

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED

### 珠海控股投資集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00908)**

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

### ANNUAL RESULTS

The board of directors (the “Board”) of Zhuhai Holdings Investment Group Limited (the “Company”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “Group”) for the financial year ended 31 December 2020 (“FY2020”), together with comparative figures for the previous financial year (“FY2019”) as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 December 2020*

	<i>Note</i>	<b>2020</b> <b>RMB'000</b>	2019 RMB'000
<b>Revenue</b>	2	<b>9,862,623</b>	11,812,280
Cost of sales	4	<b>(8,553,472)</b>	(10,568,230)
Gross profit		<b>1,309,151</b>	1,244,050
Other income and gains, net	3	<b>102,750</b>	88,060
Selling and distribution expenses	4	<b>(91,693)</b>	(135,813)
Administrative expenses	4	<b>(237,883)</b>	(230,299)
Other expenses	4	<b>(2,892)</b>	(2,107)
Net impairment losses on financial assets		<b>(59,794)</b>	(5,005)
Finance expenses	5	<b>(40,152)</b>	(23,763)
Share of profits/(loss) of:			
Joint ventures		<b>2,733</b>	(2,105)
Associates		<b>(7,662)</b>	3,449
<b>Profit before tax</b>		<b>974,558</b>	936,467
Income tax expense	6	<b>(735,796)</b>	(656,139)
<b>Profit for the year</b>		<b>238,762</b>	280,328

	<i>Note</i>	<b>2020</b> <i>RMB'000</i>	2019 <i>RMB'000</i>
Profit attributable to:			
Owners of the Company		<b>44,353</b>	81,069
Non-controlling interests		<b>194,409</b>	199,259
		<u><b>238,762</b></u>	<u>280,328</u>
<b>Earnings per share attributable to owners of the Company for the year</b>	<b>7</b>		
Basic earnings per share		<u><b>RMB3.11 cents</b></u>	<u>RMB5.68 cents</u>
Diluted earnings per share		<u><b>RMB3.11 cents</b></u>	<u>RMB5.68 cents</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	2020 <i>RMB'000</i>	2019 <i>RMB'000</i>
<b>Profit for the year</b>	<b>238,762</b>	280,328
<b>Other comprehensive income/(loss)</b>		
<i>Item that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>70,481</u>	<u>(22,601)</u>
	<u>70,481</u>	<u>(22,601)</u>
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of defined benefit obligations	7,249	(9,356)
(Loss)/gain on property revaluation	(9,154)	4,906
Fair value loss on financial assets at fair value through other comprehensive income	<u>(1,333)</u>	<u>(440)</u>
	<u>(3,238)</u>	<u>(4,890)</u>
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<u>67,243</u>	<u>(27,491)</u>
<b>Total comprehensive income for the year</b>	<u><u>306,005</u></u>	<u><u>252,837</u></u>
<b>Attributable to:</b>		
Owners of the Company	110,037	54,288
Non-controlling interests	<u>195,968</u>	<u>198,549</u>
	<u><u>306,005</u></u>	<u><u>252,837</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	As at 31 December 2020	As at 31 December 2019
<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>		
Property, plant and equipment	1,516,052	1,463,042
Right-of-use assets	339,700	385,888
Investment properties	37,900	32,360
Properties under development	2,169,029	2,087,070
Intangible asset	3,865	3,865
Interests in joint ventures	82,641	85,010
Interests in associates	46,012	45,387
Loan to an associate	9,039	15,000
Financial assets at fair value through other comprehensive income	6,396	8,152
Prepayments and deposits	23,179	25,251
Contract assets	342,739	182,056
Restricted bank balances	–	8,971
Due from a shareholder	4,668	–
Deferred tax assets	75,954	78,166
	<hr/>	<hr/>
Total non-current assets	4,657,174	4,420,218
<b>Current assets</b>		
Properties under development	3,326,231	3,367,630
Completed properties held-for-sale	1,008,647	786,643
Securities measured at fair value through profit or loss	240	287
Inventories	14,086	19,950
Trade receivables	528,890	510,272
Prepayments, deposits and other receivables	979,331	902,064
Factoring receivables	327,933	581,780
Prepaid tax	545,692	417,227
Due from related companies	18,343	19,519
Due from a shareholder	2,334	–
Restricted bank balances	686,352	923,718
Time deposits	–	5,000
Cash and cash equivalents	1,705,916	1,452,837
	<hr/>	<hr/>
Total current assets	9,143,995	8,986,927
	<hr/>	<hr/>
<b>Total assets</b>	<b>13,801,169</b>	<b>13,407,145</b>

		As at 31 December 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
	<i>Note</i>		
<b>Current liabilities</b>			
Trade and bill payables	10	714,238	597,515
Deferred income, accrued liabilities and other payables		604,325	373,642
Contract liabilities		2,298,311	2,365,642
Construction payables		1,096,766	1,014,192
Interest-bearing bank borrowings		1,910,514	1,257,290
Lease liabilities		3,900	14,015
Tax payable		1,453,443	1,063,618
Due to a shareholder		10,255	8,598
Due to related companies		35,662	34,899
		<u>8,127,414</u>	<u>6,729,411</u>
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings		892,808	2,168,931
Lease liabilities		5,538	14,009
Contract liabilities		200,042	203,342
Deferred tax liabilities		602,414	617,767
Defined benefit obligations		131,887	135,726
		<u>1,832,689</u>	<u>3,139,775</u>
<b>Total liabilities</b>		<u>9,960,103</u>	<u>9,869,186</u>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		142,874	142,874
Reserves		1,941,667	1,831,630
		<u>2,084,541</u>	<u>1,974,504</u>
<b>Non-controlling interests</b>		1,756,525	1,563,455
		<u>3,841,066</u>	<u>3,537,959</u>
<b>Total equity</b>		<u>3,841,066</u>	<u>3,537,959</u>
<b>Total equity and liabilities</b>		<u>13,801,169</u>	<u>13,407,145</u>

## NOTES

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented. The financial statements are for the Group consisting of the Company and its subsidiaries.

