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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 SERVICES AGREEMENTS

PROPERTY SERVICES AGREEMENTS

On 29 July 2020, ZJ Property Development entered into the Property Services Agreements with ZJ Property Management, pursuant to which ZJ Property Management, as service provider, shall provide Property Services to ZJ Property Development, as service recipient, in the Lot 2 Exhibition Hall and Lot 4 Exhibition Hall for the period commencing on 1 August 2020 and ending on 31 July 2021 in return for the Service Fees. No such property services have been previously provided by ZJ Property Management to ZJ Property Development.

LISTING RULES IMPLICATIONS

ZJ Property Management is a wholly-owned subsidiary of ZJ Holdings, which is a controlling Shareholder. As at the date of this announcement, ZJ Holdings is interested in 878,155,109 Shares, representing approximately 61.50% 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. ZJ Property Development is a non-wholly owned subsidiary of the Company owned as to 60% by the Company through its wholly-owned subsidiary and 40% by a wholly owned subsidiary of ZJ Holdings. Therefore, the transactions contemplated under the Property Services Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Property Services Agreements shall be aggregated as if they were one transaction. As the highest applicable percentage ratio in respect of the Service Fees for the Property Services under the Property Services Agreements is greater than 0.1% but less than 5%, 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

ZJ Property Development is a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company, whose principal business is real estate development and sales.

In the past, prior to the entering into of the Property Services Agreements, ZJ Property Development entered into separate historical agreements with an independent third party service provider, pursuant to which the service provider provided property services which consisted of security, cleaning and sales reception and management services to ZJ Property Development, as service recipient, in the Lot 2 Exhibition Hall and Lot 4 Exhibition Hall in return for service fees.

On 29 July 2020, ZJ Property Development entered into the Property Services Agreements with ZJ Property Management, pursuant to which ZJ Property Management, as service provider, shall provide Property Services to ZJ Property Development, as service recipient, in the Lot 2 Exhibition Hall and Lot 4 Exhibition Hall for the period commencing on 1 August 2020 and ending on 31 July 2021 in return for the Service Fees. No such property services have been previously provided by ZJ Property Management to ZJ Property Development.

THE PROPERTY SERVICES AGREEMENTS

Principal terms of the Property Services Agreements are as follows:

Date:	29 July 2020
Parties:	<ol style="list-style-type: none">1. ZJ Property Development, as service recipient2. ZJ Property Management, as service provider
Duration:	Commencing on 1 August 2020 and ending on 31 July 2021
Subject Matter:	<p>In the case of the Lot 2 Exhibition Hall Property Services Agreement:</p> <p>ZJ Property Management is to provide the Property Services to ZJ Property Development in the Lot 2 Exhibition Hall in consideration of the Service Fees payable to ZJ Property Management.</p> <p>In the case of the Lot 4 Exhibition Hall Property Services Agreement:</p> <p>ZJ Property Management is to provide the Property Services to ZJ Property Development in the Lot 4 Exhibition Hall in consideration of the Service Fees payable to ZJ Property Management.</p>

Estimated Service Fees: In the case of the Lot 2 Exhibition Hall Property Services Agreement:

RMB2,322,667, subject to adjustment on the terms as set out below.

In the case of the Lot 4 Exhibition Hall Property Services Agreement:

RMB4,249,337, subject to adjustment on the terms as set out below.

Pricing basis and payment term:

The Service Fees shall include taxes, overtime payment (except for the overtime payment stated below) and accommodation expenses for the staff deployed by ZJ Property Management for providing the Property Services.

The Service Fees shall not include meal expenses for the staff deployed by ZJ Property Management and overtime payment for any work on a statutory holiday in the PRC, which shall be charged based on the standard daily rates as agreed between ZJ Property Development and ZJ Property Management for different positions and the actual number of staff deployed.

The Service Fees are to be settled on a monthly basis. The actual amount of the Service Fees payable for each month shall be determined based on the actual number of staff deployed by ZJ Property Management and the performance of the staff, which shall be assessed by ZJ Property Development by the end of that month. Such amount shall then be paid by bank transfer within the first 10 working days of the following month.

