珠海控股
ZHUHAI HOLDINGS

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

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

2020
INTERIM REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zeng Jianping (appointed as Executive Director on 20 April 2020 and as Chairman of the Board on 29 June 2020) *(Chairman)*
Mr. Huang Xin (retired as Executive Director and Chairman of the Board on 29 June 2020)
Mr. Jin Tao (appointed as the Chief Executive Officer on 8 April 2020)
Mr. Ye Yuhong
Mr. Li Wenjun

Non-Executive Directors

Mr. Zou Chaoyong
Datuk Wira Lim Hock Guan (Mr. Lim Seng Lee as his alternate) (resigned on 29 May 2020)
Mr. Kwok Hoi Hing (Mr. Zhu Minming as his alternate) (resigned on 29 May 2020)

Independent Non-Executive Directors

Mr. Hui Chiu Chung
Mr. Chu Yu Lin, David
Mr. Albert Ho
Mr. Wang Yijiang

Alternate Directors

Mr. Lim Seng Lee (alternate to Datuk Wira Lim Hock Guan) (resigned on 29 May 2020)
Mr. Zhu Minming (alternate to Mr. Kwok Hoi Hing) (resigned on 29 May 2020)

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

Mr. Zeng Jianping (appointed as Chairman of Nomination Committee on 29 June 2020) *(Chairman)*
Mr. Huang Xin (retired as Chairman of Nomination Committee on 29 June 2020)
Mr. Ye Yuhong
Mr. Hui Chiu Chung
Mr. Chu Yu Lin, David
Mr. Albert Ho
Mr. Wang Yijiang

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Kwok Tung Fai

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Wing Lung Bank, Limited
Industrial and Commercial Bank of China, Zhuhai Branch
Bank of China, Zhuhai Branch
China Everbright Bank, Zhuhai Branch
Xiamen International Bank, Zhuhai Branch
Shanghai Pudong Development Bank, Zhuhai Branch

LEGAL ADVISORS (AS TO HONG KONG LAW)

Chiu & Partners
Allen & Overy

PRINCIPAL SHARE REGISTRAR

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

BRANCH SHARE REGISTRAR

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

Clarendon House
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STOCK CODE

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INVESTORS RELATION

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

Report on Review of Interim Financial Information

羅兵咸永道

TO THE BOARD OF DIRECTORS OF ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 6 to 38, which comprises the interim condensed consolidated statement of financial position of Zhuhai Holdings Investment Group Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2020 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 August 2020

Interim Condensed Consolidated Statement of Profit or Loss

	Note	Six months ended 30 June 2020 RMB'000 (Unaudited)	2019 RMB'000 (Unaudited)
Revenue	5	**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	7	**(16,331)**	(13,248)
Share of losses of:			
Joint ventures		**(1,425)**	(3,639)
Associates		**(1,288)**	(6,173)
Profit before tax	6	**89,019**	71,091
Income tax expense	8	**(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	10	**(RMB3.24 cents)**	RMB0.43 cent
Diluted (loss)/earnings per share	10	**(RMB3.24 cents)**	RMB0.43 cent

The notes on pages 14 to 38 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

	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

The notes on pages 14 to 38 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Financial Position

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	**1,484,305**	1,463,042
Right-of-use assets		**367,436**	385,888
Investment properties	12	**35,500**	32,360
Properties under development	13	**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	18	**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	13	**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	14	**592,132**	510,272
Prepayments, deposits and other receivables		**764,667**	902,064
Factoring receivables	15	**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

Interim Condensed Consolidated Statement of Financial Position (continued)

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Current liabilities			
Trade and bill payables	16	**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	17	**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	17	**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	19	**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

The notes on pages 14 to 38 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

	Unaudited												
	Capital and reserves attributable to owners of the Company												
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Merger reserve RMB'000	Other reserve RMB'000	Asset revaluation reserve RMB'000	Financial assets at fair value through other comprehensive income revaluation reserve RMB'000	Statutory reserve funds RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance as at 31 December 2019	142,874	851,806	477,600	(45,257)	(214,613)	83,680	1,221	337,098	(219,740)	559,835	1,974,504	1,563,455	3,537,959
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(46,281)	(46,281)	6,275	(40,006)
Other comprehensive (loss)/income	-	-	-	-	-	(18,104)	(90)	-	(26,699)	-	(44,893)	8	(44,885)
Total comprehensive (loss)/income for the period, net of tax	-	-	-	-	-	(18,104)	(90)	-	(26,699)	(46,281)	(91,174)	6,283	(84,891)
Appropriation to statutory reserve	-	-	-	-	-	-	-	524	-	(524)	-	-	-
Total transactions with owners of the Company, recognised directly in equity	-	-	-	-	-	-	-	524	-	(524)	-	-	-
At 30 June 2020	142,874	851,806	477,600	(45,257)	(214,613)	65,576	1,131	337,622	(246,439)	513,030	1,883,330	1,569,738	3,453,068