#### 1.1 Basis of preparation

(a) *Compliance with HKFRSs and HKCO*

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and disclosure requirements of the Hong Kong Companies Ordinance (“HKCO”) Cap. 622.

(b) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis as modified by the revaluation of buildings classified as property, plant and equipment, revaluation of investment properties, financial assets at fair value through other comprehensive income and securities measured at fair value through profit or loss, which are carried at fair value.

(c) *Amendments to existing standards and interpretation adopted by the Group*

The Group has applied the following amendments to existing standards and interpretation for the first time for their reporting commencing 1 January 2020:

<b>Standards</b>	<b>Subject of amendment</b>
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 HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform — Phase 1

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

(d) *New standards, amendments to existing standards and interpretation not yet adopted*

Certain new standards, amendments to existing standards and interpretation have been published that are not mandatory for 31 December 2020 reporting period and have not been early adopted by the Group:

<b>Standards</b>	<b>Subject of amendment</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2	1 January 2021
Annual Improvements to HKFRS Standards 2018–2020	Annual Improvements to HKFRS Standards 2018–2020	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to HKAS 37	Onerous Contract: Cost of Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Revised Accounting Guideline 5	Merger Accounting for Common Control Combination	1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
HKFRS 17	Insurance Contracts	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

## **2 OPERATING SEGMENT INFORMATION**

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

Executive directors monitor the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of profit/(loss) before tax. The profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance expenses, and share of profits/(loss) 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 ("the 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 holiday resort hotels;
- (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 factoring services; and
- (h) the corporate and others segment comprises the Group's investment holding and trading of securities, together with corporate expense items.

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

Segment liabilities exclude interest-bearing bank borrowings, tax payable, amounts due to a shareholder and related companies, and deferred tax liabilities as these liabilities are managed on group basis.

For the year ended 31 December 2020, two customers of the Group individually accounted for 10% or more (2019: three customers of the Group individually accounted for 10% or more) of the Group's total revenue.



The following tables present revenue and results for the Group's operating segments for the years ended 31 December 2020 and 2019.

	Green Leisure Tourism and Composite Real Estate						Public Utilities and Financial Investments						Consolidated									
	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			
	2020	2019		2020	2019		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
<b>Segment revenue:</b>																						
Sales to external customers	155,463	545,972	102,929	134,429	15,647	31,541	2,993,382	2,534,937	37,229	33,617	6,524,273	8,475,929	33,690	55,855	-	-	-	-	-	-	9,862,623	11,812,280
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	29,662	86,981	-	-	-	(29,662)	(86,981)	-	-	-	-	-
<b>Total</b>	<b>155,463</b>	<b>545,972</b>	<b>102,929</b>	<b>134,429</b>	<b>15,647</b>	<b>31,541</b>	<b>2,993,382</b>	<b>2,534,937</b>	<b>37,229</b>	<b>33,617</b>	<b>6,553,935</b>	<b>8,562,910</b>	<b>33,690</b>	<b>55,855</b>	<b>-</b>	<b>(29,662)</b>	<b>(86,981)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,862,623</b>	<b>11,812,280</b>
<b>Segment results</b>	<b>(39,944)</b>	<b>218,064</b>	<b>(25,790)</b>	<b>(12,435)</b>	<b>(32,708)</b>	<b>(13,574)</b>	<b>1,166,977</b>	<b>795,469</b>	<b>(14,694)</b>	<b>(21,339)</b>	<b>43,868</b>	<b>64,904</b>	<b>(32,763)</b>	<b>40,108</b>	<b>(52,359)</b>	<b>(29,662)</b>	<b>(86,981)</b>	<b>(53,223)</b>	<b>(29,662)</b>	<b>(86,981)</b>	<b>982,925</b>	<b>930,993</b>
Interest income																					36,714	27,893
Finance expenses																					(40,152)	(23,763)
Share of profits/(loss) of:																						
Joint ventures	2,733	(2,105)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,733	(2,105)
Associates	(7,669)	3,416	-	-	-	-	-	-	-	-	7	33	-	-	-	-	-	-	-	-	(7,662)	3,449
Profit before tax																					974,558	936,467
Income tax expense																					(735,796)	(656,139)
<b>Profit for the year</b>																					<b>238,762</b>	<b>280,328</b>



Disaggregation of revenue:

	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	<i>RMB'000</i>
Timing of revenue recognition		
— At a point in time	<b>9,490,310</b>	10,968,238
— Over time	<b>316,641</b>	775,825
	<hr/>	<hr/>
Revenue under HKFRS 15	<b>9,806,951</b>	11,744,063
Revenue from other sources	<b>55,672</b>	68,217
	<hr/>	<hr/>
	<b>9,862,623</b>	11,812,280
	<hr/> <hr/>	<hr/> <hr/>

### 3 OTHER INCOME AND GAINS, NET

	<b>Year ended 31 December</b>	
	<b>2020</b>	2019
	<b>RMB'000</b>	<i>RMB'000</i>
Interest income	<b>36,714</b>	27,893
Government grants ( <i>Note</i> )	<b>33,836</b>	20,635
Rental income	<b>17,047</b>	24,726
Fair value gain on investment properties	<b>5,540</b>	890
Net fair value loss on securities measured at fair value through profit or loss	<b>(31)</b>	(12)
Gains/(losses) on disposal and write-off of property, plant and equipment	<b>3,817</b>	(2,284)
Exchange (losses)/gains	<b>(12,315)</b>	572
Others	<b>18,142</b>	15,640
	<hr/>	<hr/>
	<b>102,750</b>	88,060
	<hr/> <hr/>	<hr/> <hr/>

*Note:* There are no unfulfilled conditions or other contingencies attaching in these grants.

