

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a 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 Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

LONGWAY SERVICES GROUP LIMITED

(Incorporated in the British Virgin Islands with limited liability)

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: 908)

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY**



Essence International Securities (Hong Kong) Limited

FOR AND ON BEHALF OF

LONGWAY SERVICES GROUP LIMITED

TO ACQUIRE ALL THE ISSUED SHARES OF

ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED

**(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND ZJ HOLDINGS)**

Financial Adviser to the Offeror



Essence Corporate Finance (Hong Kong) Limited

Independent Financial Adviser



Southwest Securities (HK) Capital Limited

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

A letter from ECF containing, among other things, principal terms of the Offer is set out on pages 7 to 16 of this Composite Document.

A letter from the Board is set out on pages 17 to 23 of this Composite Document. A letter from the Independent Board Committee containing its recommendation to the Offer Shareholders in respect of the Offer is set out on pages 24 to 25 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 26 to 47 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out on in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. on Friday, 8 May 2020 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "Important notices", the paragraph headed "Overseas Shareholders" under the section headed "The Offer" in the "Letter from ECF" contained in this Composite Document and the section headed "7. Overseas Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements and payment of any transfer or other taxes due in respect of such jurisdiction. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the website of Stock Exchange at www.hkexnews.hk and on the website of the Company at www.0908.hk as long as the Offer remains open.

17 April 2020

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EXPECTED TIMETABLE

The expected timetable sets out below is indicative only and may be subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.

Event	Time & Date 2020
Despatch date of this Composite Document and the accompanying Form of Acceptance, and commencement date of the Offer (<i>Note 1</i>)	Friday, 17 April
Latest time and date for acceptance of the Offer (<i>Notes 2 and 4</i>)	4:00 p.m. on Friday, 8 May
Closing Date (<i>Notes 2 and 4</i>)	Friday, 8 May
Announcement of the results of the Offer (or its revision or extension, if any) on the website of the Stock Exchange (<i>Note 2</i>)	no later than 7:00 p.m. on Friday, 8 May
Latest date for posting of remittances in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the Closing Date (<i>Notes 3 and 4</i>)	Tuesday, 19 May

Notes:

1. The Offer, which is unconditional in all respects, is made on Friday, 17 April 2020 (being the date of this Composite Document) and is capable of acceptance on and from that date until the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed “6. Right of withdrawal” in Appendix I to this Composite Document.
2. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least twenty one (21) days following the date on which this Composite Document is posted. The latest time for acceptance of the Offer is 4:00 p.m. on Friday, 8 May 2020, being the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be jointly issued by the Company and the Offeror on the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised or extended, or has closed for acceptance. In the event that the Offeror decides to revise the Offer, all Offer Shareholders whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least fourteen (14) days following the date on which the revised Offer document is posted and shall not close earlier than the Closing Date.

Beneficial owners of Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS. Further details in this regard have been set out in Appendix I to this Composite Document.

EXPECTED TIMETABLE

3. Remittances in respect of the cash consideration (after deducting the seller's *ad valorem* stamp duty) payable for the Offer Shares will be despatched to the Offer Shareholder(s) accepting the Offer by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt of the duly completed and signed Form of Acceptance and all the relevant documents which render such acceptance complete and valid by the Registrar in compliance with Note 1 to Rule 30.2 of the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed "6. Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

4. The latest time and date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances will be varied if there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning in force or "extreme conditions" caused by super typhoon in Hong Kong:
 - i. at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, in which cases the latest time for acceptance of the Offer and the posting of remittances, as the case may be, will remain at 4:00 p.m. on the same Business Day; or
 - ii. at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittance for the amounts due under the Offer in respect of valid acceptances, in which cases the latest time for acceptance of the Offer and the posting of remittances, as the case may be, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. or such other day as the Executive may approve.

Save as mentioned above, if the latest time for the acceptance of the Offer and posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Offer Shareholders by way of joint announcement(s) on any change(s) to the expected timetable as soon as practicable.

Unless otherwise expressly stated, all time and date references contained in this Composite Document and the Form of Acceptance refer to Hong Kong time and dates.

IMPORTANT NOTICES

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities and regulatory or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. The Offeror, parties acting in concert with it, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar, and their respective ultimate beneficial owners, directors, officers, advisers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay.

