS 16, "COVID-19-related Rent Concessions"

The amendments and revised conceptual framework listed above did not have any material impact on the Group's results.

(b) The following new standards, amendments to standards and annual improvement have been issued but are not effective for the financial year beginning 1 January 2020 and have not been early adopted by the Group:

| | | |
|---|---|---|
| Amendments to annual improvements project | Annual Improvements 2018-2020 Cycle | 1 January 2022 |
| Amendments to HKAS 16 | Property, Plant and Equipment | 1 January 2022 |
| Amendments to HKAS 37 | Onerous Contracts | 1 January 2022 |
| Amendments to HKFRS 3 | Reference to the Conceptual Framework | 1 January 2022 |
| HKFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to HKAS 1 | Presentation of Financial Statements on Classification of Liabilities | 1 January 2023 |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture | To be determined |

## 3 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 losses of joint ventures and associates are excluded from such measurement.

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

The Group is organised into business units based on their products and services and has eight 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 hotel segment consists of the management of a holiday resort hotel;

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

(d) the property development segment consists of the development of properties for sale;

(e) the golf club operations segment consists of the provision of comprehensive golf club facilities;

(f) the public utilities segment consists of the provision of port facilities, trading and distribution of fuel oil, construction of river-regulating facilities and provision of river maintenance service;

(g) the financial investments segment consists of the provision of financial information services, provision of factoring services and internet financial information intermediary services; and

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

The following tables present revenue and results for the Group's operating segments for the periods ended 30 June 2020 and 2019.

| | | | Green Leisure Tourism and Composite Real Estate | | | | | | | | Public Utilities and Financial Investments | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jiuzhou Blue Sea Jet and Blue Marine Tourism | | Hotel | | Tourist attraction | | Property development | | Golf club operations | | Public utilities | | Financial investments | | Corporate and others | | Inter-segment eliminations | | Consolidated | |
| | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* | ***RMB'000*** | *RMB'000* |
| **Segment revenue:** | | | | | | | | | | | | | | | | | | | | |
| Sales to external customers | **58,377** | 270,287 | **37,981** | 62,505 | **3,348** | 9,103 | **461,694** | 42,268 | **16,682** | 16,530 | **3,351,889** | 4,115,313 | **18,987** | 29,320 | **–** | – | **–** | – | **3,948,958** | 4,545,326 |
| Inter-segment sales | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – | **10,244** | 44,909 | **–** | – | **–** | – | **(10,244)** | (44,909) | **–** | – |
| Total | **58,377** | 270,287 | **37,981** | 62,505 | **3,348** | 9,103 | **461,694** | 42,268 | **16,682** | 16,530 | **3,362,133** | 4,160,222 | **18,987** | 29,320 | **–** | – | **(10,244)** | (44,909) | **3,948,958** | 4,545,326 |
| **Segment results** | **(42,297)** | 96,883 | **(17,556)** | 1,826 | **(17,979)** | (9,827) | **177,516** | 770 | **(6,762)** | (9,103) | **13,814** | 37,096 | **10,798** | 23,327 | **(18,820)** | (14,880) | **(10,244)** | (44,909) | **88,470** | 81,183 |
| Interest income | | | | | | | | | | | | | | | | | | | **19,593** | 12,968 |
| Finance expenses | | | | | | | | | | | | | | | | | | | **(16,331)** | (13,248) |
| Share of losses of: | | | | | | | | | | | | | | | | | | | | |
| Joint ventures | **(1,425)** | (3,639) | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – | **–** | – | **(1,425)** | (3,639) |
| Associates | **(1,293)** | (6,186) | **–** | – | **–** | – | **–** | – | **–** | – | **5** | 13 | **–** | – | **–** | – | **–** | – | **(1,288)** | (6,173) |
| Profit before tax | | | | | | | | | | | | | | | | | | | **89,019** | 71,091 |
| Income tax expense | | | | | | | | | | | | | | | | | | | **(129,025)** | (40,067) |
| (Loss)/profit for the period | | | | | | | | | | | | | | | | | | | **(40,006)** | 31,024 |

Disaggregation of revenue:

| | Six months ended 30 June | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Timing of revenue recognition | | |
| – At a point in time | **3,799,389** | 4,137,004 |
| – Over time | **121,751** | 373,707 |
| Revenue under HKFRS 15 | **3,921,140** | 4,510,711 |
| Revenue from other sources | **27,818** | 34,615 |
| | **3,948,958** | 4,545,326 |

## 4 PROFIT BEFORE TAX

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

| | Six months ended 30 June | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Net fair value losses/(gains) on securities measured at fair value through profit or loss | **83** | (27) |
| Depreciation of property, plant and equipment | **31,114** | 27,958 |
| Depreciation of right-of-use assets | **16,104** | 12,951 |
| Gains on disposal of property, plant and equipment, net | **(2,070)** | (117) |
| Fair value gain on investment properties | **(3,140)** | (780) |
| Fair value loss on revaluation of property, plant and equipment | **1,462** | – |
| Impairment loss on right-of-use assets | **1,656** | – |
| Impairment loss on interest in a joint venture | **5,102** | – |
| Net impairment loss/(net reversal of impairment loss) on trade and factoring receivables | **1,297** | (840) |
| Gains on modification of lease terms | **(1,938)** | – |

## 5 FINANCE EXPENSES

| | Six months ended 30 June | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Interest on bank loans and syndicated loan | **65,338** | 81,358 |
| Interest on lease liabilities | **476** | 609 |
| Less: Interest capitalised | **(49,483)** | (68,719) |
| | **16,331** | 13,248 |

## 6 INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Current income tax: | | |
| – Hong Kong | **6** | – |
| – PRC corporate income tax and PRC withholding tax | **62,441** | 33,706 |
| – Current PRC land appreciation tax | **70,899** | 3,796 |
| Deferred income tax | **(4,321)** | 2,565 |
| | **129,025** | 40,067 |

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit arising from Hong Kong for the six months ended 30 June 2020 (2019: No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit generated in Hong Kong during the period).

The Group's subsidiaries located in Mainland China are subjected to the PRC income tax rate of 25% (2019: 25%) for the six months ended 30 June 2020.

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% (2019: 30% to 60%) on the appreciation of land value, with an exemption provided for sales of ordinary residential properties if their appreciation values do not exceed 20% (2019: 20%) of the sum of the total deductible items.

Pursuant to the PRC tax law, a 10% (2019: 10%) withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC for the six months ended 30 June 2020.

## 7 DIVIDENDS

| | Six months ended 30 June | |
|---|---|---|
| | **2020** | 2019 |
| | ***RMB'000*** | *RMB'000* |
| Final dividends payable in respect of the financial year ended 31 December 2019 – Nil (2018: HK2 cents) per ordinary share | **—** | 25,021 |

No interim dividend in respect of six months ended 30 June 2020 (2019: Nil) was proposed by the board of directors.

## 8 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### (a) Basic

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

The calculation of basic (loss)/earnings per share is based on the loss for the period attributable to owners of the Company of approximately RMB46,281,000 (2019: profit for the period of RMB6,088,000) and the weighted average number of ordinary shares in issue during the period of 1,427,797,174 (2019: 1,427,797,174).

