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If you have sold or transferred all your securities in Zhuhai Holdings Investment Group Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 ENTRUSTMENT LOAN ARRANGEMENT AND NOTICE OF THE SGM

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞 (企業融資) 有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out from pages 5 to 14 of this circular. A letter from the Independent Board Committee is set out on page 15 of this circular. A letter from the IFA, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out from pages 16 to 28 of this circular.

A notice convening the SGM to be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 10 February 2017 at 2:30 p.m. is set out on pages 35 to 36 of this circular. A form of proxy for use at the SGM is also enclosed. Such form of proxy is also published on the respective website of Stock Exchange (www.hkexnews.hk) and of the Company (www.0908.hk).

Whether or not you are able to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon, and return the same to the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM (or any adjournment of such meeting) should you so wish.

23 January 2017

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DEFINITIONS

In this circular, the following expressions have the meanings as set out below unless the context requires otherwise:

“Announcements”	the Company’s announcements dated 19 December 2016 and 12 January 2017
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company adopted by a written resolution passed by the sole member of the Company on 30 April 1998 and further amended on 29 October 2004, 28 October 2005 and 27 October 2006 respectively which is currently in force
“CCTs”	transactions contemplated under the Framework Agreement
“Company”	Zhuhai Holdings Investment Group Limited (珠海控股投資集團有限公司), a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00908)
“Directors”	the directors of the Company
“Financial Institution”	an independent third party financial institution in the PRC which is qualified to engage in entrustment loan business as appointed by ZJ Corporation Management for the purpose of advancing, supervising and collecting the entrustment loans under the Framework Agreement from time to time
“Framework Agreement”	the framework agreement dated 19 December 2016 entered into between the Company (for itself and on behalf of Group A Companies) and Jiuzhou Port Company (for itself and on behalf of Group B Companies), in relation to the provision of entrustment loans among Group A Companies, Jiuzhou Port Company and Group B Companies
“FY”	a financial year of the Company ended or ending 31 December
“Group”	the Company and its subsidiaries

DEFINITIONS

“Group A Companies”	the Company together with certain wholly-owned subsidiaries of the Company, and each, a Group A Company
“Group B Companies”	certain entities (excluding Jiuzhou Port Company) that are treated as non-wholly owned subsidiaries of the Company from an accounting’s perspective and are connected persons of the Company by virtue of ZJ Holdings’ interest therein
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFA” or “Asian Capital”	Asian Capital (Corporate Finance) Limited, a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Framework Agreement, the CCTs and the proposed annual caps
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David, Mr. Albert Ho, and Mr. Wang Yijiang to consider and advise the Independent Shareholders with regard to the Framework Agreement, the CCTs and the proposed annual caps
“Independent Shareholders”	shareholders who are not required to abstain from voting at the SGM to approve the Framework Agreement, the CCTs and the proposed annual caps thereof

DEFINITIONS

“Jiuzhou Port Company”	珠海九洲港客運服務有限公司 (Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd.*), a connected subsidiary of the Company established as a sino-foreign equity joint venture enterprise under the laws of the PRC and indirectly owned by the Company and ZJ Holdings as to 90% and 10%, respectively
“Latest Practicable Date”	17 January 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Framework Agreement and the CCTs and the proposed annual caps thereof
“Share(s)”	ordinary shares(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
“ZJ Corporation Management”	珠海九洲企業管理有限公司 (Zhuhai Jiuzhou Corporate Management Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company

DEFINITIONS

“ZJ Development”	珠海九控房地產有限公司 (Zhuhai Jiuzhou Holdings Property Development Co., Ltd.*) (formerly known as 珠海國際賽車場綜合發展有限公司 (Zhuhai International Circuit Consolidated Development Limited*)), a sino-foreign co-operative joint venture company established under the laws of the PRC which is indirectly owned as to 60% by the Company and 40% by ZJ Holdings
“ZJ Holdings”	珠海九洲控股集團有限公司 (Zhuhai Jiuzhou Holdings Group Co., Ltd.*), a company established in the PRC with limited liability and a controlling shareholder of the Company
“%”	per cent

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

This circular is prepared in both English and Chinese. In the event of inconsistency, the English text of this circular will prevail.

* For identification purpose only

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Huang Xin (*Chairman*)
Mr. Zhou Shaoqiang (*Chief Executive Officer*)
Mr. Jin Tao
Mr. Ye Yuhong
Mr. Li Wenjun

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Datuk Wira Lim Hock Guan
(Mr. Lim Seng Lee as his alternate)
Mr. Wang Zhe
Mr. Kwok Hoi Hing

*Head Office and Principal Place of
Business in Hong Kong:*

Units 3709–10 37/F, West Tower
Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan
Hong Kong

Independent Non-executive Directors:

Mr. Hui Chiu Chung
Mr. Chu Yu Lin, David
Mr. Albert Ho
Mr. Wang Yijiang

Alternate Director:

Mr. Lim Seng Lee (*alternate to
Datuk Wira Lim Hock Guan*)

23 January 2017

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
ENTRUSTMENT LOAN ARRANGEMENT**

INTRODUCTION

Reference is made to the Announcements, in which the Board announced that, with a view to facilitating the business operation and satisfying capital needs of the Group A Companies, Jiuzhou Port Company and Group B Companies from time to time, on 19 December 2016, the Company (for itself and on behalf of other Group A Companies) and Jiuzhou Port Company (for itself and on behalf of other Group B Companies) entered into the Framework Agreement, pursuant to which the parties shall conduct the entrustment loan arrangement upon request from time to time and during the term of the Framework Agreement through ZJ Corporation Management (being a wholly-owned subsidiary of the Company) and the Financial Institution (as entrustment loan lending agent) which is qualified to engage in entrustment loan business.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the entrustment loan arrangement, recommendations from the Independent Board Committee in respect of the Framework Agreement and the CCTs and the proposed annual caps relating thereto, the advice from Asian Capital to the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement and the CCTs and the proposed annual caps relating thereto and a notice of the SGM at which a resolution will be proposed to consider and, if thought fit, approve the Framework Agreement and the CCTs and the proposed annual caps relating thereto.

THE FRAMEWORK AGREEMENT

Principal terms of the Framework Agreement are set out as follows:

Date

19 December 2016

Parties

- (i) the Company (for itself and on behalf of Group A Companies)
- (ii) Jiuzhou Port Company (for itself and on behalf of Group B Companies)

Subject matter: Pursuant to the Framework Agreement: (i) the Company (for itself and on behalf of the other Group A Companies); and (ii) Jiuzhou Port Company (for itself and on behalf of the other Group B Companies) agree that the parties shall conduct the entrustment loan arrangement upon request from time to time and during the term of the Framework Agreement.

The aforesaid entrustment loan arrangement shall be conducted via the Financial Institution and ZJ Corporation Management. ZJ Corporation Management shall maintain a principal account with the Financial Institution to facilitate such entrustment loan arrangement from time to time and the parties shall authorise ZJ Corporation Management to manage, transfer and consolidate funds within such account and their respective accounts with the Financial Institution for the purpose of the entrustment loan arrangement.

