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## **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)**

### **CONTINUING CONNECTED TRANSACTION: REVISION OF ANNUAL CAPS FOR 2019-20 NEW MARINE TOURISM LINE AM FEE AGREEMENT**

#### **INTRODUCTION**

Reference is made to (i) the 2017 Announcement and the 2017 Circular in relation to, among other things, the CCTs under the 2018-20 Jiuzhou AM Fee Agreements; (ii) the 2018 Announcement and the 2018 Circular in relation to the revision of the annual caps for the 2018-20 Jiuzhou AM Fee Agreements for FY2018, FY2019 and FY2020; and (iii) the 2019 Announcement in relation to, among other things, the CCTs under the Short Term New Marine Tourism Line AM Fee Agreement and the 2019-20 New Marine Tourism Line AM Fee Agreement.

As mentioned in the 2019 Announcement, on 1 January 2019, Jiuzhou Port Company, Ferry Company and Jiuzhou Passenger Development Company entered into the Short Term New Marine Tourism Line AM Fee Agreement in relation to the operation of the New Marine Tourism Line on a relatively short term basis for a term from 1 January 2019 to 28 February 2019. Considering the popularity of the New Marine Tourism Line, on 25 February 2019, Jiuzhou Port Company, Ferry Company and Jiuzhou Passenger Development Company entered into the 2019-20 New Marine Tourism Line AM Fee Agreement, with essentially similar terms to those of the Short Term New Marine Tourism Line AM Fee Agreement for a term from 1 March 2019 to 31 December 2020.

For the reasons set out in the section headed “Reasons for and benefits of the revision of annual caps” below, the Board anticipates that the Existing Annual Caps would not be sufficient to meet the expected transaction amounts under the 2019-20 New Marine Tourism Line AM Fee Agreement for the period from 1 March 2019 to 31 December 2019 and FY2020. On 28 November 2019, the Board resolved to revise the Existing Annual Caps to the Revised Annual Caps.

## **LISTING RULES IMPLICATIONS**

As both Ferry Company and Jiuzhou Port Company are connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules and Jiuzhou Passenger Development Company is a connected person of the Company under Rule 14A.07(4) of the Listing Rules, the transactions contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement thus constitute CCTs for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for a continuing connected transaction, the Company must re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2019–20 New Marine Tourism Line AM Fee Agreement and the Short Term New Marine Tourism Line AM Fee Agreement shall be aggregated as if they were one transaction. As the relevant applicable ratios (as prescribed under Chapter 14 of the Listing Rules) for the expected aggregate amount of (1) the portion of the Marine Tourism AM Fees and Utility Surcharges receivable by Jiuzhou Port Company from Ferry Company; and (2) the Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company, both of which shall constitute the annual caps for the CCTs contemplated under the Short Term New Marine Tourism Line AM Fee Agreement and the Revised Annual Caps for the CCTs contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement for each of FY2019 and FY2020 are expected to be more than 0.1% and less than 5%, the transactions contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement (after aggregating with the transactions contemplated under the Short Term New Marine Tourism Line AM Fee Agreement) shall constitute partially-exempt CCTs under Rule 14A.76(2) of the Listing Rules and are subject to the annual review and disclosure requirements but exempt from Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company has complied with the requirements for CCTs under Chapter 14A in relation to the transactions contemplated under the 2018-20 Jiuzhou AM Fee Agreements, including obtaining the approval by the Independent Shareholders at the special general meeting held on 18 January 2018 for the 2018-20 Jiuzhou AM Fee Agreements and the related expected annual caps for FY2018, FY2019 and FY2020 (which revised annual caps for FY2018, FY2019 and FY2020 for the CCTs contemplated under the 2018-20 Jiuzhou AM Fee Agreements were also approved by the Independent Shareholders at the special general meeting held on 30 October 2018). For such reason, despite the subject matter of the 2019-20 New Marine Tourism Line AM Fee Agreement and the Short Term New Marine Tourism Line AM Fee Agreement is in relation to the operation of a new ferry line and such agreements were entered into among the same parties of the 2018-20 Jiuzhou AM Fee Agreements, the transactions contemplated under each of the 2019-20 New Marine Tourism Line AM Fee Agreement and the Short Term New Marine Tourism Line AM Fee Agreement were not aggregated with the transactions contemplated under the 2018-20 Jiuzhou AM Fee Agreements for the purpose of determining the requirements for CCTs under Chapter 14A.