The notes on pages 14 to 38 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity (continued)

	Unaudited												
	Capital and reserves attributable to owners of the Company												
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Merger reserve RMB'000	Other reserve RMB'000	Asset revaluation reserve RMB'000	Financial assets at fair value through other comprehensive income revaluation reserve RMB'000	Statutory reserve funds RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance as at 31 December 2018	142,874	851,806	477,600	(45,257)	(214,613)	78,774	1,661	327,149	(197,132)	523,933	1,946,795	1,371,540	3,318,335
Adjustment on adoption of HKFRS 16	–	–	–	–	–	–	–	–	–	(1,449)	(1,449)	(184)	(1,633)
Restated balance at 1 January 2019	142,874	851,806	477,600	(45,257)	(214,613)	78,774	1,661	327,149	(197,132)	522,484	1,945,346	1,371,356	3,316,702
Profit for the period	–	–	–	–	–	–	–	–	–	6,088	6,088	24,936	31,024
Other comprehensive (loss)/income	–	–	–	–	–	–	526	–	(4,378)	–	(3,852)	1	(3,851)
Total comprehensive income for the period, net of tax	–	–	–	–	–	–	526	–	(4,378)	6,088	2,236	24,937	27,173
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(5,020)	(5,020)
2018 final dividend declared	–	–	–	–	–	–	–	–	–	(25,021)	(25,021)	–	(25,021)
Appropriation to statutory reserve	–	–	–	–	–	–	–	550	–	(550)	–	–	–
Total transactions with owners of the Company, recognised directly in equity	–	–	–	–	–	–	–	550	–	(25,571)	(25,021)	(5,020)	(30,041)
At 30 June 2019	142,874	851,806	477,600	(45,257)	(214,613)	78,774	2,187	327,699	(201,510)	503,001	1,922,561	1,391,273	3,313,834

The notes on pages 14 to 38 form an integral part of this condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	**19,789**	266,015
Income taxes paid	**(335,773)**	(249,948)
Net cash (used in)/generated from operating activities	**(315,984)**	16,067
Cash flows from investing activities		
Interest received	**19,593**	12,968
Purchases of property, plant and equipment	**(74,898)**	(91,589)
Proceeds from disposal of property, plant and equipment	**2,268**	412
Dividend received from a joint venture	**–**	5,497
Increase in investment in an associate	**(4,646)**	(7,000)
Increase in restricted bank balance	**(2,193)**	(59)
Decrease/(increase) in time deposits	**5,000**	(4,260)
Loan to an associate	**–**	(7,500)
Proceeds from disposal of securities measured at fair value through profit or loss	**–**	236
Net cash used in investing activities	**(54,876)**	(91,295)

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from financing activities		
Increase in restricted bank balance	**(125,782)**	(6,363)
New bank borrowings	**766,873**	1,292,343
Repayment of bank borrowings	**(767,135)**	(515,414)
Cash receipts from related companies	**153**	472
Cash repayments to related companies	**(86)**	(207)
Dividends paid to non-controlling shareholders	**–**	(5,020)
Interest paid	**(79,708)**	(76,080)
Increase in amount due to a shareholder	**6,908**	9,565
Repayment of lease liabilities (including interests)	**(9,329)**	(5,578)
Net cash (used in)/generated from financing activities	**(208,106)**	693,718
Net (decrease)/increase in cash and cash equivalents	**(578,966)**	618,490
Cash and cash equivalents at beginning of period	**1,452,837**	982,527
Effect of foreign exchange rate changes, net	**(3,981)**	10,353
Cash and cash equivalents at end of period	**869,890**	1,611,370

The notes on pages 14 to 38 form an integral part of this condensed consolidated interim financial information.

