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**LONGWAY SERVICES GROUP LIMITED      ZHUHAI HOLDINGS INVESTMENT  
GROUP LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

**珠海控股投資集團有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock code: 908)**

**JOINT ANNOUNCEMENT**

**(1) PRE-CONDITIONAL PROPOSAL FOR PRIVATISATION OF  
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED  
BY LONGWAY SERVICES GROUP LIMITED**

**BY WAY OF A  
SCHEME OF ARRANGEMENT  
UNDER SECTION 99 OF THE COMPANIES ACT;**

**(2) PROPOSED WITHDRAWAL OF LISTING OF  
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED;**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE;**

**AND**

**(4) RESUMPTION OF TRADING**

**Financial Adviser to the Offeror**



**Essence Corporate Finance (Hong Kong) Limited**

**INTRODUCTION**

The Offeror and the Company jointly announce that on 17 January 2021, the Offeror requested the Board to, subject to the satisfaction of the Pre-Conditions, put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 99 of the Companies Act.

If the Scheme becomes effective:

- (a) all Scheme Shares held by the Scheme Shareholder will be cancelled in consideration for the Cancellation Price of HK\$3.06 per Scheme Share which shall be paid in cash;
- (b) new Shares corresponding to the cancelled Scheme Shares will be issued to the Offeror, credited as fully paid, such that the Concert Group will in aggregate hold the entire issued share capital of the Company (among which the Offeror will hold approximately 83.53% and ZJ Holdings will hold the remaining approximately 16.47% of the issued share capital of the Company); and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn pursuant to Rule 6.15 of the Listing Rules with effect immediately following the Effective Date.

### **TERMS OF THE PRE-CONDITIONAL PROPOSAL**

Subject to the satisfaction of the Pre-Conditions, the Offeror proposes to make the Proposal which will be implemented by way of the Scheme. Under the Proposal, if the Scheme becomes effective, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$3.06 in cash for each Scheme Share cancelled.

#### **No increase in the Cancellation Price**

**The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

#### **Value of the Proposal**

As at the date of this joint announcement, the Company has 1,427,797,174 Shares in issue. The Concert Group owns 878,155,109 Shares in aggregate, representing approximately 61.50% of the total issued share capital of the Company as at the date of this joint announcement.

Taking into account 878,155,109 Shares that are already owned by the Concert Group as at the date of this joint announcement, the Proposal will involve making an offer to cancel 549,642,065 Scheme Shares, in exchange for the Cancellation Price of HK\$3.06 per Scheme Share in cash.

Assuming there is no change to the issued share capital of the Company, on the basis of the Cancellation Price of HK\$3.06 per Scheme Share and 1,427,797,174 Shares in issue, the total issued share capital of the Company is valued at HK\$4,369,059,352.44. On the basis of 549,642,065 Scheme Shares and the Cancellation Price of HK\$3.06 per Scheme Share, the total amount of cash required to implement the Proposal in full would be HK\$1,681,904,718.90.

### **Financial resources available to the Offeror**

The Offeror intends to finance and satisfy the consideration payable under the Scheme by a loan facility granted by China Merchants Bank Co., Ltd., Hong Kong Branch which is secured by, among other things, the Shares owned by the Concert Group. The Offeror confirms that there is no arrangement in relation to the loan facility pursuant to which the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

Essence Corporate Finance, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy its obligations in respect of the full implementation the Proposal.

### **PRE-CONDITIONS TO THE MAKING OF THE PROPOSAL**

The making of the Proposal is conditional upon obtaining by the Offeror of approvals or authorisations of, the making of the necessary filings and registrations with, and notifications to:

- (a) the National Development and Reform Commission of the PRC;
- (b) the Ministry of Commerce of the PRC; and
- (c) the State Administration of Foreign Exchange of the PRC,

on or before the Pre-Conditions Long Stop Date.

None of the Pre-Conditions can be waived. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date and the Pre-Conditions Long Stop Date is not extended, the Proposal will not be made and, in such case, an announcement will be made as soon as practicable.

### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the satisfaction or waiver (as applicable) of the Conditions on or before the Long Stop Date, failing which the Proposal will lapse.

If the Conditions are satisfied or validly waived (as applicable), the Scheme will be binding on all of the Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM.