## **INTRODUCTION**

Reference is made to (i) the 2017 Announcement and the 2017 Circular in relation to, among other things, the CCTs under the 2018-20 Jiuzhou AM Fee Agreements; (ii) the 2018 Announcement and the 2018 Circular in relation to the revision of the annual caps for the 2018-20 Jiuzhou AM Fee Agreements for FY2018, FY2019 and FY2020; and (iii) the 2019 Announcement in relation to, among other things, the CCTs under the Short Term New Marine Tourism Line AM Fee Agreement and the 2019-20 New Marine Tourism Line AM Fee Agreement.

As mentioned in the 2019 Announcement, on 1 January 2019, Jiuzhou Port Company, Ferry Company and Jiuzhou Passenger Development Company entered into the Short Term New Marine Tourism Line AM Fee Agreement in relation to the operation of the New Marine Tourism Line on a relatively short term basis for a term from 1 January 2019 to 28 February 2019. Considering the popularity of the New Marine Tourism Line, on 25 February 2019, Jiuzhou Port Company, Ferry Company and Jiuzhou Passenger Development Company entered into the 2019-20 New Marine Tourism Line AM Fee Agreement, with essentially similar terms to those of the Short Term New Marine Tourism Line AM Fee Agreement for a term from 1 March 2019 to 31 December 2020.

For the reasons set out in the section headed “Reasons for and benefits of the revision of annual caps” below, the Board has resolved to revise the Existing Annual Caps to the Revised Annual Caps in respect of the CCTs contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement.

## **THE 2019-20 NEW MARINE TOURISM LINE AM FEE AGREEMENT**

Only the Existing Annual Caps in respect of the Marine Tourism AM Fees and the Utility Surcharges under the 2019-20 New Marine Tourism Line AM Fee Agreement were revised, and the other terms of the 2019-20 New Marine Tourism Line AM Fee Agreement (including but not limited to the payment terms contained therein) have not been amended. The following is a summary of the relevant details of the 2019-20 New Marine Tourism Line AM Fee Agreement contained in the 2019 Announcement. For further details, please refer to the 2019 Announcement.

### **Date:**

25 February 2019

### **Parties:**

- (i) Ferry Company (as ferry services provider);
- (ii) Jiuzhou Port Company (as port facilities provider); and
- (iii) Jiuzhou Passenger Development Company (as passenger-transport station operator and transportation agency services provider).

Ferry Company is incorporated in the PRC and is owned as to 49% by the Group, 43% by ZJ Holdings and 8% by an Independent Third Party. Ferry Company is treated as a subsidiary of the Company.

Jiuzhou Port Company is incorporated in the PRC and a non wholly-owned subsidiary of the Company. 90% of the registered capital in Jiuzhou Port Company is attributable to the Company, and the remaining 10% is attributable to ZJ Holdings. Jiuzhou Port Company is a member of the Group and is also a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules.

Jiuzhou Passenger Development Company is incorporated in the PRC and is a wholly-owned subsidiary of ZJ Holdings.

ZJ Holdings is a state-owned enterprise established in the PRC and is the controlling shareholder of the Company. As at the date of this announcement, it is interested in 602,598,000 Shares, representing about 42.20% of the total number of Shares in issue. The principal activities of ZJ Holdings include investment in tourism and transportation businesses and properties letting.

As ZJ Holdings, the controlling shareholder of the Company, has 10% or more of equity interest in each of Ferry Company and Jiuzhou Port Company, both Ferry Company and Jiuzhou Port Company are connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules, hence are connected persons of the Company.

As Jiuzhou Passenger Development Company is owned as to more than 30% by ZJ Holdings, Jiuzhou Passenger Development Company is an associate of ZJ Holdings, hence a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

The transactions contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement involve: (1) the portion of the Marine Tourism AM Fees and Utility Surcharges as income received by Jiuzhou Port Company (a member of the Group) from Ferry Company (a connected subsidiary of the Company); and (2) the Marine Tourism AM Fees and Utility Surcharges as expenses made by Ferry Company (a member of the Group) to Jiuzhou Port Company (a connected subsidiary of the Company) and Jiuzhou Passenger Development Company (a connected person of the Company), for provision of agency and management services by Jiuzhou Port Company and Jiuzhou Passenger Development Company to Ferry Company. Accordingly, transactions contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement constitute CCTs for the Company under Chapter 14A of the Listing Rules. The aggregate income received by Jiuzhou Port Company (a member of the Group) from Ferry Company (a connected subsidiary of the Company) together with the aggregate expenses made by Ferry Company (a member of the Group) to both Jiuzhou Port Company (a connected subsidiary of the Company) and Jiuzhou Passenger Development Company (a connected person of the Company), are both subjects of consideration receivable and payable, respectively, by the Group from or to connected persons for calculation of the relevant percentage ratios under the 2019-20 New Marine Tourism Line AM Fee Agreement.