Term: Repayable on demand, and in any event no later than 31 December 2018.

LETTER FROM THE BOARD

In the event that Jiuzhou Port Company or any of the Group B Companies wishes to exit from the entrustment loan arrangement, the relevant outstanding loans (if any) owed by Jiuzhou Port Company or such Group B Company to the Group A Companies shall become immediately payable.

Payment of interests:

The interest payable for each entrustment loan shall be determined on every instance at the time of entering into each of the implementation agreements for the CCTs by the Company and Jiuzhou Port Company on an arm's length basis with reference to the relevant benchmark rate set by the People's Bank of China for loans of a similar duration and published on www.pbc.gov.cn, and then taking into account the comparable interest rates offered by independent third party financial institutions in Zhuhai, the PRC.

The actual interest rate of each of the entrustment loans shall not exceed the comparable interest rate in respect of an entrustment loan of the same duration and on the same terms offered by any independent commercial banks in Zhuhai, the PRC.

The parties may set out in detail the interest payment method and loan repayment schedule in drawdown application notices to be separately entered into by the parties.

PROPOSED ANNUAL CAPS

The parties to the Framework Agreement proposed that:

- (i) the annual cap for the entrustment loans to be provided by members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) to relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) (as the case may be) together with the relevant accrued interest thereof for each of FY2017 and FY2018 shall not exceed RMB750 million; in other words, the aggregate transaction amount of outstanding loans provided by members of the Group to relevant connected persons of the Company from time to time (i.e. principal) together with relevant accrued interest thereof, in aggregate, during each of FY2017 and FY2018 and during the term of the Framework Agreement shall not exceed RMB750 million; and
- (ii) the annual cap for the entrustment loans to be provided by relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) to members of the Group (including Group A Companies,

LETTER FROM THE BOARD

Jiuzhou Port Company and Group B Companies) (as the case may be) together with the relevant accrued interest thereof for each of FY2017 and FY2018 shall not exceed RMB750 million; in other words, the aggregate transaction amount of outstanding loans provided by the relevant connected persons of the Company to members of the Group from time to time (i.e. principal) together with relevant accrued interest thereof, in aggregate, during each of FY2017 and FY2018 and during the term of the Framework Agreement shall not exceed RMB750 million.

Pursuant to the Framework Agreement, the proposed annual cap for FY2016 in respect of the transaction amount of the entrustment loans (including accrued interest thereof) (i) to be provided by members of the Group to relevant connected persons of the Company shall not exceed RMB400 million, and (ii) to be provided by relevant connected persons of the Company to members of the Group shall not exceed RMB290 million. Although the Framework Agreement was entered into in 2016 and included an annual cap for relevant transactions proposed to be conducted in FY2016, given the Framework Agreement will only take effect upon compliance with all applicable Listing Rules and the Framework Agreement and the CCTs had not yet been approved by the Independent Shareholders in accordance with the Listing Rules as at the Latest Practicable Date, for the avoidance of doubt, no actual amount for the CCTs was recorded in FY2016, and therefore, no resolution regarding the proposed annual caps for FY2016 will be put forward for Independent Shareholders' approval at the SGM.

The Directors have taken into account the following principal factors in estimating the caps for FY2017 and FY2018 as mentioned above:

- the need for settlement of amounts payable by the Group during its ordinary course of business;
- the strategies in respect of the treasury management of the Group;
- the development and financial needs of the Group during the term of the Framework Agreement; and
- the total cash and cash equivalents (including time deposits and cash and cash equivalents) of the Group of approximately RMB1,579 million as at 30 June 2016 and RMB1,569 million as at 31 December 2015, respectively.

The Company has not undertaken any entrustment loan arrangement with its connected persons of a nature similar to those contemplated under the Framework Agreement in the past. The Group has previously received financial assistance (as defined in the Listing Rules) including in the form of loan and guarantee from ZJ Holdings and/or its associates with respect to the property development project undertaken by ZJ Development (being a non-wholly owned subsidiary indirectly owned as to 60% by the Company and 40% by ZJ Holdings). Such financial assistance constituted fully exempt connected transactions under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

Before entering into any implementation agreements under Framework Agreement, the following will be adopted by the Company to ensure that (i) the CCTs will be conducted in accordance with the terms under the Framework Agreement; (ii) in compliance with the terms offered by the relevant connected parties to the Group are no less favourable than those available from independent third parties, and the terms offered by the Group to relevant connected parties are not more favourable than that offered to independent third parties (if any); and (iii) in compliance with the Listing Rules:

- the Group's finance department personnel in the PRC is/are responsible for comparing the interests to be charged by the relevant lender with (a) the relevant benchmark rate set by the People's Bank of China for loans of a similar duration; and (b) interests charged by at least two major commercial banks or financial institutions in Zhuhai, the PRC, to confirm the interests to be charged by the relevant lender to be more favourable to the Group for all transactions contemplated under the Framework Agreement, which all of these information together with the aggregate loan amount (including interests, where applicable) will be included in a daily report to be submitted to the chief financial officer of the Group for review, verification and approval. The approved report will then be daily submitted to the finance department of the Company in Hong Kong for second review and records;
- the Group's finance department will also collect statistics of each of the transactions contemplated under the Framework Agreement on a monthly basis to ensure the annual caps approved by the Independent Shareholders are not exceeded;
- the independent non-executive Directors will review the interim and annual financial reports and which contain the information on the implementation of the CCTs. They will give their views on the CCTs, mainly including whether the CCTs are fair and reasonable, and whether the actual transaction amounts incurred by the CCTs are within the approved annual caps; and
- the external auditor of the Company will conduct an annual audit each year, and review the implementation of the CCTs by the Company, including whether the loan and interest amounts incurred by the CCTs are within the annual caps during the year pursuant to the requirements of the Listing Rules.

Through the adoption of the above internal control procedures and corporate governance measures, the Directors believe that it will provide safeguard to supervise and monitor (i) compliance of the terms offered by the relevant connected parties to the Group, and the terms offered by the Group to relevant connected parties will be on market terms and on normal commercial terms and will be fair and reasonable to the Company and in the interest of the Shareholders as a whole; and (ii) the annual caps to be approved by the Independent Shareholders that will be adhered to and the CCTs will be conducted within the approved annual caps during the relevant year pursuant to the requirements under Listing Rules.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, ZJ Holdings is interested in 586,770,000 Shares, representing approximately 41.1% of the total issued share capital of the Company. ZJ Holdings is therefore a substantial and controlling shareholder and a connected person of the Company under the Listing Rules. Jiuzhou Port Company is indirectly owned as to 90% and 10% by the Company and ZJ Holdings, respectively, and accordingly, Jiuzhou Port Company is a connected subsidiary under Rule 14A.16 of the Listing Rules. Jiuzhou Port Company and each of the other Group B Companies is treated as a non-wholly owned subsidiary of the Company from an accounting perspective and connected person of the Company by virtue of ZJ Holdings' interest therein.

