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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)**

### **BUSINESS UPDATE IN RELATION TO THE NEW MARINE TOURISM LINE**

This is a business update announcement made by the Company on a voluntary basis.

#### **BUSINESS UPDATE IN RELATION TO THE NEW MARINE TOURISM LINE**

By way of background, Ferry Company is established in the PRC and is owned as to 49% by the Group, 43% by ZJ Holdings (a state-owned enterprise established in the PRC and the controlling shareholder of the Company) and 8% by an independent third party. Ferry Company is treated as a subsidiary of the Company and hence a member of the Group. Ferry Company is principally engaged in the provision of ferry services between Zhuhai on the one part and the following terminals on the other part: (i) China Ferry Terminal or Hong Kong-Macau Ferry Terminal; (ii) Hong Kong International Airport; and (iii) Shekou, Shenzhen, the PRC. As at the date of this announcement, as part of its ferry services, Ferry Company also operates the New Marine Tourism Line. On 4 December 2020, by taking into account the reasons as summarised below, the Board has resolved to procure the cessation of Ferry Company's operation of the New Marine Tourism Line which is expected to take effect on or around 1 January 2021.

#### **REASONS FOR THE DECISION**

The outbreak of the COVID-19 pandemic since early 2020 has caused significant challenges to the tourism and transportation industry generally. The persistent COVID-19 pandemic has resulted in a significant decrease in the number of passengers for the New Marine Tourism Line during 2020. Against the backdrop of this challenging market landscape, Ferry Company endeavours to rationalise its service offerings and operate in a cost effective manner as a whole.

Moreover, as advised by the PRC legal counsel to Ferry Company, under the Administrative Provisions on Domestic Waterway Transport (revised in 2020) (國內水路運輸管理規定 (2020年修訂)), licences for operation of waterway transportation in the PRC (including operation of ferry lines) may be granted to foreign-invested enterprises only if domestic waterway transport operators are unable to meet the demand. Licences may be revoked if the relevant PRC authority subsequently considers that the demand could be met by domestic waterway transport operators. Given that Ferry Company is a member of the Group, the PRC legal counsel is of the view that Ferry Company would not be considered as a domestic waterway transport operator. Furthermore, based on the information available so far, routes similar or

equivalent to the New Marine Tourism Line have already been operated by other domestic waterway transport operators. Therefore, it would be difficult for Ferry Company to apply for a licence for operation of the New Marine Tourism Line. Even if a licence were to be granted to Ferry Company, as advised by the Company's PRC legal counsel, Ferry Company may be subject to significant risks of its licence being revoked by the relevant PRC authority subsequently. Taking into account the above reasons, Ferry Company has been relying on the ferries leased by domestic waterway transportation companies (which hold the requisite licences) for its operation of the New Marine Tourism Line. The Board considers that reliance on leased ferries, in the long run, would inevitably affect Ferry Company's competitiveness in its operation of the New Marine Tourism Line.

Taking into account the aforesaid market landscape and regulatory reasons, with a view to optimising the Group's resources and management efforts, the Board believes that it is in the best interests of the Company and its shareholders to procure the cessation of Ferry Company's operation of the New Marine Tourism Line for the time being. While Ferry Company will cease to be the operator of the New Marine Tourism Line, the Board believes that the Group may participate in such line by way of providing supporting services to the other parties in return for a fee. Meanwhile, the Group will continue to evaluate the circumstances and business opportunities from time to time and will not exclude the possibility for Ferry Company (and/or other member(s) of the Group) to be the operator(s) of the New Marine Tourism Line in the future as and when appropriate.

The Board considers that the aforesaid decision would not result in a material adverse impact on the financial performance and operation of the Group as a whole.

## **OTHER INFORMATION**

The Board understands from ZJ Holdings that Jiuzhou Blue Sea Jet Investment, a wholly-owned subsidiary of ZJ Holdings established in the PRC, may operate the New Marine Tourism Line in its capacity as a domestic waterway transport operator, following the cessation of Ferry Company's operation of such line.

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 resolution(s) of the Company in connection with the proposed cessation of Ferry Company's operation of the New Marine Tourism Line. 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 should abstain from voting in respect of the relevant board resolutions.

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“Company”	Zhuhai Holdings Investment Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on The Stock Exchange of Hong Kong Limited

“Director(s)”	the director(s) of the Company
“Ferry Company”	珠海高速客輪有限公司 (Zhuhai High-speed Passenger Ferry Co., Ltd.*), established as a sino-foreign equity joint venture enterprise under the PRC laws and a subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiuzhou Blue Sea Jet Investment”	珠海九洲藍色幹線投資控股有限公司 (Zhuhai Jiuzhou Blue Sea Jet Investment Holdings Co., Ltd.*), established as a domestic enterprise under the PRC law and a wholly-owned subsidiary of ZJ Holdings
“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 Hong Kong-Zhuhai-Macau Bridge (港珠澳大橋) 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
“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

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

Hong Kong, 4 December 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.*