Please see the paragraph headed "Overseas Shareholders" under the section headed "The Offer" in the "Letter from ECF" in this Composite Document and Appendix I to this Composite Document for further information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Clarification Announcement”	the joint announcement issued by the Offeror and the Company dated 7 February 2020, in relation to the clarification on the Joint Announcement
“Closing Date”	Friday, 8 May 2020, being the closing date of the Offer, which is the 21st calendar day after the date of the posting of this Composite Document, or if the Offer is extended, any subsequent closing date(s) as may be determined by the Offeror and jointly announced by the Offeror and the Company, with the consent of the Executive in accordance with the Takeovers Code
“Company”	Zhuhai Holdings Investment Group Limited (珠海控股投資集團有限公司), a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 908)
“Completion”	the completion of the Sale and Purchase Agreement, which took place on 22 January 2020
“Completion Announcement”	the joint announcement issued by the Offeror and the Company dated 22 January 2020, in respect of, among others, Completion

DEFINITIONS

“Composite Document”	this composite offer and response document combining the offer document issued by the Offeror and the offeree board circular issued by the Company (together with the Form of Acceptance) in respect of the Offer in accordance with the Takeovers Code
“Concert Group”	the Offeror, ZJ Holdings and the Other Concert Parties
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“ECF”	Essence Corporate Finance (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer
“EIS”	Essence International Securities (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries (from time to time)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent board committee of the Company comprising Mr. HUI Chiu Chung, Mr. CHU Yu Lin, David, Mr. Albert HO, Mr. WANG Yijiang and Mr. KWOK Hoi Hing (Mr. ZHU Minming as his alternate), who have no direct or indirect interest in the Offer, which has been established pursuant to the Takeovers Code to give a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser”	Southwest Securities (HK) Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and being appointed as the independent financial adviser by the Company with the approval of the Independent Board Committee and to advise the Independent Board Committee in relation to the Offer
“Independent Property Valuer”	Knight Frank Petty Limited, the independent property valuer retained by the Company
“Joint Announcement”	the joint announcement issued by the Offeror and the Company dated 21 January 2020 in relation to, among other things, the Offer
“Last Trading Day”	20 January 2020, being the last trading day of the Shares on the Stock Exchange immediately prior to the halt of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	14 April 2020, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained in this Composite Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Huang”	Mr. HUANG Xin, an executive Director, the chairman of the Board, a former director of ZJ Holdings and a director of one of the wholly-owned subsidiaries of the Zhuhai SASAC, and a member of the Concert Group

DEFINITIONS

“Mr. Jin”	Mr. JIN Tao, an executive Director, the chief executive officer of the Company and a director of ZJ Holdings, and a member of the Concert Group
“Mr. Ye”	Mr. YE Yuhong, an executive Director and a director of ZJ Holdings, and a member of the Concert Group
“Offer”	the mandatory unconditional general cash offer made by EIS for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and ZJ Holdings) pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing from 21 January 2020 (the date of the Joint Announcement), and ending on the Closing Date, or such other time or date to which the Offeror may decide to extend the Offer in accordance with the Takeovers Code
“Offer Price”	the price per Offer Share at which the Offer is being made in cash, being HK\$1.21 per Offer Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned by and/or agreed to be acquired by the Offeror and ZJ Holdings
“Offer Shareholder(s)”	Shareholder(s) other than the Offeror and ZJ Holdings
“Offeror”	Longway Services Group Limited, a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of ZJ Holdings and a member of the Concert Group
“Other Concert Parties”	excluding ZJ Holdings, parties who are acting in concert with the Offeror, as determined in accordance with the Takeovers Code, which include Mr. Huang, Mr. Jin and Mr. Ye
“Overseas Shareholders”	Offer Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this Composite Document, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registrar”	Tricor Tengis Limited, being the branch share registrar and transfer office of the Company in Hong Kong and the receiving agent for receiving and processing acceptances of the Offer in respect of the Offer Shares, located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period commencing from 22 July 2019, six months preceding 21 January 2020, being the date of commencement of the Offer Period, up to and including the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 January 2020, entered into between the Seller and the Offeror for the sale and purchase of the Sale Shares
“Sale Share(s)”	78,929,909 Shares acquired by the Offeror from the Seller pursuant to the terms and conditions of the Sale and Purchase Agreement, representing approximately 5.53% of the total issued share capital of the Company as at the Latest Practicable Date
“Seller”	Dragon Hill Corporation Limited (龍峻有限公司), a company incorporated under the laws of Hong Kong and an indirectly wholly-owned subsidiary of LBS Bina Group Berhad, a public limited liability company incorporated under the laws of Malaysia, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad. LBS Bina Group Berhad is owned as to approximately 41.94% by Gaterich Sdn. Bhd. (of which Tan Sri LIM Hock San is interested in 50% equity interests of Gaterich Sdn. Bhd.)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Shareholder(s)”	holders of the Shares and the term “Shareholder” shall be construed accordingly
“Shares(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company, and where applicable, the term shall also include shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Zhuhai SASAC”	State-owned Asset Supervision and Administration Commission of the Zhuhai Municipal People’s Government (珠海市人民政府國有資產監督管理委員會)
“ZJ Holdings”	珠海九洲控股集團有限公司 (Zhuhai Jiuzhou Holdings Group Co., Ltd.*), a state-owned enterprise established in the PRC with limited liability, a member of the Concert Group and the controlling shareholder of the Company
“2nd Clarification Announcement”	the joint clarification announcement issued by the Offeror and the Company dated 4 March 2020, in response to the Offer
“2019 Results Announcement”	the annual results announcement of the Company for the year ended 31 December 2019 dated 26 March 2020
“%”	per cent.