- (i) **Entrustment loans to be provided by members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) to relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) (as the case may be)**

From a provider's perspective, the provision of entrustment loans by members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) to relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) (as the case may be) pursuant to the Framework Agreement constitutes the provision of financial assistance by the Group to connected persons of the Company, and therefore constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (taking into account the proposed annual caps for each of FY2017 and FY2018 of RMB750 million) reaches or exceeds 5%, such entrustment loans and the proposed annual caps thereof are subject to the reporting, announcement and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

- (ii) **Entrustment loans to be provided by relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) to members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) (as the case may be)**

From a recipient's perspective, the provision of entrustment loans by relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) to members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) (as the case may be) constitutes the provision of financial assistance by the connected persons of the Company to the Group, and therefore constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, pursuant to Rule 14A.90 of the Listing Rules, these transactions are exempt from the reporting, announcement and the independent shareholders' approval requirements on the basis that such transactions are conducted on normal commercial terms and not secured by the assets of the Group. For the avoidance of doubt, given that the scope of transactions under this paragraph is effectively the same as such detailed in paragraph (i) above, the estimated maximum transaction amount, including principal and relevant accrued interest thereof, in aggregate, would be the same as the proposed annual cap as stated in paragraph (i) above.

LETTER FROM THE BOARD

(iii) Entrustment loans to be provided among Group A Companies

The provision of entrustment loans among Group A Companies does not constitute any connected transaction under Chapter 14A of the Listing Rules given that Group A Companies (other than the Company itself) are wholly-owned subsidiaries of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The entrustment loan arrangement is intended to provide intra-group financing arrangement among Group A Companies, Jiuzhou Port Company and Group B Companies, all of them are members of the Group, thereby leveraging on their financial resources and enabling them to obtain financing from each other to support their respective business operations. It is expected that such entrustment loan arrangement can reduce the level of the Group's idle cash and meet the development and financial needs of the Group in other development projects through fully utilising its funding strength, promoting reasonable allocation of resources and increasing its funding utilisation rate.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the Framework Agreement was entered into on normal commercial terms, and whether the terms of the Framework Agreement and the CCTs and the proposed annual caps relating thereto are fair and reasonable so far as the Independent Shareholders are concerned and, in the ordinary and usual course of business and are in the interests of the Company and the Shareholders as a whole. Your attention is drawn to the letter from the Independent Board Committee containing its advice set out on page 15 of this circular.

Asian Capital has been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Framework Agreement was conducted in the ordinary and usual course of business of the Group, and whether the terms of the Framework Agreement are on normal commercial terms and the CCTs and the proposed annual caps relating thereto are fair and reasonable so far as the Independent Shareholders are concerned, in the ordinary and usual course of business and in the interests of the Company and the Shareholders as a whole. The text of the letter of advice from Asian Capital is set out on pages 16 to 28 of this circular.

GENERAL

The Company is an investment holding company. The principal activities of the Group consist of investment holding, the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part, property development, the operation of a golf club, the management of a holiday resort, a theme park and an amusement park, the provision of port facilities in Zhuhai and trading and distribution of fuel oil, and provision of internet crowd-funding agency service.

LETTER FROM THE BOARD

Jiuzhou Port Company is established in the PRC and a non wholly-owned subsidiary of the Company. 90% of the registered capital in Jiuzhou Port Company is attributable to the Company, and the remaining 10% is attributable to ZJ Holdings. Jiuzhou Port Company is a member of the Group and is also a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. The principal activities of Jiuzhou Port Company include provision of port facilities.

THE SGM

The Company will convene the SGM at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 10 February 2017 at 2:30 p.m. for the purpose of considering and, if thought fit passing, with or without amendments, the ordinary resolution(s) to approve the terms of the Framework Agreement and the CCTs and the proposed annual caps relating thereto, and a notice of the SGM is set out on pages 35 to 36 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll, except where the chairman of the general meeting decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands. Pursuant to Rule 14A.70(12) of the Listing Rules, where independent shareholders' approval is required with regard to a connected transaction, any shareholder with a material interest in such transaction will not vote on such transaction.

As at the Latest Practicable Date, ZJ Holdings is interested in 586,770,000 Shares, representing approximately 41.1% of the total issued share capital of the Company, will be required to abstain from voting in relation to the resolution to approve the Framework Agreement and the CCTs and the proposed annual caps relating thereto at the SGM. To the best knowledge of the Company after having made all reasonable enquiries, as at the Latest Practicable Date, there were no other Shareholders (save as disclosed above) who were required to abstain from voting in respect of the ordinary resolution proposed to be considered and, if thought fit, approved by the Independent Shareholders at the SGM.

Since Messrs. Huang Xin, Mr. Zhou Shaoqiang, Mr. Ye Yuhong (all being executive Directors) and Mr. Wang Zhe (being a non-executive Director) are also directors of ZJ Holdings and Mr. Jin Tao (being executive Director) is also the managing director of 珠海高速客輪有限公司 (Zhuhai High-speed Passenger Ferry Co., Ltd.*), a non-wholly owned subsidiary of the Company, they shall abstain from voting on the relevant board resolutions approving the Framework Agreement, the CCTs and the relevant proposed annual caps. Save as disclosed above, none of the Directors has a material interest in the Framework Agreement or should abstain from voting in respect of the relevant board resolutions.

* For identification purpose only

LETTER FROM THE BOARD

Whether or not you are able to attend the SGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. In such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATIONS

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 15 of this circular which contains its recommendation to the Independent Shareholders concerning the terms of the Framework Agreement and the CCTs and the proposed annual caps relating thereto; and (ii) the letter from the IFA set out on pages 16 to 28 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Framework Agreement and the CCTs and the proposed annual caps relating thereto and the principal factors and reasons considered by it in formulating its advice.

The Independent Board Committee, having taken into account the advice of the IFA, considers that the terms of the Framework Agreement, the CCTs and the relevant proposed annual caps to be fair and reasonable in so far as the Company and the Independent Shareholders are concerned. The Independent Board Committee also considers that the Framework Agreement was entered into on normal commercial terms and is in the interest of the Company and the Shareholders as a whole and the CCTs are in the ordinary and usual course of business of the Group. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution relating to the Framework Agreement, the CCTs and the relevant proposed annual caps which will be proposed at the SGM.

The Directors (including the independent non-executive Directors) consider that the terms of the Framework Agreement, the CCTs and the relevant proposed annual caps to be fair and reasonable in so far as the Company and the Independent Shareholders are concerned, the Framework Agreement was entered into on normal commercial terms and is in the interests of the Company and the Shareholders as a whole and the CCTs are in the ordinary and usual course of business of the Group. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Framework Agreement, the CCTs and the relevant proposed annual caps which will be proposed at the SGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information in respect of the Company set out in the appendices to this circular.

In case of inconsistency, the English text of this circular and the enclosed form of proxy shall prevail over their respective Chinese text.

