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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: SOIL COLLECTING, TRANSPORTATION AND STACKING SERVICES AGREEMENT

SOIL COLLECTING, TRANSPORTATION AND STACKING SERVICES AGREEMENT

On 8 February 2021, Landscape Engineering Company entered into the Soil Collecting, Transportation and Stacking Services Agreement with ZJ Blue Marine Company, pursuant to which Landscape Engineering Company agreed to provide the Soil Services for planting purpose on the Sanjiao Island* (三角島), Zhuhai of the PRC, for a tentative total consideration of RMB3,950,000.

LISTING RULES IMPLICATIONS

As explained under the sub-section headed “The Soil Collecting, Transportation and Stacking Services Agreement — Parties” below, Landscape Engineering Company is a member of the Group and ZJ Blue Marine Company is a company in which ZJ Holdings (the controlling shareholder of the Company) has 100% of its equity interest, hence ZJ Blue Marine Company is a connected person of the Company under the Listing Rules. The transactions as contemplated under the Soil Collecting, Transportation and Stacking Services Agreement thus constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the expected maximum consideration payable under the Soil Collecting, Transportation and Stacking 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

On 8 February 2021, Landscape Engineering Company entered into the Soil Collecting, Transportation and Stacking Services Agreement with ZJ Blue Marine Company, pursuant to which Landscape Engineering Company agreed to provide the Soil Services for planting purpose on the Sanjiao Island* (三角島), Zhuhai of the PRC, for a tentative total consideration of RMB3,950,000.

THE SOIL COLLECTING, TRANSPORTATION AND STACKING SERVICES AGREEMENT

Principal terms of the Soil Collecting, Transportation and Stacking Services Agreement are summarised as follows:

Date: 8 February 2021

Parties: 1. Landscape Engineering Company (as services provider); and
2. ZJ Blue Marine Company (as services recipient).

Landscape Engineering Company is a company established in the PRC with limited liability. It is principally engaged in provision of garden landscape design, garden afforestation project, cultivation and sales of seedlings and flowers together with wholesale and retail of garden materials. Landscape Engineering Company is a non wholly-owned subsidiary of the Company, and is owned as to 60% by the Group, and 40% by ZJ Holdings respectively.

ZJ Blue Marine Company is a company established in the PRC with limited liability and a wholly-owned subsidiary of ZJ Holdings. It is principally engaged in, among other things, investment on the marine and islands tourism development, provision of marine and islands tourism services, operation of water-sports activities, provision of port facilities and properties management services.

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 about 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.

As ZJ Holdings (the controlling shareholder of the Company) is interested in more than 30% of the equity interest in ZJ Blue Marine Company, ZJ Blue Marine Company is an associate of ZJ Holdings, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Landscape Engineering Company is a member of the Group.

Term: From 8 February 2021 to 31 March 2021

Services provided: Landscape Engineering Company is to provide the Soil Services for planting purpose on the Sanjiao Island* (三角島), Zhuhai of the PRC. Source areas for suitable soil to be delivered for planting purpose during the course of the Soil Services will be situated in Xiashanduan East, Jinfeng East Road, Xiashan District of the Zhuhai Prefecture of Guangdong Province of the PRC (中國廣東省珠海市下柵分區金鳳東路下柵段東). An approximate volume of 100,000 m³ of soil is estimated to be delivered to the Sanjiao Island.

The consideration: The tentative total consideration is RMB3,950,000 (the final consideration will be subject to the adjustment based on the measured volume of the soil agreed and accepted by both parties):

Item	Amount (RMB)
Port and loading fee at Tang Jia Port* (唐家碼頭), Zhuhai	519,700
Marine transportation fee	2,390,800
Loading and land transportation fee at Sanjiao Island	1,039,500
Total	3,950,000

The above consideration was determined after arm's length negotiation between the parties after taking into account (i) the nature of the Soil Services; (ii) the number of labour to be deployed by Landscape Engineering Company; and (iii) the prevailing service fee rates offered to ZJ Blue Marine Company by other similar independent third party services providers. The transactions under the Soil Collecting, Transportation and Stacking Services Agreement are conducted in the ordinary and usual course of business of the Group and on normal commercial terms in line with the considerations charged by other independent third party similar services providers and on terms and considerations comparable to those offered to independent corporate customers.

Payment Terms:

- (a) Upon submission of invoice by Landscape Engineering Company, 20% of the total consideration shall be payable by ZJ Blue Marine Company to Landscape Engineering Company within 7 Business Days; and
- (b) Upon submission of invoice by Landscape Engineering Company, 80% of the total consideration shall be payable by ZJ Blue Marine Company to Landscape Engineering Company after the course of the Soil Services is completed and accepted.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SOIL COLLECTING, TRANSPORTATION AND STACKING SERVICES AGREEMENT

ZJ Blue Marine Company is carrying out its marine and island tourism project on the Sanjiao Island. Provision of the Soil Services is in the ordinary course of business of Landscape Engineering Company. The Soil Collecting, Transportation and Stacking Services Agreement was entered into by Landscape Engineering Company to provide additional source of income to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Soil Collecting, Transportation and Stacking Services Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group and the terms of the Soil Collecting, Transportation and Stacking Services Agreement were reached after arm's length negotiation between the parties, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As explained under the sub-section headed “The Soil Collecting, Transportation and Stacking Services Agreement — Parties” above, Landscape Engineering Company is a member of the Group and ZJ Blue Marine Company is a company in which ZJ Holdings (the controlling shareholder of the Company) owns 100% of its equity interest, hence ZJ Blue Marine Company is a connected person of the Company under the Listing Rules. The transactions as contemplated under the Soil Collecting, Transportation and Stacking Services Agreement thus constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the expected maximum consideration payable under the Soil Collecting, Transportation and Stacking 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.

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 Soil Collecting, Transportation and Stacking 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 Soil Collecting, Transportation and Stacking Services Agreement or should abstain from voting in respect of the relevant board resolutions.

INFORMATION OF THE GROUP

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.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Hong Kong and the PRC for normal business
“Company”	Zhuhai Holdings Investment Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landscape Engineering Company”	珠海置地園林工程有限公司 (Zhuhai Landscape Engineering Co., Ltd.*), a company established in the PRC with limited liability and a non wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“m ³ ”	cubic meters
“PRC”	for the purpose of this announcement, the People’s Republic of China (other than the regions of Hong Kong, Macau and Taiwan)

“RMB”	Renminbi, the lawful currency in the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Soil Collecting, Transportation and Stacking Services Agreement”	the soil collecting, transportation and stacking services agreement dated 8 February 2021 and entered between Landscape Engineering Company and ZJ Blue Marine Company for the period commencing on 8 February 2021 and ending on 31 March 2021
“Soil Services”	the soil collecting, transportation and stacking services to be provided by Landscape Engineering Company to ZJ Blue Marine Company pursuant to the Soil Collecting, Transportation and Stacking Services Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZJ Blue Marine Company”	珠海九控藍色海洋旅遊發展有限公司 (Zhuhai Jiuzhou Holdings Blue Marine Tourism Development Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of ZJ Holdings
“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
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “controlling shareholder”, “percentage ratios” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

Hong Kong, 8 February 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.*