### (b) Diluted

For the six months ended 30 June 2020 and 2019, diluted (loss)/earnings per share equals to basic (loss)/earnings per share as there was no potential dilutive ordinary shares outstanding.

## 9 TRADE RECEIVABLES

| | **As at 30 June 2020** | As at 31 December 2019 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Trade receivables | **606,360** | 523,200 |
| Less: allowance for impairment of trade receivables | **(14,228)** | (12,928) |
| | **592,132** | 510,272 |

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 and are mainly denominated in RMB.

An ageing analysis of the trade receivables as at 30 June 2020 and 31 December 2019, based on the invoice date, is as follows:

| | As at 30 June 2020 *RMB'000* | As at 31 December 2019 *RMB'000* |
|---|---|---|
| Current to 3 months | **592,758** | 515,309 |
| 4 to 6 months | **8,210** | 122 |
| 7 to 12 months | **588** | 1 |
| Over 12 months | **4,804** | 7,768 |
| | **606,360** | 523,200 |

## 10 TRADE AND BILL PAYABLES

An ageing analysis of the trade and bill payables as at 30 June 2020 and 31 December 2019, based on the invoice date, is as follows:

| | As at 30 June 2020 *RMB'000* | As at 31 December 2019 *RMB'000* |
|---|---|---|
| Current to 3 months | **466,669** | 515,289 |
| 4 to 6 months | **10,159** | 3,025 |
| 7 to 12 months | **13,478** | 354 |
| Over 12 months | **5,073** | 4,679 |
| | **495,379** | 523,347 |
| Bill payables | **449,794** | 74,168 |
| Trade and bill payables | **945,173** | 597,515 |

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

(ii) The Group's trade and bill payables were denominated in RMB.

(iii) As at 30 June 2020, bill payables of RMB449,794,000 (31 December 2019: RMB74,168,000) were secured by restricted bank balances of RMB122,458,000 (31 December 2019: RMB21,151,000) and a corporate guarantee provided by a subsidiary of the Company.

## 11 CONTINGENT LIABILITIES

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. The contingent liabilities in respect of financial guarantees on mortgage facilities amounted to RMB1,914,274,000 as at 30 June 2020 (31 December 2019: RMB1,791,563,000). 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 drawn by the purchasers of the properties.

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

Except for the financial guarantees as disclosed above, the Group had no material contingent liabilities as at 30 June 2020 (31 December 2019: Nil).

## 12 THE CORONAVIRUS ("COVID-19") EPIDEMIC'S IMPACT

The outbreak of the COVID-19 had brought unprecedented challenges and added uncertainties to the economy. As a result of COVID-19 epidemic, construction and delivery of properties were affected, some of the Group's ferry services were suspended and the timing to resume is still uncertain at the date that the condensed consolidated interim financial information is authorised for issue. During the six months ended 30 June 2020, the performance of the Group's Hotel segment, Public utilities segment and Jiuzhou Blue Sea Jet and Blue Marine Tourism segment were adversely affected.

Currently, there is no vaccine or specific anti-viral treatment for COVID-19 that is ready for massive usage. Relaxation of restrictions on economic and social activities may also lead to new cases which may lead to re-imposed restrictions. If the situation materially deteriorates in China, the Group's business, results of operations and financial condition could be materially and adversely affected.

Since the outbreak of COVID-19, the Group has kept continuous attention on the situation of the COVID-19 and reacted actively to its impact on the financial position and operating results of the Group. Directors will continue to closely monitor the development of COVID-19 and assess the impacts on the financial position and operation result of the Group.

## 13 EVENT OCCURRING AFTER THE REPORTING PERIOD

On 23 July 2020, the Company entered into a 3-year term loan facility agreement of up to HK$300,000,000 (approximately RMB274,032,000) with a bank and subsequently drew down HK$200,000,000 (approximately RMB182,688,000) on 27 July 2020.

## INTERIM DIVIDEND

The Board of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION

### Management Discussion and Analysis

### Business Review

In the first half of 2020, affected by the COVID-19 outbreak (the "Epidemic"), the global economy faced a severe crisis. In order to effectively contain the spread of the Epidemic, most enterprises chose to suspend work and production in phases, thus disrupted the global supply chain and caused varying degrees of impact on numerous industries. The businesses operated by the Group were also hit hard during the Epidemic. In the early phase of the Epidemic, the Group arranged for staff to learn new knowledge on scientific epidemic prevention, thereby raising their awareness of day-to-day epidemic prevention. Subsequently, the Board and the management promptly arranged staff to resume work and production, adjusted the operating strategies and models of certain business segments according to market conditions, and strived to enhance product and service quality so as to minimize the impact of the Epidemic. For the six months ended 30 June 2020 (the "Period Under Review"), the unaudited consolidated revenue of the Group was approximately RMB3,949.0 million (six months ended 30 June 2019: RMB4,545.3 million), representing a decrease of 13%. During the Period Under Review, the gross profit of the Group was approximately RMB193.8 million (six months ended 30 June 2019: RMB212.2 million), representing a decrease of 9%. The unaudited consolidated loss of the Group for the Period Under Review was approximately RMB40.0 million (six months ended 30 June 2019: profit for the period of RMB31.0 million), representing a decrease of 229%. Furthermore, the unaudited consolidated loss attributable to owners of the Company was approximately RMB46.3 million (six months ended 30 June 2019: profit of RMB6.1 million), representing a decrease of 860%.

During the Period Under Review, the decrease in the Group's revenue was mainly due to the significant decrease in transaction volume of fuel oil trading and distribution, causing a decrease in revenue in Public Utilities and Financial Investments businesses of the Group. Despite significant revenue and segment results recognized from the property development business of the Group as a result of an increase in the number of property units of the Zhuhai Cuihu Xiangshan High-end Tourism Real Estate Project delivered to purchasers, the Group's profit significantly dropped to a net loss during the Period Under Review, which was primarily due to the significant decrease in (i) the Jiuzhou Blue Sea Jet and Blue Marine Tourism business as a result of measures being taken to reduce the frequency of service or even suspend the service of Hong Kong-Zhuhai ferry lines in response to the Epidemic; (ii) the hotel business of the Group as a result of the Epidemic affecting the travelling and spending sentiments among foreign and local consumers; and (iii) the Public Utilities and Financial Investments businesses of the Group as a result of a decrease in traffic and a drop in market demand for fuel oil.

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

### *1.1 Jiuzhou Blue Sea Jet*

During the Period Under Review, Zhuhai High-speed Passenger Ferry Co., Ltd.* (珠海高速客輪有限公司) (the "Ferry Company", a non-wholly owned subsidiary of the Company) and its subsidiaries (collectively, the "Ferry Group") leveraged the development of the Guangdong-Hong Kong-Macao Greater Bay Area, the launch of the Hong Kong-Zhuhai-Macao Bridge and Zhuhai's unique coastal tourism resources to consolidate its traditional businesses, develop water tourism and advance its external projects, as well as facilitate its transition from "traditional maritime transportation" to "maritime transportation + tourism". Its water tourism business and the external projects steadily advanced.