**Term:**

From 1 March 2019 to 31 December 2020

**Services provided:**

Under the 2019-20 New Marine Tourism Line AM Fee Agreement, (a) Jiuzhou Port Company will be mainly responsible for providing waiting lounge for passengers, printing ferry tickets, supplying electricity and fresh water to Ferry Company (at a fee to be charged at market rate with reference to actual usage plus a premium of 15% per month), conducting promotional activities for the New Marine Tourism Line and providing berthing facilities and services for the ferries of Ferry Company at the Jiuzhou Port; and (b) Jiuzhou Passenger Development Company will be mainly responsible for selling and checking ferry tickets to passengers in the PRC, assisting in the management of waiting lounge services and conducting business promotion activities at ferry tickets sales points.

**Payment terms:**

As mentioned in the 2019 Announcement, in return for the above services, the parties agreed to share (a) Marine Tourism AM Fees; and (b) Utility Surcharges in the manners set out therein.

**HISTORICAL TRANSACTION AMOUNTS**

The historical transaction amounts of the Marine Tourism AM Fees and the Utility Surcharges payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company under (i) the Short Term New Marine Tourism Line AM Fee Agreement for the two months ended 28 February 2019; and (ii) the 2019-20 New Marine Tourism Line AM Fee Agreement from 1 March 2019 to 31 October 2019, are set out as follows:

Period concerned	Agreement concerned	Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company (Note 1)		
		Marine Tourism AM Fees (Note 2) (RMB'000)	Utility Surcharges (Note 3) (RMB'000)	Total amount of Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company (Note 4) (RMB'000)
1 January 2019 to 28 February 2019	Short Term New Marine Tourism Line AM Fee Agreement	332	0.4	332
1 March 2019 to 31 October 2019	2019-20 New Marine Tourism Line AM Fee Agreement	3,065	6	3,071

<b>Period concerned</b>	<b>Agreement concerned</b>	<b>Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company</b> <i>(Note 1)</i> <i>(RMB'000)</i>	<b>Marine Tourism AM Fees payable by Ferry Company to Jiuzhou Passenger Development Company</b> <i>(Note 5)</i> <i>(RMB'000)</i>	<b>Total amount of Marine Tourism AM Fees and Utility Surcharges payable</b> <i>(Note 4)</i> <i>(RMB'000)</i>
1 January 2019 to 28 February 2019	Short Term New Marine Tourism Line AM Fee Agreement	332	88	420
1 March 2019 to 31 October 2019	2019-20 New Marine Tourism Line AM Fee Agreement	3,071	781	3,852

*Notes:*

- 1 In relation to the Marine Tourism AM Fees and the Utility Surcharges for the two months ended 28 February 2019 under the Short Term New Marine Tourism Line AM Fee Agreement and the period from 1 March 2019 to 31 October 2019 under the 2019-20 New Marine Tourism Line AM Fee Agreement, as both Ferry Company and Jiuzhou Port Company are members of the Group as well as connected subsidiaries of the Company, the historical transaction amounts for the portion of Marine Tourism AM Fees and the Utility Surcharges concerning Jiuzhou Port Company represent (i) the portion of Marine Tourism AM Fees and the Utility Surcharges receivable by Jiuzhou Port Company as income from Ferry Company on one hand, and (ii) the portion of Marine Tourism AM Fees and the Utility Surcharges to be paid by Ferry Company as expenses to Jiuzhou Port Company on the other hand, both amounts being identical. In terms of accounting treatment, such amounts under items (i) and (ii) are offset against each other in full under the consolidated financial statements of the Group.
- 2 Calculated on the basis of 9.4% of the Net Proceeds for the six months ended 30 June 2019 and 18.8% of the Net Proceeds for the period from 1 July 2019 to 31 October 2019.
- 3 Representing 15% premium on top of the actual usage of electricity and water.
- 4 Certain figures included in this announcement are subject to rounding adjustments. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.
- 5 Calculated on the basis of 2.35% of the Net Proceeds for the six months ended 30 June 2019 and 4.7% of the Net Proceeds for the period from 1 July 2019 to 31 October 2019.

