
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhuhai Holdings Investment Group Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker 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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS:
ENTRUSTMENT LOAN ARRANGEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

Independent financial adviser
to the Independent Board Committee and the Independent Shareholders



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 on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on page 18 of this circular. A letter from Asian Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 32 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, 7 December 2018, at 11:15 a.m. is set out on pages 39 to 41 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).

If you are unable to attend the SGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the SGM (i.e. no later than 11:15 a.m. (Hong Kong time) on Wednesday, 5 December 2018) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) if you so wish. In such event, the form of proxy shall be deemed to be revoked.

19 November 2018

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DEFINITIONS

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

“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
“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)
“Director(s)”	the director(s) of the Company
“Existing Framework Agreement”	the existing 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
“Ferry Company”	珠海高速客輪有限公司 (Zhuhai High-speed Passenger Ferry Co., Ltd.*), a connected subsidiary of the Company incorporated as a sino-foreign equity joint venture enterprise under the PRC law
“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 New Framework Agreement from time to time
“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 Limited, a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) 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 New Framework Agreement, the New CCTs and the Proposed Annual Caps
“Independent Board Committee”	the independent board committee of the Company 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 New Framework Agreement, the New CCTs and the Proposed Annual Caps
“Independent Shareholders”	shareholders who are not required to abstain from voting at the SGM to approve the New Framework Agreement, the New CCTs and the Proposed Annual Caps
“Jiuzhou Passenger Development Company”	珠海九洲客運港發展有限公司 (Zhuhai Jiuzhou Passenger Port and Development Co., Ltd.*), a wholly-owned subsidiary of ZJ Holdings incorporated as a domestic enterprise under the PRC law

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”	12 November 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New CCTs”	transactions contemplated under the New Framework Agreement
“New Framework Agreement”	the new framework agreement dated 18 October 2018 (as amended and restated on 9 November 2018) 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
“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
“Proposed Annual Caps”	the proposed annual caps for the New CCTs for the three years ending 31 December 2021
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened at Boardroom 6, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 7 December 2018 at 11:15 a.m. to consider and, if thought fit, approve the New Framework Agreement and the New CCTs and the Proposed Annual Caps, and any adjournment thereof

DEFINITIONS

“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
“Substantial Shareholder”	having such meaning as ascribed to such term under the Listing Rules
“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
“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”, “close 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.

* The English transliteration of the Chinese names in this circular, where indicated, is included for information 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. 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. Kwok Hoi Hing

Mr. Zou Chaoyong

*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)

19 November 2018

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS:
ENTRUSTMENT LOAN ARRANGEMENT
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 19 December 2016 and 12 January 2017 and the circular of the Company dated 23 January 2017 in relation to the Existing Framework Agreement, and the announcements of the Company dated 18 October 2018 and 9 November 2018 in relation to the New Framework Agreement. As the Existing

LETTER FROM THE BOARD

Framework Agreement will expire on 31 December 2018, the Company (for itself and on behalf of other Group A Companies) and Jiuzhou Port Company (for itself and on behalf of the Group B Companies) entered into the New 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 New 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.

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 New Framework Agreement and the New 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 New Framework Agreement and the New 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 New Framework Agreement and the New CCTs and the Proposed Annual Caps relating thereto.

THE NEW FRAMEWORK AGREEMENT

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

- Date: 18 October 2018 (as amended and restated on 9 November 2018)
- Parties: (i) the Company (for itself and on behalf of the other Group A Companies)
- (ii) Jiuzhou Port Company (for itself and on behalf of Group B Companies)
- Subject matter: Pursuant to the New 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 New Framework Agreement.

LETTER FROM THE BOARD

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 2021.

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 New 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.

LETTER FROM THE BOARD

HISTORICAL FIGURES, EXISTING ANNUAL CAPS AND PROPOSED ANNUAL CAPS

The table below sets out the historical figures and the existing annual caps under the Existing Framework Agreement and the Proposed Annual Caps.