## **PROPOSED WITHDRAWAL OF LISTING**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Pre-Conditions or the Conditions has not been satisfied or waived, as applicable, on or before the Pre-Conditions Long Stop Date or the Long Stop Date respectively. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or the Proposal otherwise lapses.

## **THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising Mr. HUI Chiu Chung, Mr. CHU Yu Lin, David, Mr. Albert HO and Mr. WANG Yijiang, being all the independent non-executive Directors has been established by the Board to make a recommendation to the Scheme Shareholders (i) as to whether the Proposal is fair and reasonable; and (ii) as to voting in respect of the Scheme at the Court Meeting and the SGM.

Pursuant to Rule 2.8 of the Takeovers Code, members of the Independent Board Committee are all non-executive directors who have no direct or indirect interest in the Proposal. Mr. ZOU Chaoyong, who is a non-executive Director, is also a director of the ZJ Holdings, the sole shareholder of the Offeror. As such, Mr. ZOU Chaoyong is not considered independent for the purpose of advising the Scheme Shareholders in respect of the Proposal and therefore not a member of the Independent Board Committee.

The Independent Financial Adviser will be appointed by the Board in due course to advise the Independent Board Committee on the Proposal. Further announcement(s) will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed.

## **DESPATCH OF THE SCHEME DOCUMENT**

Subject to and after the satisfaction of the Pre-Conditions, the Scheme Document including, among other things, (i) further details of the Proposal; (ii) the expected timetable; (iii) an explanatory memorandum as required under the Companies Act; (iv) the recommendations from the Independent Board Committee with respect to the Proposal; (v) the letter of advice from the Independent Financial Adviser; and (vi) notices of the Court Meeting and the SGM together with forms of proxy in relation thereto, will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and any other applicable laws and regulations.

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 January 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 25 January 2021.

## WARNING

**Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the Pre-Conditions and the Conditions being satisfied or waived, as applicable. Therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take, should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## INTRODUCTION

The Offeror and the Company jointly announce that on 17 January 2021, the Offeror requested the Board to, subject to the satisfaction of the Pre-Conditions, put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 99 of the Companies Act.

If the Scheme becomes effective:

- (a) all Scheme Shares held by the Scheme Shareholders will be cancelled in consideration for the Cancellation Price of HK\$3.06 per Scheme Share which shall be paid in cash;
- (b) new Shares corresponding to the cancelled Scheme Shares will be issued to the Offeror, credited as fully paid, such that the Concert Group will in aggregate hold the entire issued share capital of the Company (among which the Offeror will hold approximately 83.53% and ZJ Holdings will hold the remaining approximately 16.47% of the issued share capital of the Company); and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn pursuant to Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

As at the date of this joint announcement, the Company has 1,427,797,174 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

As at the date of this joint announcement, the Concert Group owns 878,155,109 Shares in aggregate, representing approximately 61.50% of the total issued share capital of the Company.

## TERMS OF THE PRE-CONDITIONAL PROPOSAL

### The Scheme

Subject to the satisfaction of the Pre-Conditions, the Offeror proposes to make the Proposal which will be implemented by way of the Scheme. Under the Proposal, if the Scheme becomes effective, the Scheme Shares will be cancelled and, in consideration therefor, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$3.06 in cash for each Scheme Share cancelled.

### No increase in the Cancellation Price

**The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

### Comparison of value

The Cancellation Price of HK\$3.06 per Scheme Share represents:

- (a) a premium of approximately 37.84% over the closing price of HK\$2.220 per Share as quoted on the Stock Exchange on 15 January 2021, being the Last Trading Day;
- (b) a premium of approximately 36.73% over the average of the closing prices of the Shares of approximately HK\$2.238 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 37.47% over the average of the closing prices of the Shares of approximately HK\$2.226 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 52.39% over the average of the closing prices of the Shares of approximately HK\$2.008 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 57.41% over the average of the closing prices of the Shares of approximately HK\$1.944 per Share as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day;
- (f) a premium of approximately 98.19% over the audited consolidated net asset value attributable to Shareholders per Share as at 31 December 2019 of approximately HK\$1.544 (based on a total of 1,427,797,174 Shares in issue as at the date of this joint announcement and the Group's audited consolidated net asset value attributable to the Shareholders of RMB1,974,504,000 as at 31 December 2019, as disclosed in the annual report of the Company dated 28 April 2020 and the exchange rate of RMB0.89578 to HK\$1, being the exchange rate as quoted by the People's Bank of China on 31 December 2019); and

- (g) a premium of approximately 1.12 times over the unaudited consolidated net asset value attributable to Shareholders per Share as at 30 June 2020 of approximately HK\$1.444 (based on a total of 1,427,797,174 Shares in issue as at the date of this joint announcement and the Group's unaudited consolidated net asset value attributable to Shareholders of RMB1,883,330,000 as at 30 June 2020, as disclosed in the interim report of the Company dated 24 September 2020 and the exchange rate of RMB0.91344 to HK\$1, being the exchange rate as quoted by the People's Bank of China on 30 June 2020).