Affected by the Epidemic, the results of the Ferry Company significantly dropped to a loss. During the Period Under Review, the Ferry Company transported a total of 297,000 passengers, representing a year-on-year decrease of 81.9%. Among which, the passenger volume of routes from Zhuhai to other regions, after experiencing the lowest point in February and March, quickly resumed in April, remained relatively stable in May, and has apparently rebounded since June, but the routes between Zhuhai Jiuzhou Port and Hong Kong (including Hong Kong Airport) were still suspended. The Company will continue to pay close attention to the pandemic situation in Hong Kong, communicate and coordinate timely with relevant departments such as port joint inspection units and transportation bureau, and have sufficient and thorough preparations for the resumption of urban routes in Hong Kong. During the Period Under Review, the Ferry Company actively assisted in preparing for the orderly adjustment of various routes, formulated sales plans upon resumption of services, expanded advertising channels, enhanced publicity, stabilized route passenger volume, promoted route development, as well as increased the influence of domestic routes and tourist routes.

Zhuhai Yuegong Xinhai Transportation Co., Ltd.* (珠海粵拱信海運輸有限責任公司) ("Zhuhai Yuegong Xinhai"), a company in which the Group has equity interests, participated in the tender for the project in respect of shuttle bus operators for the boundary crossing facilities on the Hong Kong-Zhuhai-Macao Bridge, and was confirmed as the successful tenderer in August 2017, making it the sole operator of shuttle bus services for the boundary crossing facilities on the Hong Kong-Zhuhai-Macao Bridge. Zhuhai Yuegong Xinhai scheduled regular safety checks on vehicle conditions and strengthened driver training to ensure safety. During the Epidemic, Guangdong, Hong Kong and Macao implemented, in phases, the epidemic prevention measure regarding 14-day isolation and observation, resulting in a sharp drop in number of passengers travelling to and from these regions for the purpose of business or visiting relatives. During the Period Under Review, Zhuhai Yuegong Xinhai carried a total of 823,000 passengers, representing a year-on-year decrease of 89%.

*1.2 Blue Marine Tourism*

With the favorable opportunity arising from the opening of the Hong Kong-Zhuhai-Macao Bridge, Zhuhai Jiuzhou Cruises Co., Ltd.* (珠海市九洲郵輪有限公司) ("Jiuzhou Cruises Company", a wholly-owned subsidiary of the Ferry Company) further broadened the Zhuhai-Macao Bay Tourism route and opened the ferry route from Wanchai Port, Zhuhai to Macao. Jiuzhou Cruises Company is actively expanding its new tourism offerings while strengthening the management of its business premises and improving service quality, with an aim to create a characteristic tourism atmosphere featuring traditional holidays. During the Period Under Review, Jiuzhou Cruises Company was awarded the titles "Trustworthy Model Enterprise for Transportation in Guangdong Province for Year 2019" ("2019年度廣東省交通運輸誠信示範企業"), "Outstanding Enterprise in Transportation Industry of Guangdong Province for Year 2019" ("2019年度廣東省交通運輸行業優秀企業") and others by Guangdong Provincial Transportation Association. Due to the impact of the Epidemic, the total number of tourists that Jiuzhou Cruises Company received was 62,900 during the Period Under Review, with a year-on-year decrease of 445,100 when compared to 508,000 in the corresponding period of last year, representing a decrease of 87.6%. Jiuzhou Cruises Company actively responded to the impact caused by the Epidemic, adopted appropriate measures and controlled costs, set up innovative marketing strategies, strived for the government's special support policies, increased outdoor advertising and updated its overall promotion image, aiming to create an atmosphere for the recovery of tourism industry. It targeted on launching various promotional activities according to the gradual recovering pace of the tourism market, while actively preparing for the reopening of the customs in Guangdong and Macao.

In order to completely implement the strategy of "Blue Marine Tourism" with an aim to establish a marine-related business segment, the Ferry Company entered into a strategic co-operation framework agreement ("Guishan Framework Agreement") with the People's Government of Guishan Town, Zhuhai (珠海市桂山鎮人民政府) in 2015 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 the featured cultural industry and homestay tourism industry ("Guishan Island Project"). During the Period Under Review, leveraging on the quality resources of the Group's cultural and tourism system, the Ferry Company strengthened its horizontal product integration, introduced travel product packages, constantly optimized featured products, transformed from a single homestay product to comprehensive tourism. The Ferry Company enhanced its efforts on promotion, increased market awareness on Guishan Island Blue Coast (桂山島藍色海岸) and its reputation, and also enhanced the brand of Blue Coast (藍色海岸) in all directions by adhering to "one-stop" service and valuing brand-building effectiveness, thus laying a solid foundation for homestay management. Such measures are of great significance to the extension of the Group's industrial chain towards the "Blue Marine Tourism".

During the Period Under Review, Changsha Water Project, Sanya Blue Sea Jet, Taizhou Rongyuan Project, Sailboat Station Project and the shuttle bus project for the boundary crossing facilities on the Hong Kong-Zhuhai-Macao Bridge were affected by the Epidemic at varying degrees. Within the context of resolute implementation of control measures against the Epidemic to prevent new outbreaks domestically and new imported cases, the Group further adjusted its operating strategies, responded to such plight with flexible and sound measures, actively promoted the integration of quality resources, broke through traditional repetitive conventions, developed innovative tourism products, continuous launch of new products and created quality brand products, with an aim to attract more tourists and improved results and performances.

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

*2.1 Zhuhai Holiday Resort Hotel*

During the Period Under Review, which saw a huge decline in the prosperity index of the hotel industry amid the severe impact of the Epidemic, 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), adhered to its vision of building a national-brand hotel and aimed at achieving economic benefits. Determined to overcome difficulties together with everyone, Zhuhai Holiday Resort Hotel was fully committed to epidemic prevention and control, government reception, operational management as well as construction projects. In such a chilly and perilous economic winter, Zhuhai Holiday Resort Hotel forged ahead. During the Period Under Review, Zhuhai Holiday Resort Hotel was awarded the title of "Top Ten Renowned Cantonese Cuisine Restaurants in Zhuhai" by the 2019 "Belt and Road" Cantonese Cuisine Industry Development Forum and Zhuhai-Hong Kong-Macao Food Tourism and Cultural Festival Organizing Committee, and was recognised as a training base for "Cantonese cuisine masters" in Zhuhai in 2020 by the Human Resources and Social Security Bureau of Zhuhai. It held successful receptions for the government and undertook the signing ceremony-cum-press conference for a global expo brand. The signing ceremony, the biggest event undertaken by Zhuhai Holiday Resort Hotel in recent times, boosted considerably the hotel's brand awareness and reputation. With its warm reception of guests, professional epidemic prevention measures, meticulous accommodation arrangements, excellent catering for conferences as well as thoughtful shuttle service, Zhuhai Holiday Resort Hotel was praised and commended again and again by conference organizers in writing, thereby laying a solid foundation for the marketing of the hotel brand.