* for identification purposes only

LETTER FROM ECF



Essence Corporate Finance (Hong Kong) Limited

39/F., One Exchange Square
Central
Hong Kong

17 April 2020

To the Offer Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF
LONGWAY SERVICES GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND ZJ HOLDINGS)**

INTRODUCTION

References are made to the Joint Announcement, the Completion Announcement, the Clarification Announcement, the joint announcement issued by the Offeror and the Company dated 10 February 2020 in relation to the delay in despatch of this Composite Document, the 2nd Clarification Announcement and the joint announcement issued by the Offeror and the Company dated 10 March 2020 in relation to the update on the delay in despatch of this Composite Document. Reference is further made to the joint announcement issued by the Offeror and the Company on 30 March 2020 that the Offeror has acquired an aggregate of 34,066,000 Shares on 27 March 2020 and the Offer has become a mandatory unconditional general cash offer and is not subject to any conditions.

On 20 January 2020 (after the trading hours of the Stock Exchange), the Offeror (a member of the Concert Group and a wholly-owned subsidiary of ZJ Holdings), and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Offeror had conditionally agreed to acquire and the Seller had conditionally agreed to sell an aggregate of 78,929,909 Sale Shares (representing approximately 5.53% of the total issued share capital of the Company as at the date of the Joint Announcement) for a consideration of HK\$95,505,189.89 (equivalent to HK\$1.21 per Sale Share). Completion took place on 22 January 2020.

Immediately prior to Completion, the Concert Group owned 605,760,000 Shares in aggregate, representing approximately 42.42% of the total issued share capital of the Company.

Immediately following Completion, the Concert Group owned a total of 684,689,909 Shares, representing approximately 47.95% of the total issued share capital of the Company.

LETTER FROM ECF

Further, on 27 March 2020, the Offeror acquired an aggregate of 34,066,000 Shares on the open market. As at the Latest Practicable Date, the Concert Group owned a total of 718,755,909 Shares, representing approximately 50.34% of the total issued share capital of the Company.

As a result of the acquisition of the Sale Shares and the 34,066,000 Shares on the open market, the voting rights of the Offeror in the Company increased from approximately 25.73% to 33.65% and the Concert Group's aggregate interests in the Company increased from approximately 42.42% to 50.34%. Accordingly, the Offeror is required under Rule 26.1 of the Takeovers Code, to make a mandatory unconditional general cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and ZJ Holdings).

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

This letter forms part of this Composite Document and sets out, among other things, the principal terms of the Offer, the information on the Offeror and its intention in relation to the Company. Further details of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Your attention is also drawn to information contained in the letter from the Board, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser and the appendices set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Principal terms of the Offer

EIS, on behalf of the Offeror, is making the Offer in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$1.21 in cash

The Offer Price of HK\$1.21 per Offer Share is the same as the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party of any nature and together with all rights now and thereafter becoming attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after 17 April 2020, being the date of despatch of this Composite Document. The Offer is unconditional in all respects.