### **Highest and lowest Share prices**

During the six-month period immediately prior to and including the Last Trading Day (i.e. from 16 July 2020 to 15 January 2021):

- (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.33 per Share on 8 January 2021; and
- (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.29 per Share on 24 July 2020.

### **Basis for determining the Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the recent and historical closing prices of the Shares as quoted on the Stock Exchange, financial position of the Group and with reference to other privatisation transactions in Hong Kong in recent years.

### **Dividend payment by the Company**

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid and does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses (as the case may be).

If any dividend, distribution and/or return of capital (as the case may be) is made or paid in respect of the Cancellation Shares after the date of this joint announcement and on or before Effective Date, the Offeror reserves the right to reduce the Cancellation Price by an amount equal to all or any part of the amount of such dividend, distribution and/or return of capital.

### **Cash payment will be paid by the Offeror only if the Scheme becomes effective**

In compliance with Rule 20.1(a) of the Takeovers Code, upon the Scheme becoming effective, the consideration for cancellation of the Scheme Shares will be paid to the Scheme Shareholders whose names appear in the register of members of the Company on the Scheme Record Date as soon as possible, but in any event within seven (7) business days following the Effective Date.

## **Events following the Scheme becoming effective**

On the basis of the number of the Scheme Shares in issue as at the date of this joint announcement, if the Conditions are fulfilled and upon the Scheme becoming effective:

- (a) all of the Scheme Shares will be cancelled;
- (b) the issued share capital of the Company will be reduced by the cancellation of all the Scheme Shares. Immediately after such reduction, the Company will issue to the Offeror such number of Shares as is equal to the number of Scheme Shares cancelled such that the issued share capital of the Company will be restored to its amount in issue immediately before the capital reduction. The reserve create in the books of accounts of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn pursuant to Rule 6.15 of the Listing Rules.

## **Value of the Proposal**

As at the date of this joint announcement, the Company has 1,427,797,174 Shares in issue. The Concert Group owns 878,155,109 Shares in aggregate, representing approximately 61.50% of the total issued share capital of the Company as at the date of this joint announcement.

Taking into account 878,155,109 Shares that are already owned by the Concert Group as at the date of this joint announcement, the Proposal will involve making an offer to cancel 549,642,065 Scheme Shares, in exchange for the Cancellation Price of HK\$3.06 per Scheme Share in cash.

Assuming there is no change to the issued share capital of the Company, on the basis of the Cancellation Price of HK\$3.06 per Scheme Share and 1,427,797,174 Shares in issue, the total issued share capital of the Company is valued at HK\$4,369,059,352.44. On the basis of 549,642,065 Scheme Shares and the Cancellation Price of HK\$3.06 per Scheme Share, the total amount of cash required to implement the Proposal in full would be HK\$1,681,904,718.90.

## **Financial resources available to the Offeror**

The Offeror intends to finance and satisfy the consideration payable under the Scheme by a loan facility granted by China Merchants Bank Co., Ltd., Hong Kong Branch which is secured by, among other things, the Shares owned by the Concert Group. The Offeror confirms that there is no arrangement in relation to the loan facility pursuant to which the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Company.

Essence Corporate Finance, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy its obligations in respect of the full implementation of the Proposal.

### **PRE-CONDITIONS TO THE MAKING OF THE PROPOSAL**

The making of the Proposal is conditional upon obtaining by the Offeror of approvals or authorisations of, the making of the necessary filings and registrations with, and notifications to:

- (a) the National Development and Reform Commission of the PRC;
- (b) the Ministry of Commerce of the PRC; and
- (c) the State Administration of Foreign Exchange of the PRC.