**REVISION OF ANNUAL CAPS FOR THE MARINE TOURISM AM FEES AND THE UTILITY SURCHARGES FOR THE PERIOD FROM 1 MARCH 2019 TO 31 DECEMBER 2019 AND FY2020**

**Existing Annual Caps**

As mentioned in the 2019 Announcement, the Existing Annual Caps in respect of the Marine Tourism AM Fees and the Utility Surcharges under the 2019-20 New Marine Tourism Line AM Fee Agreement including (1) receivable by Jiuzhou Port Company from Ferry Company; and (2) payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company respectively for the period from 1 March 2019 to 31 December 2019 and FY2020 are set out as follows:

**Existing Annual Caps for Marine Tourism AM Fees and Utility Surcharges receivable by Jiuzhou Port Company from Ferry Company**  
(Note 1)

<b>Period concerned</b>	<b>Marine Tourism AM Fees</b> (Note 2) (RMB)	<b>Utility Surcharges</b> (Note 3) (RMB)	<b>Total Existing Annual Caps for Marine Tourism AM Fees and Utility Surcharges receivable</b> (Note 4) (RMB)
10 months ending 31 December 2019	3.7 million	51,800	3.75 million
FY2020	7.0 million	62,200	7.06 million

<b>Period concerned</b>	<b>Existing Annual Caps for Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company</b> (Note 1) (RMB)	<b>Existing Annual Caps for Marine Tourism AM Fees payable by Ferry Company to Jiuzhou Passenger Development Company</b> (Note 5) (RMB)	<b>Total Existing Annual Caps for Marine Tourism AM Fees and Utility Surcharges payable</b> (Note 4) (RMB)
10 months ending 31 December 2019	3.75 million	0.93 million	4.68 million
FY2020	7.06 million	1.7 million	8.76 million

*Notes:*

- 1 In relation to Existing Annual Caps of the Marine Tourism AM Fees and the Utility Surcharges for the period from 1 March 2019 to 31 December 2019 and FY2020, as both Ferry Company and Jiuzhou Port Company are members of the Group as well as connected subsidiaries of the Company, the transaction amounts for the purpose of the annual caps for the portion of Marine Tourism AM Fees and the Utility Surcharges concerning Jiuzhou Port Company represent (i) the portion of Marine Tourism AM Fees and the Utility Surcharges to be received by Jiuzhou Port Company as income from Ferry Company on one hand, and (ii) the portion of Marine Tourism AM Fees and the Utility Surcharges to be paid by Ferry Company as expenses to Jiuzhou Port Company on the other hand, both amounts being identical. In terms of accounting treatment, such amounts under items (i) and (ii) are offset against each other in full under the consolidated financial statements of the Group.
- 2 Calculated on the basis of 9.4% of the Net Proceeds for the period from 1 March 2019 to 30 June 2019 and 18.8% of the Net Proceeds for the second half of FY2019 and for FY2020.
- 3 Representing 15% premium on top of the actual usage of electricity and water.
- 4 Certain figures included in this announcement are subject to rounding adjustments. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.
- 5 Calculated on the basis of 2.35% of the Net Proceeds for the period from 1 March 2019 to 30 June 2019 and 4.7% of the Net Proceeds for the second half of FY2019 and for FY2020.

### **Revised Annual Caps**

Due to the reasons set out below, the Board anticipates that the Existing Annual Caps would not be sufficient to meet the expected transaction amounts under the 2019-20 New Marine Tourism Line AM Fee Agreement for the period from 1 March 2019 to 31 December 2019 and for FY2020:

- (a) the average ferry ticket price during the period from 1 March 2019 to 31 October 2019 was approximately 26% higher than originally expected because:
  - (i) there has been an increase in demand of ferry tickets for the New Marine Tourism Line from individual travellers and corporate customers since the opening of the HZMB;
  - (ii) there were no comparable figures in respect of the number of direct sales to individual travellers and corporate customers and the number of indirect sales through travel agencies when the parties entered into the 2019-20 New Marine Tourism Line AM Fee Agreement, apart from the transactions amounts under Short Term New Marine Tourism Line AM Fee Agreement which was a pilot scheme and was on a short-term basis;
  - (iii) in light of the lack of comparable figures, the Company made a conservative estimation in relation to the number of direct sales to individual travellers and corporate customers, which generally fetch higher prices compared to those prices from indirect sales made through travel agencies; and
  - (iv) the actual number of direct sales of ferry tickets to individual travellers and corporate customers was higher than the original estimation; and



- (b) the Company expects to achieve a greater number of ferry ticket sales with the New Marine Tourism Line due to the launch of a new luxury ferry and Ferry Company's marketing efforts targeted at individual travellers and corporate customers.