Yours faithfully,
By Order of the Board
Zhuhai Holdings Investment Group Limited
Huang Xin
Chairman

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)

23 January 2017

To the Independent Shareholders

Dear Sir or Madam

**CONTINUING CONNECTED TRANSACTIONS
ENTRUSTMENT LOAN ARRANGEMENT**

We refer to the circular of the Company dated 23 January 2017 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the terms of the Framework Agreement and to advise the Independent Shareholders in respect of the Framework Agreement and the CCTs (including the proposed annual caps).

We have been appointed by the Board to advise you as to consider the terms of the Framework Agreement and to advise the Independent Shareholders in connection with the CCTs as to whether, in our opinion, the CCTs and the relevant proposed annual caps are fair and reasonable, whether the CCTs are in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole. Asian Capital has been appointed as the IFA to advise us and the Independent Shareholders in this respect.

Having taken into account the principal reasons and factors considered by, and the advice of, Asian Capital as set out in its letter of advice to you and us on pages 16 to 28 of the Circular, we consider that the terms of the Framework Agreement, the CCTs and the relevant proposed annual caps to be fair and reasonable in so far as the Company and the Independent Shareholders are concerned. We also consider that the Framework Agreement was entered into on normal commercial terms and is in the interest of the Company and the Shareholders as a whole, and the CCTs are in the ordinary and usual course of business of the Group. Accordingly, we would recommend the Independent Shareholders to vote at the SGM in favour of the ordinary resolution to approve the Framework Agreement, the CCTs and the relevant proposed annual caps.

Yours faithfully,

**The Independent Board Committee of
Zhuhai Holdings Investment Group Limited**

Mr. Hui Chiu Chung

Mr. Chu Yu Lin, David

Mr. Albert Ho

Mr. Wang Yijiang

Independent non-executive Directors

LETTER FROM ASIAN CAPITAL

The following is the text of a letter from Asian Capital (Corporate Finance) Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of incorporation in this circular.



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED
卓亞(企業融資)有限公司

Suite 601, Bank of America Tower
12 Harcourt Road
Central, Hong Kong

*To the Independent Board Committee
and the Independent Shareholders of
Zhuhai Holdings Investment Group Limited*

23 January 2017

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS ENTRUSTMENT LOAN ARRANGEMENT

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the transactions contemplated under the Framework Agreement (including the proposed annual caps (including both the principal amount of the entrustment loans and the accrued interests thereunder) for each of the three financial years ending 31 December 2018 (the “**Proposed Annual Caps**”), particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 23 January 2017 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As set out in the Letter from the Board, on 19 December 2016, the Company (for itself and on behalf of other Group A Companies) and Jiuzhou Port Company (for itself and on behalf of Group B Companies) entered into the Framework Agreement, pursuant to which the parties to the Framework Agreement shall conduct the entrustment loan arrangement upon request from time to time and during the term of the Framework Agreement through ZJ Corporation Management (being a wholly-owned subsidiary of the Company) and the Financial Institution (as the entrustment loan lending agent) which is qualified to engage in entrustment loan business.

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Group A Companies comprise the Company and certain of its wholly-owned subsidiaries. Group B Companies comprise certain (excluding Jiuzhou Port Company) non-wholly owned subsidiaries of the Company which are connected persons of the Company by virtue of ZJ Holding's interests therein.

As at the Latest Practicable Date, ZJ Holdings is interested in 586,770,000 Shares, representing approximately 41.1% of the total issued share capital of the Company, and is therefore a controlling Shareholder and a connected person of the Company under the Listing Rules. Jiuzhou Port Company is indirectly owned as to 90% and 10% by the Company and ZJ Holdings, respectively, and accordingly, Jiuzhou Port Company is a connected subsidiary of the Company under Rule 14A.16 of the Listing Rules. Jiuzhou Port Company and each of the Group B Companies, being treated as a non-wholly owned subsidiary of the Company, is a connected person of the Company by virtue of ZJ Holdings' interest therein.

- (i) Entrustment loans to be provided by members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) to relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) (as the case may be)**

The provision of entrustment loans by members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) to relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) (as the case may be) pursuant to the Framework Agreement constitutes the provision of financial assistance by the Group to connected persons of the Company, and therefore constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (taking into account the proposed annual caps for each of FY2017 and FY2018 of RMB750 million) reaches or exceeds 5%, such entrustment loans and the proposed annual caps thereof are subject to the reporting, announcement and the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

- (ii) Entrustment loans to be provided by relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) to members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) (as the case may be)**

As set out in the Letter from the Board, from a recipient's perspective, the provision of entrustment loans by relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) to members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) (as the case may be) constitutes the provision of financial assistance by the connected persons of the Company to the Group, and therefore constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. However, pursuant to Rule 14A.90 of the Listing Rules, these transactions are exempt from the reporting, announcement and the independent shareholders' approval requirements on the basis that such transactions are conducted on normal commercial terms and not secured by the assets of the Group. Given that the scope of transactions under this paragraph is effectively the same as such detailed in paragraph (i) above, the estimated maximum transaction amount would be the same as the proposed annual cap as stated in paragraph (i) above.

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(iii) Entrustment loans to be provided among Group A Companies

As set out in the Letter from the Board, we understand that the provision of entrustment loans among Group A Companies does not constitute any connected transaction under Chapter 14A of the Listing Rules given that Group A Companies (other than the Company itself) are wholly-owned subsidiaries of the Company.

As set out in the Letter from the Board and in view of ZJ Holdings' interests in the Framework Agreement, ZJ Holdings are required to abstain and shall abstain from voting in relation to the resolution to approve the Framework Agreement, the CCTs and the Proposed Annual Caps at the SGM.

As further stated in the Letter from the Board, Mr. Huang Xin, Mr. Zhou Shaoqiang, Mr. Ye Yuhong (all being executive Directors) and Mr. Wang Zhe (being a non-executive Director) are also directors of ZJ Holdings and Mr. Jin Tao (being an executive Director) is also the managing director of one of the Group B Companies, they shall abstain from voting on the relevant board resolution approving the Framework Agreement, the CCTs and the Proposed Annual Caps. Save as disclosed above, none of the Directors has a material interest in the Framework Agreement or should abstain from voting in respect of the relevant board resolution.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders on whether the terms of the transactions contemplated under the Framework Agreement (including the Proposed Annual Caps) are on normal commercial terms or better to the Company, fair and reasonable and in the interest of the Company and the Shareholders as a whole. We, Asian Capital (Corporate Finance) Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we are not connected with the Company or any of its substantial Shareholders or any person acting or deemed to be acting in concert with any of them and accordingly, are considered eligible to give independent advice on the Framework Agreement (including the Proposed Annual Caps). Apart from a normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any of its substantial Shareholders or any person acting or deemed to be acting in concert with any of them. As such, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules. We have not acted as the independent financial adviser to the Group's other transactions during the last two years.