*2.2 New Zhuhai Holiday Resort Hotel Project (the "New Hotel Project")*

As the main entity for the investment and development of the New Hotel Project, Zhuhai Jiuzhou Property Development Limited* (珠海九洲置業開發有限公司) ("JPD", a wholly-owned subsidiary of the Company) made every effort to promote the completion of the subject of the project and the commissioning of its facilities and equipment. Having gradually obtained the completion acceptance record as well as the government's various acceptance certificates, JPD is now endeavouring to make the best preparation for the opening of the new hotel. During the Period Under Review, an inspection team was set up to benchmark well-known brand hotels and revise service procedures, operating specifications, rules and regulations and training plans according to the actual circumstances, thereby comprehensively raising the overall service level of the new hotel. To ensure a smooth opening of the new hotel, JPD carried out many prerequisite tasks, including the acceptance of arrival of supplies, the post-construction cleaning of floors and public areas, the visual image design of the hotel brand as well as pre-opening publicity. As the second phase of the commercial office complex project entered the construction stage of installing pile foundations such as soldier piles and cement-soil mixing piles, JPD upgraded and transformed the relevant ancillary facilities of the original hotel while accelerating the construction of the New Hotel Project. At the same time, it enhanced the management level, service quality and brand value of the hotel. It upgraded the resort hotel to an all-round comprehensive hotel.

*2.3 The New Yuanming Palace*

During the Period Under Review, the New Yuanming Palace Theme Park, operated by 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) ("New Yuanming Palace", a wholly-owned subsidiary of the Company), received approximately 230,000 visitors. Impacted by the Epidemic, the scenic area of the park was closed temporarily, with the number of visitors the park received decreasing by 1.75 million or 88% compared with the same period last year. During the Period Under Review, New Yuanming Palace actively participated in the voucher scheme implemented by the government to boost consumption, thus playing an active role in promoting the recovery of the tourism industry when tourism consumption hit bottom. New Yuanming Palace organised audio tours, allocated park resources in a reasonable manner, based its labour cost control on a scientific basis and improved work efficiency, thereby increasing revenue for the company and enhancing its services and reputation at the same time. For its park site leasing business, New Yuanming Palace responded to the government's call for rental concessions and reduced rents for eligible tenants, demonstrating its commitment to corporate social responsibility. In terms of park upgrade and transformation, New Yuanming Palace actively conformed with the government's phased transformation plan, implementing the park's environmental rectification and its scenic area's renovation works and land use transformation, thus laying a solid foundation for the next step of the park's upgrade plan. New Yuanming Palace also successfully passed an expert group's review and became a member of the Guangdong Study Travel Association* (廣東省研學旅行協會).

*2.4 The Fantasy Water World*

The Fantasy Water World, operated by Zhuhai Water Entertainment Company Limited* (珠海市水上娛樂有限公司, a wholly-owned subsidiary of the Company), operates for six months from May to October each year. For the remaining months of the year, it only opens partially for the running of winter events. Due to the Epidemic, the number of visitors to the Fantasy Water World declined. During the Period Under Review, the number of visitors to the Fantasy Water World was approximately 25,000 in the first half of the year, representing a year-on-year decrease of 10,000 or about 29%. During the Period Under Review, while imposing strict water quality control, the Fantasy Water World further strengthened its business strategy, improved its marketing strategies for both the peak and the low season, increased the number of corporate activities, boosted foot traffic, and strived to create opportunities for secondary operating income growth. Seizing the opportunities offered by festivals, it launched sales promotions with ticket discounts and annual passes and successfully increased the number of visitors. Based on the development of the Epidemic, the Fantasy Water World adjusted its timetable for work resumption with flexibility and gradually completed the repair, renovation and maintenance of its facilities so as to receive its visitors with a new look. Through enhancing the comfort, sense of participation and safety of its visitors, its promotional campaigns achieved desirable results.

*2.5 Jiuzhou • Greentown – Cuihu Xiangshan Project*

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), a non-wholly owned subsidiary of the Company) continued to develop the Zhuhai Cuihu Xiangshan Real Estate Project. During the Period Under Review, ZJ Development recognized significant revenue and segment results due to an increase in the number of units of the Zhuhai Cuihu Xiangshan Highend Tourism Real Estate Project delivered to buyers. In terms of sales strategies, ZJ Development focused on the creation of a lifestyle for the Cuihu Xiangshan community, and the presentation of a humanistic, overlooking-the-putting green and grand image of the project. ZJ Development resumed work and production when the Epidemic subsided. It held various online and offline cultural activities to promote new products and destock, and achieved desirable results. Meanwhile, the investment promotion carried out by the commercial centre of the community progressed smoothly. The key commercial elements include life and leisure elements such as supermarkets, restaurants, community hospitals, libraries, cultural and sports colleges, cinemas, postpartum care centres and five-star laundry centres, which will lay a solid foundation for the brand development and subsequent marketing of the Cuihu Xiangshan Project.

### 2.6 *Zhuhai Lakewood Golf Club (“Lakewood Club”)*

The Lakewood Club is operated by Zhuhai Jiuzhou Holdings Sports Management Co., Ltd.* (珠海市九控體育管理有限公司) (“Jiuzhou Sports”, formerly known as Zhuhai International Circuit Golf and Country Club Limited* (珠海國際賽車場高爾夫俱樂部有限公司)), a non-wholly owned subsidiary of the Company. Through the introduction of golf packages, summer discounts and promotions, the provision of breakfast, the League Club Annual Pass, the Xiangshan Practice Pass and other measures, the Lakewood Club recovered some of the losses caused by its temporary suspension due to the Epidemic. The Lakewood Club and other clubs worked together to set up “Golf League Club” (高球聯盟薈), thus laying a solid foundation for popularising the sport of golf, building a platform for the development of coaches, and further promoting the in-depth integration of the cultural, tourism and sports industries. The Lakewood Club leveraged the cultural and tourism resources of the Group to launch “Golf Package Products” jointly with Shenzhen Tiema Golf. These products were well received by the market and increased the utilisation rate of its golf courses and its revenue during the low season. As a result, during the Period Under Review, the number of users of its golf courses was 22,000, representing a year-on-year decrease of 8%.

### 2.7 *Pingsha Project*

ZJ Development won at an auction a land parcel located in Pingsha at an amount of RMB706 million for residential development (the “Pingsha Project”). The project covers a site area of 72,600 square metres and a total Gross Floor Area (“GFA”) of approximately 145,000 square metres. A project company, namely Zhuhai Pingsha Jiuzhou Development Company Limited* (珠海平沙九洲開發有限公司) (“PJ Company”) was established in Pingsha by ZJ Development. As the main entity for developing the Pingsha Project, PJ Company engages in financing, development, construction and operation. During the Period Under Review, PJ Company signed the land use contract and made the related payment. It also completed the tasks of project planning and positioning, company registration and qualification processing, obtained construction land planning permission, conducted internal review of the proposal, granted contracts to supervision units and carried out geological surveys.

### 3. *Public Utilities and Financial Investments*

#### *3.1 Jiuzhou Passenger Port ("Jiuzhou Port")*

The operations of Jiuzhou Port, operated by Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd.* (珠海九洲港客運服務有限公司) ("Jiuzhou Port Company"), a non-wholly owned subsidiary of the Company, have suffered tremendously due to the Epidemic, with flights and land passenger transportation lines of various routes being suspended. During the Period Under Review, Jiuzhou Port Company responded to the public appeal of the government to participate in the initiatives of rent reduction and exemption for qualified leased properties, which demonstrated the social responsibility and role of the corporate. Jiuzhou Port Company is committed to diminishing and hedging against the impacts caused by unfavorable factors through adopting the following measures to enhance the travelling experience of passengers: improving the hardware and software supporting facilities at Jiuzhou Port Station, strengthening the awareness of employees on providing quality service, optimizing customer service procedures, decorating the station and investing in intelligent equipment, etc.