On 28 November 2019, the Board resolved to revise the Existing Annual Caps to the Revised Annual Caps in respect of the Marine Tourism AM Fees and the Utility Surcharges under the 2019-20 New Marine Tourism Line AM Fee Agreement including (1) receivable by Jiuzhou Port Company from Ferry Company; and (2) payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company respectively for the period from 1 March 2019 to 31 December 2019 and FY2020, which are set out as follows:

**Revised Annual Caps for Marine Tourism  
AM Fees and Utility Surcharges receivable by  
Jiuzhou Port Company from Ferry Company  
(Note 1)**

<b>Period concerned</b>	<b>Marine Tourism AM Fees (Note 2) (RMB)</b>	<b>Utility Surcharges (Note 3) (RMB)</b>	<b>Total Revised Annual Caps for Marine Tourism AM Fees and Utility Surcharges receivable (Note 4) (RMB)</b>
Ten months ending 31 December 2019	4.66 million	70,000	4.73 million
FY2020	11.34 million	100,000	11.44 million

<b>Period concerned</b>	<b>Revised Annual Caps for Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company (Note 1) (RMB)</b>	<b>Revised Annual Caps for Marine Tourism AM Fees payable by Ferry Company to Jiuzhou Passenger Development Company (Note 5) (RMB)</b>	<b>Total Revised Annual Caps for Marine Tourism AM Fees and Utility Surcharges payable (Note 4) (RMB)</b>
Ten months ending 31 December 2019	4.73 million	1.17 million	5.90 million
FY2020	11.44 million	2.75 million	14.19 million

*Note: Please refer to the notes set out under the Existing Annual Caps above.*

In arriving at the above annual caps, the Directors have taken into account:

- (a) the historical transaction amount of the Marine Tourism AM Fees and Utility Surcharges payable for the two months ended 28 February 2019 under the Short Term New Marine Tourism Line AM Fee Agreement and for the period from 1 March 2019 to 31 October 2019 under the 2019-20 New Marine Tourism Line AM Fee Agreement;
- (b) the historical passenger flow for the New Marine Tourism Line from 1 January 2019 to 31 October 2019 and the expected passenger flow for the New Marine Tourism Line from 1 November 2019 to 31 December 2019 and FY2020;
- (c) the actual average price of the ferry tickets for the New Marine Tourism Line for the two months ended 28 February 2019 and for the period from 1 March 2019 to 31 October 2019 and the expected increase in the average price of ferry tickets for the New Marine Tourism Line for FY2020 as a result of the launch of a new luxury ferry and the continued effort to promote the New Marine Tourism Line to individual and corporate customers; and
- (d) a buffer of 20%.

The Board confirms that, as at the date of this announcement, the Existing Annual Caps for the period from 1 March 2019 to 31 December 2019 have not been exceeded.

#### **REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAPS**

As mentioned in the 2019 Announcement, the Company expects that the opening of the HZMB would boost marine tourism, and that the transactions as contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement would bring a stable source of revenue to the Group.

As mentioned in the 2019 Announcement, Ferry Company operates ferry services for the Relevant ZJ Port Ferry Lines. Jiuzhou Port is operated by Jiuzhou Port Company who provides similar services to ferries operated by Independent Third Parties at the same rate as that payable by Ferry Company. ZJ Holdings, the owner of the Jiuzhou Port, granted exclusive rights to Jiuzhou Port Company to use and operate the port facilities (including buildings and structures erected thereon) at the Jiuzhou Port for a term up to March 2040 at a lump sum payment of approximately RMB33 million.

Both Ferry Company and Jiuzhou Port Company are members of the Group and are sino – foreign equity joint venture enterprises under the PRC law. Under the Law on Inbound Water Transportation Management of the PRC (國內水路運輸管理條例), both of them are not allowed to carry out the ticket selling services in the PRC. No member of the Group holds a valid water transportation service permit to provide such services in the PRC. Accordingly, such services will be provided by Jiuzhou Passenger Development Company, a domestic enterprise under the PRC law, which is permitted by the relevant authority in Zhuhai to carry out the services of selling ferry tickets in the PRC.