Notes to Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

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

- investment holding
- management of a holiday resort
- management of a theme park
- management of an amusement park
- operation of a golf club
- property development
- provision of financial information services, factoring services and internet financial information intermediary services
- provision of port facilities
- provision of ferry services
- construction of river-regulating facilities and provision of river maintenance service
- trading and distribution of fuel oil

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

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

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 28 August 2020.

This condensed consolidated interim financial information has been reviewed by the Company's audit committee but not audited.

2 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").

3 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.

3 ACCOUNTING POLICIES (continued)

(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

4 ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2019.

5 OPERATING SEGMENT INFORMATION

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

5 OPERATING SEGMENT INFORMATION (continued)

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.

5 OPERATING SEGMENT INFORMATION (continued)

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 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 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

5 OPERATING SEGMENT INFORMATION (continued)

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

6 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)**	–

7 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

8 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.

8 INCOME TAX EXPENSE (continued)

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.

9 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.

10 (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.

11 PROPERTY, PLANT AND EQUIPMENT

	Construction in progress RMB'000	Medium term leasehold buildings outside Hong Kong RMB'000	Golf club facilities RMB'000	Vessels RMB'000	Furniture, fixtures, equipment motor vehicles, plant and machinery and leasehold improvements RMB'000	Total RMB'000
At 1 January 2020						
Cost or fair value	744,583	221,449	193,105	333,632	393,710	1,886,479
Accumulated depreciation and impairment	–	–	(45,249)	(84,362)	(293,826)	(423,437)
Net book amount	744,583	221,449	147,856	249,270	99,884	1,463,042
Six months ended 30 June 2020						
Opening net book amount	744,583	221,449	147,856	249,270	99,884	1,463,042
Loss on revaluation, net	–	(25,599)	–	–	–	(25,599)
Additions	72,952	346	950	–	2,422	76,670
Disposals and write-off	–	–	(36)	–	(162)	(198)
Transfer in/(out)	(795)	–	–	–	795	–
Depreciation charge	–	(8,167)	(5,924)	(5,442)	(11,581)	(31,114)
Exchange differences	1,503	–	–	–	1	1,504
Closing net book amount	818,243	188,029	142,846	243,828	91,359	1,484,305
At 30 June 2020						
Cost or fair value	818,243	188,029	193,701	322,673	394,887	1,917,533
Accumulated depreciation and impairment	–	–	(50,855)	(78,845)	(303,528)	(433,228)
Net book amount	818,243	188,029	142,846	243,828	91,359	1,484,305

11 PROPERTY, PLANT AND EQUIPMENT (continued)

	Construction in progress RMB'000	Medium term leasehold buildings outside Hong Kong RMB'000	Golf club facilities RMB'000	Vessels RMB'000	Furniture, fixtures, equipment motor vehicles, plant and machinery and leasehold improvements RMB'000	Total RMB'000
At 1 January 2019						
Cost or fair value	417,348	228,940	168,987	337,617	395,456	1,548,348
Accumulated depreciation and impairment	–	–	(34,236)	(89,402)	(286,180)	(409,818)
Net book amount	417,348	228,940	134,751	248,215	109,276	1,138,530
Six months ended 30 June 2019						
Opening net book amount	417,348	228,940	134,751	248,215	109,276	1,138,530
Additions	49,062	123	19,172	3,761	2,080	74,198
Disposals and write-off	–	–	(91)	–	(204)	(295)
Transfer in/(out)	(46)	–	–	–	46	–
Depreciation charge	–	(7,187)	(5,916)	(3,010)	(11,845)	(27,958)
Exchange differences	232	–	–	–	(3)	229
Closing net book amount	466,596	221,876	147,916	248,966	99,350	1,184,704
At 30 June 2019						
Cost or fair value	466,596	229,060	187,257	341,378	394,080	1,618,371
Accumulated depreciation and impairment	–	(7,184)	(39,341)	(92,412)	(294,730)	(433,667)
Net book amount	466,596	221,876	147,916	248,966	99,350	1,184,704

11 PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Fair value measurement

As at 30 June 2020 and 30 June 2019, the fair value of the medium term leasehold buildings outside Hong Kong was measured at level 3 of fair value hierarchy using significant unobservable inputs.