While strengthening its property management, security, and the professional services of its employees, Jiuzhou Port Company has installed more signs to divert traffic, rearranged the background walls in the station, and added outdoor advertisements billboards to improve the service quality and the waiting experience of passenger. The customer service added to the WeChat public account has broadened the ticket sales channel and fulfilled the needs of passengers for online ticket purchase and consultation. Jiuzhou Port Company has installed a self-service real-name inspection device to their security inspection channel, where passengers can directly go on board after checking in their tickets with corresponding travel documents or QR codes. The addition of self-service ticket-inspecting turnstiles and self-service ticket vending machines not only have promoted the intelligential and digitalization development of its port services, but also have provided passengers with better and more convenient services. During the Period Under Review, Jiuzhou Port Company successfully passed the first-level certification renewal review for the safety production standardization of transportation enterprises of the Ministry of Transport.

### *3.2 City Energy Supply*

During the Period Under Review, the world economic growth and the demand for oil demonstrated a volatile downward trend. Because of the Epidemic, restrictions have been imposed on sea, land, and air traffic and the resumption of corporate work is therefore forced to delay, thus the production, distribution, and sales of goods in our wholesale business have been severely impacted, which imposed implacable challenges to the wholesale trade in refined oil and gas station operation of Zhuhai Jiuzhou Energy Co., Ltd.*(珠海九洲能源有限公司) ("Jiuzhou Energy Company"). Facing adversity, Jiuzhou Energy Company always adheres to its dedication to develop its refined oil wholesale business, persistently explores upstream and downstream customers and oil products, continuously expands marketing channels, promotes diversified operations, enhances its market competitiveness, and have established good reputation in the industry and customer resources. During the Period Under Review, Jiuzhou Energy Company stood out from the fierce competition among numerous refined oil suppliers and was successfully shortlisted in the "CNOOC Refined Oil Supplier List" and became the designated oil supplier of CNOOC Guangdong Sales Co., Ltd.* (中國海油廣東銷售有限公司). After years of hard work, Jiuzhou Energy Company has accumulated extensive experience in the operation and management of gas stations, and actively seeks new locations for opening up additional gas stations in order to further promote the strategic development of the Group's public utilities business.

Subsequent to the release of the Company's announcement dated 7 December 2018, the internal restructuring has been progressing satisfactorily. During the Period Under Review, after the completion of a subsisting and demerger plan, Jiuzhou Energy Company and its subsidiaries would no longer be held by the Ferry Company but would be held by Zhuhai Jiuzhou Public Utilities Co., Ltd.* (珠海九洲公用有限公司) ("Jiuzhou Public Utilities") under the same shareholding structure of the Ferry Company. The Group continues to hold a 49% equity interest in Jiuzhou Energy Company and its subsidiaries and consolidate Jiuzhou Energy Company and its subsidiaries as non wholly-owned subsidiaries.

*3.3 Financial Investments*

During the Period Under Review, Shenzhen Jiuzhou Holdings Finance Lease Co., Ltd.* (“深圳市九控融資租賃有限公司”) (“Jiuzhou Holdings Finance Lease Company”), a wholly-owned subsidiary of the Company, actively participated the prevention and control of the Epidemic while steadily advanced its various projects, enhanced communication and interaction with customers, and achieved a stable operating conditions. Jiuzhou Holdings Finance Lease Company has been actively exploring its commodity trading business and makes a significant contribution to the Group. By relying our well-established “oil trade + factoring” business model, and through our stable purchase and sales channels, we have developed a trading business with high-quality core corporates as our end customers, which successfully enhanced the business model mentioned above and promoted business diversification. We had also successfully recovered all factoring payments affected by the Epidemic. Thus, we reduced the risk of default, and continued to charge factoring fees, which would bear interest on the full amount during the Epidemic period, to ensure that the Company’s profits would not be affected. Through establishing a comprehensive risk control system, Jiuzhou Holdings Finance Lease Company strictly controls its capital risks and further explores its financing channels in the future, strengthens the connection with financial institutions, and strives to minimise capital costs and optimise corporate efficiency.

## ENTERING INTO A REFINANCE FACILITY AGREEMENT FOR A SYNDICATED LOAN OF HK$2 BILLION

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

On 15 August 2017, in order to refinance the 2015 Facility in full, the Company, as borrower, entered into a refinance facility agreement (“2017 Facility Agreement”) with Wing Lung Bank, Limited (“Wing Lung”) as original mandated lead arranger and bookrunner, Wing Lung and twelve other banks as the lenders (“2017 Lenders”), Wing Lung as agent and Jiuzhou Tourist Development Company Limited (“JTD”), Jiuzhou Tourism Property Company Limited (“JTP”), as guarantors, pursuant to which a term loan facility (“2017 Facility”) of an aggregate of HK$2 billion was agreed to be granted by the 2017 Lenders to the Company for a term of 48 months from the date of the 2017 Facility Agreement and subject to the terms and conditions of the 2017 Facility Agreement. The interest rate of the 2017 Facility is relatively lower than that of the 2015 Facility. The 2017 Facility has been used in full for the prepayment of the 2015 Facility, and it is expected that it will reduce the Group’s finance expenses, increase the Group’s economic benefits, and it is believed from which, the Group will be able to gain exposure to utilising offshore financial instruments and thereby promoting its corporate image and supporting the rapid development of the Group’s core businesses and the advancement of its projects.

For details of the 2015 Facility Agreement and the 2017 Facility Agreement, please refer to the Company's announcements dated 28 July 2015 and 15 August 2017, respectively.

## LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OBLIGATIONS OF THE CONTROLLING SHAREHOLDER

As disclosed in the announcement of the Company dated 28 July 2015, pursuant to the 2015 Facility Agreement, the Company has covenanted and undertaken to the 2015 Lenders (among other terms and conditions) that:

(i) at least 30% of its entire issued share capital remain to be beneficially owned (directly or indirectly) by ZJ Holdings, the controlling shareholder of the Company;

(ii) ZJ Holdings remains as the single largest beneficial shareholder of the Company; and

(iii) ZJ Holdings have management control over the Company.

The above obligations lapsed upon such repayment of the 2015 Facility during the year ended 31 December 2017.

On 15 August 2017, the Company, as borrower, entered into the 2017 Facility Agreement of up to HK$2 billion for a term of four years with Wing Lung Bank, Limited and other Lenders in relation to the 2017 Facility. Pursuant to the 2017 Facility Agreement, the Company has covenanted and undertaken to the Lenders (among other terms and conditions) that:

(i) at least 30% of its entire issued share capital remain to be beneficially owned (directly or indirectly) by ZJ Holdings;

(ii) ZJ Holdings remains as the single largest beneficial shareholder of the Company; and

(iii) ZJ Holdings have management control over the Company.