Due to the reasons set out “Revision of annual caps for the Marine Tourism AM Fees and the Utility Surcharges for the period from 1 March 2019 to 31 December 2019 and FY 2020 — Revised Annual Caps”, the Marine Tourism AM Fees and the Utility Surcharges under the 2019-20 New Marine Tourism Line AM Fee Agreement including (1) receivable by Jiuzhou Port Company from Ferry Company; and (2) payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company respectively for the period from 1 March 2019 to 31 December 2019 and FY2020 are expected to increase to keep abreast of the business demands.

In view of the above, the Directors (including the independent non-executive Directors) are of the opinion that:

- (a) the engagement of Jiuzhou Port Company by Ferry Company under the 2019-20 New Marine Tourism Line AM Fee Agreement will bring a stable source of revenue to the Group;
- (b) the engagement of Jiuzhou Passenger Development Company which is a PRC domestic non-foreign-invested entity to provide the services of selling ferry tickets in the PRC is for legal compliance purpose given that the Group is not allowed to directly engage in such services in the PRC;
- (c) the terms of the 2019-20 New Marine Tourism Line AM Fee Agreement are no more favourable to Jiuzhou Passenger Development Company than terms available to Independent Third Parties and are no less favourable to the Group than terms available from Independent Third Parties;
- (d) the terms of the 2019-20 New Marine Tourism Line AM Fee Agreement are negotiated between the parties on arm’s length basis and on normal commercial terms that are fair and reasonable;
- (e) the Revised Annual Caps for the Marine Tourism AM Fees and the Utility Surcharges as mentioned above are fair and reasonable; and
- (f) the transactions as contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement have been, and will be, conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company. The principal activities of the Group consist of investment holding, the provision of port facilities in Zhuhai, the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part, the management of a holiday resort, a theme park and an amusement park, property development and the operation of a golf club, the provision of financial information services and internet financial information intermediary services and the trading and distribution of fuel oil, to form three major business segments, namely (1) 九洲藍色幹線 (Jiuzhou Blue Sea Jet\*, maritime transportation) and 藍色海洋旅遊 (Blue Marine Tourism\*); (2) green leisure tourism and composite real estate; and (3) public utilities and financial investments.

## **INFORMATION ON FERRY COMPANY, JIUZHOU PORT COMPANY AND JIUZHOU PASSENGER DEVELOPMENT COMPANY**

Ferry Company is principally engaged in the provision of ferry services for the Relevant ZJ Port Ferry Lines and the New Marine Tourism Line. The principal activities of Jiuzhou Port Company include provision of port facilities. The principal activities of Jiuzhou Passenger Development Company include operation of passenger-transport station and transportation agency services for ferry lines.

## **LISTING RULES IMPLICATIONS**

As explained in the paragraph headed “The 2019-20 New Marine Tourism Line AM Fee Agreement – Parties” above, both Ferry Company and Jiuzhou Port Company are connected subsidiaries of the Company under Rule 14A.16 of the Listing Rules and Jiuzhou Passenger Development Company is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement thus constitute CCTs for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for a continuing connected transaction, the Company must re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2019–20 New Marine Tourism Line AM Fee Agreement and the Short Term New Marine Tourism Line AM Fee Agreement shall be aggregated as if they were one transaction. As the relevant applicable ratios (as prescribed under Chapter 14 of the Listing Rules) for the expected aggregate amount of (1) the portion of the Marine Tourism AM Fees and Utility Surcharges receivable by Jiuzhou Port Company from Ferry Company; and (2) the Marine Tourism AM Fees and Utility Surcharges payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company, both of which shall constitute the annual caps for the CCTs contemplated under the Short Term New Marine Tourism Line AM Fee Agreement and the Revised Annual Caps for the CCTs contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement for each of FY2019 and FY2020 are expected to be more than 0.1% and less than 5%, the transactions contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreement (after aggregating with the transactions contemplated under the Short