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

	FY2017			FY2018			FY2019	FY2020	FY2021
	The highest outstanding amount as at 31 December 2017		The highest outstanding amount for FY2017	The highest outstanding amount as at 30 September 2018		The highest outstanding amount between 1 January 2018 and 30 September 2018	Proposed Annual Cap	Proposed Annual Cap	Proposed Annual Cap
Existing annual cap	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)
	750	49.8	50.0	750	-	50	750	750	750

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, Jiuzhou Port Company and Group B Companies) (as the case may be) together with the relevant accrued interest thereof

	FY2017			FY2018			FY2019	FY2020	FY2021
	The highest outstanding amount as at 31 December 2017		The highest outstanding amount for FY2017	The highest outstanding amount as at 30 September 2018		The highest outstanding amount between 1 January 2018 and 30 September 2018	Proposed Annual Cap	Proposed Annual Cap	Proposed Annual Cap
Existing annual cap	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(RMB million)
	750	136.8	277.5	750	684	684	1,500	2,000	2,500

LETTER FROM THE BOARD

PROPOSED ANNUAL CAPS

The parties to the New 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 FY2019, FY2020 and FY2021 shall not exceed RMB750 million, RMB750 million and RMB750 million respectively; 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 FY2019, FY2020 and FY2021 and during the term of the New Framework Agreement shall not exceed RMB750 million, RMB750 million and RMB750 million respectively; 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, Jiuzhou Port Company and Group B Companies) (as the case may be) together with the relevant accrued interest thereof for each of FY2019, FY2020 and FY2021 shall not exceed RMB1,500 million, RMB2,000 million and RMB2,500 million respectively; 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 FY2019, FY2020 and FY2021 and during the term of the New Framework Agreement shall not exceed RMB1,500 million, RMB2,000 million and RMB2,500 million respectively.

The Directors have taken into account the following principal factors in estimating the caps for FY2019, FY2020 and FY2021 as mentioned above:

- (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 historical figures and the existing annual caps under the Existing Framework Agreement;
 - the need for settlement of amounts payable by Jiuzhou Port Company and Group B Companies during its ordinary course of business;

LETTER FROM THE BOARD

- the historical cash flow for Jiuzhou Port Company and each of the Group B Companies during their ordinary course of businesses during the term of the Existing Framework Agreement;
 - the projected cash flow for Jiuzhou Port Company and each of the Group B Companies during their ordinary course of businesses for the term of the New Framework Agreement;
 - the total cash and bank balances (including time deposits, cash and cash equivalents and restricted bank balances) of the Group A Companies, Jiuzhou Port Company and Group B Companies of approximately RMB1,859 million as at 30 June 2018 and RMB3,012 million as at 31 December 2017, respectively;
 - the projected 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 New Framework Agreement is above the Proposed Annual Caps;
 - the forecasted inflation rate during the term of the New Framework Agreement based on reputable public sources; and
 - the capital requirements for (i) the new development projects, including but not limited to the PPP Project (珠海高欄港經濟區十五條河域整治專案工程), details of which are disclosed in the announcement of the Company dated 28 September 2018, and the Cuihu Xiangshan Project, details of which are disclosed in the 2018 Interim Report of the Company; and (ii) the expansions of its fuel oil trading business, details of which are disclosed in the 2018 Interim Report of the Company.
- (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)**
- the historical figures and the existing annual caps under the Existing Framework Agreement;
 - the need for settlement of amounts payable by Group A Companies, Jiuzhou Port Company and Group B Companies during its ordinary course of business;
 - 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 term of the Existing Framework Agreement;
 - 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 New Framework Agreement;

LETTER FROM THE BOARD

- the total cash and bank balances (including time deposits, cash and cash equivalents and restricted bank balances) of Jiuzhou Port Company and Group B Companies of approximately RMB1,296 million as at 30 June 2018 and RMB1,689 million as at 31 December 2017, respectively;
- the projected idle cash and unutilised banking facilities available for Jiuzhou Port Company and the Group B Companies during the term of the New Framework Agreement is above the Proposed Annual Caps; and
- the forecasted inflation rate during the term of the New Framework Agreement based on reputable public sources.