#### 4 EXPENSES BY NATURE

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Advertising and promotion expenses	43,410	49,503
Auditors' remuneration		
— Audit services	1,996	2,029
— Non-audit services	1,827	1,240
Commission fee	15,463	50,395
Cost of inventories sold	6,485,949	8,465,795
Cost of properties sold	1,680,410	1,627,236
Depreciation of property, plant and equipment	61,031	70,335
Depreciation of right-of-use assets	28,445	28,555
Employee benefit expenses (including directors' remuneration)	282,028	302,484
Expenses related to short-term lease payments	11,964	11,806
Expenses related to variable lease payments	2,747	21,697
Fair value loss on revaluation of property, plant and equipment	1,859	—
Fuel and utilities expenses	21,253	66,788
Impairment loss on interest in a joint venture	5,102	—
Impairment loss on property, plant and equipment	9,448	—
Land use tax	12,733	13,406
Repairs and maintenance	35,896	42,668
PRC miscellaneous taxes	26,396	22,066
Others	157,983	160,446
	<u>8,885,940</u>	<u>10,936,449</u>
Total cost of sales, selling and distribution expenses, administrative expenses and other expenses		

#### 5 FINANCE EXPENSES

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Interest on bank loans	119,481	161,700
Interest on lease liabilities	765	1,298
Others	—	644
Less: Interest capitalised	(80,094)	(139,879)
	<u>40,152</u>	<u>23,763</u>

## 6 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

The Group's subsidiary established in the PRC is subject to a corporate income tax rate of 25% (2019: 25%).

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

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

	Year ended 31 December	
	2020	2019
	RMB'000	RMB'000
Current income tax:		
— Hong Kong	3	(1)
— PRC corporate income tax and PRC withholding tax	271,749	279,252
— Current PRC land appreciation tax	474,105	403,568
Deferred income tax	(10,061)	(26,680)
	<u>735,796</u>	<u>656,139</u>

## 7 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

### (a) Basic

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

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company of approximately RMB44,353,000 (2019: profit for the year attributable to owners of the Company of approximately RMB81,069,000) and the weighted average number of ordinary shares in issue during the year of 1,427,797,174 (2019: 1,427,797,174).

### (b) Diluted

For the years ended 31 December 2020 and 2019, diluted earnings per share equals to basic earnings per share as there was no potential dilutive ordinary shares outstanding.

## 8 DIVIDENDS

The dividends paid in the years ended 31 December 2020 and 2019 in respect of final dividend of 2019 and 2018 were nil and RMB25,130,000 (HK2 cents per share) respectively.

No dividend was proposed for ordinary shareholders during the years ended 31 December 2020 and 2019.

## 9 TRADE RECEIVABLES

	<b>As at 31 December 2020 RMB'000</b>	<b>As at 31 December 2019 RMB'000</b>
Trade receivables	543,557	523,200
Less: Allowance for impairment of trade receivables	<u>(14,667)</u>	<u>(12,928)</u>
	<b><u>528,890</u></b>	<b><u>510,272</u></b>

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

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

	<b>As at 31 December 2020 RMB'000</b>	<b>As at 31 December 2019 RMB'000</b>
Current to 3 months	534,307	515,309
4 to 6 months	495	122
7 to 12 months	3,727	1
Over 12 months	<u>5,028</u>	<u>7,768</u>
	<b><u>543,557</u></b>	<b><u>523,200</u></b>

## 10 TRADE AND BILL PAYABLES

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

	As at 31 December 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
Current to 3 months	483,413	515,289
4 to 6 months	3,808	3,025
7 to 12 months	429	354
Over 12 months	6,738	4,679
	<u>494,388</u>	<u>523,347</u>
Bill payables	219,850	74,168
	<u>714,238</u>	<u>597,515</u>

## 11 FINANCIAL GUARANTEES

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 RMB1,478,624,000 (2019: RMB1,791,563,000) as at 31 December 2020. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser; or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

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

Except for the financial guarantees as disclosed above, the Group had no material contingent liabilities as at 31 December 2020.

## 12 EVENTS OCCURRING AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

- (a) On 22 January 2021, Longway Services Group Limited, a wholly-owned subsidiary of ZJ Holdings, which is a shareholder of the Group, put forward a proposal for the privatisation and withdrawal of the Group's listing status at a price of HK\$3.06 per share. A joint announcement was published by Longway Services Group Limited and the Group on 22 January 2021 for shareholders information.
- (b) The Company entered into a loan facility of up to HK\$300,000,000 (approximately RMB252,492,000) with a bank and drew down HK\$285,000,000 (approximately RMB239,867,000) on 12 March 2021.
- (c) The Company entered into a term loan facility of up to HK\$500,000,000 (approximately RMB420,820,000) with a bank on 26 March 2021.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During FY2020, affected by the COVID-19 outbreak (the “**Epidemic**”), the global economy and health safety faced a severe crisis. In order to effectively contain the spread of the Epidemic, most enterprises chose to suspend work and production in phases, thus disrupted the global supply chain and caused varying degrees of impact on numerous industries. The businesses operated by the Group were also hit hard during the Epidemic. Despite the depressed sentiment, the Group arranged for staff to learn on scientific epidemic prevention. Subsequently, the Board and the management of the Company 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 minimise the impact of the Epidemic.