Term New Marine Tourism Line AM Fee Agreement) shall constitute partially-exempt CCTs under Rule 14A.76(2) of the Listing Rules and are subject to the annual review and disclosure requirements but exempt from Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company has complied with the requirements for CCTs under Chapter 14A in relation to the transactions contemplated under the 2018-20 Jiuzhou AM Fee Agreements, including obtaining the approval by the Independent Shareholders at the special general meeting held on 18 January 2018 for the 2018-20 Jiuzhou AM Fee Agreements and the related expected annual caps for FY2018, FY2019 and FY2020 (which revised annual caps for FY2018, FY2019 and FY2020 for the CCTs contemplated under the 2018-20 Jiuzhou AM Fee Agreements were also approved by the Independent Shareholders at the special general meeting held on 30 October 2018). For such reason, despite the subject matter of the 2019-20 New Marine Tourism Line AM Fee Agreement and the Short Term New Marine Tourism Line AM Fee Agreement is in relation to the operation of a new ferry line and such agreements were entered into among the same parties of the 2018-20 Jiuzhou AM Fee Agreements, the transactions contemplated under each of the 2019-20 New Marine Tourism Line AM Fee Agreement and the Short Term New Marine Tourism Line AM Fee Agreement were not aggregated with the transactions contemplated under the 2018-20 Jiuzhou AM Fee Agreements for the purpose of determining the requirements for CCTs under Chapter 14A.

Since Mr. Huang Xin, Mr. Jin Tao, Mr. Ye Yuhong (all being executive Directors) and Mr. Zou Chaoyong (being a non-executive Director) are also directors of ZJ Holdings, they abstained from voting on the relevant board resolution(s) approving the revision of the Existing Annual Caps to the Revised Annual Caps in respect of the CCTs contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreements. Mr. Li Wenjun (being an executive Director) is also a deputy general manager of ZJ Holdings, and he also abstained from voting on the aforesaid board resolutions. Save as disclosed above, none of the Directors has a material interest in the revision of the Existing Annual Caps to the Revised Annual Caps in respect of the CCTs contemplated under the 2019-20 New Marine Tourism Line AM Fee Agreements nor are any of them required to abstain or have abstained from voting in respect of the relevant board resolution(s).

## DEFINITION

“2017 Announcement”	the announcement of the Company dated 4 December 2017 in relation to, among other things, the CCTs contemplated under the 2018-20 Jiuzhou AM Fee Agreements
“2017 Circular”	the circular of the Company dated 28 December 2017 in relation to, among other things, the CCTs contemplated under the 2018-20 Jiuzhou AM Fee Agreements
“2018 Announcement”	the announcement of the Company dated 24 September 2018 in relation to, among other things, the revision of the annual caps for the 2018-20 Jiuzhou AM Fee Agreements
“2018 Circular”	the circular of the Company dated 10 October 2018 in relation to, among other things, the revision of the annual caps for the 2018-20 Jiuzhou AM Fee Agreements
“2018-20 Jiuzhou AM Fee Agreements”	the three agency transportation cum management fee agreements all dated 4 December 2017 and entered into among Ferry Company, Jiuzhou Port Company and Jiuzhou Passenger Development Company in relation to the operation of the ferry lines between Zhuhai on the one part and the Relevant Terminals (JZ Port Line) on the other part for a term of three years from 1 January 2018 up to 31 December 2020
“2019 Announcement”	the announcement of the Company dated 25 February 2019 in relation to, among other things, the 2019-20 New Marine Tourism Line AM Fee Agreement
“2019-20 New Marine Tourism Line AM Fee Agreement”	the agency transportation cum management fee agreement dated 25 February 2019 and entered into among Ferry Company, Jiuzhou Port Company and Jiuzhou Passenger Development Company in relation to the operation of the New Marine Tourism Line for a term from 1 March 2019 to 31 December 2020
“Board”	the board of Directors
“CCT(s)”	continuing connected transaction(s), having such meaning as ascribed to such term under the Listing Rules
“Company”	Zhuhai Holdings Investment Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange

“Director(s)”	the director(s) of the Company
“Existing Annual Caps”	the existing annual caps for the CCTs in respect of the Marine Tourism AM Fees and the Utility Surcharges under the 2019-20 New Marine Tourism Line AM Fee Agreement including (1) receivable by Jiuzhou Port Company from Ferry Company; and (2) payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company respectively for the period from 1 March 2019 to 31 December 2019 and FY2020 as set out in the paragraph headed “Revision of Annual Caps for the Marine Tourism AM Fees and the Utility Surcharges for the period from 1 March 2019 to 31 December 2019 and FY2020 – Existing Annual Caps” in this announcement
“Ferry Company”	珠海高速客輪有限公司 (Zhuhai High-speed Passenger Ferry Co., Ltd.*), a connected subsidiary of the Company incorporated as a sino-foreign equity joint venture enterprise under the PRC law
“FY”	a financial year of the Company ended or ending 31 December
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HZMB”	Hong Kong-Zhuhai-Macau Bridge (港珠澳大橋)
“Independent Shareholder(s)”	shareholder(s) of the Company, who is/are not required to abstain from voting at a general meeting, if necessary, to approve a connected transaction or CCT, as the case may be
“Independent Third Party(ies)”	third party(ies) who and whose ultimate beneficial owners are third parties independent of the Company and connected persons of the Company
“Jiuzhou Passenger Development Company”	珠海九洲客運港發展有限公司 (Zhuhai Jiuzhou Passenger Port and Development Co., Ltd.*, formerly known as 珠海九洲港客運站有限公司 (Zhuhai Jiuzhou Port Passenger Transport Station Co., Ltd.*)), a wholly-owned subsidiary of ZJ Holdings incorporated as a domestic enterprise under the PRC law