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BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, inter alia, the Circular, the Framework Agreement, the annual reports of the Company for the two years ended 31 December 2014 and 31 December 2015 (the “**2014 Annual Report**” and the “**2015 Annual Report**”, respectively), the interim report of the Company for the six months ended 30 June 2016 (the “**2016 Interim Report**”), the internal control documents of Group in respect of the entrustment loan arrangement and the Company’s announcements dated 19 December 2016 and 12 January 2017. We have also reviewed certain information provided by the management of the Company relating to the operations, financial condition and prospects of the Group. We have also (i) considered such other information, analyses and market data which we deemed relevant; and (ii) conducted verbal discussions with the management of the Company regarding the terms of the Framework Agreement, the basis for determination of the Proposed Annual Caps, the businesses and future outlook of the Group.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading. We consider that we have been provided with, and we have reviewed, all currently available information and documents which are available under present circumstances to enable us to reach an informed view regarding the terms of the Framework Agreement, and to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinion. We have assumed that such information and statements, and any representation made to us, are true, accurate and complete in all material respects as of the date hereof and have no reasons to suspect that any material information has been withheld by the Directors or management of the Company, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business or affairs or future prospects of the Group. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, at the Latest Practicable Date.

Our opinion does not in any manner address the Company’s decision to proceed with the entering into of the Framework Agreement and to determine the Proposed Annual Caps. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Framework Agreement (including the Proposed Annual Caps), we have considered the following principal factors:

1. Background and reasons for entering into of the Framework agreement

Information of the Group and Jiuzhou Port Company

The Company is an investment holding company. The principal activities of the Group consist of investment holding, the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part, property development, the operation of a golf club, the management of a holiday resort, a theme park and an amusement park, the provision of port facilities in Zhuhai and trading and distribution of fuel oil, and provision of internet crowd-funding agency service. ZJ Corporation Management is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company.

Jiuzhou Port Company is a connected subsidiary of the Company established as a sino-foreign equity joint venture enterprise under the laws of the PRC and indirectly owned by the Company and ZJ Holdings as to 90% and 10%, respectively. The principal activities of Jiuzhou Port Company include provision of port facilities.

Framework Agreement

On 19 December 2016, the Company (for itself and on behalf of other Group A Companies) and Jiuzhou Port Company (for itself and on behalf of Group B Companies) entered into the Framework Agreement, pursuant to which the parties shall, subject to certain conditions, conduct the entrustment loan arrangement upon request from time to time and during the term of the Framework Agreement through ZJ Corporation Management and the designated Financial Institution.

We understand from the Company's management that it is common for group companies in the PRC to set up and maintain a finance company to provide treasury services within a group. In addition, it is relevant to note that the PRC laws do not permit companies, including affiliates, to extend intra-group loans directly without going through a financial agency and an intra-group finance company is established to allow financial resources to be better distributed within a group and assist the companies within a group in reducing financing and transactions costs of treasury activities.

Since no member of the Group is a licensed financial institution, the Group is not authorised to carry out banking related businesses in the PRC. Therefore, Group A Companies, Jiuzhou Port Company and Group B Companies will, through ZJ Corporation Management, appoint a designated Financial Institution, for the purpose of advancing, supervising and collecting the entrustment loans under the Framework Agreement from time to time, on normal commercial terms.

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Such entrustment loans will be unsecured and interest-bearing at the rates determined by the Company and Jiuzhou Port Company on an arm's length basis taking into account the comparable interest rates offered by independent third party financial institutions in the PRC. The actual interest rate of each of the entrustment loans shall not exceed the comparable interest rate in respect of an entrustment loan of the same duration and on the same terms offered by any independent commercial banks in Zhuhai, the PRC. Pursuant to the Framework Agreement, no collateral will be provided under the entrustment loan arrangement. The parties may set out in detail the interest payment method and loan repayment schedule in the drawdown application notices to be separately entered into by the parties.

Based on the above, the Directors (excluding all independent non-executive Directors) consider that the terms of the Framework Agreement and the transactions contemplated therein are on normal commercial terms, are fair and reasonable in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal Terms of the Framework Agreement

We have reviewed the Framework Agreement provided by the Company and the major terms of the Framework Agreement as stated in the Letter from the Board. We have taken into consideration of the following aspects in order to consider the fairness and reasonableness of the terms of the Framework Agreement:

Key terms of the Framework Agreement are as follows:

Date of agreement	:	19 December 2016
Parties	:	(i) the Company (for itself and on behalf of Group A Companies); and (ii) Jiuzhou Port Company (for itself and on behalf of Group B Companies)
Term	:	Subject to the approval being obtained from the Independent Shareholders, the terms of the Framework Agreement will expire on 31 December 2018 and such term may be renewed by mutual agreement
Description of transactions	:	Pursuant to the Framework Agreement: (i) the Company (for itself and on behalf of the other Group A Companies); and (ii) Jiuzhou Port Company (for itself and on behalf of the Group B Companies) agree that the parties shall conduct the entrustment loan arrangement upon request from time to time and during the term of the Framework Agreement.

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The entrustment loan arrangement shall be conducted via the Financial Institution and ZJ Corporation Management. ZJ Corporation Management shall maintain a principal account with the Financial Institution to facilitate such entrustment loan arrangement from time to time and the parties shall authorise ZJ Corporation Management to manage, transfer and consolidate funds within such account and their respective accounts with the Financial Institution for the purpose of the entrustment loan arrangement.

Interest rate : The interest payable for each entrustment loan shall be determined on every instance at the time of entering into each of the implementation agreements for the CCTs by the Company and Jiuzhou Port Company on an arm's length basis with reference to the relevant benchmark rate set by the People's Bank of China (the "PBOC") for loans of a similar duration and published on www.pbc.gov.cn, and then taking into account the comparable interest rates offered by independent third party financial institutions in Zhuhai, the PRC.

The actual interest rate of each of the entrustment loans shall not exceed the comparable interest rate in respect of an entrustment loan of the same duration and on the same terms offered by any independent commercial banks in Zhuhai, the PRC. The parties may set out in detail the interest payment method and loan repayment schedule in drawdown application notices to be separately entered into by the parties.

Repayment : Repayable on demand, and in any event no later than 31 December 2018.

In the event that Jiuzhou Port Company or any of the Group B Companies wishes to terminate from the entrustment loan arrangement, the relevant outstanding loans (if any) owed by Jiuzhou Port Company or such Group B Company to the Group A Companies shall become immediately payable.

Financial position of the Group

According to the 2016 Interim Report, the Group had a total cash and bank balance of HK\$1,848 million, comprising (i) cash and cash equivalents of approximately HK\$1,843.2 million; and (ii) bank deposits of approximately HK\$4.7 million as at 30 June 2016 respectively. After deducting total bank borrowings of HK\$425.8 million, the Group

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recorded net cash and bank balances of HK\$1,422.2 million as at 30 June 2016. The Group's borrowings consist of mainly short-term bank loans and trust receipt loans.