The audited consolidated income of the Group was approximately RMB9,862,623,000 for FY2020, representing a decrease of 17% as compared with approximately RMB11,812,280,000 for FY2019. The gross profit of the Group for FY2020 was RMB1,309,151,000, representing an increase of approximately 5% as compared with approximately RMB1,244,050,000 for FY2019. The consolidated profit for FY2020 was RMB238,762,000, representing a decrease of approximately 15% as compared with approximately RMB280,328,000 for FY2019. In addition, the consolidated profit attributable to owners of the Company was RMB44,353,000, representing a decrease of approximately 45% as compared with approximately RMB81,069,000 for FY2019.

The decrease in profit mentioned above is mainly attributable to the combined effects of the decrease in revenue or increase in loss (as the case may be) in respect of (i) the Jiuzhou Blue Sea Jet and Blue Marine Tourism business as a result of certain measures 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 and tourist attraction 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 business of the Group due to net impairment losses on financial assets, a decrease in traffic and a drop in market demand for fuel oil during the Epidemic, despite substantial increase in revenue and segment results recognised from the property development business of the Group as a result of the change in sales mix of property units in Zhuhai Cuihu Xiangshan High-end Tourism Real Estate Project.

The Company’s principal businesses include Jiuzhou Blue Sea Jet and Blue Marine Tourism, Green Leisure Tourism and Composite Real Estate, and Public Utilities and Financial Investments.



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

### 1.1 Jiuzhou Blue Sea Jet

During FY2020, Zhuhai High-speed Passenger Ferry Co., Ltd.\* (珠海高速客輪有限公司) (“**Ferry Company**”), a non wholly-owned subsidiary of the Company, and its subsidiaries (collectively, “**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 its Blue Marine Tourism and advance its external projects, as well as facilitate its transition from “traditional maritime transportation” to “maritime transportation + tourism”. Its Blue Marine Tourism business and the external projects are in progress steadily.

In FY2020, due to the continued impact of the Epidemic, the routes between Guangdong and Hong Kong were shut down, while the rest of the routes resumed in an orderly manner but maintained relatively low operation levels. In FY2020, Ferry Company actively assisted in preparing for the orderly resumption of various routes, formulated pre-resumption marketing plans, optimised pipeline laying, enhanced publicity and promotion, stabilised the number of passengers of different routes, promoted the influence of domestic routes and tourism routes, actively searched for publicity channels, actively introduced, promoted the development of routes and enhanced the influence of the brand of tourism routes. In FY2020, a total of 696,500 passengers were carried on all the routes, representing a year-on-year decrease of 70.8%. Among which, the passenger volume of domestic routes, after experiencing a trough period in the first half of the year, with a phased victory in the prevention and control of the epidemic across the country in the second half of the year, reached a peak during the summer vacation time in August and the Mid-Autumn Festival and National Day holidays in October following the outbreak. Tourism routes gradually recovered in the second half of the year. The routes between Guangdong and Hong Kong has not yet resumed service due to the impact of overseas epidemic situation. The Company has continued to pay attention to the actions of the Hong Kong government and contacted and coordinated between the joint-inspection units at crossings, the transportation bureau and other relevant departments to make sufficient preparations for the resumption of Hong Kong district routes.

In order to build a coastal leisure tourism zone in Guangdong-Hong Kong-Macao Greater Bay Area and to promote the development of regional tourism in Zhuhai, the Ferry Group has adopted “Blue Marine Tourism” as its strategic direction, deeply explored the tourism resources in the Greater Bay Area and actively facilitated the transition to “maritime transportation + tourism”. In order to seize the historical opportunities, help the development of Guangdong-Hong Kong-Macao Greater Bay Area, and promote the interconnection and intercommunication between Zhuhai and Macao, leverage on the passenger flow of Macau International Airport and Gongbei Port, take advantage of the location of Jiuzhou Port, and expand route coverage, Ferry Group has embarked on the opening of Macao Taipa maritime passenger transport route.

In addition, the safety management system of the Ferry Company successfully completed the renewal audits of Document of Compliance (符合證明) of the Maritime Safety Administration of the PRC. In FY2020, the Ferry Company was once again awarded the title of the “Safe and Honest Company” (安全誠信公司) by the Maritime Safety Administration of the PRC, which it has maintained for 13 consecutive years up until now, being the only high-speed ferry company in the PRC to obtain this achievement for 13 years in a row.

In order to grasp the external development opportunities and achieve the strategic target of promoting “Jiuzhou Blue Sea Jet” as an international brand, Hunan Jiuzhou Longxiang Marine Tourism Passenger Transport Company Limited\* (湖南九洲龍驤水上客運有限責任公司) (“**Changsha JV Company**”), a joint venture enterprise, formed by Zhuhai Haichang Investment Company Limited\* (珠海海昌投資有限公司) (“**Haichang Investment Company**”), a wholly-owned subsidiary of the Ferry Company, Hunan Longxiang Juzizhou Travel Services Development Company Limited\* (湖南龍驤橘子洲旅遊服務開發有限責任公司) and other parties, adjusted its cooperation pipelines. In FY2020, Changsha JV Company completed the sponsorship advertising of “Jiuzhou Longxiang” (九洲龍驤) cruise liners, undertook the media launch of Hunan TV’s “Chinese Restaurant 4” (中餐廳4) and further promoted the brand of “Xiangjiang Cruise — Juzhou Star” (湘江遊輪•橘洲之星). “Xiangjiang Night Tour” (橘洲之星湘江夜遊) was selected as a demonstration project for cultural and tourism consumption in Changsha in 2020.

