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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 TRANSACTIONS PROPERTY MANAGEMENT SERVICES AGREEMENT

PROPERTY MANAGEMENT SERVICES AGREEMENT

On 29 April 2020, Jiuzhou Port Company, a connected subsidiary company of the Company, entered into the Property Management Services Agreement with ZJ Property Management, a wholly-owned subsidiary of ZJ Holdings. Pursuant to the Property Management Services Agreement, ZJ Property Management, as service provider, shall provide the Property Management Services to Jiuzhou Port Company at the Station for the period commencing on 1 May 2020 and ending on 30 April 2023 in return for the Service Fees.

LISTING RULES IMPLICATIONS

ZJ Property Management is a subsidiary of ZJ Holdings, which is a controlling Shareholder of the Company. As at the date of this announcement, ZJ Holdings is interested in 715,593,909 Shares, representing approximately 50.12% of the total issued share capital of the Company. Accordingly, ZJ Property Management is an associate of ZJ Holdings and a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Property Management Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap for the Property Management Services under the Property Management Services Agreement is greater than 0.1% but less than 5%, the entering into of the Property Management Services Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Jiuzhou Port Company, a connected subsidiary company of the Company, is principally engaged in the provision of port facilities in the PRC, including the Station. The operation of port facilities requires property management services, which include security services and fire services.

Prior to the Property Management Services Agreement, Jiuzhou Port Company entered into separate historical agreements with Independent Third Parties, pursuant to which the Independent Third Parties, as service providers, provided property management services, such as security services and fire services in respect of the Station in return for service fees.

On 29 April 2020, Jiuzhou Port Company entered into the Property Management Services Agreement with ZJ Property Management for, pursuant to which ZJ Property Management, as service provider, shall provide the Property Management Services to Jiuzhou Port Company at the Station for the period commencing on 1 May 2020 and ending on 30 April 2023 in return for the Service Fees.

THE PROPERTY MANAGEMENT SERVICES AGREEMENT

Principal terms of the Property Management Services Agreement are as follows:

Date: 29 April 2020

Parties: 1. Jiuzhou Port Company, as service recipient
2. ZJ Property Management, as service provider

Duration: Commencing on 1 May 2020 and ending on 30 April 2023

Subject Matter: In consideration of the Service Fees payable to ZJ Property Management, ZJ Property Management is to provide the Property Management Services to Jiuzhou Port Company at the Station.

Pricing basis and payment term: The Service Fees are to be determined based on the standard monthly rates as agreed between Jiuzhou Port Company and ZJ Property Management for different positions and the actual number of staff deployed as requested by Jiuzhou Port Company.

The standard monthly rates shall include, amongst other things, labour costs, management costs, insurance, taxes, service material costs, waste collection costs and fees associated with risks and obligations under the Property Management Services Agreements.

The Service Fees are to be settled on a monthly basis and shall be paid by bank transfer within 15 days, where applicable, in whole, after the checking of the Property Management Services.

The Service Fees for each of the periods below shall not exceed the specified amount below:

Period	Maximum Service Fees (RMB)
1. 1 May 2020–31 December 2020	4.2 million
2. FY 2021	6.3 million
3. FY 2022	6.3 million
4. 1 January 2023–30 April 2023	2.1 million

AMOUNTS OF SERVICE FEES UNDER THE HISTORICAL AGREEMENTS

The historical transaction amounts in respect of property management services at the Station are set out below:

Service Provider	Type of Services	Transaction Amount in FY 2017 (RMB)	Transaction Amount in FY 2018 (RMB)	Transaction Amount in FY 2019 (RMB)	Transaction Amount in the Three Months Ended 31 March 2020 (RMB)
1. 深圳市明喆物業管理有限公司 (Shenzhen City Ming-jie Property Management Co., Ltd.*)	Property management services	3,162,981.81	4,278,846.59	4,825,047.14	1,281,800.00
2. 珠海市橫琴保安服務有限公司 (Zhuhai City Hengqin Security Services Co., Ltd.*)	Security services	252,032.02	588,876.38	595,638.49	23,750.00
3. 廣東省建安消防機電工程 有限公司(珠海分公司) (Guangdong Province Jian-an Fire Electrical and Mechanical Engineering Co., Ltd. (Zhuhai Branch)*)	Fire services	57,538.01	91,745.28	201,650.94	67,216.80
	Total:	<u>3,472,461.84</u>	<u>4,959,468.25</u>	<u>5,622,336.57</u>	<u>1,372,766.80</u>

ANNUAL CAPS AND BASIS OF DETERMINATION OF THE ANNUAL CAPS

The Board has determined to set the Annual Caps in relation to the Property Management Services as below:

Period	Annual Cap (RMB)
1. 1 May 2020–31 December 2020	4.2 million
2. FY 2021	6.3 million
3. FY 2022	6.3 million
4. 1 January 2023–30 April 2023	2.1 million