Further, the increase in the annual caps 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, Jiuzhou Port Company and Group B Companies) (as the case may be) above when compared with the corresponding annual caps under the Existing Framework Agreement, is mainly attributable to the capital requirements for (i) the new development projects, including but not limited to the PPP Project (珠海高欄港經濟區十五條河域整治專案工程), details of which are disclosed in the announcement of the Company dated 28 September 2018, the Cuihu Xiangshan Project and the New Zhuhai Holiday Resort Hotel Project, details of which are disclosed in the 2018 Interim Report of the Company; and (ii) the expansions of its fuel oil trading business and factoring business for commercial bills and trade receivables, details of which are disclosed in the 2018 Interim Report of the Company.

Given that if lower interest rate is offered by independent financial institutions in Zhuhai, there is no obligation or commitment for any of the Group A Companies, Jiuzhou Port Company or the Group B Companies to borrow via the entrustment loan arrangement under the New Framework Agreement. As such, the aforesaid increase in the annual caps will provide more flexibility for the parties to the New Framework Agreement to meet their capital needs.

In determining the annual caps for the entrustment loans under the New Framework Agreement, the Company has also assumed that the status of Group A Companies, Jiuzhou Port Company and Group B Companies will remain unchanged during the term of the agreement, namely (i) Group A Companies will continue to be wholly-owned subsidiaries of the Company, (ii) Jiuzhou Port Company and Group B Companies will continue to be treated as non-wholly owned subsidiaries of the Company from an accounting's perspective and connected persons of the Company by virtue of ZJ Holding's interests therein. The Company will evaluate the Group's development strategies from time to time, including but not limited to potential acquisitions and disposals which may result in change of circumstances of the above assumption. The Company will make necessary announcement in relation to such acquisitions and disposals as and when appropriate.

LETTER FROM THE BOARD

INTERNAL CONTROL PROCEDURES AND CORPORATE GOVERNANCE MEASURES

Before entering into any implementation agreements under the New Framework Agreement, the following will be adopted by the Company to ensure that (i) the New CCTs will be conducted in accordance with the terms under the New 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 New 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 New Framework Agreement on a monthly basis to ensure the Proposed Annual Caps to be 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 New CCTs. They will give their views on the New CCTs, mainly including whether the New CCTs are fair and reasonable, and whether the actual transaction amounts incurred by the New CCTs are within the approved Proposed Annual Caps; and
- the external auditor of the Company will conduct an annual audit each year, and review the implementation of the New CCTs by the Company, including whether the loan and interest amounts incurred by the New CCTs are within the Proposed 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

LETTER FROM THE BOARD

Shareholders as a whole; and (ii) the Proposed Annual Caps to be approved by the Independent Shareholders that will be adhered to and the New CCTs will be conducted within the approved Proposed Annual Caps during the relevant year pursuant to the requirements under Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, ZJ Holdings is interested in 592,868,000 Shares, representing approximately 41.52% 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 New 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 FY2019, FY2020 and FY2021 of RMB750 million, RMB750 million and RMB750 million, respectively) 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,

LETTER FROM THE BOARD

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.

(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

As a continuation of the transactions under the Existing Framework Agreement, 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 New Framework Agreement was entered into on normal commercial terms, and whether the terms of the New Framework Agreement and the New 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 18 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 New Framework Agreement was conducted in the ordinary and usual course of business of the Group, and whether the terms of the New Framework Agreement are on normal commercial terms and the New 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 19 to 32 of this circular.

LETTER FROM THE BOARD

GENERAL

The Company is an investment holding company. The principal activities of the Group consist of investment holding, the provision of port facilities in Zhuhai, the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part, the management of a holiday resort, a theme park and an amusement park, property development and the operation of a golf club, the provision of financial information services and internet financial information intermediary 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.

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.