If any of such events of default occurs and continues, the loan, amounts payable under the 2017 Facility Agreement together with any accrued interest may immediately become due and payable on demand. For details of the 2017 Facility Agreement, please refer to the Company's announcement dated 15 August 2017.

On 28 March 2018, the Company, as borrower, entered into a term loan facility agreement ("March 2018 Facility Agreement") with the bank, pursuant to which the bank has agreed to grant to the Company a term loan facility of up to HK$200 million having the final maturity date falling 36 months from the date of the March 2018 Facility Agreement. Under the March 2018 Facility Agreement, the Company has covenanted and undertaken to the bank, among others, that:

(i) at least 30% of the entire issued share capital of the Company will remain to be beneficially owned (directly or indirectly) by ZJ Holdings;

(ii) ZJ Holdings shall remain as the single largest beneficial shareholder of the Company; and

(iii) ZJ Holdings shall have management control over the Company.

For details of the March 2018 Facility Agreement, please refer to the Company's announcement dated 28 March 2018.

On 28 February 2019, the Company, as borrower, entered into a revolving loan facility agreement ("February 2019 Facility Agreement") with the bank, pursuant to which the bank has agreed to grant to the Company a revolving loan facility of up to HK$250 million having the final maturity date falling 3 years from the date of the February 2019 Facility Agreement. Under the February 2019 Facility Agreement, the Company has covenanted and undertaken to the bank, among others, that:

(i) at least 30% of the entire issued share capital of the Company will remain to be beneficially owned (directly or indirectly) by ZJ Holdings;

(ii) ZJ Holdings shall remain as the single largest beneficial shareholder of the Company; and

(iii) ZJ Holdings shall have management control over the Company.

For details of the February 2019 Facility Agreement, please refer to the Company's announcement dated 28 February 2019.

On 30 December 2019, the Company, as borrower, entered into a revolving loan facility letter ("December 2019 Facility Letter")with a bank, pursuant to which the bank has agreed to grant to the Company an uncommitted revolving loan facility of up to HK$200 million having the final maturity date falling 3 years from the date of the bank's receipt of the Company's acceptance of the December 2019 Facility Letter. Under the December 2019 Facility Letter, the Company has covenanted and undertaken to the bank, among others, that:

(i) the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government shall maintain 100% beneficial ownership of the share capital of ZJ Holdings;

(ii) ZJ Holdings shall maintain not less than 30% beneficial ownership of the share capital of the Company; and

(iii) ZJ Holdings shall remain directly or indirectly the single largest beneficial shareholder and have management control of the Company throughout the life of the facility.

For details of the December 2019 Facility Letter, please refer to the Company's announcement dated 30 December 2019.

On 20 January 2020, the Company, as borrower, entered into a term loan facility letter ("January 2020 Facility Letter") with a bank, pursuant to which the bank has agreed to grant to the Company a committed term loan facility of up to HK$200 million having the term of 36 months commencing from each drawdown during the availability period which is 6 months beginning from the date of the Company's acceptance of the January 2020 Facility Letter. Under the January 2020 Facility Letter, the Company has covenanted and undertaken to the bank, among others, that:

(i) the Zhuhai Municipal People's Government State-owned Assets Supervision and Administration Commission maintains the sole beneficial shareholder of ZJ Holdings; and

(ii) ZJ Holdings maintains the single largest beneficial shareholder, directly or indirectly, at least 30% of the entire issued share capital of the Company, and has the management control over the Company.

For details of the January 2020 Facility Letter, please refer to the Company's announcement dated 20 January 2020.

On 23 July 2020, the Company, as borrower, entered into a term loan facility letter ("July 2020 Facility Letter") with a bank, pursuant to which the bank has agreed to grant to the Company a term loan facility of up to HK$300 million having the maturity date falling 3 years from the date of the Company's acceptance of the July 2020 Facility Letter. Under the July 2020 Facility Letter, the Company has covenanted and undertaken to the bank, among others, that throughout the term of the facility, the Company shall procure that:

(i) The Zhuhai Municipal People's Government State-owned Assets Supervision and Administration Commission beneficially owns the entire ownership interest of ZJ Holdings; and

(ii) ZJ Holdings beneficially owns, directly or indirectly, at least 30% of the entire issued share capital of the Company and to be the single largest beneficial shareholder of, or to have management control over the Company.

For details of the July 2020 Facility Letter, please refer to the company's announcement dated 23 July 2020.

**OUTLOOK**

The Company wishes the Epidemic will be gradually contained worldwide in the second half of the year. In an attempt to prevent any new outbreak of the Epidemic, the Group will maintain its precautionary measures as regular practices. The Group will build on the results it has so far achieved through its epidemic prevention and control measures to ensure that all previous efforts will not go down to the drain. Meanwhile, the Group will continue to improve its capital operation, strengthen its financial management and control, strive to broaden its financing channels, and enhance its operational effectiveness, the quality of its projects, as well as its efforts to invite investment. The Group will also refine its products, strictly control costs, and prioritise benefits while taking into account economies of scale, so as to promote its upgrade and development in these difficult times. The Group will further improve its business and asset structure, seize opportunities offered by the market, watch for its opportunities to revitalize its existing assets and focus on its core business. It will also optimize its debt and capital structure and actively seek suitable investment opportunities.

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

On the basis of further improving its management, the Ferry Company will continue to speed up the full resumption of work and production, draw up plans to open new routes to obtain new development opportunities, promote key projects to seek new development momentum, and consolidate high-quality resources. It will also break away from conventional, regular and repetitive models and seek iterative innovation in tourism products to help the blue ocean economy to achieve rapid development. It will formulate pre-resumption sales plans, optimize pipeline laying, enhance publicity and promotion, stabilize the number of passengers of different routes, and promote the influence of tourism routes. It will actively help to prepare for the orderly resumption of all routes, continue to pay attention to the actions of the Hong Kong government, and contact and coordinate between the joint-inspection units at crossings, the transportation bureau and other relevant departments to make sufficient and detailed preparations for the resumption of Hong Kong district routes.

Jiuzhou Cruises Company will continue to strengthen cost control, use holidays to create themed activities, increase foot traffic at terminals, enhance marketing, introduce creative marketing strategies, and respond to the operational difficulties caused by the Epidemic. It will continue to follow up the resumption of Guangdong-Macao routes and complete related preparatory tasks in advance. For those projects including the Beach Maritime Project, the Sanya Blue Route, the Taizhou Rongyuan Project, the Guishan Homestay Project and the Zhuhai Sailboat Station Project, the Group will continue to explore and launch new products, in order to attract more tourists and improve its results through innovative branded products.

The financial performance of the Ferry Company in the second half of the year, will be subject to various factors, including timing of effective containment of the spread of the Epidemic and the timing of resumption of ferry service of Hong Kong-Zhuhai ferry lines.

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

Zhuhai Holiday Resort Hotel and JPD will carry out the renovation project for its old main building in an orderly manner, taking the opening of the new hotel as an opportunity to further improve the overall quality and service quality of the hotel. It will also make full use of media resources to organise activities for the promotion of the hotel's culture and products, with the aim of enhancing the Company's image and reputation.

New Yuanming Palace will further explore and implement a secondary planning scheme, speed up the upgrading of its scenic area and carry out an overall upgrading of the Fantasy Water World, with the aim of further consolidating the brand influence of the Fantasy Water World and improving its operating income through providing a more comfortable environment to tourists.