“Jiuzhou Port Company”	珠海九洲港客運服務有限公司 (Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd.*), a connected subsidiary of the Company incorporated as a sino-foreign equity joint venture enterprise under the PRC law
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Marine Tourism AM Fee”	the agency, transportation and management fees payable by Ferry Company to (i) Jiuzhou Port Company and (ii) Jiuzhou Passenger Development Company under the Short Term New Marine Tourism Line AM Fee Agreement and the 2019-20 New Marine Tourism Line AM Fee Agreement
“Net Proceeds”	has the meaning as set out in the 2019 Announcement
“New Marine Tourism Line”	the sightseeing ferry line that departs from Jiuzhou Port, Zhuhai, the PRC and travels towards the direction of Shekou, Shenzhen, the PRC (but without stopping at the Shekou Port), passes by the HZMB and returns to Jiuzhou Port, Zhuhai, the PRC
“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Relevant Terminals (JZ Port Line)”	includes the following terminals: (i) China Ferry Terminal or Hong Kong-Macau Ferry Terminal; (ii) Hong Kong International Airport; and (iii) Shekou, Shenzhen, the PRC
“Relevant ZJ Port Ferry Lines”	includes the following ferry lines: (i) HK-Macau Ferry Terminal Line; (ii) HK Airport Line; and (iii) Shekou Line as defined in the section headed “Introduction” in the 2019 Announcement
“Revised Annual Caps”	the revised annual caps for the CCTs in respect of the Marine Tourism AM Fees and the Utility Surcharges under the 2019-20 New Marine Tourism Line AM Fee Agreement including (1) receivable by Jiuzhou Port Company from Ferry Company; and (2) payable by Ferry Company to Jiuzhou Port Company and Jiuzhou Passenger Development Company respectively for the period from 1 March 2019 to 31 December 2019 and FY2020 as set out in the paragraph headed “Revision of Annual Caps for the Marine Tourism AM Fees and the Utility Surcharges for the period from 1 March 2019 to 31 December 2019 and FY2020 – Revised Annual Caps” in this announcement



“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Short Term New Marine Tourism Line AM Fee Agreement”	the short term agency transportation cum management fee agreement dated 1 January 2019 and entered into among Ferry Company, Jiuzhou Port Company and Jiuzhou Passenger Development Company and in relation to the operation of the New Marine Tourism Line for the term of two months ended 28 February 2019
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Utility Surcharges”	the surcharges for electricity and fresh water payable by Ferry Company to Jiuzhou Port Company under the Short Term New Marine Tourism Line AM Fee Agreement and the 2019-20 New Marine Tourism Line AM Fee Agreement
“ZJ Holdings”	珠海九洲控股集團有限公司 (Zhuhai Jiuzhou Holdings Group Co., Ltd.*), a state-owned enterprise established in the PRC and the controlling shareholder of the Company
“%”	per cent

*In this announcement, the terms “associate”, “connected person”, “connected subsidiary”, “subsidiary” and “controlling shareholder” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

By Order of the Board  
**Zhuhai Holdings Investment Group Limited**  
**Huang Xin**  
*Chairman*

Hong Kong, 28 November 2019

*As at the date of this announcement, the Board comprises Mr. Huang Xin, Mr. Jin Tao, Mr. Ye Yuhong and Mr. Li Wenjun as executive Directors; Datuk Wira Lim Hock Guan (Mr. Lim Seng Lee as his alternate), Mr. Kwok Hoi Hing (Mr. Zhu Minming as his alternate) and Mr. Zou Chaoyong as non-executive Directors; and Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David, Mr. Albert Ho and Mr. Wang Yijiang as independent non-executive Directors.*

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