In 2015, the Company entered into a Hainan strategic co-operation framework agreement (“**Hainan Framework Agreement**”) with CCCC Hainan Construction Investment Limited\* (中交海南建設投資有限公司) (“**CCCC Company**”) in relation to the co-operation projects (“**Hainan Projects**”) in the maritime tourism and transportation in Hainan and Guangdong provinces in the PRC. Under these projects, an interconnected water transportation network between the east and west coastal bays was gradually built and a series of thematic tour brands was launched. In FY2020, with increased capacity, Hainan Projects expanded into the market of nearshore tour and took a position in Sanya’s marine tourism market, actively facilitated the approval of subsidies for maritime bus, implemented safety management, improved service quality, and was awarded the titles of “Sanya Youth of Civilisation Entity” (三亞市青年文明號) and the “CCCG Youth Production Safety Model Post” (中交集團青年安全生產示範崗), which enhanced the market influence and core competitiveness of the brand of Ferry Company. Leveraged its maritime transport network in Sanya, Hainan Projects also linked up with rail transport in Sanya to open up “rail-sea combined transport” and enrich the tourism transport network in Sanya.

## 1.2 Blue Marine Tourism

With the favourable 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\* (珠澳海灣遊) route and opened the ferry route from Wanchai Port, Zhuhai\* (珠海灣仔口岸) 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 FY2020, 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) and “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) by Guangdong Provincial Transportation Association\* (廣東省交通運輸協會).

Due to the impact of the Epidemic, the total number of tourists that Jiuzhou Cruises Company received was 318,900 during FY2020, with a year-on-year decrease of 770,300 when compared to 1,089,200 in FY2019, representing a decrease of 70.7%. 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 between 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 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 (“**Guishan Homestay Project**”) on the Guishan Island\* (桂山島), Zhuhai of the PRC, involving the featured cultural industry and homestay tourism industry. During FY2020, 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 optimised 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 FY2020, Changsha Water Project, Sanya Blue Sea Jet, Taizhou Rongyuan Project, Sailboat Station Project and the Shuttle Bus Project 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 Ferry 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 FY2020, 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. 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 Organising Committee\* (二零一九年「一帶一路」粵菜產業發展論壇暨珠港澳美食旅遊文化節組委會), and was recognised as a training base for “Cantonese cuisine masters”\* (粵菜師傅) in Zhuhai in 2020 by the Human Resources and Social Security Bureau of Zhuhai\* (珠海市人力資源和社會保障局). 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 organisers in writing, thereby laying a solid foundation for the marketing of the hotel brand.

## 2.2 *New Zhuhai Holiday Resort Hotel Renovation 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 Company**”), a wholly-owned subsidiary of the Company, made every effort to promote the completion of the New Hotel 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, the new hotel officially commenced business in August 2020.

As the Phase 2 commercial office complex project entered the construction stage of installing pile foundations such as soldier piles and cement-soil mixing piles, JPD Company 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 FY2020, 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 1,062,000 visitors. New Yuanming Palace was awarded the title of “2020 Most Anticipated Tourism Destination in Guangdong” (2020廣東最受期待旅遊目的地); “2019 Zhuhai Civilised Tourism Voluntary Service Outstanding Organisation Gold Award” (2019年度珠海市文明旅遊志願服務優秀組織金獎); “Outstanding Organisation Award” in 2020 Zhuhai Tourism Enterprise Fire Fighting Skills Competition (2020年度珠海市旅遊企業消防技能競賽活動), and became a member of Guangdong Study Travel Association\* (廣東省研學旅行協會). During FY2020, 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. 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.

## 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. In FY2020, the number of visitors to the Fantasy Water World was approximately 116,700, representing a year-on-year decrease of 92,500 or about 44.2%. 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 Property Development Company**”), a non wholly-owned subsidiary of the Company, continued to develop the Cuihu Xiangshan Project. During FY2020, ZJ Property Development Company recognised substantial increase in revenue and segment results due to the change in sales mix of property units of the Cuihu Xiangshan Project delivered to buyers. In terms of sales strategies, ZJ Property Development Company 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 Cuihu Xiangshan Project. ZJ Property Development Company 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, operated by Zhuhai Jiuzhou Holdings Sports Management Co., Ltd.\* (珠海市九控體育管理有限公司) (“**ZJ Sports**”), 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\* (聯盟薈年卡), the Xiangshan Practice Pass\* (香山練習卡) and other measures, the Lakewood Club recovered some of the losses caused by its temporary suspension due to the Epidemic. During FY2020, the Lakewood Club increased the number of playing sessions to 52,679, representing a year-on-year growth of 3.5%. 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\* (深圳鐵馬高爾夫). These products were well received by the market and increased the utilisation rate of its golf courses and its revenue during the low season. The Lakewood Club was awarded the “Top 10 Most Outstanding Golf Courses in China” for its outstanding course quality and attentive service.

## 2.7 Pingsha Project

ZJ Property Development Company 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 approximately 72,600 square metres (“**sq.m.**”) and a total gross floor area (“**GFA**”) of approximately 145,000 sq.m. (which includes ancillary facilities, social housing for talents and public rental apartments with GFA of 14,300 sq.m.). 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 Property Development Company. As the main entity for developing the Pingsha Project, PJ Company engages in financing, development, construction and operation. During FY2020, PJ Company entered 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 FY2020, Jiuzhou Port Company is committed to diminishing and hedging against the impacts caused by unfavourable factors through adopting the following measures to enhance the travelling experience of passengers: improving the hardware and software supporting facilities at Jiuzhou Port, strengthening the awareness of employees on providing quality service, optimising 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, re-arranged 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 was 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 digitalisation development of its port services, but also have provided passengers with better and more convenient services.