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

(b) Valuation process of medium term leasehold buildings outside Hong Kong

The Group engages an external, independent and qualified valuer, Knight Frank Petty Limited to determine the fair value of the medium term leasehold buildings outside Hong Kong as at 30 June 2020. Discussion of valuation processes and results have been held between the management and the valuer in respect of the valuation as at 30 June 2020.

12 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
As at 1 January	**32,360**	26,770
Changes in fair value of investment properties	**3,140**	780
As at 30 June	**35,500**	27,550

(a) Fair value measurement

As at 30 June 2020 and 30 June 2019, the fair value of the investment properties was measured at level 3 of fair value hierarchy using significant unobservable inputs.

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

12 INVESTMENT PROPERTIES (continued)

(b) Valuation process of investment properties

The Group engages an external, independent and qualified valuer, Knight Frank Petty Limited to determine the fair value of the investment properties at reporting date.

Discussion of valuation processes and results have been held between the management and the valuer in respect of the valuation as at 30 June 2020, and will be held at least once every six months going forward, in line with the Group's interim and annual reporting dates.

13 PROPERTIES UNDER DEVELOPMENT

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Properties under development expected to be completed:		
– Within one operating cycle included under current assets	3,785,157	3,367,630
– Beyond one operating cycle included under non-current assets	2,892,612	2,087,070
	6,677,769	5,454,700
Properties under development comprise:		
– Capitalised interests	598,956	572,017
– Land use rights	3,440,112	2,712,579
– Construction costs and capitalised expenditures	2,638,701	2,170,104
	6,677,769	5,454,700

14 TRADE RECEIVABLES

	As at 30 June 2020 RMB'000	As at 31 December 2019 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

15 FACTORING RECEIVABLES

Factoring receivables granted to customers are measured at amortised cost and are generally for a period of 30 to 180 days with interest rates range from 6.71%-7.60% per annum (31 December 2019: 4.79% – 7.60% per annum). The balances are denominated in RMB and do not expose to foreign currency risk. As at 30 June 2020, none of the balance was overdue.

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Factoring receivables	**464,042**	587,660
Less: allowance for impairment of factoring receivables	**(5,877)**	(5,880)
	458,165	581,780

The carrying amount of factoring receivables approximates their fair value.

16 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

16 TRADE AND BILL PAYABLES (continued)

(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.

17 INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Bank loans and syndicated loan – secured (Note (a))	**1,719,338**	1,896,457
Bank loans – unsecured (Note (b))	**1,731,976**	1,529,764
	3,451,314	3,426,221
Less: current portion	**(1,546,752)**	(1,257,290)
	1,904,562	2,168,931

Movements in borrowings are analysed as follows:

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
At beginning of the period	**3,426,221**	2,848,203
Proceeds of new borrowings	**766,873**	1,292,343
Repayments of borrowings	**(767,135)**	(515,414)
Exchange differences	**25,355**	14,540
At end of the period	**3,451,314**	3,639,672

17 INTEREST-BEARING BANK BORROWINGS (continued)

At 30 June 2020 and 31 December 2019, the Group's borrowings were repayable as follows:

	Bank loans and syndicated loan	
	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Within 1 year	**1,546,752**	1,257,290
Between 1 and 2 years	**1,662,255**	1,301,634
Between 2 and 5 years	**90,638**	763,418
Over 5 years	**151,669**	103,879
	3,451,314	3,426,221

Notes:

(a) As at 31 December 2019, the Group's bank loan of RMB100,000,000 was secured by its bank deposits amounted to RMB100,000,000. Such borrowing was subsequently repaid during the six months ended 30 June 2020.

As at 30 June 2020, the repayment obligation of the Company amounting to RMB1,277,735,000 (31 December 2019: RMB1,438,486,000) under the Syndicated Loan Facility was secured by guarantees executed by wholly-owned subsidiaries of the Company, namely Jiuzhou Tourist Development Company Limited ("JTD") and Jiuzhou Tourism Property Company Limited ("JTP"), and a charge over a bank account amounted to RMB133,245,000 (31 December 2019: RMB6,194,000) of the Company in favour of the facility agent on behalf of the lenders.

As at 30 June 2020, the repayment obligation of the Company amounting to RMB182,053,000 (31 December 2019: RMB178,804,000) under a bank term loan facility was secured by guarantees executed by JTD and JTP and secured by a charge over a bank account amounted to RMB9,148,000 (31 December 2019: RMB8,971,000) of the Company in favour of the facility agent on behalf of the lenders.