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, 7 December 2018 at 11:15 a.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 New Framework Agreement and the New CCTs and the Proposed Annual Caps relating thereto, and a notice of the SGM is set out on pages 39 to 41 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 592,868,000 Shares, representing approximately 41.52% of the total issued share capital of the Company, will be required to abstain from voting in relation to the resolution to approve the New Framework Agreement and the New 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.

LETTER FROM THE BOARD

Since Messrs. Huang Xin, 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 and Mr. Jin Tao (being executive Director) is also the managing director of Ferry Company, they have abstained from voting on the relevant board resolutions approving the New Framework Agreement, the New CCTs and the Proposed Annual Caps. Save as disclosed above, none of the Directors has a material interest in the New Framework Agreement or should abstain from voting in respect of the relevant board resolutions.

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 18 of this circular which contains its recommendation to the Independent Shareholders concerning the terms of the New Framework Agreement and the New CCTs and the Proposed Annual Caps relating thereto; and (ii) the letter from the IFA set out on pages 19 to 32 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the terms of the New Framework Agreement and the New 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 New Framework Agreement, the New CCTs and the 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 New 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 New 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 New Framework Agreement, the New CCTs and the Proposed Annual Caps which will be proposed at the SGM.

The Directors (including the independent non-executive Directors) consider that the terms of the New Framework Agreement, the New CCTs and the Proposed Annual Caps to be fair and reasonable in so far as the Company and the Independent Shareholders are concerned, the New 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 New CCTs are in the ordinary and usual

LETTER FROM THE BOARD

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 New Framework Agreement, the New CCTs and the Proposed Annual Caps which will be proposed at the SGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
Zhuhai Holdings Investment Group Limited
Huang Xin
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

19 November 2018

To the Shareholders

Dear Sir or Madam

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS:
ENTRUSTMENT LOAN ARRANGEMENT**

We refer to the circular of the Company dated 19 November 2018 (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 New Framework Agreement and to advise the Independent Shareholders in respect of the New Framework Agreement and the New CCTs (including the Proposed Annual Caps).

We have been appointed by the Board to advise you as to consider the terms of the New Framework Agreement and to advise the Independent Shareholders in connection with the New CCTs as to whether, in our opinion, the New CCTs and the Proposed Annual Caps are fair and reasonable, whether the New 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 19 to 32 of the Circular, we consider that the terms of the New Framework Agreement, the New CCTs and the 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 New 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 New 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 New Framework Agreement, the New CCTs and the 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 full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



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*

19 November 2018

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 New Framework Agreement (including 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 19 November 2018 (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, 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) had entered into the Existing Framework Agreement dated 19 December 2016 to conduct the entrustment loan arrangement upon request from time to time and during the term of the Existing 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. As the Existing Framework Agreement is going to expire on 31 December 2018 and the parties to the Existing Framework Agreement intend to continue the entrustment loan arrangement after 31 December

LETTER FROM ASIAN CAPITAL

2018, the Company and Jiuzhou Port Company entered into the New Framework Agreement on 18 October 2018 (as amend and restated on 9 November 2018) for a term of three years from 1 January 2019 to 31 December 2021.

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 592,868,000 Shares, representing approximately 41.52% of the total issued share capital of the Company, and 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 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 from an accounting perspective and, 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)**

As set out in the Letter from the Board, 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 New 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 FY2019, FY2020 and FY2021 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.

LETTER FROM ASIAN CAPITAL

(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.

As one or more of the applicable percentage ratios (taking into account the Proposed Annual Caps for each of FY2019, FY2020 and FY2021 of RMB1,500 million, RMB2,000 million and RMB2,500 million respectively) 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.

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.

(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 New Framework Agreement, ZJ Holdings and its associates are required to abstain and will abstain from voting in relation to the resolution to approve the New Framework Agreement, the New CCTs and the Proposed Annual Caps at the SGM.

As further stated in the Letter from the Board, Mr. Huang Xin, 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 and Mr. Jin Tao (being an executive Director) is also the managing director of the Ferry Company (being one of the Group B Companies), they shall abstain from voting on the relevant board resolution approving the New Framework Agreement, the New CCTs and the Proposed Annual Caps. Save as disclosed above, none of the Directors has a material interest in the New Framework Agreement or should abstain from voting in respect of the relevant board resolutions.