On 10 December 2020, ZJ Holdings entered into a compensation agreement (“**Compensation Agreement**”) with Jiuzhou Port Company, pursuant to which the Jiuzhou Port Leases shall be terminated and as compensation, ZJ Holdings shall, among other things, pay Jiuzhou Port Company a compensation fee of RMB19,000,000 and provide interim building facilities. For details of the Compensation Agreement, please refer to the Company’s announcement dated 10 December 2020.



### 3.2 City Energy Supply

During FY2020, 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 FY2020, 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). In addition, Jiuzhou Energy Company successfully developed the business of ship bunkering at Hengqin Port’s Passenger Station, making a solid step towards the outward expansion of business of oil supply at ports and promoting steady improvement of efficiency of Jiuzhou Energy Company.

Subsequent to the release of the Company’s announcement dated 7 December 2018, the internal restructuring has been progressing satisfactorily. During FY2020, 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 FY2020, 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 advanced its various projects and enhanced communication and interaction with customers. 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 purchase and sales channels, we have developed a trading business with core corporates as our end customers, which enhanced the business model mentioned above and promoted business diversification.

During FY2020, one of the customers has known financial difficulties and there is significant doubt on collection of the receivables. The Group has made full impairment allowance on the receivables. The Group is currently reviewing the factoring business and may consider various risk management measures, including but not limited to reducing the transaction volume in factoring business.

## **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.

### **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 the 2017 Lenders in relation to the 2017 Facility. Pursuant to the 2017 Facility Agreement, the Company has covenanted and undertaken to the 2017 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 a 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 the February 2019 Facility Agreement with a 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 the 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 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 the 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 the 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.

On 12 March 2021, the Company, as borrower, entered into the 12 March 2021 Facility Agreement with a bank, pursuant to which the bank has agreed to grant to the Company a loan facility of up to HK\$300 million having the maturity date falling 12 months from the date of the drawdown under the 12 March 2021 Facility Agreement. Further, ZJ Holdings, the controlling shareholder of the Company, entered into a legally binding comfort letter in favour of the Bank ("**Comfort Letter**") on the same date pursuant to which ZJ Holdings has undertaken to the Bank that before the 12 March 2021 Facility is fully repaid by the Company:

- (i) ZJ Holdings shall maintain as the controlling shareholder of the Company and is obliged to obtain prior written approval from the Bank for the transfer of any shares in the Company;
- (ii) ZJ Holdings shall continue to support the operation and maintain the financial condition of the Company for the timely repayment of any outstanding sum under the 12 March 2021 Facility, and ZJ Holdings shall provide such liquidity support to the Company including, but not limited to, capital injection and the provision of shareholder's loan etc. so as to satisfy the Company's repayment obligation under the 12 March 2021 Facility; and
- (iii) ZJ Holdings shall refrain from taking any action which could impact the Company's operation and its ability to repay any outstanding sum under the 12 March 2021 Facility, and undertakes to promptly inform the Bank of any such circumstances which could impact the continuing operation of the Company's business.

For details of 12 March 2021 Facility Agreement, please refer to the Company's announcement dated 12 March 2021.

On 26 March 2021, the Company, as borrower, entered into the 26 March 2021 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\$500 million having the maturity date falling 2 years from the date of each drawdown by the Company under the 26 March 2021 Facility Letter.

Under the 26 March 2021 Facility Letter, the Company has covenanted and undertaken to the Bank, among others, that throughout the term of the 26 March 2021 Facility:

- (1) 珠海市人民政府國有資產監督管理委員會 (Zhuhai Municipal People's Government State-owned Assets Supervision and Administration Commission\*) shall directly or indirectly remain as the single largest shareholder of the Company or maintain control over the management of the Company; and
- (2) Subsequent to the withdrawal of listing of the Company's shares on the Stock Exchange pursuant to the proposal for the privatisation of the Company by way of scheme of arrangement as announced by the Company on 22 January 2021, ZJ Holdings shall issue a letter of comfort in the form satisfactory to the bank for the purpose of providing assurance for the due repayment of the 26 March 2021 Facility.

For details of 26 March 2021 Facility Letter, please refer to the Company's announcement dated 26 March 2021.

## **OUTLOOK**

In 2021, the outlook of global trade and economy remains grim. As the Epidemic gradually comes under control in the country, 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 revitalise its existing assets and focus on its core business. It will also optimise its debt and capital structure and actively seek suitable investment opportunities.

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

Taking advantage of the development plan of the Guangdong-Hong Kong-Macao Greater Bay Area, Ferry Company will expand the scope of route layout and continue to improve the network of water transport routes. On the basis of further improving the operation and control work, it will take forward the opening of the route between Jiuzhou Port and Macao, 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 marine economy to achieve rapid development. According to the market conditions, timely adjust marketing programs, optimise pipeline laying, enhance publicity and promotion, stabilise 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 cherish the achievements so far made by the country in the fight against the Epidemic, without slackening the anti-epidemic prevention, so as to ensure safe and smooth cross-boundary ferry routes between Guangdong and Macao. 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 Group in 2021, 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 will take the opening of the new hotel as an opportunity to further improve the overall quality and service quality of the hotel business. 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 its image and reputation. Zhuhai Holiday Resort Hotel and JPD Company will jointly carry out the renovation project for its old main building in an orderly manner, promote high-quality hotel development with an innovation-driven core strategy and actively take advantage of the favourable policy and environmental opportunities to ride on the momentum.

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 for tourists.

The Lakewood Club will continue to step up its marketing efforts that combine on-line and off-line approaches, improve the utilisation 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 Property 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 and fully implement the requirements on quality control to ensure work quality.

The financial performance of hotel business in 2021, 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 2021, will be subject to various factors, including timing and number of property units of the Cuihu Xiangshan Project to be delivered to purchasers.