The Lakewood Club will continue to step up its marketing efforts that combine on-line and off-line approaches, improve the utilization rate of the Norman Golf Course and accommodate more team events and commercial activities, in order to increase its operating income and the number of course users.

ZJ Development Company will continue to perform well in the sales and delivery of the Cuihu Xiangshan Project series of products as well as the design and development of stock land products, and accelerate the commencement of construction and facilitate sales of the Pingsha Project.

The financial performance of hotel business in the second half of the year, will be subject to various factors, including the timing of effective containment of the spread of the Epidemic and subsequent recovery of confidence in the travelling and spending habits among foreign and local consumers. The financial performance of the property development business in the second half of the year, will be subject to various factors, including timing and number of property units of the Zhuhai Cuihu Xiangshan High-end Tourism Real Estate Project to be delivered to purchasers in the second half of the year.

3. **Public Utilities and Financial Investments**

While maintaining its epidemic prevention and control at the passenger port, Jiuzhou Port Company will focus on the operation of the temporary passenger clearance hall at the Jiuzhou Port after the relocation of the passenger terminal. Jiuzhou Port Company will further optimize the facilities of the new terminal, provide excellent services after the new port is put into use, actively promote the software upgrade of the passenger transport integrated system, improve the intelligent construction of the new terminal, strive to provide passengers with better services and continuously improve the service competitiveness of Jiuzhou Port Passenger Terminal.

Firmly rooted in the Guangdong-Hong Kong-Macao Greater Bay Area, Jiuzhou Energy Company has been deeply involved in the oil product business for many years. In the future, it will continue to explore deeply in various aspects and conduct trade of different products, expand its business scope, avoid the predicament of a single source of income from refined oil trade, and reduce the risk of operating a single product business. It will also maintain its existing customer relationships, tap into potential customer resources and continue to explore new markets, in order to enhance the company's market competitiveness, create profitability, and improve revenue and profit.

Jiuzhou Finance Leasing Company will closely monitor regulatory updates of the industry, while engaging in research and analysis as and when appropriate. It will continue to widen its financing channels, increase its business size and strengthen its customer base building. It will also establish a multi-level model of customer retention while attracting new customers in a systematic and targeted manner to expand its customer base, in order to accelerate the commencement of business and maximize the interest of the Group as a whole.

The financial performance of the Public Utilities in the second half of the year, will be subject to various factors, including timing of effective containment of the spread of the Epidemic and subsequent influence in the traffic and market demand for fuel oil.

## 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 ("2008 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 2008 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 against the CFI Judgment. The appeal was heard before the Court of Appeal on 10 September 2013 and judgment ("CA Judgment") was handed down on 27 September 2013. Save for an order in the CFI Judgment be substituted with an order that the Company be paid HK$30 million (instead of the Hong Kong dollars equivalent of RMB26 million) with interest at the best lending rate of Hong Kong banks from 27 May 2009 to 7 June 2012, the appeal was dismissed with costs in the Company's favour and the CFI Judgment was upheld.

No further appeal against the CA Judgment was filed by the Appellants. For the financial 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 financial 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. Based on the legal advice obtained from its legal advisers, they will liaise with the Receivers when necessary and will proceed to fix the assessment of damages hearing as and when appropriate.

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 2008 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, 2014, 2015, 2016, 2017, 2018 and 2019.

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**

The Group generally finances its operations with internally generated cashflow and bank borrowings provided by its principal bankers.

As disclosed in the section headed "Management Discussion and Analysis – Entering into a Refinance Facility Agreement for a Syndicated Loan of HK$2 billion" of the annual report in 2015, the Company entered into the 2015 Facility Agreement with the 2015 Lenders pursuant to which the 2015 Facility was agreed to be granted by the 2015 Lenders to the Company for a term of four years from the date of the 2015 Facility Agreement, subject to the terms and conditions contained therein.

On 15 August 2017, the Company, as borrower, entered into the 2017 Facility Agreement with the 2017 Lenders and JTD, JTP, as guarantors, pursuant to which the 2017 Facility was agreed to be granted by the 2017 Lenders to the Company for a term of 48 months from the date of the 2017 Facility Agreement and subject to the terms and conditions of the 2017 Facility Agreement for refinance of the 2015 Facility. The 2017 Facility is secured and with a floating interest rate. As at the date of the interim report in 2017, the Company has drawn down HK$2,000 million from the 2017 Facility and prepaid for the 2015 Facility in full. For details of the 2015 Facility Agreement and the 2017 Facility Agreement, please refer to the Company's announcements dated 28 July 2015 and 15 August 2017, respectively.

On 18 July 2017, JPD entered into a project facility loan agreement ("Project Facility Agreement") with a bank in the PRC as lender ("Bank Lender"), pursuant to which a project facility ("Project Facility") of up to RMB300 million was agreed to be granted by the Bank Lender to JPD for a term of twelve years from the date of the Project Facility Agreement. The Project Facility is secured and with a floating interest rate. The above obligations lapsed upon repayment of the Project Facility during the year ended 31 December 2019.

On 20 September 2019, JPD entered into a project facility loan agreement ("September 2019 Project Facility Agreement") with a bank in the PRC as lender ("Bank Lender") pursuant to which a project facility of up to RMB550 million was agreed to be granted by the Bank Lender to JPD for a term of fifteen years from the date of the September 2019 Project Facility Agreement. The project facility was secured and with a floating interest rate. As at the date of this result announcement, JPD has drawn down RMB229.6 million from the facility.

The Group's time deposits and cash and cash equivalents as at 30 June 2020 amounted to approximately RMB869.9 million (31 December 2019: RMB1,457.8 million), of which approximately RMB821.9 million (31 December 2019: RMB1,347.7 million) were denominated in RMB, and approximately RMB48.0 million (31 December 2019: RMB110.1 million) were denominated in Hong Kong dollars.

As at 30 June 2020, trade receivables amounted to approximately RMB592.1 million (31 December 2019: RMB510.3 million). Increase in trade receivables was mainly due to the increase in the relevant trade receivables of 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 RMB0.2 million as at 30 June 2020 (31 December 2019: RMB0.3 million), all of which RMB0.2 million were denominated in Hong Kong dollars (31 December 2019: RMB0.3 million). The securities measured at fair value through profit or loss comprised some listed securities in Hong Kong.

During the Period Under Review, the Group has subscribed for wealth management products of Shanghai Pudong Development Bank, Zhuhai Branch in an aggregate amount of RMB70 million and wealth management products of Bank of China, Zhuhai branch in an aggregate amount of RMB4.84 million.

Total interest-bearing bank borrowings amounted to approximately RMB3,451.3 million as at 30 June 2020 (31 December 2019: RMB3,426.2 million).

The Group's gearing ratio was 0.67 as at 30 June 2020 (31 December 2019: 0.61), which is net debt divided by total shareholders' equity plus net debt. Net debt included interest-bearing bank borrowings, trade and bill payables, accrued liabilities and other payables, construction payables, lease liabilities, amounts due to a shareholder and related companies less restricted bank balances, time deposits and cash and cash equivalents.