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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 New 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 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 New 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. During the last two years, we have not acted as the independent financial adviser to the Group's other transactions and has not provided any other services to the Company during the last two years.

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 Existing Framework Agreement, the New Framework Agreement, the annual reports of the Company for the two years ended 31 December 2016 and 31 December 2017 (the “**2016 Annual Report**” and the “**2017 Annual Report**”, respectively) and the interim report of the Company for the six months ended 30 June 2018 (the “**2018 Interim Report**”), the internal control documents of Group in respect of the entrustment loan arrangement and the Company's announcement dated 18 October 2018. 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 New 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 New 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

LETTER FROM ASIAN CAPITAL

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 own decision to proceed with the entering into the New 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 New Framework Agreement (including the Proposed Annual Caps), we have considered the following principal factors:

1. Information of the Group and Jiuzhou Port Company

(i) Principal business 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 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 financial information services and internet financial information intermediary services and the trading and distribution of fuel oil. 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.

LETTER FROM ASIAN CAPITAL

(ii) Financial position of the Group

According to the 2018 Interim Report, the Group had cash and cash equivalents of approximately RMB1,178.3 million as at 30 June 2018 respectively. After deducting total current bank borrowings of RMB248.6 million, the Group recorded net cash and cash equivalents of RMB929.7 million as at 30 June 2018.

As at 30 June 2018, the Group's gearing ratio, measured on the basis of net debt divided by total shareholders' equity plus net debt, was 0.54. Net debt included interest-bearing bank borrowings, trade and bill payables, accrued liabilities and other payables, construction payables, amounts due to a major shareholder and related companies less restricted bank balances, 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 1.36 as at 30 June 2018. As advised by the Company, the Group has unutilised banking facilities available in the amount of approximately RMB1,657 million as at 30 September 2018.

Temporary surplus cash of the Group is 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 of the Group remained at the similar level during the term of the Existing Framework Agreement, with a slight decrease by approximately 0.8% as at 31 December 2017 when compared with the same as at 31 December 2016; the same balance has decreased by approximately 24.1% as at 30 June 2018 when compared with the same as at 30 June 2017 mainly due to an increase in prepaid land lease payments of approximately RMB680.8 million.

2. Reasons for and benefits of the entering into of the New Framework Agreement

(i) Better deployment of surplus funds

As stated in the Letter from the Board, as a continuation of the transactions under the Existing Framework Agreement, 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 entrustment loan arrangement can reduce the level of the Group's idle cash, facilitate better deployment of surplus funds, increase flexibility of the intra-group financing within the Group, 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 arrangement under the New 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 New Framework Agreement.

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(ii) Regulatory requirements in the PRC

We understand from the Company's management that 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 hence it is common for group companies in the PRC to set up and maintain an intra-group finance company to provide treasury services within the group in order to allow financial resources to be better distributed within the group and assist the group companies 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 the Financial Institution, for the purpose of advancing, supervising and collecting the entrustment loans under the New Framework Agreement from time to time, on normal commercial terms.

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

3. Principal Terms of the New Framework Agreement

Salient terms and conditions of the New Framework Agreement are summarised below. Further details are set out in the Letter from the Board.

Date	:	18 October 2018
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)
Subject matter	:	Pursuant to the New 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 New Framework Agreement.

LETTER FROM ASIAN CAPITAL

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 for 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 Financial Institution.

Term : Repayable on demand, and in any event no later than 31 December 2021.

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.

The entrustment loans are also repayable forthwith (i) in the event of the termination of the New Framework Agreement; and (ii) in the event that the account(s) to facilitate a certain entrustment loan been frozen by the relevant government authorities.

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 New 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 which will be separately entered into by the parties.

