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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)

CONNECTED TRANSACTION DREDGING SERVICES AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 17 November 2020 in relation to the Dredging Services Agreement entered into between ZJ Navi, Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing (the “**Announcement**”). Unless otherwise defined, capitalised terms in this supplemental announcement shall have the same meaning of those in the Announcement.

As disclosed in the Announcement:

- (a) ZJ Navi is to conduct dredging maintenance works on the Jiuzhou Fairway, the expenses of which (i.e. the Dredging Expenses) are to be borne by Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing according to the sharing ratio of their ticket proceeds from January 2019 to December 2019. The sharing ratio between Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing shall be 4.99%:18.93%:74.69%:1.39%.
- (b) Jiuzhou Passenger Development Company is to instruct third parties to conduct hydrographic survey before and after the dredging maintenance works. Jiuzhou Passenger Development Company is to initially bear the expenses thereof (i.e. the Survey Expenses), with the Survey Expenses to be borne by Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing according to the sharing ratio of their ticket proceeds from January 2019 to December 2019. The sharing ratio between Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing shall be 4.99%:18.93%:74.69%:1.39%.
- (c) The tentative total consideration is RMB9,500,000.

The Board wishes to make this supplemental announcement to provide further information in relation to the Dredging Services Agreement.

PROVISION OF DREDGING MAINTENANCE SERVICE BY ZJ NAVI

Under the Dredging Services Agreement, ZJ Navi is to conduct dredging maintenance works on the Jiuzhou Fairway. ZJ Navi is principally engaged in a variety of marine/water related business activities. It is principally engaged in, among other things, the organisation of group water-sports events and exhibitions, provision of advertising and marketing services, rental and maintenance of marine transportation machinery and equipment, training for operating yacht and sailboat, and shipping inspection agent. In particular, it also possesses knowledge and experience with respect to the Jiuzhou Fairway. For instance, it organised the 2017 National Sailing Championship, the 2017 National Windsurfing Championship, the 2017 Jiuzhou Cup Championship, the 2018 Asia Windsurfing Championship and the 2018 Asia Kitesurfing Championship at the Jiuzhou Fairway, as disclosed in the Company's announcements dated 8 November 2017 and 19 November 2018. ZJ Navi also has relevant experience in conducting dredging maintenance works, in addition to those pursuant to the Dredging Services Agreement. The Company considers that ZJ Navi is appropriate to undertake the work under the Dredging Services Agreement taking into account its experience in providing such services and its knowledge about the Jiuzhou Fairway, which will facilitate ZJ Navi to manage the process, costs and timetable in an efficient manner.

EXPENSES SHARING RATIO

Under the Dredging Services Agreement, the expenses sharing ratio between Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing is based on the sharing ratio of the ticket proceeds from January 2019 to December 2019.

Dredging services are required in order to facilitate smooth operations of ferry and cruise lines operated by Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing along the Jiuzhou Fairway and reduce the chances of hidden safety dangers. The Company considers that the ratio of ticket proceeds (which are derived from the usage of the Jiuzhou Fairway) is a reasonable means to reflect the respective usage of the Jiuzhou Fairway by such companies and therefore the benefits that each of them could receive from the dredging maintenance work and hydrographic survey under the Dredging Services Agreement. Accordingly, the Company considers that it is reasonable to use such ratio to determine the expenses sharing.

CONSIDERATION

The breakdown of the total consideration of RMB9,500,000 is as below:

- (a) Dredging Expenses: RMB8,855,700; and
- (b) Survey Expenses: RMB644,300.

Both the Dredging Expenses and the Survey Expenses were determined in accordance with relevant PRC regulations.

The Dredging Expenses were determined in accordance with the following PRC regulations:

- (a) Code of Valuation of Waterway Engineering Quantity* (《水運工程工程量清單計價規範》);
- (b) Notice on Issuing of “Regulations on the Preparation of Budget for Coastal Port Construction Projects” and Supporting Quota (Ministry of Transport Water (2004) No.247)* (《關於發佈〈沿海港口建設工程概算預算編製規定〉及配套定額的通知》)(交通部水發[2004]247號文);
- (c) On-shift Cost Quota per Ship (Set) of the Machinery Installation Engineering of Hydraulic Construction and Loading and Discharging Mechanical Equipment at Coastal Port* (《沿海港口水工建築及裝卸機械設備安裝工程船舶機械艘(台)班費用定額》);
- (d) On-shift Cost Quota per Ship (Set) of the Shipping Machinery for the Inland Waterway Shipping Engineering* (《內河航運工程船舶機械艘(台)班費用定額》);
- (e) Ministry of Transport Regulations on the Preparation of Budget Estimate and Budget for Dredging Projects (Jiao Ji Fa [1997])* (交通部交基發[1997]《疏浚工程概算、預算編製規定》);
- (f) Dredging Project Budget Quota* (《疏浚工程預算定額》);
- (g) On-shift Cost Quota per Ship of Shipping Machinery for the Dredging Project* (《疏浚工程船舶艘班費用定額》);
- (h) Notice of the Guangdong Provincial Department of Transportation on Adjusting the Estimated and Budgeted Labor Unit Price of the Dredging Project of Coastal Port Engineering in Our Province* (《廣東省交通運輸廳關於調整我省沿海港口工程疏浚工程概算預算人工單價的通知》);
- (i) Engineering Survey Design Fee Standard (2002 Revised Version)* (《工程勘察設計收費標準》(2002年修訂本)) jointly promulgated by the National Development and Reform Commission of the PRC and the Ministry of Construction of the PRC;

- (j) Notice on Issuing of “Administrative Regulations on Construction Projects Supervision and Related Service Charge” (Fa Gai Jia Ge [2007] No.670)* (《關於印發〈建設工程監理與相關服務收費管理規定〉的通知》(發改價格[2007]670號文)) issued by PRC National Development and Reform Commission and Ministry of Construction in 2007;
- (k) Reply of Guangdong Provincial Price Bureau on Regulating the Charges of Consulting Services for Construction Project Cost* (《廣東省物價局關於調整我省建設工程造價諮詢服務收費的覆函》);
- (l) Notice on Issuing of “Provisional Law on the Administration of the Use of Temporary Sea Areas”* (《關於印發〈臨時海域使用管理暫行辦法〉的通知》); and
- (m) Price Standard for Maritime Space Use in Guangdong Province* (《廣東省海域使用金徵收標準》).

The Survey Expenses, were determined in accordance with the Engineering Survey Design Fee Standard (2002 Revised Version)* (《工程勘察設計收費標準》(2002年修訂本)) jointly promulgated by the National Development and Reform Commission of the PRC and the Ministry of Construction of the PRC.

The total consideration was offered by ZJ Navi to the Group at prices and terms which were not higher and no less favourable than those offered by Independent Third Parties to the Group. The Company therefore considers the Dredging Expenses and Survey Expenses to be on normal commercial terms or better to the Company.

Based on the information available, the Company considers that RMB9,500,000 represents the maximum consideration payable by Jiuzhou Passenger Development Company, Jiuzhou Port Company, Ferry Company and Marine Sightseeing. The Company does not expect the total consideration to deviate materially from the tentative total consideration. Even if the total consideration deviates from the tentative total consideration, the Company expects that the Dredging Services Agreement will still be a connected transaction not subject to the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, 27 November 2020

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 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.*