The Offeror proposes to make the necessary filings and registrations with the abovementioned governmental and regulatory authorities as soon as practicable after the date of this joint announcement. It is estimated that the Offeror will be expected to become aware of whether the Pre-Conditions have been satisfied or not in approximately four months after the initial submission of the filings and registrations. Save for the governmental approvals as mentioned in (a), (b) and (c) above, the Offeror is not currently aware of any other applicable governmental approvals which are required in respect of the Proposal.

None of the Pre-Conditions can be waived. Further announcement(s) will be made as soon as practicable after the Pre-Conditions have been satisfied or the Pre-Conditions Long Stop Date has been extended. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date and the Pre-Conditions Long Stop Date is not extended, the Proposal will not be made and, in such case, an announcement will be made as soon as practicable.

All references to the Scheme in this joint announcement are references to the possible Scheme which will be implemented if and only if the Pre-Conditions are satisfied.

### **CONDITIONS OF THE PROPOSAL AND THE SCHEME**

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the satisfaction or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting;

- (b) (i) the approval of the Scheme (by way of poll) by the Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of poll) by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Scheme Shareholders;
- (c) the passing by the Shareholders at the SGM of (i) a special resolution to approve any reduction of the issued share capital of the Company by the cancellation of the Scheme Shares; and (ii) an ordinary resolution to apply the reserve created by the cancellation of the Scheme Shares to simultaneously restore the issued share capital of the Company by the allotment and issue to the Offeror of such number of new Shares (credited as fully paid) as is equal to the number of the Scheme Shares cancelled;
- (d) the sanction of the Scheme (with or without modification) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (e) compliance with the procedural requirements and conditions (if any) under section 46(2) of the Companies Act in relation to the reduction of the issued share capital of the Company;
- (f) all Approvals which are: (i) required in connection with the Proposal by Applicable Laws or any licences, permits or contractual obligations of any member of the Group; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (g) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);
- (h) all Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date;
- (i) since the date of this joint announcement, there having been no material adverse change to the business, assets, financial or trading position of the Group, each taken as a whole;

- (j) no litigation, arbitration proceedings, prosecution or other legal proceedings being instituted against any member of the Group and no such proceedings being threatened in writing against any such member (and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court in respect of any such member or the business carried on by any such member having been threatened in writing, announced or instituted), in each case which is material and adverse in the context of the Group taken as a whole and in the context of the Proposal; and
- (k) save in connection with the implementation of the Proposal, the listing of the Shares on the Stock Exchange not having been withdrawn, and no indication having been received from the Executive and/or the Stock Exchange, to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Conditions in paragraphs (a) to (f) (inclusive) and (h) above are not waivable. The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above (other than Conditions in paragraphs (a) to (f) and (h)). The Company does not have the right to waive any of the Conditions. All of the above Conditions must be satisfied or waived, as applicable, on or before the Long Stop Date, failing which the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any or all of the Conditions so as to cause the Proposal to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

As at the date of this joint announcement, the Offeror and the Company are not aware of any circumstances which may result in any of the Conditions in paragraphs (g), (i) to (k) (inclusive) above not being satisfied. As at the date of this joint announcement and based on information available to the Offeror, the Offeror is also not aware of any other Approvals which are required as set out in the Condition in paragraph (f) above.

If the Conditions are satisfied or validly waived (as applicable), the Scheme will be binding on all of the Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the SGM.

## **INFORMATION OF THE GROUP**

### **Principal business**

The Company, an investment holding company, is incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (Stock code: 908).

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 (i) 九洲藍色幹線 (Jiuzhou Blue Sea Jet, maritime transportation) and 藍色海洋旅遊 (Blue Marine Tourism); (ii) green leisure tourism and composite real estate; and (iii) public utilities and financial investments.

### Shareholding structure of the Company

Assuming that there is no change in the shareholding structure of the Company as at the date of this joint announcement and immediately upon completion of the Proposal, the following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately upon completion of the Proposal:

	As at the date of this joint announcement		Immediately upon completion of the Proposal	
	No. of Shares	Approximate %	No. of Shares	Approximate %
ZJ Holdings (Note 1)	235,200,000	16.47	235,200,000	16.47
Offeror (Note 1)	642,955,109	45.03	1,192,597,174	83.53
<b>Sub-total of the Concert Group Scheme Shareholders</b>	<b>878,155,109</b>	<b>61.50</b>	<b>1,427,797,174</b>	<b>100.00</b>
	<b>549,642,065</b>	<b>38.50</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>1,427,797,174</b>	<b>100.00</b>	<b>1,427,797,174</b>	<b>100.00</b>

Note:

- 235,200,000 Shares are beneficially held by ZJ Holdings while 642,955,109 Shares are held by the Offeror which is a wholly-owned subsidiary of ZJ Holdings which in turn is wholly owned by the Zhuhai SASAC.