As at 30 June 2020, the Company has executed guarantees in respect of a bank loan of RMB229,550,000 (31 December 2019: RMB149,167,000) borrowed by Zhuhai Jiuzhou Property Development Limited, a wholly-owned subsidiary of the Company. As at 30 June 2020, the repayment obligation was also secured by leasehold buildings with carrying amount of approximately RMB32,000,000 (31 December 2019: RMB50,000,000).

17 INTEREST-BEARING BANK BORROWINGS (continued)

Notes: (continued)

(a) (continued)

As at 30 June 2020, bank borrowings of RMB30,000,000 (31 December 2019: RMB30,000,000) were secured by all rights and income under service concession arrangement.

(b) As at 30 June 2020, bank borrowings of RMB128,059,000 (31 December 2019: RMB187,342,000) were guaranteed by the Zhuhai High-speed Passenger Ferry Co., Ltd ("Ferry Company").

As at 30 June 2020, a bank loan of RMB723,000,000 (31 December 2019: RMB899,000,000) borrowed by Zhuhai Jiuzhou Holdings Property Development Co., Ltd ("ZJ Development") was guaranteed by Zhuhai Jiuzhou Holdings Group Co., Ltd ("ZJ Holdings"), a shareholder of the Company, and the Company up to RMB780,000,000 (31 December 2019: RMB780,000,000) and RMB1,170,000,000 (31 December 2019: RMB1,170,000,000) respectively.

As at 30 June 2020, a bank loan of RMB30,000,000 (31 December 2019: Nil) borrowed by ZJ Development was guaranteed by ZJ Holdings and the Company up to RMB12,000,000 (31 December 2019: nil) and RMB18,000,000 (31 December 2019: nil) respectively.

Among the unsecured bank borrowings of RMB1,731,976,000 as at 30 June 2020 (31 December 2019: RMB1,529,764,000), of which RMB850,917,000 (31 December 2019: RMB443,422,000) were not guaranteed.

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

(d) Borrowings bear average interest rate of 2.5%-6.3% per annum (2019: 0.5% – 6.65% per annum). The capitalisation rate of borrowings for assets under construction was 4.41% (2019: 4.70%) for the six months ended 30 June 2020.

18 CONTRACT ASSETS

As at 30 June 2020 and 31 December 2019, the balances of contract assets were related to a service concession agreement under financial asset model in which requires the Group to construct river-regulating facilities in the first two years and provide river maintenance service for the subsequent thirteen years in Zhuhai City.

When the construction progress is certified and the Group has an unconditional right to receive cash or other financial assets from the local government, the contract assets would be reclassified and measured as receivables under service concession arrangement accordingly. Since the amount is due from the local government, management considers the credit risk is low.

19 SHARE CAPITAL

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Shares		
Authorised:		
4,000,000,000 (2019: 4,000,000,000) ordinary shares of HK$0.10 each	**376,170**	376,170
Issued and fully paid:		
1,427,797,174 (2019: 1,427,797,174) ordinary shares of HK$0.10 each	**142,874**	142,874

20 RELATED PARTY TRANSACTIONS

As at 30 June 2020, the Company's controlling shareholder is ZJ Holdings, which is a state-owned enterprise established in the PRC. As at 30 June 2020, ZJ Holdings' equity interest in the Company was 61.50% (31 December 2019: 42.20%). The transactions with related parties were conducted in the ordinary and usual course of business in accordance with terms agreed between the Group and its related parties.

20 RELATED PARTY TRANSACTIONS (continued)

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

Name	Relationship with the Company	Nature	Six months ended 30 June 2020 RMB'000	2019 RMB'000
Zhuhai Wanshan Port Co., Ltd.	A joint venture of ZJ Holdings	Commission expenses	**629**	5,696
Zhuhai Jiuzhou Property Management Co., Ltd	A subsidiary of ZJ Holdings	Cleaning expense	**897**	1,718
三亞藍色幹線旅遊發展有限公司	An associate	Rental income	**3,690**	3,746
深圳市機場高速客運有限公司	An associate	Interest income	**328**	109
珠海市珠澳輪渡有限公司	A joint venture	Purchase of vessel	**–**	2,405
Zhuhai Jiuzhou Travel Transport Co., Ltd.	An associate of ZJ Holdings	Sales of diesel and petrol	**306**	1,817
ZJ Holdings	A shareholder	Interest expense of lease liabilities	**79**	218
		Short-term lease payments	**5,717**	2,927
		Management fees	**251**	861
Zhuhai Jiuzhou Blue Seajet Investment Holdings Co., Ltd (formerly known as Zhuhai Jiuzhou Shipping Co., Ltd)	A subsidiary of ZJ Holdings	Interest expense of lease liabilities	**106**	217
		Variable lease payments	**–**	5,663
Zhuhai Jiuzhou Passenger Port and Development Co., Ltd	A subsidiary of ZJ Holdings	Expenses for port service	**957**	4,210