LETTER FROM ECF

It is stated in the section headed "The Offer" in the "Letter from the Board", as set out on page 19 of this Composite Document, that the Directors confirm that as at the Latest Practicable Date, (a) the Company has not declared any dividend, the record date of which falls on or after 17 April 2020, being the date of despatch of this Composite Document; and (b) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

The Offeror has no intention to deduct the dividends declared by the Company (if any) after the release of the annual results of the Company for the year ended 31 December 2019 from the Offer Price.

The Offer Price

The Offer Price of HK\$1.21 per Offer Share represents:

- (i) the closing price of HK\$1.21 per Share as quoted on the Stock Exchange on 14 April 2020, being the Latest Practicable Date;
- (ii) a premium of approximately 0.83% over the closing price of HK\$1.200 per Share as quoted on the Stock Exchange on 20 January 2020, being the Last Trading Day;
- (iii) a premium of approximately 1.51% over the average of the closing prices of the Shares of approximately HK\$1.192 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 2.72% over the average of the closing prices of the Shares of approximately HK\$1.178 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 0.58% over the average of the closing prices of the Shares of approximately HK\$1.203 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 14.69% over the average of the closing prices of the Shares of approximately HK\$1.055 per Share as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day;

LETTER FROM ECF

- (vii) a discount of approximately 54.37% to the audited consolidated net asset value per Share as at 31 December 2018 of approximately HK\$2.652 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of the Group of RMB3,318,335,000 as at 31 December 2018, as disclosed in the annual report of the Company dated 26 March 2019 and the exchange rate of RMB0.8762 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the last working day before 31 December 2018);
- (viii) a discount of approximately 54.13% to the unaudited consolidated net asset value per Share as at 30 June 2019 of approximately HK\$2.638 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net asset value of the Group of RMB3,313,834,000 as at 30 June 2019, as disclosed in the interim report of the Company dated 29 August 2019 and the exchange rate of RMB0.87966 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the last working day before 30 June 2019);
- (ix) a discount of approximately 56.25% to the audited consolidated net asset value per Share as at 31 December 2019 of approximately HK\$2.766 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of the Group of RMB3,537,959,000 as at 31 December 2019, as disclosed in the 2019 Results Announcement and the exchange rate of RMB0.89578 to HK\$1, being the exchange rate as quoted by the People's Bank of China on 31 December 2019); and
- (x) a discount of approximately 81.36% to the unaudited adjusted consolidated net asset value per Share of approximately HK\$6.490 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date, the unaudited adjusted consolidated net asset value of the Group of RMB8,327,520,000 (as referred to the paragraph headed "Adjusted net asset value" under the section headed "Information of the Group" in the "Letter from the Board" in this Composite Document) and the exchange rate of RMB0.89866 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the last working day before 29 February 2020).

LETTER FROM ECF

Highest and lowest Share prices

During the Relevant Period,

- (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.32 per Share on 16 December 2019; and
- (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.76 per Share on 5 August 2019, 6 August 2019 and 7 August 2019.

Condition to the Offer

The Offer is unconditional in all respects.

Value of the Offer

As at the Latest Practicable Date, the Company has 1,427,797,174 Shares in issue. Based on the Offer Price of HK\$1.21 per Offer Share, the total issued share capital of the Company is valued at HK\$1,727,634,580.54.

Taking into account the 718,755,909 Shares that are already owned or agreed to be acquired by the Concert Group and excluding an aggregate of 3,162,000 Shares held by the Other Concert Parties (which form part of the Offer Shares) as at the Latest Practicable Date, a total of 712,203,265 Offer Shares will be subject to the Offer. Assuming there is no change to the issued share capital of the Company from the Latest Practicable Date up to the Closing Date, on the basis that there are 712,203,265 Offer Shares subject to the Offer, the value of the Offer will amount to HK\$861,765,950.65.

Financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer of HK\$861,765,950.65 by its internal resources.

ECF, the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable for the full acceptance of the Offer.

Settlement of consideration

Settlement of the consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date of which the duly completed Form of Acceptance of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror or its agent acting on behalf of it to render such acceptance complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

LETTER FROM ECF

Effect of accepting the Offer

Acceptance of the Offer by any Offer Shareholder will be deemed to constitute a warranty by such person to the Offeror that all Shares sold by such person under the Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights attaching or accruing thereto, including without limitation, the rights to receive any dividend or other distribution recommended, declared, made or paid, if any, on or after the date on which the Offer is made, being the date of this Composite Document.

Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong *ad valorem* stamp duty arising in connection with acceptance of the Offer will be payable by the Offer Shareholders that accept the Offer at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Offer Shareholders on acceptance of the Offer.