As at 30 June 2020, the Group had a current ratio of 1.13 (31 December 2019: 1.34) and net current assets of approximately RMB993.5 million (31 December 2019: RMB2,257.5 million).

As at 30 June 2020, interest-bearing bank borrowings that were outstanding amounted to RMB3,451.3 million (31 December 2019: RMB3,426.2 million), which mainly comprised of (1) principal amount of RMB1,546.8 million with the final maturity date falling due in June 2021; (2) principal amount of RMB1,662.3 million with the final maturity date falling due in June 2022; (3) principal amount of RMB46.4 million with the final maturity date falling due in June 2023; (4) principal amount of RMB27.8 million with the final maturity date falling due in June 2024; and (5) principal amount of RMB168.0 million with the final maturity date falling due in June 2025 and up to June 2035.

On 20 January 2020, the Company, as borrower, entered into a term loan facility letter with a bank, pursuant to which the bank has agreed to grant to the Company a committed term loan facility of up to HK$200 million having the term of 36 months commencing from each drawdown during the availability period which is 6 months beginning from the date of the Company's acceptance of the January 2020 Facility Letter. Please refer to the Company's announcement dated 20 January 2020 relating to the January 2020 Facility Letter and the Company's disclosure pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") for information.

On 23 July 2020, the Company, as borrower, entered into a term loan facility letter with a bank, pursuant to which the bank has agreed to grant to the Company a term loan facility of up to HK$300 million having the maturity date falling 3 years from the date of the Company's acceptance of the July 2020 Facility Letter. Please refer to the Company's announcement dated 23 July 2020 relating to the July 2020 Facility Letter and the Company's disclosure pursuant to Rule 13.18 of the Listing Rules for information.

## CONTINGENT LIABILITIES

As at 30 June 2020, the Group had contingent liabilities in respect of financial guarantees on mortgage facilities for certain purchasers of the Group's properties amounted to approximately RMB1,914.3 million (31 December 2019: RMB1,791.6 million). Except for these financial guarantees as disclosed above, the Group had no material contingent liabilities as at 30 June 2020 (31 December 2019: Nil).

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2020, the Group had no future plans for material investments or capital assets except for those disclosed under the heading "Management Discussion and Analysis and Other Information – Outlook" as stated aforesaid.

## CHARGES ON ASSETS

As at 30 June 2020 and 31 December 2019, land use rights and properties under development of lot S4 of Cuihu Xiangshan Project were no longer pledged but the Company's guarantee given for part of the repayment obligation was still valid in favour of an independent third party (the "Third Party") to secure a loan of RMB723.0 million (31 December 2019: RMB899 million) from the Third Party pursuant to the loan and collateral agreements dated 10 August 2016 entered into between, among others, ZJ Development Company and the Third Party.

As at 31 December 2016, the repayment obligation of the Company under the 2015 Facility was secured by a charge ("2015 Share Charge") over 15,600 ordinary shares in JTD ("JTD Shares") and 100 ordinary shares in JTP ("JTP Shares"), representing the entire issued share capital of JTD and JTP, and a charge over a bank account of the Company ("Bank Account Charge") in favour of the facility agent ("2015 Agent") on behalf of the 2015 Lenders. On 28 August 2017, a deed of release was entered into between the Company, as chargor and the 2015 Agent on behalf of the 2015 Lenders as chargee to release the 2015 Share Charge over JTD Shares, JTP Shares and the Bank Account Charge and discharge such security interest created under the 2015 Share Charge and the Bank Account Charge.

As at 31 December 2017, the repayment obligation of the Company under the 2017 Facility was secured by a charge over a bank account of the Company in favour of Wing Lung as the 2017 Facility agent on behalf of the 2017 Lenders.

As at 30 June 2020 and up to the date of this result announcement, property comprises 75 blocks of villa, a recreational complex, a health centre, a shopping arcade, a basement car park and various ancillary facilities of Zhuhai Holiday Resort Hotel with a total gross floor areas of approximately 22,367.86 square metres and an aggregate carrying value of approximately RMB32.0 million included in property, plant and equipment were pledged (together with the Company's guarantee given for part of the repayment obligation) in favour of the Bank Lender to secure the Project Facility from the Bank Lender pursuant to the Project Facility Agreement and collateral agreement dated 20 September 2019 entered into between, among others, JPD and the Bank Lender.

## FOREIGN EXCHANGE EXPOSURE

Most of the businesses of the Group are operated in Mainland China, and most of the revenues and costs were denominated in RMB or Hong Kong dollars. And the assets and liabilities of the Group are mostly denominated in RMB or Hong Kong dollars. The management does not expect significant exposure to foreign exchange fluctuations. The Group currently does not have a formal hedging policy and has not entered into any foreign exchange contracts or derivative transactions to hedge the foreign exchange risk.

## CAPITAL STRUCTURE

As at 30 June 2020, the number of issued ordinary shares was 1,427,797,174 shares (31 December 2019: 1,427,797,174 shares) in aggregate and the shareholders' equity of the Group was approximately RMB1,883.3 million (31 December 2019: RMB1,974.5 million). The decrease in the shareholders' equity of the Group during the Period Under Review was mainly attributable to a loss for the period.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

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

## NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2020, the Group had approximately 2,304 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.

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

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

## CORPORATE GOVERNANCE

Throughout the Period Under Review, the Company complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules in all other respects except that under code provision A.4.1 which requires non-executive directors of the Company should be appointed for a specific term, subject to re-election – the Company's directors including non-executive directors and independent non-executive directors, were not appointed for a fixed term of office. The reason for the deviation was that all those directors are subject to retirement by rotation and re-election at least once every three years in accordance with the Company's bye-laws and accordingly, every director shall retire and his appointment shall be terminated if he is not so re-elected once every three years.

Save as disclosed above, the Company complied with the code provisions set out in the CG Code during the six months ended 30 June 2020.

## 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 of the Listing Rules as its code of conduct regarding directors' securities transactions. All directors of the Company have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the six months ended 30 June 2020.

## AUDIT COMMITTEE

The Company has established an audit committee in compliance with Rule 3.21 and 3.22 of the Listing Rules for the purpose of, among other duties and functions, reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises three independent non-executive directors of the Company, namely Mr. Albert Ho (Chairman), Mr. Hui Chiu Chung and Mr. Chu Yu Lin, David. The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2020 has been reviewed by the audit committee and the Company's auditors, PricewaterhouseCoopers.

## PUBLICATION OF 2020 INTERIM REPORT

The Company's 2020 interim report containing the relevant information required by Appendix 16 to the Listing Rules will be published on the Stock Exchange's website at http://www.hkexnews.hk and the Company's website at http://www.0908.hk and will be dispatched to shareholders of the Company in due course.

By Order of the Board
**Zhuhai Holdings Investment Group Limited**
**Zeng Jianping**
*Chairman*

Hong Kong, 28 August 2020

*As at the date of this announcement, the directors of the Company are Mr. Zeng Jianping, Mr. Jin Tao, Mr. Ye Yuhong and Mr. Li Wenjun as executive Directors; Mr. Zou Chaoyong as non-executive Director; and Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David, Mr. Albert Ho and Mr. Wang Yijiang as independent non-executive Directors.*

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