LETTER FROM ASIAN CAPITAL

4. Comparable interest rates

Pursuant to the New Framework Agreement, interest rate of each of the entrustment loans under the New 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 New Framework Agreement, we have reviewed a number of historical transactions samples under the Existing Framework Agreement provided by the management of the Company, covering a period from February 2017 to September 2018, including the comparable interest rates offered by independent third party financial institutions in Zhuhai provided by the management of the Company. In assessing the sufficiency of the internal control procedures in relation to entrustment loan arrangement under the New Framework Agreement, we have also (i) obtained the assurance report on continuing connected transactions issued by the Company's auditors; (ii) obtained the Group's internal control documents; and (iii) had discussions with the management of the Company. Based on the abovementioned, we are of the view that the Group has sufficient internal control procedures to ensure the terms offered by the relevant connected parties to the Group are no less favourable than those available from independent third parties.

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 to 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 New CCTs with reference to the published PBOC rate depending on the amount and terms of the deposits, and will be subject to the PBOC's regulations and within the reference PBOC interest rates range.

The entrustment loans under the New Framework Agreement 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 New 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.

Given that the interest rate of each of the entrustment loans under the New 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.

LETTER FROM ASIAN CAPITAL

5. The Proposed Annual Caps

The New 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 New Framework Agreement are subject to the Proposed Annual Caps as discussed below.

Set out below are the historical figures and the existing annual caps under the Existing Framework Agreement, and the Proposed Annual Caps for the entrustment loans, together with the accrued interests thereunder, for each of the three years ending 31 December 2021 under the New Framework Agreement.

- (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)*

Year ended 31 December 2017		2018		Year ending 31 December		
Existing annual cap (RMB million)	Highest outstanding amount (RMB million)	Existing annual cap (RMB million)	Highest outstanding amount (up to 30 September 2018) (RMB million)	Proposed Annual Cap (RMB million)	Proposed Annual Cap (RMB million)	Proposed Annual Cap (RMB million)
750.0	50.0	750.0	50.0	750.0	750.0	750.0

- (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)*

Year ended 31 December 2017		2018		Year ending 31 December		
Existing annual cap (RMB million)	Highest outstanding amount (RMB million)	Existing annual cap (RMB million)	Highest outstanding amount (up to 30 September 2018) (RMB million)	Proposed Annual Cap (RMB million)	Proposed Annual Cap (RMB million)	Proposed Annual Cap (RMB million)
750.0	277.5	750.0	684.0	1,500.0	2,000.0	2,500.0

LETTER FROM ASIAN CAPITAL

Based on our discussion with the management of the Company, we understand that the Proposed Annual Caps for each of the three years ending 31 December 2021 were determined after considering: (i) the historical figures and the existing annual caps under the Existing Framework Agreement; (ii) the development and financial needs of Group A Companies, Jiuzhou Port Company and Group B Companies during the term of the New Framework Agreement; (iii) the cash and bank balances of Group A Companies, Jiuzhou Port Company and Group B Companies as at 31 December 2017 and 30 June 2018; (iv) 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 term of the Existing Framework Agreement; (v) 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 New Framework Agreement; (vi) the projected idle cash and unutilised banking facilities available for Group A Companies, Jiuzhou Port Company and Group B Companies during the term of the New Framework Agreement; and (vii) the forecasted inflation rate during the term of the New Framework Agreement based on reputable public sources.

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

- (i) the total cash and bank balances (including time deposits, cash and cash equivalents and restricted bank balances) of the Group A Companies, Jiuzhou Port Company and Group B Companies of approximately RMB1,859 million as at 30 June 2018 and RMB3,012 million as at 31 December 2017, respectively;
- (ii) the total cash and bank balances (including time deposits, cash and cash equivalents and restricted bank balances) of Jiuzhou Port Company and Group B Companies of approximately RMB1,296 million as at 30 June 2018 and RMB1,689 million as at 31 December 2017, respectively;
- (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 New Framework Agreement;
- (iv) the projected 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 New Framework Agreement is above the Proposed Annual Caps;
- (v) the utilisation rate of the annual caps under the Existing Framework Agreement;
- (vi) 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 three years ending 31 December 2021;

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- (vii) 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
- (viii) 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.

