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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: 2021-23 PROPERTY SERVICES AGREEMENT**

#### **2021-23 PROPERTY SERVICES AGREEMENT**

Reference is made to the Company's announcements dated 29 July 2020 and 1 December 2020 in relation to, among other things, the 2020 Property Services Agreements and the 2021 Property Services Agreements.

On 29 July 2020, ZJ Property Development entered into the 2020 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 (French-Style Houses) 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 were previously provided by ZJ Property Management to ZJ Property Development.

On 1 December 2020, ZJ Property Development entered into the 2021 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 1 Exhibition Hall and Lot 2 (Chinese-Style Houses) Exhibition Hall for the period commencing on 1 January 2021 and ending on 31 December 2021 in return for the Service Fees.

On 15 January 2021, ZJ Property Development entered into the 2021-23 Property Services Agreement 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 1 Town Centre for the period commencing on 1 April 2021 and ending on 31 March 2023 in return for the Service Fees.

## **LISTING RULES IMPLICATIONS**

ZJ Property Development is a member of the Group while ZJ Property Management is a wholly-owned subsidiary of ZJ Holdings (the controlling shareholder 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 and owned as to 60% by the Company through its wholly-owned subsidiary and 40% by a wholly-owned subsidiary of ZJ Holdings respectively. Therefore, the transaction contemplated under the 2021-23 Property Services Agreement constitutes a CCT for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2020 Property Services Agreements, 2021 Property Services Agreements and 2021-23 Property Services Agreement 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 2020 Property Services Agreements, 2021 Property Services Agreements and 2021-23 Property Services Agreement 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**

Reference is made to the Company's announcements dated 29 July 2020 and 1 December 2020 in relation to, among other things, the 2020 Property Services Agreements and the 2021 Property Services Agreements.

On 29 July 2020, ZJ Property Development entered into the 2020 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 (French-Style Houses) 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 were previously provided by ZJ Property Management to ZJ Property Development.

On 1 December 2020, ZJ Property Development entered into the 2021 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 1 Exhibition Hall and Lot 2 (Chinese-Style Houses) Exhibition Hall for the period commencing on 1 January 2021 and ending on 31 December 2021 in return for the Service Fees.

On 15 January 2021, ZJ Property Development entered into the 2021-23 Property Services Agreement 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 1 Town Centre for the period commencing on 1 April 2021 and ending on 31 March 2023 in return for the Service Fees.

## 2021-23 PROPERTY SERVICES AGREEMENT

### Principal terms of the 2021-23 Property Services Agreement

Principal terms of the 2021-23 Property Services Agreement are set out below:

- Date:** 15 January 2021
- Parties:**
- (i) ZJ Property Development, as service recipient
  - (ii) ZJ Property Management, as service provider

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.

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.

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 878,155,109 Shares, representing approximately 61.5% of the total number of Shares in issue. The principal activities of ZJ Holdings include investment in tourism and transportation businesses and properties letting.

**Duration:** Commencing on 1 April 2021 and ending on 31 March 2023

**Subject Matter:** ZJ Property Management is to provide the Property Services to ZJ Property Development in the Lot 1 Town Centre in consideration of the Service Fees payable to ZJ Property Management.

**Estimated Service Fees:** The Service Fees comprise the following, subject to adjustments on the terms as set out below:

<b>Item</b>	<b>Amount</b>
<b>Start-up service fees</b>	RMB186,703
<b>Early involvement service fees</b>	RMB492,771
<b>Property service fees</b>	RMB6,990,496
<b>Total</b>	RMB7,669,970

**Pricing basis and key payment terms:**

The start-up service fees are to be settled one month prior to the establishment of the property service centre for the purpose of providing the Property Services. The actual amount of the start-up service fees payable shall be determined based on the actual supply of materials and goods by ZJ Property Management, which shall be assessed by ZJ Property Development before payment.

The early involvement service fees are to be settled three months prior to the commencement of operation of the Lot 1 Town Centre, on a monthly basis. The actual amount of the early involvement service fees payable for each month shall be determined by the performance of the staff deployed. Such amount shall then be paid within 15 working days after submission of an evaluation form and invoice by ZJ Property Management to ZJ Property Development.