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

As a category-one national port, Jiuzhou Passenger Port is an important transportation hub linking the east and west sides of the Pearl River, as well as Hong Kong and Macao. While maintaining its epidemic prevention and control at the passenger port, Jiuzhou Port Company will concentrate on the two main themes of business management and service enhancement and focus on the operation of the temporary passenger clearance hall at the Jiuzhou Port after the relocation of the passenger terminal, and coordinate the design and construction of the new passenger terminal to open a chapter in the iterative upgrading of Jiuzhou Port and the rebirth of port-city interactions. Jiuzhou Port Company will further optimise 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, with new initiatives to enhance operations and new ideas for development, it will continue to explore deeply in various aspects and conduct trading 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 market competitiveness, create profitability, and improve revenue and profit.



Jiuzhou Holdings Finance Lease 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 maximise the interest of the Group as a whole.

The financial performance of the Jiuzhou Public Utilities in 2021, 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.

In addition to the investment in and control over the three major business segments, we have set four major targets:

#### **1. Investment**

The Company will strengthen its efforts in refining the database for the projects and post-investment management by developing its post-investment management system with the collaborations of various departments so that it will be able to keep track of the recent situations and significant developments in coming up with targeted recommendations that suit the real situations of the projects.

#### **2. Finance**

The Company will strengthen its efforts in financial management in an active manner on Cuihu Xiangshan Project, the New Hotel Project, general working capital and other issues. The Company will maintain active communication with financial institutions to gain access to a wider range of financing channels and fund our projects with the best financing plans so that the projects will advance with good progress at low finance expenses.

#### **3. Risk Management and Internal Control**

The Company will refine the performance assessment and management systems of the companies of the Group. It will also organise regular meetings on analysis of their operations. Starting from further implementation of its Compiled Internal Control Systems, the Company will go on to strengthen its efforts in developing risk management and internal control systems for the Group.

#### **4. Human Resources**

The Company will push forward human resources sharing among the Group. It will actively explore any possible way of managing employees assigned to work overseas and refine the relevant measures. The Company will implement the relevant group-wide system of regular performance assessment.

## **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 to 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 (“**FY2014**”), 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, 2019 and its interim report for 2020.

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

## **LIQUIDITY AND FINANCIAL RESOURCES**

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

As disclosed in the section headed "Management Discussion and Analysis — Facility Agreement for a Syndicated Loan of HK\$2 billion" of 2015 annual report, the Company entered into the 2015 Facility Agreement with the 2015 Lenders pursuant to which the 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 2017 annual report, the Company has drawn down HK\$2 billion from the 2017 Facility and repaid 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 Company entered into a project facility loan agreement ("**Project Facility Agreement**") with a bank ("**2017 Bank Lender**") in the PRC as lender pursuant to which a project facility ("**2017 Project Facility**") of up to RMB300 million was agreed to be granted by the 2017 Bank Lender to JPD Company for a term of twelve years from the date of the Project Facility Agreement. The 2017 Project Facility was secured and with a floating interest rate. The above obligations lapsed upon repayment of the 2017 Project Facility during FY2019.

On 20 September 2019, JPD Company entered into a project facility loan agreement ("**September 2019 Project Facility Agreement**") with a bank ("**2019 Bank Lender**") in the PRC as lender pursuant to which a project facility ("**2019 Project Facility**") of up to RMB550 million was agreed to be granted by the 2019 Bank Lender to JPD Company for a term of fifteen years from the date of the September 2019 Project Facility Agreement. The 2019 Project Facility was secured and with a floating interest rate. As at the date of this result announcement, JPD Company has drawn down RMB225.9 million from the 2019 Project Facility.

The Group's time deposits and cash and cash equivalents as at 31 December 2020 amounted to approximately RMB1,705.9 million (31 December 2019: RMB1,457.8 million), of which approximately RMB1,562.1 million (31 December 2019: RMB1,347.7 million) were denominated in RMB, approximately RMB143.8 million (31 December 2019: RMB110.1 million) were denominated in Hong Kong dollars.

As at 31 December 2020, trade receivables amounted to RMB528.9 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 Public Utilities segment.

In addition, the Group held securities measured at fair value through profit or loss of approximately RMB0.2 million as at 31 December 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 FY2020, 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 RMB8.34 million.

Total interest-bearing bank borrowings amounted to approximately RMB2,803.3 million as at 31 December 2020 (31 December 2019: RMB3,426.2 million).

The Group's gearing ratio was 0.58 as at 31 December 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 31 December 2020, the Group had a current ratio of 1.13 (31 December 2019: 1.34) and net current assets of RMB1,016.6 million (31 December 2019: RMB2,257.5 million).

As at 31 December 2020, interest-bearing bank borrowings that were outstanding amounted to RMB2,803.3 million (31 December 2019: RMB3,426.2 million), which mainly comprised of (1) principal amount of RMB1,910.5 million with the final maturity date falling due in 2021; (2) principal amount of RMB444.4 million with the final maturity date falling due in 2022; (3) principal amount of RMB254.9 million with the final maturity date falling due in 2023; (4) principal amount of RMB34.5 million with the final maturity date falling due in 2024; and (5) principal amount of RMB159.0 million with the final maturity date falling due in 2025 and up to 2034.

As at 31 December 2020, the Company had no outstanding amount payable pursuant to the Promissory Note and the Convertible Bonds (31 December 2019: nil). Both the Promissory Note and the Convertible Bonds were fully redeemed by the Company in 2016.

From the issue date to 24 November 2018, the expiry date of the warrants, no warrant holder had exercised the warrants (the "**Warrants**") issued pursuant to the subscription agreement dated 18 November 2013.

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. 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 ("**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. 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.