### Financial information

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 31 December 2018 and 2019 respectively as extracted from the Company's annual report published on 28 April 2019 and unaudited consolidated financial information of the Group for the six months ended 30 June 2020 as extracted from the Company's interim report published on 24 September 2020:

	For the six months ended	For the year ended	
	30 June 2020 (unaudited) (RMB'000)	31 December 2019 (audited) (RMB'000)	31 December 2018 (audited) (RMB'000)
Revenue	3,948,958	11,812,280	9,248,350
Profit before tax	89,019	936,467	1,003,559
(Loss)/Profit for the period	(40,006)	280,328	396,844
Total comprehensive (loss)/income for the period	(84,891)	252,837	341,586

	<b>As at 30 June 2020 (unaudited) (RMB'000)</b>	<b>As at 31 December 2019 (audited) (RMB'000)</b>	<b>2018 (audited) (RMB'000)</b>
Total equity	3,453,068	3,537,959	3,318,335

## **INFORMATION OF THE OFFEROR**

The Offeror is a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of ZJ Holdings. The principal activity of the Offeror is investment holding. As at the date of this joint announcement, the board of directors of the Offeror comprises Madam CAI Sulan, Mr. KANG Xiaodan and Mr. CHEN Xiaoqi. The Offeror beneficially holds 642,955,109 Shares, representing approximately 45.03% of the total issued share capital of the Company as at the date of this joint announcement.

ZJ Holdings is a state-owned enterprise established in the PRC wholly owned by the Zhuhai SASAC. The principal activities of ZJ Holdings include investment in tourism and transportation businesses and properties letting. As at the date of this joint announcement, the board of directors of ZJ Holdings comprises Mr. ZENG Jianping, Mr. JIN Tao, Mr. ZHANG Xianfeng, Mr. LI Guibo, Mr. ZOU Chaoyong, Mr. HUANG Jianbin and Mr. WU Shengbao. ZJ Holdings beneficially holds 235,200,000 Shares, representing approximately 16.47% of the total issued share capital of the Company as at the date of this joint announcement.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

### **Attractive opportunity to the Scheme Shareholders to realise investments**

The Scheme provides an immediate opportunity for the Scheme Shareholders to monetize their Shares at a compelling premium to the current market price of the Company. The Cancellation Price of HK\$3.06 for each Scheme Share represents a premium of approximately 37.84% over the closing price of HK\$2.220 per Share as quoted on the Stock Exchange on the Last Trading Date, and a premium of approximately 52.39% and 57.41% over the average closing price of approximately HK\$2.008 and HK\$1.944 per Share for 30 and 90 trading days up to and including the Last Trading Date, respectively.

### **Deepen the reforms of state-owned enterprises and enhance state-owned assets management efficiency**

In the context of deepening reforms of state-owned enterprises and the adoption of a capital management-based approach, the Offeror, as a state-owned investment holding company in the PRC, is proactively exploring new initiatives to reform state-owned capital invested companies and enhance the management efficiency of state-owned assets.

## **Facilitate long-term growth**

Implementation of the Proposal will permit the Offeror and the Company to make strategic decisions focused on long-term growth and benefits, free from regulatory constraints, the pressure of market expectations and share price fluctuations which arise from being a publicly listed company. The Proposal, which entails the delisting of the Company, is expected to reduce the management resources associated with maintaining the compliance with regulatory requirements and, in turn, allow greater flexibility for the Offeror and the Company to manage the Group's business.

## **Cost reduction from the saving of cost of listing**

In addition, the listing of Shares requires the Company to bear administrative, compliance and other listing-related costs and expenses; if these costs and expenses are eliminated, the funds saved could be used for the Company's business operations.

## **PROPOSED WITHDRAWAL OF LISTING**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect immediately following the Effective Date.

Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares on the Stock Exchange, the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document which will also contain, among other things, further details of the Scheme.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Pre-Conditions or the Conditions has not been satisfied or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not approved or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee, or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror.