As at 30 June 2016, the Group's gearing ratio, measured on the basis of net debt divided by total shareholders' equity plus net debt, was 0.35. Net debt included interest-bearing bank and other borrowings, trade payables, accrued liabilities and other payables, construction payables, promissory note, convertible bonds, amounts due to a major shareholder and related companies and a loan from a major Shareholder less restricted bank balance, time deposits and cash and cash equivalents. The Group's current ratio, measured on the basis of current assets as a percentage of current liabilities, was 1.4. As advised by the Company, the Group has unutilised banking facilities available in the amount of HK\$660.0 million as at 30 June 2016.

Available cash surplus of the Group are generally placed in the demand deposit accounts or invested in short-term wealth management products with safeguarded principal. We noted that the average cash and bank balances have increased by approximately 64.6% as at 31 December 2015 when compared with the same as at 31 December 2014; the same balance has increased by approximately 104.1% as at 30 June 2016 when compared with the same as at 30 June 2015.

Reasons and benefit for entering into the Framework Agreement

As stated in the Letter from the Board, the entrustment loan arrangement is intended to provide intra-group financing arrangement among the members of the Group, thereby leveraging on their financial resources and enabling them to obtain financing from each other to support their respective business operations. It is expected that such entrustment loan arrangement can reduce the level of the Group's idle cash and meet the development and financial needs of the Group in other development projects through fully utilising its funding strength, promoting reasonable allocation of resources and increasing its funding utilisation rate.

Pursuant to the Framework Agreement, interest rate of each of the entrustment loans under the Framework Agreement shall be determined with reference to and shall not exceed the comparable interest rate in respect of an entrustment loan of the same duration and on the same terms offered by any independent commercial banks in Zhuhai, the PRC.

In assessing the fairness and reasonableness of the pricing basis of the Framework Agreement, we have obtained sample interest rate in respect of an entrustment loan of the same duration and on the same terms provided by the management of the Company and reviewing the details in terms of the interest rate and the repayment terms etc. In addition, we understand from the management of the Company that it is the normal market practice for the commercial banks in the PRC to make reference on the base interest rate announced by the PBOC in determining their interest rates. We also noted that the interest rates offered by ZJ Corporation Management will be determined on every instance at the time of entering into an agreement under the CCTs with reference to the published PBOC rate depending on amounts and terms of the deposits, and will be subject to the PBOC's regulations and within the PBOC interest rates reference range.

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Given that the interest rate of each of the entrustment loans under the Framework Agreement shall not exceed the comparable interest rate in respect of an entrustment loan of the same duration and on the same terms offered by any independent commercial banks in Zhuhai, the PRC, we concur with the Directors that it will lower the cost of borrowing and the deposit rates available to the Group and will be no less favourable than those provided by other independent financial institutions and are in the interests of the Shareholders and the Company as a whole.

As advised by the management of the Company, the Group is neither obliged nor committed to engage ZJ Corporation Management or the designated Financial Institution to provide the funding pursuant to the terms of Framework Agreement and the Group has the discretion to choose any banks or financial institutions to satisfy its financial service needs.

As mentioned in the Letter from the Board, the entrustment loans are repayable on demand, and in any event no later than 31 December 2018. We note that, if any of the following matters arises, the entrustment loans are repayable forthwith: (i) in the event that Jiuzhou Port Company or any of the Group B Companies wishes to terminate the entrustment loan arrangement, the relevant outstanding loans (if any) owed by Jiuzhou Port Company or such Group B Company to the Group A Companies shall become immediately payable; (ii) the termination of the Framework Agreement; and (iii) in the event that the account(s) to facilitate a certain entrustment loan been frozen by the relevant government authorities, such entrustment loan shall become immediately repayable.

ZJ Corporation Management will maintain a principal account with the designated Financial Institution to facilitate the entrustment loan arrangement from time to time and the parties shall authorise ZJ Corporation Management to manage, transfer and consolidate funds within such account and their respective accounts with the designated Financial Institution for the purpose of the entrustment loan arrangement. The provision, settlement, and interest calculation in relation to the entrustment loans will be realised automatically through the systems of the designated Financial Institution.

In addition, the entrustment loan arrangement can facilitate better deployment of surplus funds and flexibility of the intra-group financing within the Group. The arrangement under the Framework Agreement is expected to generate a higher return for the idle surplus cash of the Group and would also allow for certain degree of concentration of the Group's deposited funds (limited by the Proposed Annual Caps), and would provide the Group with higher bargaining power (than when the deposited sum was split among other financial institutions) with regards to the terms and interest rates of the Deposit Services as well as other financial services under the Framework Agreement.

In view of the above, we concur with the Directors' view that the terms of the Framework Agreement are on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole, and the CCTs are in the ordinary and usual course of business of the Group.

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3. The Proposed Annual Caps

The Framework Agreement is subject to requirements and conditions of the Listing Rules. In particular, the entrustment loans, together with the accrued interests thereunder, under the Framework Agreement are subject to the Proposed Annual Caps as discussed below.

Set out below are the Proposed Annual Caps for the entrustment loans, together with the accrued interests thereunder, for each of the three years ending 31 December 2018 under the Framework Agreement.

	Year ended 31 December		
	2016	2017	2018
	<i>RMB million</i>		
(i) Entrustment loans (together with the accrued interests thereunder) to be provided by members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) to relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) (as the case may be)	400	750	750
(ii) Entrustment loans (together with the accrued interests thereunder) to be provided by relevant connected persons of the Company (including Jiuzhou Port Company and Group B Companies) to members of the Group (including Group A Companies, Jiuzhou Port Company and Group B Companies) (as the case may be)	290	750	750

We understand from the management of the Company that even though the Framework Agreement was entered into in 2016 and included an annual cap for the relevant proposed transactions in the year ended 31 December 2016. The Framework Agreement will only take effect upon the approval granted by the Independent Shareholders in accordance with the Listing Rules. As at the Latest Practicable Date, no actual amount for the CCTs was recorded in the year ended 31 December 2016. We understand that no resolution regarding the proposed annual caps for the year ended 31 December 2016 will be put forward for Independent Shareholders' approval at the SGM.

As stated in the Letter from the Board, the Company has not undertaken any entrustment loan arrangement with its connected persons of a nature similar to those contemplated under the Framework Agreement in the past. The Group has previously received financial assistance (as defined in the Listing Rules) including in the form of loan

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and guarantee from ZJ Holdings and/or its associates with respect to the property development project undertaken by ZJ Development (being a non-wholly owned subsidiary indirectly owned as to 60% by the Company and 40% by ZJ Holdings). Such financial assistance constituted full exempt connected transactions under Chapter 14A of the Listing Rules.

We understand from the management of the Company that the Proposed Annual Caps for the two year ending 31 December 2018 were determined with reference to the cash flow forecast taking into account the idle cash and unutilised banking facilities available within the Group during the term of the Framework Agreement.