20 RELATED PARTY TRANSACTIONS (continued)

(b) Other transactions with related parties

In addition, pursuant to various agreements, Jiuzhou Port Company, a subsidiary of the Group, was granted by ZJ Holdings, the rights to use the port facilities at the Jiuzhou Port for a period up to 27 March 2040 at a lump sum payment of approximately RMB33,000,000. The port facilities include certain buildings and structures erected at the Jiuzhou Port.

Net book value of RMB11,313,000 (31 December 2019: RMB11,601,000) was included in right-of-use assets as at 30 June 2020. Depreciation expense of RMB288,000 (2019: RMB288,000) was recognised during the six months ended 30 June 2020.

(c) Key management compensation

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**897**	1,281
Pension costs – defined contribution plans	**49**	100
	946	1,381

(d) Transactions and balances with other state-owned enterprises in the PRC

The Group operates in an economic environment predominated by state-owned enterprises. During the period, the Group had transactions with state-owned enterprises including, but not limited to lease of port facilities and properties.

For the purpose of related party transactions disclosure, the Group has in place procedures to assist the identification of the immediate ownership structure of its customers and suppliers as to whether they are state-owned enterprises. However, many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs.

20 RELATED PARTY TRANSACTIONS (continued)

(d) Transactions and balances with other state-owned enterprises in the PRC (continued)

Nevertheless, the Directors consider that transactions with other state-owned enterprises are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and other state-owned enterprises are ultimately controlled or owned by the PRC Government. The Group has also established pricing policies for products and services, and such pricing policies do not depend on whether or not the customers are state-owned enterprises. Having due regard to the substance of the relationships, the Directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure. The Directors are of opinion that such transactions were conducted in the ordinary course of business and in accordance with normal commercial terms.

21 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).

22 CAPITAL COMMITMENTS

As at 30 June 2020, the Group had the following contracted, but not provided for, commitments:

(a) In respect of acquisition of property, plant and equipment of RMB792,244,000 (31 December 2019: RMB841,804,000).

(b) In respect of construction works related to properties under development of RMB1,977,833,000 (31 December 2019: RMB393,752,000).

(c) In respect of construction works related to service concession arrangement of RMB208,062,000 (31 December 2019: RMB396,051,000).

The Group entered into an agreement with an independent third party to pay an annual management fee of RMB24,000,000 for a period of 90 months till 2021 for management of the property development project of the Group. At the end of the reporting period, total management fee commitment falling due was as follows:

	As at 30 June 2020 RMB'000	As at 31 December 2019 RMB'000
Within one year	**24,000**	24,000
In the second to fifth years, inclusive	**—**	12,000
	24,000	36,000

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2020 and 31 December 2019 on a recurring basis:

At 30 June 2020	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at fair value through other comprehensive income (FVOCI)				
– Equity investments of a listed entity in HK	8,221	–	–	8,221
Securities measured at fair value through profit or loss				
– Trading securities of a listed entity in HK	208	–	–	208
	8,429	–	–	8,429

23 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

At 31 December 2019	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets				
Financial assets at FVOCI				
– Equity investments of a listed entity in HK	8,152	–	–	8,152
Securities measured at fair value through profit or loss				
– Trading securities of a listed entity in HK	287	–	–	287
	8,439	–	–	8,439

The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. There were no transfer of financial assets in the fair value hierarchy classification during the period.

24 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.

25 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.