In arriving at the Annual Caps, the Company has taken into account:

- (a) the amounts of service fees under historical transactions with Independent Third Parties;
- (b) the minimum wage levels as adjusted by the Zhuhai government from time to time;
- (c) any possible increase in demand for services during unforeseeable events arising from daily operation; and
- (d) an additional buffer of 5%.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY MANAGEMENT SERVICES AGREEMENT

Prior to the Property Management Services Agreement, Jiuzhou Port Company entered into separate historical agreements with Independent Third Parties for property management services, such as security services and fire services, in respect of the Station. Pursuant to the Property Management Services Agreement, ZJ Property Management is to provide the Property Management Services as a single service provider to Jiuzhou Port Company. This can allow the Group to deliver sustainable and professional port services and facilitate the Group's overall planning and management of their port services business. Moreover, the Group can further enhance the quality of their port services, management of the services and brand image in response to the requests of the relevant government departments.

One major comparative advantage of ZJ Property Management in providing the Property Management Services is its familiarity with the business environment of operating port facilities and the standard required for port services, its ability to coordinate and supervise management of port services in order to more effectively deliver services integrating professional management services and specialised emergency services, and its aptitude to provide timely and reliable services on an ongoing basis. Its quality services will give an impetus to further enhancement of services for operation and management of port facilities. Further, ZJ Property Management is able to offer comparable or more favourable terms and prices to Jiuzhou Port Company.

Taking into account the high quality of services that ZJ Property Management can provide and its ability to offer comparable or more favourable terms and prices, the Board considers that the Property Management Services Agreement will allow Jiuzhou Port Company to minimise the management and operational costs.

Having reviewed the terms of the Property Management Services Agreement, the Directors (including the independent non-executive Directors) are of the view that the terms of the Property Management Services Agreement and the Annual Caps are fair and reasonable, that the Property Management Services Agreement are on normal commercial terms or better to the Company and that the entering into of the Property Management Services Agreement is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

Since Mr. Huang Xin, Mr. Zeng Jianping, 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 resolutions approving the Property Management Services Agreement. Mr. Li Wenjun (being an executive Director) is also a deputy general manager of ZJ Holdings and also abstained from voting on the aforesaid board resolutions. Save as disclosed above, none of the Directors has a material interest in the Property Management Services Agreement or should abstain from voting in respect of the relevant board resolutions.

INFORMATION ON THE PARTIES

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.

ZJ Property Management, a wholly-owned subsidiary of ZJ Holdings, is principally engaged in property management and provision of cleaning and miscellaneous services in the PRC.

LISTING RULES IMPLICATIONS

ZJ Property Management is a subsidiary of ZJ Holdings, which is a controlling Shareholder of the Company. As at the date of this announcement, ZJ Holdings is interested in 715,593,909 Shares, representing approximately 50.12% of the total issued share capital of the Company. Accordingly, ZJ Property Management is an associate of ZJ Holdings and a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Property Management Services constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap for the Property Management Services under the Property Management Services Agreement is greater than 0.1% but less than 5%, the entering into of the Property Management Services Agreement and the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual Caps”	the annual caps for the Property Management Services
“Board”	the board of Directors
“Company”	Zhuhai Holdings Investment Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“FY”	a financial year of the Company ended or ending 31 December
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 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
“Macau”	the Macao Special Administrative Region of the PRC
“PRC”	for the purpose of this announcement, the People’s Republic of China (other than the regions of Hong Kong, Macau and Taiwan)
“Property Management Services”	the security, cleaning, carriage and miscellaneous services to be provided by ZJ Property Management to Jiuzhou Port Company pursuant to the Property Management Services Agreement
“Property Management Services Agreement”	the property management services agreement dated 29 April 2020 entered into between Jiuzhou Port Company and ZJ Property Management in relation to the provision of the Property Management Services at the Station for the period commencing on 1 May 2020 and ending on 30 April 2023

“RMB”	Renminbi, the lawful currency in the PRC
“Service Fees”	the service fees payable by Jiuzhou Port Company to ZJ Property Management pursuant to the Property Management Services Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Station”	九洲客運港站場 (Jiuzhougang Bus Passenger Transport Station*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZJ Holdings”	珠海九洲控股集團有限公司 (Zhuhai Jiuzhou Holdings Group Co., Ltd.*), a company established in the PRC with limited liability and a controlling Shareholder of the Company
“ZJ Property Management”	珠海九洲物業管理有限公司 (Zhuhai Jiuzhou Property Management Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of ZJ Holdings
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “connected subsidiary”, “controlling shareholder”, “percentage ratios”, “subsidiary” and “substantial 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, 29 April 2020

As at the date of this announcement, the Board comprises Mr. HUANG Xin, Mr. ZENG Jianping, 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 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.*