Based on our discussion with the management of the Company, the Proposed Annual Caps for each of the three years ending 31 December 2018 were determined after considering: (i) the cash and bank balances of Group A Companies, Jiuzhou Port Company and Group B Companies as at 30 June 2016 and their unpaid share capital as at 30 June 2016; (ii) the historical cash flow for each of the Group A Companies, Jiuzhou Port Company and each of the Group B Companies during their ordinary course of businesses during the period from 1 January 2012 to 31 August 2016; (iii) the projected cash flow for each of the Group A Companies, Jiuzhou Port Company and each of the Group B Companies during their ordinary course of businesses for the term of the Framework Agreement; and (iv) the forecasted inflation rate during the term of the Framework Agreement based on reputable public sources.

To assess the fairness and reasonableness of the Proposed Annual Caps of the Framework Agreement, we have taken into consideration the following aspects:

- (i) the confirmation which we received from the Company that the total cash and cash equivalents (including time deposits and cash and cash equivalents) of the Group A Companies, Jiuzhou Port Company and the Group B Companies as at 30 June 2016 were approximately HK\$1,048.8 million, HK\$296.6 million and HK\$497.7 million respectively;
- (ii) the confirmation which we received from the Company that the unpaid share capital for the Group A Companies, Jiuzhou Port Company and the Group B Companies as at 30 June 2016 was approximately HK\$427.1 million, nil and HK\$236.4 million respectively;
- (iii) the idle cash and unutilised banking facilities available for the Group A Companies, Jiuzhou Port Company and the Group B Companies during the term of the Framework Agreement is above the Proposed Annual Caps;
- (iv) the previous loans provided by ZJ Corporation Management to ZJ Development in the two years ended 31 December 2014 in an aggregated amount of RMB420 million to finance the property development projects undertaken by ZJ Development;

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- (v) the projected capital requirements for the new development projects to be undertaken by each of the Group A Companies, Jiuzhou Port Company and the Group B Companies for the two years ending 31 December 2018 (including but not limited to the projected capital requirement in the amount of approximately RMB3,800 million undertaken by ZJ Development in relation to Cuihu Xiangshan Project in Zhuhai. Please refer to the 2015 Annual Report for more information on the Cuihu Xiangshan Project);
- (vi) there is no obligation or commitment for any of the Group A Companies, Jiuzhou Port Company or the Group B Companies to utilise the amount under the Proposed Annual Caps in full; and
- (vii) there is no additional external financing cost incurred to the Group in relation to the entrustment loan arrangement and no charge to any of the Group A Companies, Jiuzhou Port Company or the Group B Companies whatsoever in relation to the Proposed Annual Caps.

Shareholders should note that as the Proposed Annual Caps are determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period of the Framework Agreement, they do not represent forecast of revenue to be generated from the operations of the Group. Consequently, we express no opinion on how closely the actual amounts to be reached by the Group will correspond with the Proposed Annual Caps.

In view of the above and taking into account of (i) the Group's steady growth of its business and its relatively large balance of cash and cash equivalents; (ii) the Group has the right but not the obligation to utilise the entrustment loan arrangement; (iii) the interest rates to be offered within the group will not be lower than referenced interest rates in the Zhuhai, the PRC for the same type of entrustment loans under the same duration; and (iv) the expected positive impact on the Group's earnings due to the synergy derived from utilising the entrustment loan arrangement, we concur with the Directors' view that the Proposed Annual Caps during the term of the Framework Agreement in respect of the entrustment loan arrangement are fair and reasonable so far as the Independent Board Committee and Independent Shareholders are concerned and are in the interest of the Company and Shareholders as a whole.

ANNUAL REVIEW OF THE TRANSACTIONS

The Proposed Annual Caps will be subject to the annual review by the independent non-executive Directors, details of which must be included in the Company's subsequent annual reports. In addition, pursuant to the Listing Rules, the auditors of the Company must provide a letter to the Board confirming, among others, that the continuing connected transactions of the Group are conducted in accordance with their terms and that the Proposed Annual Caps not being exceeded. Moreover, pursuant to the Listing Rules, the Company shall publish an announcement if it knows or has reason to believe that the independent non-executive Directors and/or its auditors will not be able to confirm the terms of such transactions or the relevant annual cap being exceeded. We are

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of the view that there are appropriate measures in place to govern the conduct of the proposed continuing connected transactions under the Framework Agreement and safeguard the interests of the Independent Shareholders.

RECOMMENDATIONS

Having considered the above principal factors and reasons, we concur with the Directors' view that (i) the Framework Agreement is entered into on normal commercial terms; (ii) the terms of the Framework Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Group and the Shareholders as a whole and in the ordinary and usual course of business of the Group; and (iii) the Proposed Annual Caps (including both the principal amount of the entrustment loans and the accrued interests thereunder) are reasonably determined, and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM to approve the Framework Agreement, the entrustment loan arrangement contemplated thereunder and the Proposed Annual Caps thereof.

Yours faithfully,
For and on behalf of
Asian Capital (Corporate Finance) Limited
Joseph Lam
Executive Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares of the Company

Name of Directors	Number of ordinary shares directly and beneficially owned	Approximate percentage of shareholding in the Company (Note 1)
Mr. Jin Tao	1,742,000	0.12%
Mr. Ye Yuhong	700,000	0.05%
Mr. Kwok Hoi Hing	200,632,000 (Note 2)	14.05%
Mr. Chu Yu Lin, David	2,700,000	0.19%
Mr. Albert Ho	250,000	0.02%

Notes:

- The percentage has been compiled based on the total number of ordinary shares of the Company in issue as at the Latest Practicable Date (i.e., 1,427,797,174 shares).
- Mr. Kwok Hoi Hing held 200,632,000 shares of the Company of which 28,900,000 shares were held through his wholly-owned subsidiary, Surpassing Investment Limited.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Other interests of the Directors

As at the Latest Practicable Date,

- (i) save for Messrs. Huang Xin (the chairman of the board of directors, legal representative and general manager of ZJ Holdings), Zhou Shaoqiang (a director and an executive deputy general manager of ZJ Holdings), Jin Tao (an executive deputy general manager of ZJ Holdings), Ye Yuhong (a director of ZJ Holdings), Li Wenjun (a deputy general manager of ZJ Holdings) and Wang Zhe (a director of ZJ Holdings), none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO;
- (ii) none of the Directors had any interest, direct or indirect, in any assets which since 31 December 2015, being the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (iii) except for the Framework Agreement (to the extent that Mr. Huang Xin, Mr. Zhou Shaoqiang, Mr. Ye Yuhong and Mr. Wang Zhe were also directors of ZJ Holdings which had 10% or more of equity interest in Jiuzhou Port Company and certain entities of Group B Companies), none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the date of this circular, and which was significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following companies and persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions in the Shares and the warrants of the Company:

Name of Shareholder	Number of Shares directly and beneficially owned	Nature of interest	Approximate percentage of the Company's issued ordinary share capital
ZJ Holdings (<i>Note 1</i>)	586,770,000	Beneficial owner and interest of controlled corporation	41.10%
Longway Services Group Limited	351,570,000	Beneficial owner	24.62%
Dragon Hill Corporation Limited (" Dragon Hill ") (<i>Note 2</i>)	142,603,909	Beneficial owner	9.99%
Intellplace Holdings Limited (" IHL ")	142,603,909	Interest of controlled corporation	9.99%
LBS Bina Group Berhad (" LBS Group ") (<i>Note 3</i>)	142,603,909	Interest of controlled corporation	9.99%
Gaterich Sdn Bhd (" Gaterich ") (<i>Note 3</i>)	142,603,909	Interest of controlled corporation	9.99%
Tan Sri Lim Hock San (<i>Note 3</i>)	142,603,909	Interest of controlled corporation	9.99%

Notes:

1. As at the Latest Practicable Date, ZJ Holdings was interested in an aggregate of 586,770,000 Shares, representing approximately 41.10% of the total issued share capital of the Company, of which 351,570,000 Shares were held by Longway Services Group Limited (a wholly-owned subsidiary of ZJ Holdings), and 235,200,000 Shares were directly held by ZJ Holdings.
2. As at the Latest Practicable Date, Dragon Hill held interest in the 142,603,909 Shares in which IHL, LBS Group, Gaterich and Tan Sri Lim Hock San were deemed to be interested in the same parcel of share by virtue of SFO because:
 - (a) Dragon Hill was wholly owned by IHL which in turn was wholly owned by LBS Group;
 - (b) LBS Group was 51.12% owned by Gaterich; and
 - (c) Gaterich was 50% owned by Tan Sri Lim Hock San.

Long positions in the shares or registered capital of the subsidiaries of the Company:

Name of subsidiary	Name of shareholder	Percentage of shareholdings in the Company
Ferry Company	ZJ Holdings	43%
Jiuzhou Port Company	ZJ Holdings	10%
珠海國際賽車場綜合發展有限公司 (Zhuhai International Circuit Consolidated Development Limited*)	珠海經濟特區隆益實業有限公司 (Zhuhai Special Economic Zone Long Yi Enterprise Company Limited*, "Long Yi") (Note)	40%
珠海國際賽車場高爾夫俱樂部有限公司 (Zhuhai International Circuit Golf & Country Club Limited*)	Long Yi (Note)	40%

Note: Long Yi is a company established under the law of the PRC with limited liability and, as at the Latest Practicable Date, a wholly-owned subsidiary of ZJ Holdings.

* For identification purpose only

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, there was no person who, as at the Latest Practicable Date, had an interest or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group which would not expire or was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND COMPETING BUSINESS

As at the Latest Practicable Date,

- (i) none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group, apart from their service contracts;
- (ii) none of the Directors and his/her respective close associates had any competing interests (as would be required to disclose under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder); and
- (iii) none of the Directors had any direct or indirect interest in any assets which had been, since the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited financial statements of the Group were made up.

7. QUALIFICATIONS AND CONSENTS OF EXPERT

The following is the qualifications of the IFA who has given opinions or advice contained or referred to in this circular:

Name	Qualifications
Asian Capital (Corporate Finance) Limited	a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Asian Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Asian Capital had no shareholding interest, direct or indirect, in any member of the Group nor the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Asian Capital had no interest, direct or indirect, in any assets which had been, since the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors are aware, no litigation or claim of material importance was pending or threatened against any member of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Framework Agreement will be available for inspection at the head office of the Company in Hong Kong at Units 3709–10, 37/F West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong during normal business hours on any weekdays (except public holidays) from the date of this circular up to and including the date of the SGM.

NOTICE OF THE SGM

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (“**SGM**”) of Zhuhai Holdings Investment Group Limited (the “**Company**”) will be held at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 10 February 2017 at 2:30 p.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the execution, delivery and performance of the the framework agreement dated 19 December 2016 entered into between the Company (for itself and on behalf of the Company together with certain wholly-owned subsidiaries of the Company (“**Group A Companies**”)) and 珠海九洲港客運服務有限公司 (Zhuhai Jiuzhou Port Passenger Traffic Services Co., Ltd.*) (“**Jiuzhou Port Company**”) (for itself and on behalf of certain entities that are treated as non-wholly owned subsidiaries of the Company from an accounting’s perspective and are connected persons of the Company by virtue of interest of 珠海九洲控股集團有限公司 (Zhahai Jiuzhou Holdings Group Co., Ltd.*) therein (“**Group B Companies**”)), in relation to the provision of entrustment loans between Group A Companies and Group B Companies (the “**Framework Agreement**”) (a copy of the Framework Agreement has been produced to the meeting and marked “A” and initiated by the chairman of the meeting for identification purposes) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the relevant proposed annual caps for each of the two financial years ending 31 December 2018 in relation to the transactions contemplated under the Framework Agreement as more particularly set out in the circular of the Company dated 23 January 2017 be and are hereby approved and (where applicable) confirmed; and
- (c) the directors of the Company be and are hereby authorised to take any action and sign any document (under seal, if necessary) (including without limitation any supplemental agreement or extension agreement) as they consider necessary, desirable or expedient in connection with the Framework Agreement or the transactions contemplated thereby and/or the relevant

* For identification purpose only

NOTICE OF THE SGM

proposed annual caps and to waive compliance from or make and agree to such variations of a non-material nature to any of the terms of the Framework Agreement, as they may in their absolute discretion consider to be desirable and in the interest of the Company and all such acts of the directors of the Company as aforesaid be and are hereby approved, confirmed and ratified.”

Yours faithfully,
By Order of the Board
Zhuhai Holdings Investment Group Limited
Huang Xin
Chairman

Hong Kong, 23 January 2017

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*
Units 3709–10 37/F, West Tower
Shun Tak Centre
168–200 Connaught Road Central
Sheung Wan
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more (if he/she/it holds two or more shares) as his/her/its proxy to attend and vote instead of him/her/it. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed. A proxy need not be a shareholder of the Company but must be present in person to represent him/her/it.
2. To be valid, the form of proxy together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority or other authority, must be deposited at the office of the Company’s Hong Kong branch share registrar, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time of the SGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder from attending and voting in person at the SGM should he so wish and, in such event, the said form of proxy shall be deemed to be revoked.
3. Pursuant to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), all resolutions at a general meeting must be taken by poll and the results of the poll will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.0908.hk).
4. A form of proxy for use in connection with the SGM is enclosed and such form is also published on the respective websites of Stock Exchange (www.hkexnews.hk) and of the Company (www.0908.hk).
5. The SGM will be conducted in Chinese and no translation will be provided.

As at the date of this notice, the Board comprises Mr. Huang Xin, Mr. Zhou Shaoqiang, Mr. Jin Tao, Mr. Ye Yuhong and Mr. Li Wenjun as executive Directors; Datuk Wira Lim Hock Guan (Mr. Lim Seng Lee as his alternate), Mr. Wang Zhe and Mr. Kwok Hoi Hing as non-executive Directors; and Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David, Mr. Albert Ho and Mr. Wang Yijiang as independent non-executive Directors.