We noted that the utilisation of the annual caps for the entrustment loans provided by members of the Group to relevant connected persons of the Company under the Existing Framework Agreement is not significant. However, we understand from the management of the Company that the anticipated capital requirements of Group B Companies will increase due to (i) the new development projects, including but not limited to the PPP Project (珠海高欄港經濟區十五條河域整治專案工程) (details of which are disclosed in the announcement of the Company dated 28 September 2018) and the Cuihu Xiangshan Project (details of which are disclosed in the 2018 Interim Report of the Company); and (ii) the expansions of its fuel oil trading business details of which are disclosed in the 2018 Interim Report of the Company.

Regarding the substantial increase in the Proposed Annual Caps for the entrustment loans to be provided by relevant connected persons of the Company to members of the Group when compared with the annual caps under the Existing Framework Agreement, we understand from the management of the Company that such increase is mainly attributable to (i) the capital requirements for the new development projects, including but not limited to the New Zhuhai Holiday Resort Hotel Project and the expansions of its factoring business for commercial bills and trade receivables, details of which are disclosed in the 2018 Interim Report; and (ii) the high level of idle cash and unutilised banking facilities available for Jiuzhou Port Company and the Group B Companies during the term of the New Framework Agreement.

We understand that if lower interest rate is offered by independent financial institutions in Zhuhai, there is no obligation or commitment for any of the Group A Companies, Jiuzhou Port Company or the Group B Companies to borrow via the entrustment loan arrangement under the New Framework Agreement. As such, the management of the Company considers that the Proposed Annual Caps will provide additional flexibility for the parties to the New Framework Agreement to meet their capital needs.

We further understand that the Company determined the annual caps for the entrustment loans under the New Framework Agreement on the assumption that the status of Group A Companies, Jiuzhou Port Company and Group B Companies will remain unchanged during the term of the agreement (i.e. Group A Companies will continue to be wholly-owned subsidiaries of the Company, while Jiuzhou Port Company and Group B Companies will continue to be treated as non-wholly owned subsidiaries of the Company from an accounting's perspective and connected persons of the Company by virtue of ZJ Holding's interests therein).

LETTER FROM ASIAN CAPITAL

Shareholders should note that as the Proposed Annual Caps are determined based on various factors relating to the future events and assumptions which may or may not remain valid for the entire period of the New Framework Agreement, which 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 the Group's future development and its relatively large balance of cash and cash equivalents, we concur with the Directors' view that the Proposed Annual Caps during the term of the New 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.

Having considered (i) the Group has relatively large balance of cash and cash equivalents; (ii) the expected positive impact on the Group's earnings due to the synergy derived from utilising the entrustment loan arrangement; (iii) the regulatory requirement in the PRC; (iv) the interest rates to be offered within the Group will not exceed the referenced interest rates in the Zhuhai, the PRC for the same type of entrustment loans under the same duration; (v) the amounts of projected idle cash and the projected capital requirements of the Group; and (vi) the Group has the right but not the obligation to utilise the entrustment loan arrangement, we concur with the Directors' view that the terms of the New 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 New CCTs are in the ordinary and usual course of business of the Group.

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

LETTER FROM ASIAN CAPITAL

RECOMMENDATIONS

Having considered the above principal factors and reasons, we concur with the Directors' view that (i) the New Framework Agreement is entered into on normal commercial terms; (ii) the terms of the New 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 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 New Framework Agreement, the entrustment loan arrangement contemplated thereunder and the Proposed Annual Caps thereof.

Yours faithfully,
For and on behalf of
Asian Capital Limited
Joseph Lam
Executive Director

Mr. Joseph Lam is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Asian Capital Limited, which is licensed under the the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. He has over ten years of experience in the corporate finance industry.