The property service fees are to be settled on a monthly basis. The actual amount of the property 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 within the first 10 working days of the following month.

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 or any special work arrangement made by ZJ Property Development, 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 on normal commercial terms negotiated on an arm's length basis by the parties with reference to the prevailing management service fee rates of similar services provided for comparable properties, at prices and terms offered by ZJ Property Management to ZJ Property Development not less favourable than those offered by other independent third parties to ZJ Property Development.

## HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

The historical transaction amounts and the annual caps for the Property Services under the 2020 Property Services Agreements and the 2021 Property Services Agreements are set out below:

<b>Period</b>	<b>Annual Caps (RMB)</b>	<b>Historical Transaction Amount (RMB)</b>
1. 1 August 2020 to 31 December 2020	2,738,335	1,073,548 <i>(Note1)</i>
2. 1 January 2021 to 31 December 2021	9,262,961	N/A

*Note:*

- For the eleven months ended 30 November 2020, the aggregate historical amount under the 2020 Property Services Agreements amounted to approximately RMB1,073,548. It is expected that the aggregate amount will not exceed the above annual cap for FY2020.

## ANNUAL CAPS AND BASIS OF DETERMINATION OF THE ANNUAL CAPS

The expected maximum aggregate annual caps in relation to the Property Services under the 2020 Property Services Agreements, 2021 Property Services Agreements and 2021-23 Property Services Agreement are set out below:

<b>Period</b>	<b>Annual Cap for the 2020 Property Services Agreements (RMB)</b>	<b>Annual Cap for the 2021 Property Services Agreements (RMB)</b>	<b>Annual Cap for the 2021-23 Property Services Agreement (RMB)</b>	<b>Total Annual Caps (RMB)</b>
1. 1 August 2020 to 31 December 2020	2,738,335	N/A	N/A	2,738,335
2. 1 January 2021 to 31 December 2021	3,833,669	5,429,292	3,300,910	12,563,871
3. 1 January 2022 to 31 December 2022	N/A	N/A	3,495,248	3,495,248
4. 1 January 2023 to 31 March 2023	N/A	N/A	873,812	873,812

The total annual caps were proposed by the Directors based on the following factors:

- (a) the amounts of service fees under historical transactions with the previous independent third party service provider;
- (b) the historical transaction amounts for the Lot 2 (French-Style Houses) Exhibition Hall and Lot 4 Exhibition Hall under the 2020 Property Services Agreements and the Lot 1 Exhibition Hall and Lot 2 (Chinese-Style Houses) Exhibition Hall under the 2021 Property Services Agreements; and
- (c) 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 2021-23 PROPERTY SERVICES AGREEMENT**

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 period of 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 town centre.

Moreover, the Company considers that the terms of the 2021-23 Property Services Agreement and the estimated Services Fees were reached in arm's length and the terms and conditions of the 2020 Property Services Agreements and the 2021 Property Services Agreements are essentially consistent with those under the 2021-23 Property Services Agreement.

The Directors (including the independent non-executive Directors) are of the view that the 2021-23 Property Services Agreement is 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 2021-23 Property Services Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) also confirm that the total annual caps are fair and reasonable and in the interests 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 2021-23 Property 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 2021-23 Property Services Agreement or should abstain from voting in respect of the relevant board resolutions.

## **LISTING RULES IMPLICATIONS**

As explained in the subsection headed “Principal terms of the 2021-23 Property Services Agreement – Parties” above, ZJ Property Development is a member of the Group and ZJ Property Management is a wholly-owned subsidiary of ZJ Holdings (the controlling shareholder 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 and owned as to 60% by the Company through its wholly-owned subsidiary and 40% by a wholly-owned subsidiary of ZJ Holdings respectively. Therefore, the transaction contemplated under the 2021-23 Property Services Agreement constitutes a CCT for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the 2020 Property Services Agreements, 2021 Property Services Agreements and 2021-23 Property Services Agreement 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 2020 Property Services Agreements, 2021 Property Services Agreements and 2021-23 Property Services Agreement 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.