On 12 March 2021, the Company, as borrower, entered into a loan facility Agreement (“**12 March 2021 Facility Agreement**”) with a bank, pursuant to which the bank has agreed to grant to the Company a loan facility of up to HK\$300 million having the maturity date falling 12 months from the date of the drawdown under the 12 March 2021 Facility Agreement (the “**12 March 2021 Facility**”). Please refer to the Company’s announcement dated 12 March 2021 relating to the 12 March 2021 Facility Agreement and the Company’s disclosure pursuant to Rule 13.18 of the Listing Rules for information.

On 26 March 2021, the Company, as borrower, entered into a facility letter (“**26 March 2021 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\$500 million having the maturity date falling 2 years from the date of each drawdown by the Company under the 26 March 2021 Facility Letter (the “**26 March 2021 Facility**”). Please refer to the Company’s announcement dated 26 March 2021 relating to the 26 March 2021 Facility Letter and the Company’s disclosure pursuant to Rule 13.18 of the Listing Rules for information.

## **NUMBER AND REMUNERATION OF EMPLOYEES**

At the year end, the Group had approximately 2,284 employees. During FY2020, the level of our overall staff cost was approximately RMB282.0 million (2019: RMB302.5 million).

The Group operates and maintains defined benefit pension plans. According to the plans, the Group makes pension payments to its retired employees till their death with reference to their respective positions at the time when they retire. The expected cost of providing these post-retirement benefits is actuarially determined and recognised by using the projected unit credit method, which involves a number of assumptions and estimates, including discount rate, employee turnover rate and mortality rate and etc. The latest actuarial valuation of the defined benefit pension plans was made as at 31 December 2020 by Mark Whatley, Fellow of the Institute of Actuaries (FIA) and Fellow of the Singapore Actuarial Society (FSAS), of Milliman Private Limited. As at 31 December 2020, the Group’s aggregate defined benefit obligations was approximately RMB131.9 million (31 December 2019: RMB135.7 million).

Remuneration of employees is determined and reviewed annually with reference to the market standard, individual performance and working experience, and certain staff is entitled to commission and share options. In addition to the basic salaries, the Group also provides, depending on the results of the Group and individual performance, staff benefits including discretionary bonus, contributory provident fund or mandatory provident fund, and professional tuition/training subsidies in order to retain quality employees.

## **DIVIDEND**

The Board has not recommended the payment of a final dividend (FY2019: Nil) for FY2020 to the Shareholders.

## ANNUAL GENERAL MEETING

The forthcoming annual general meeting will be held on Tuesday, 29 June 2021. The notice of the forthcoming annual general meeting will be published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.0908.hk](http://www.0908.hk) and dispatched to the Shareholders in due course.

## CONTINGENT LIABILITIES

As at 31 December 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 RMB1,478.6 million. Except for these financial guarantees as disclosed above, the Group had no material contingent liabilities as at 31 December 2020.

## FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 December 2020, the Group had no future plans for material investments or capital assets except for those disclosed under the heading "Management Discussion and Analysis — Outlook" as stated aforesaid.

## CHARGES ON ASSETS

As at 31 December 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 2020 and up to the date of this result announcement, 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 31 December 2020 and up to the date of this result announcement, property comprises 75 blocks of villa, a recreational complex, a health centre, a shopping arcade, a basement car park and various ancillary facilities of Zhuhai Holiday Resort Hotel with a total gross floor areas of approximately 22,367.86 sq.m. and an aggregate carrying value of approximately RMB42 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 2019 Bank Lender to secure the 2019 Project Facility from the 2019 Bank Lender pursuant to the September 2019 Project Facility Agreement and collateral agreement dated 20 September 2019 entered into between, among others, JPD Company and the 2019 Bank Lender.

On 26 March 2021, pursuant to the terms of the Facility, each of 珠海九洲企業管理有限公司 (Zhuhai Jiuzhou Corporation Management Co., Ltd.\*), a wholly owned subsidiary of the Company, and ZJ Property Development Company, a non-wholly owned subsidiary of the Company and a connected person of the Company under Chapter 14A of the Listing Rules, is required to pledge certain fixed-term bank deposits as security for the 26 March 2021 Facility (“Pledge”).

## **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 have not entered into any foreign currency exchange contracts or derivative transactions to hedge the foreign exchange risk.

## **CAPITAL STRUCTURE**

As at 31 December 2020, the number of issued ordinary shares (“Shares”) of the Company 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 RMB2,084.5 million (31 December 2019: RMB1,974.5 million). The increase in the Shareholders’ equity of the Group during FY2020 was mainly attributable to profit for the year.

## **SHARE OPTION SCHEME**

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

During FY2020, no share option was granted, exercised, cancelled or had lapsed under the Share Option Scheme. Moreover, the Company had no share options outstanding as at 31 December 2020.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS**

During FY2020, 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” as stated aforesaid.



## **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 FY2020.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") as its code of conduct regarding directors' securities transactions. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during FY2020.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the Company's forthcoming annual general meeting, the register of members of the Company will be closed from Thursday, 24 June 2021 to Tuesday, 29 June 2021 (both dates inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 23 June 2021.

## **CORPORATE GOVERNANCE**

Throughout FY2020, the Company has complied with the code provisions as set out in the CG Code 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 being terminated if he is not so re-elected once every three years.

Save as disclosed above, the Company had complied with the code provisions set out in the CG Code during FY2020.

## **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, among other duties and functions, of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises three independent non-executive directors of the Company, namely Mr. Albert Ho (Chairman), Mr. Hui Chiu Chung and Mr. Chu Yu Lin, David. The annual results of the Group for FY2020 has been reviewed by the audit committee.

## SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## PUBLICATION OF 2020 ANNUAL REPORT

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

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

Hong Kong, 29 March 2021

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

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

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