ANNUAL CAPS AND BASIS OF DETERMINATION OF THE ANNUAL CAPS

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

Period	Annual Cap (RMB)
1. 1 August 2020–31 December 2020	2,738,335
2. 1 January 2021–31 July 2021	3,833,669

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

- (a) the amounts of service fees under historical transactions with the previous service provider; and
- (b) the expected expansion in the scope and increase in the volume of property services that ZJ Property Development would need during the above periods.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY SERVICES AGREEMENTS

As both ZJ Property Management and ZJ Property Development are subsidiaries of ZJ Holdings, ZJ Property Management has a better understanding of the business of ZJ Property Development and the policy of ZJ Property Development for sale of properties. The Company therefore considers that the services to be delivered by ZJ Property Management would enhance management standardisation. The Company believes that, with standardised management, employment practices established in accordance with national policies, and a stable workforce, ZJ Property Management would be stable in delivering specialised services and effective in controlling the standard of service. This would afford better and more protection of the brand and reputation of the Group.

Given that ZJ Property Management has long experience in providing property services for various projects, the Company believes that ZJ Property Management can effectively meet the demand for property services in the exhibition halls.

Moreover, the Company considers that the terms of the Property Services Agreements and the estimated Services Fees were reached in arm's length.

The Directors (including the independent non-executive Directors) are of the view that the Property Services Agreements are entered into on normal commercial terms or better to the Company and in the ordinary and usual course of business of the Group and that the terms of the Property Services Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Since 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 Services Agreements. 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 Services Agreements 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 wholly-owned subsidiary of ZJ Holdings, which is a controlling Shareholder. As at the date of this announcement, ZJ Holdings is interested in 878,155,109 Shares, representing approximately 61.50% 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. ZJ Property Development is a non-wholly owned subsidiary of the Company owned as to 60% by the Company through its wholly-owned subsidiary and 40% by a wholly-owned subsidiary of ZJ Holdings. Therefore, the transactions contemplated under the Property Services Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Property Services Agreements shall be aggregated as if they were one transaction. As the highest applicable percentage ratio in respect of the Service Fees for the Property Services under the Property Services Agreements is greater than 0.1% but less than 5%, 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
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lot 2 Exhibition Hall”	翠湖香山國際花園地塊二（法式）展示區案場（Cuihu Xiangshan International Garden Land Lot 2 Exhibition Hall*），where ZJ Property Development engaged in the sale of the properties that are being developed at the aforesaid land lot
“Lot 2 Exhibition Hall Property Services Agreement”	the property services agreement dated 29 July 2020 entered into between ZJ Property Development and ZJ Property Management in relation to the provision of the Property Services in the Lot 2 Exhibition Hall for the period commencing on 1 August 2020 and ending on 31 July 2021
“Lot 4 Exhibition Hall”	翠湖香山國際花園地塊四展示區案場（Cuihu Xiangshan International Garden Land Lot 4 Exhibition Hall*），where ZJ Property Development engaged in the sale of the properties that are being developed at the aforesaid land lot
“Lot 4 Exhibition Hall Property Services Agreement”	the property services agreement dated 29 July 2020 entered into between ZJ Property Development and ZJ Property Management in relation to the provision of the Property Services in the Lot 4 Exhibition Hall for the period commencing on 1 August 2020 and ending on 31 July 2021
“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 Services”	the security, cleaning and sale reception and management services to be provided by ZJ Property Management to ZJ Property Development pursuant to the Property Services Agreements
“Property Services Agreements”	the Lot 2 Exhibition Hall Property Services Agreement together with the Lot 4 Exhibition Hall Property Services Agreement
“RMB”	Renminbi, the lawful currency in the PRC
“Service Fees”	the service fees payable by ZJ Property Development to ZJ Property Management pursuant to the Property Services Agreements
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“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
“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
“ZJ Property Development”	珠海九洲房地產有限公司 (Zhuhai Jiuzhou Holdings Property Development Co., Ltd.*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “controlling shareholder”, “percentage ratios” and “subsidiary” 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
Zeng Jianping
Chairman

Hong Kong, 29 July 2020

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

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