## **GENERAL**

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 factoring services, the construction of river-regulating facilities and provision of river maintenance 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 is principally engaged in property management and provision of cleaning and miscellaneous services in the PRC.

## DEFINITIONS

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

<b>“2020 Property Services Agreements”</b>	the Lot 2 (French-Style Houses) Exhibition Hall Property Services Agreement together with the Lot 4 Exhibition Hall Property Services Agreement
<b>“2021 Property Services Agreements”</b>	the Lot 1 Exhibition Hall Property Services Agreement together with the Lot 2 (Chinese-Style Houses) Exhibition Hall Property Services Agreement
<b>“2021-23 Property Services Agreement”</b>	the property services agreement dated 15 January 2021 entered into between ZJ Property Development and ZJ Property Management in relation to the provision of the Property Services in the Lot 1 Town Centre for the period commencing on 1 April 2021 and ending on 31 March 2023
<b>“Board”</b>	the board of Directors
<b>“CCT(s)”</b>	continuing connected transaction(s), having such meaning as ascribed to such term under the Listing Rules
<b>“Company”</b>	Zhuhai Holdings Investment Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
<b>“Director(s)”</b>	the director(s) of the Company
<b>“FY”</b>	a financial year of the Company ending on 31 December
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollar, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Lot 1 Exhibition Hall”</b>	翠湖香山國際花園地塊一展示區案場 (Cuihu Xiangshan International Garden Land Lot 1 Exhibition Hall*), where ZJ Property Development engaged in the sale of the properties that are being developed at the aforesaid land lot



- “Lot 1 Exhibition Hall Property Services Agreement”** the property services agreement dated 1 December 2020 entered into between ZJ Property Development and ZJ Property Management in relation to the provision of the Property Services in the Lot 1 Exhibition Hall for the period commencing on 1 January 2021 and ending on 31 December 2021
- “Lot 1 Town Centre”** 翠湖香山地塊一小鎮中心 (Cuihu Xiangshan Land Lot 1 Town Centre\*), where ZJ Property Development engaged in the sale or leasing of the properties at the aforesaid land lot
- “Lot 2 (Chinese-Style Houses) Exhibition Hall”** 翠湖香山國際花園地塊二 (中式) 展示區案場 (Cuihu Xiangshan International Garden Land Lot 2 (Chinese-Style Houses) Exhibition Hall\*), where ZJ Property Development engaged in the sale of the properties that are being developed at the aforesaid land lot
- “Lot 2 (Chinese-Style Houses) Exhibition Hall Property Services Agreement”** the property services agreement dated 1 December 2020 entered into between ZJ Property Development and ZJ Property Management in relation to the provision of the Property Services in the Lot 2 (Chinese-Style Houses) Exhibition Hall for the period commencing on 1 January 2021 and ending on 31 December 2021
- “Lot 2 (French-Style Houses) 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 (French-Style Houses) Exhibition Hall\*), where ZJ Property Development engaged in the sale of the properties that are being developed at the aforesaid land lot
- “Lot 2 (French-Style Houses) 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 (French-Style Houses) 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

<b>“Lot 4 Exhibition Hall Property Services Agreement”</b>	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
<b>“Macau”</b>	the Macau Special Administrative Region of the PRC
<b>“PRC”</b>	for the purpose of this announcement, the People’s Republic of China (other than the regions of Hong Kong, Macau and Taiwan)
<b>“Property Services”</b>	the security, cleaning and sale reception and management services to be provided by ZJ Property Management to ZJ Property Development pursuant to the 2020 Property Services Agreements, the 2021 Property Services Agreements and the 2021-23 Property Services Agreement
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Service Fees”</b>	the service fees payable by ZJ Property Development to ZJ Property Management pursuant to the 2020 Property Services Agreements, the 2021 Property Services Agreements or the 2021-23 Property Services Agreement (as applicable)
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.10 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Shares
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“ZJ Holdings”</b>	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
<b>“ZJ Property Development”</b>	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
<b>“ZJ Property Management”</b>	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
<b>“%”</b>	per cent.

*In this announcement, the terms “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 of  
**Zhuhai Holdings Investment Group Limited**  
**Zeng Jianping**  
*Chairman*

Hong Kong, 15 January 2021

*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.*