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 Zhuhai Holdings Investment Group Limited (the "Company") and its subsidiaries (collectively, referred to as 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 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 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 2017"), pursuant to which a project facility ("Project Facility") of up to RMB300 million was agreed to be granted by the Bank Lender 2017 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 2019") pursuant to which a project facility of up to RMB550 million was agreed to be granted by the Bank Lender 2019 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 interim report, 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 interim report, 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 2019 to secure the project facility from the Bank Lender 2019 pursuant to the September 2019 Project Facility Agreement and collateral agreement dated 20 September 2019 entered into between, among others, JPD and the Bank Lender 2019.

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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SHARE OPTION SCHEME

The share option scheme (the "Share Option Scheme") was adopted by ordinary resolution passed by the shareholders of the Company on 28 May 2012. Under the Share Option Scheme, the directors of the Company may grant options to subscribe for shares of the Company to eligible participants, including but not limited to employees of the Group, directors of the Company and its subsidiaries.

During the Period Under Review, no share options were granted, exercised, cancelled or had lapsed under the Share Option Scheme. Moreover, the Company had no share options outstanding under the Share Option Scheme as at 30 June 2020.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2020, none of the directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified by the directors or chief executives to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO or the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix 10 to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2020, the following persons/parties (other than the directors and chief executive of the Company, whose interests have been disclosed in the above section headed as "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations") had interests of 5% or more in the shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and as to knowledge of the Company:

Long positions in ordinary shares of the Company:

Name of substantial shareholders	Number of ordinary shares	Nature of interest	Approximate percentage of the Company's issued ordinary share capital *(Note 1)*
Zhuhai Jiuzhou Holdings Group Co., Ltd. ("ZJ Holdings") *(Note 2)*	878,155,109	Beneficial owner and interest of controlled corporation	61.50%
Longway Services Group Limited ("Longway") *(Note 2)*	642,955,109	Beneficial owner	45.03%
Mr. Kwok Hoi Hing *(Note 3)*	116,428,000	Beneficial owner	8.15%

Note 1 The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at 30 June 2020 (i.e., 1,427,797,174 shares).

Note 2 Out of the 878,155,109 shares of the Company held by ZJ Holdings, 642,955,109 shares are owned by Longway, a wholly-owned subsidiary of ZJ Holdings. The remaining 235,200,000 shares are owned by ZJ Holdings.

Note 3 Mr. Kwok Hoi Hing, who tendered his resignation from the position of non-executive Director of the Company with effect from 29 May 2020 to focus on other commitments, held interest in the 116,428,000 shares as at 30 June 2020.

Save as disclosed above, as at 30 June 2020, the Company had not been notified by any persons (other than the directors and chief executive of the Company, whose interests are set out in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares of the Company and its Associated Corporations" above), who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

Throughout the Period Under Review, the Company 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.

INTERIM DIVIDEND

The board of Directors (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).

CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in directors' information since the publication of the Company's 2019 annual report are set out below:

Director	Details of changes
Mr. Zeng Jianping	(i) appointed as chairman of the Board, chairman of the Nomination Committee, Authorized Representative and Agent for the Service of Process in Hong Kong with effect from 29 June 2020 upon the conclusion of the Annual General Meeting of the Company (the "AGM"); (ii) appointed as the vice president of Guangdong Tourism Association as at July 2020
Mr. Huang Xin	retired as an executive Director, chairman of the Board, chairman of the Nomination Committee, Authorized Representative and Agent for the Service of Process in Hong Kong with effect from 29 June 2020 upon the conclusion of the AGM

Mr. Jin Tao	appointed as the president of Zhuhai Tourism Federation as at July 2020
Mr. Ye Yuhong	(i) appointed as a Director of Zhuhai Huafa Group Co. Ltd. as at July 2020; (ii) resigned as the deputy secretary of CPC Committee and the secretary of Discipline Inspection Commission of ZJ Holdings as at July 2020
Datuk Wira Lim Hock Guan	resigned as a non-executive Director with effect from 29 May 2020
Mr. Lim Seng Lee	ceased to act as alternate Director to Datuk Wira Lim Hock Guan with effect from 29 May 2020
Mr. Kwok Hoi Hing	resigned as a non-executive Director with effect from 29 May 2020
Mr. Zhu Minming	ceased to act as alternate Director to Mr. Kwok Hoi Hing with effect from 29 May 2020
Mr. Chu Yu Lin	resigned as an independent non-executive Director of Chuang's China Investments Limited (Stock code: 298) with effect from 8 June 2020

By Order of the Board of Directors
Zeng Jianping
Chairman

Hong Kong, 28 August 2020