## **TAXATION ADVICE**

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. None of the Offeror, parties acting in concert with the Offeror, Essence Corporate Finance, the Company and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

## **OVERSEAS SHAREHOLDERS**

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Proposal (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

In the event that the despatch or receipt of the Scheme Document by Overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document will not be despatched to such Overseas Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such Overseas Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Overseas Shareholders.

## **DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

None of the members of the Concert Group had dealt in any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares during the six-month period immediately prior to the date of this joint announcement.

The Offeror confirms that, save for 878,155,109 Shares held by the Concert Group representing approximately 61.50% of the total issued share capital of the Company as at the date of this joint announcement, the Concert Group does not hold, own or has control or direction over any voting rights and rights over the Shares, convertible securities, warrants, options or derivatives of the Company.

## OTHER ARRANGEMENTS

The Offeror confirms that as at the date of this joint announcement:

- (i) none of the members of the Concert Group has received any irrevocable commitment in respect of voting at the Court Meeting and/or the SGM;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Concert Group;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which may be material to the Proposal and the Scheme;
- (iv) there is no agreement or arrangement to which any member of the Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal and the Scheme;
- (v) none of the members of the Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) there is no arrangement in relation to the shares of the Offeror or the Company and which may be material to the Proposal and the Scheme (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (vii) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal and the Scheme;
- (viii) there is no agreement, arrangement or understanding (including any compensation arrangement) exists between any members of the Concert Group and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Proposal;
- (ix) save as disclosed in the paragraph headed “Financial resources available to the Offeror” under the section headed “Terms of the Pre-Conditional Proposal” on the charge over the Shares held by the Offeror and ZJ Holdings, there is no agreement, arrangement or understanding which may result in the securities of the Company to be acquired in pursuance of the Proposal and the Scheme being transferred, charged or pledged to any other person;
- (x) there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exists between any member of the Concert Group and any other person;
- (xi) other than the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by any members of the Concert Group in connection with the Scheme; and

(xii) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) any members of the Concert Group or (b) the Company, its subsidiaries or associated companies.

## **THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee, comprising Mr. HUI Chiu Chung, Mr. CHU Yu Lin, David, Mr. Albert HO and Mr. WANG Yijiang, being all the independent non-executive Directors has been established by the Board to make a recommendation to the Scheme Shareholders (i) as to whether the Proposal is fair and reasonable; and (ii) as to voting in respect of the Scheme at the Court Meeting and the SGM.

Pursuant to Rule 2.8 of the Takeovers Code, members of the Independent Board Committee are all non-executive directors who have no direct or indirect interest in the Proposal. Mr. ZOU Chaoyong, who is a non-executive Director, is also a director of the ZJ Holdings, the sole shareholder of the Offeror. As such, Mr. ZOU Chaoyong is not considered independent for the purpose of advising the Scheme Shareholders in respect of the Proposal and therefore not a member of the Independent Board Committee.

The Independent Financial Adviser will be appointed by the Board in due course to advise the Independent Board Committee on the Proposal. Further announcement(s) will be made by the Company as soon as practicable after the Independent Financial Adviser has been appointed.

## **DESPATCH OF THE SCHEME DOCUMENT**

Subject to and after the satisfaction of the Pre-Conditions, the Scheme Document including, among other things, (i) further details of the Proposal; (ii) the expected timetable; (iii) an explanatory memorandum as required under the Companies Act; (iv) the recommendations from the Independent Board Committee with respect to the Proposal; (v) the letter of advice from the Independent Financial Adviser; and (vi) notices of the Court Meeting and the SGM together with forms of proxy in relation thereto, will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and any other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read it carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and the SGM.

Further announcement(s) regarding the despatch of the Scheme Document will be made by the Offeror and the Company as and when appropriate.

## DISCLOSURE IN DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including persons holding 5% or more of a class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

### *“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 January 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 25 January 2021.