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 position in the Shares of the Company

Name of Director	Number of Shares directly and beneficially owned	Approximate percentage of the Company’s issued ordinary share capital <i>(Note 1)</i>
Mr. Huang Xin	720,000	0.05%
Mr. Jin Tao	1,742,000	0.12%
Mr. Ye Yuhong	700,000	0.05%
Mr. Kwok Hoi Hing	203,170,000	14.23%
	<i>(Note 2)</i>	
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 203,170,000 shares of the Company of which 29,780,000 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 and legal representative of ZJ Holdings), Jin Tao (a director and general manager of ZJ Holdings), Ye Yuhong (a director of ZJ Holdings), Li Wenjun (a deputy general manager of ZJ Holdings) and Zou Chaoyong (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 2017, 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;
- (iii) except for the Existing Framework Agreement and the New Framework Agreement (to the extent that Mr. Huang Xin, Mr. Jin Tao, Mr. Ye Yuhong and Mr. Zou Chaoyong 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 position in the Shares 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>)	592,868,000	Beneficial owner and interest of controlled corporation	41.52%
Longway Services Group Limited	357,668,000	Beneficial owner	25.05%
Dragon Hill Corporation Limited ("Dragon Hill") (<i>Note 2</i>)	142,603,909	Beneficial owner	9.99%
Intellplace Holdings Limited ("IHL") (<i>Note 2</i>)	142,603,909	Interest of controlled corporation	9.99%
LBS Bina Group Berhad ("LBS Group") (<i>Note 2</i>)	142,603,909	Interest of controlled corporation	9.99%
Gaterich Sdn Bhd ("Gaterich") (<i>Note 2</i>)	142,603,909	Interest of controlled corporation	9.99%
Tan Sri Lim Hock San (<i>Note 2</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 592,868,000 Shares, representing approximately 41.52% of the total issued share capital of the Company, of which 357,668,000 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 54.49% 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%
ZJ Development	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 1)	40%
珠海市九控體育管理有限公司 (Zhuhai Jiuzhou Holdings Sport Management Co., Ltd.*, formerly known as 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 1)	40%
珠海九洲互聯網科技股份有限公司 (Zhuhai Jiuzhou Internet Technology Co., Ltd.*)	Jiuzhou Passenger Development Company	15%
珠海九洲船員培訓中心有限公司 (Zhuhai Jiuzhou Crew Training Centre Co., Ltd.*)	珠海市九洲航海文化有限公司 (Zhuhai Jiuzhou Navigation Culture Co., Ltd.*, “ ZJ Navi ”) (Note 2)	10%

Notes:

1. 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.
2. ZJ Navi 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.

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. SERVICE AGREEMENTS

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. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2017, being the date to which the latest published audited financial statements of the Group were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business (apart from the business of the Group), which competed or is likely to compete, either directly or indirectly, with the business of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Asian Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Board and approved by the Independent Board Committee in connection with the transactions contemplated under the New Framework Agreement and the Proposed Annual Caps

Asian Capital has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, Asian Capital had no shareholding, directly or indirectly, in any member of the Group or 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 did not have any interest, director indirect, in any assets which since 31 December 2017, 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.

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 each of the Existing Framework Agreement and the New 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 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, 7 December 2018 at 11:15 a.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 new framework agreement dated 18 October 2018 (as amended and restated on 9 November 2018) 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 (Zhuhai Jiuzhou Holdings Group Co., Ltd.*) therein (“**Group B Companies**”)), in relation to the provision of entrustment loans among the Group A Companies, Jiuzhou Port Company and the Group B Companies (as the case may be) (the “**New Framework Agreement**”) (a copy of the New 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 three financial years ending 31 December 2021 in relation to the transactions contemplated under the New Framework Agreement as more particularly set out in the circular of the Company dated 19 November 2018 (“**Proposed Annual Cap**”) be and are hereby approved and (where applicable) confirmed; and

NOTICE OF SGM

- (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 New Framework Agreement or the transactions contemplated thereby and/or the 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 New 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,
For and on behalf of the board of
Zhuhai Holdings Investment Group Limited
Huang Xin
Chairman

Hong Kong, 19 November 2018

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).

NOTICE OF SGM

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 of directors of the Company comprises Mr. Huang Xin, 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. Kwok Hoi Hing and Mr. Zou Chaoyong 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.

* *For identification purpose only*