## WARNING

**Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the Pre-Conditions and the Conditions being satisfied or waived, as applicable. Therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## DEFINITIONS

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

<b>“acting in concert”</b>	the meaning ascribed to it under the Takeovers Code
<b>“Applicable Laws”</b>	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person
<b>“Approvals”</b>	licences, approvals, permits, consents, permissions, clearances and registration required by any Authority or any third party
<b>“associate(s)”</b>	the meaning ascribed to it under the Takeovers Code
<b>“Authority”</b>	any relevant government, administrative or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
<b>“Board”</b>	the board of Directors
<b>“business day”</b>	a day on which the Stock Exchange is open for transaction of business
<b>“BVI”</b>	the British Virgin Islands
<b>“Cancellation Price”</b>	the cancellation price of HK\$3.06 per Scheme Share
<b>“Companies Act”</b>	the Companies Act 1981 of Bermuda, as amended from time to time
<b>“Company”</b>	Zhuhai Holdings Investment Group Limited (珠海控股投資集團有限公司), a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 908)
<b>“Concert Group”</b>	the Offeror and parties acting in concert with it (including ZJ Holdings)
<b>“Condition(s)”</b>	conditions of the Proposal as set out under the section headed “Conditions of the Proposal and the Scheme” of this joint announcement
<b>“Court”</b>	the Supreme Court of Bermuda

<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders to be convened at the direction of the Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
<b>“Essence Corporate Finance”</b>	Essence Corporate Finance (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in connection to the Proposal
<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of the Executive Director
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“Independent Board Committee”</b>	the independent board committee of the Company comprising Mr. HUI Chiu Chung, Mr. CHU Yu Lin, David and Mr. Albert HO and Mr. WANG Yijiang, which has been established by the Board to make a recommendation to the Scheme Shareholders as to whether the Proposal is fair and reasonable and as to voting in respect of the Scheme at the Court Meeting and the SGM
<b>“Independent Financial Adviser”</b>	the independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in relation to the Proposal and the Scheme
<b>“Last Trading Day”</b>	15 January 2021, being the last trading day of the Shares on the Stock Exchange immediately prior to the halt of trading in the Shares pending the release of this joint announcement
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange

<b>“Long Stop Date”</b>	15 September 2021 (or any other date as may be agreed by the Offeror and the Company, or to the extent applicable, as the Court may direct and, in all cases, as permitted by the Executive)
<b>“Offeror”</b>	Longway Services Group Limited, a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of ZJ Holdings and a member of the Concert Group
<b>“Overseas Shareholders”</b>	Scheme Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
<b>“PRC”</b>	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
<b>“Pre-Conditions”</b>	the Pre-Conditions to the making of the Proposal as set out in the section headed “Pre-Conditions to the making of the Proposal” in this joint announcement
<b>“Pre-Conditions Long Stop Date”</b>	22 July 2021, being 6 months after the date of this joint announcement (or any other date as may be agreed by the Offeror and the Company and as permitted by the Executive)
<b>“Proposal”</b>	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, on the terms and subject to conditions described in this joint announcement
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Scheme”</b>	the scheme of arrangement to be proposed under Section 99 of the Companies Act for the implementation of the Proposal
<b>“Scheme Document”</b>	the composite scheme document (which shall contain, among other things, further details of the Proposal), the accompanying proxy forms and notices of the Court Meeting and the SGM, to be despatched by the Offeror and the Company to all Shareholders
<b>“Scheme Record Date”</b>	the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
<b>“Scheme Share(s)”</b>	all the Share(s) in issue, other than those Shares already owned by the Concert Group
<b>“Scheme Shareholder(s)”</b>	registered holders of the Scheme Shares as at the Scheme Record Date

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	a special general meeting of the Company to be convened for the purpose of passing all necessary resolutions for, amongst other things, the implementation of the Proposal, or any adjournment thereof
“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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“Zhuhai SASAC”	the State-owned Asset Supervision and Administration Commission of the Zhuhai Municipal People’s Government (珠海市人民政府國有資產監督管理委員會)
“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 with limited liability, a member of the Concert Group and the sole shareholder of the Offeror
“%”	per cent.

By order of the board of directors of  
**Longway Services Group Limited**  
**Cai Sulan**  
*Director*

By order of the board of directors of  
**Zhuhai Holdings Investment Group Limited**  
**Zeng Jianping**  
*Chairman*

Hong Kong, 22 January 2021

*As at the date of this joint 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 Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, Madam CAI Sulan, Mr. KANG Xiaodan and Mr. CHEN Xiaoqi are the directors of the Offeror, and Mr. ZENG Jianping, Mr. JIN Tao, Mr. ZHANG Xianfeng, Mr. LI Guibo, Mr. ZOU Chaoyong, Mr. HUANG Jianbin and Mr. WU Shengbao are the directors of ZJ Holdings.*

*The directors of the Offeror and ZJ Holdings jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*\* For identification purpose only*