The Offeror will arrange for payment of the seller's *ad valorem* stamp duty on behalf of the Offer Shareholders that accept the Offer and will pay the buyer's *ad valorem* stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptances or rejections of the Offer.

Overseas Shareholders

The Offeror intends to make the Offer available to all Offer Shareholders, including those who are residents outside Hong Kong. The availability of the Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and

LETTER FROM ECF

regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by any Offer Shareholders and beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such Offer Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Dealing and interests in the Company's securities

During the Relevant Period, save for the acquisition of the Sale Shares and the open-market transactions as disclosed below, none of the members of the Concert Group has dealt for value in Shares, options, derivations, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into the Shares:

Date of transactions	Name	No. of Shares purchased	Purchase price per Share (HK\$)	Approx. % of the total issued share capital of the Company
27 March 2020	Offeror	17,454,000	1.210	1.22%
		11,032,000	1.200	0.78%
		4,290,000	1.190	0.30%
		1,290,000	1.180	0.09%

INFORMATION OF THE OFFEROR

The Offeror is a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of ZJ Holdings. The principal activity of the Offeror is investment holding. As at the Latest Practicable Date, the board of directors of the Offeror comprises Madam CAI Sulan, Mr. KANG Xiaodan and Mr. CHEN Xiaoqi. The Offeror beneficially holds 480,393,909 Shares, representing approximately 33.65% of the total issued share capital of the Company, as at the Latest Practicable Date.

ZJ Holdings is a state-owned enterprise established in the PRC wholly owned by the Zhuhai SASAC. The principal activities of ZJ Holdings include investment in tourism and transportation businesses and properties letting. As at the Latest Practicable Date, the board of directors of ZJ Holdings comprises Mr. ZENG Jianping, Mr. Jin, Mr. Ye, Mr. LI Guibo, Mr. ZOU Chaoyong, Mr. HUANG Jianbin and Mr. WANG Xiandong. ZJ Holdings beneficially holds 235,200,000 Shares, representing approximately 16.47% of the total issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM ECF

Mr. Huang, an executive Director, the chairman of the Board, a former director of ZJ Holdings and a director of one of the subsidiaries of the Zhuhai SASAC, beneficially holds 720,000 Shares, representing approximately 0.05% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Jin, an executive Director, the chief executive officer of the Company and a director of ZJ Holdings, beneficially holds 1,742,000 Shares, representing approximately 0.12% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. Ye, an executive Director and a director of ZJ Holdings, beneficially holds 700,000 Shares, representing approximately 0.05% of the total issued share capital of the Company as at the Latest Practicable Date. By virtue of their directorships in ZJ Holdings and/or one of the subsidiaries of the Zhuhai SASAC, Mr. Huang, Mr. Jin and Mr. Ye are regarded as parties acting in concert with the Offeror under the Takeovers Code.

As at the Latest Practicable Date, each of Mr. Huang, Mr. Jin and Mr. Ye intends to accept the Offer in respect of his own beneficial interest in the Shares.

INFORMATION OF THE GROUP

Details of the information on the Group are set out in the section headed "Information of the Group" in the "Letter from the Board" in this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror to continue with the Group's existing principal business following the close of the Offer. As at the Latest Practicable Date, the Offeror has no intention and has not entered into any understanding, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of the existing business or material operating assets of the Group. As at the Latest Practicable Date, the Offeror does not intend to introduce any major changes to the existing business and operation of the Group following the close of the Offer. Furthermore, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror will continue to ensure good corporate governance, monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprises Mr. Huang, Mr. Jin, Mr. Ye and Mr. LI Wenjun as executive Directors; Datuk Wira LIM Hock Guan (Mr. LIM Seng Lee as his alternate), Mr. KWOK Hoi Hing (Mr. ZHU Minming as his alternate) 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.

It is stated in the section headed "Proposed change of board composition" in the "Letter from the Board" as set out on page 22 of this Composite Document, that (i) it is intended that Datuk Wira LIM Hock Guan will resign from the Board following the close of the Offer; (ii) Mr. Huang informed the Board that he would not offer himself for re-election at the upcoming annual general meeting of the Company to be held on 29 June 2020, and he will retire upon the conclusion of such annual general meeting and upon such retirement will cease to be the chairman of the Board and an executive Director; and (iii) it is intended that Mr. ZENG Jianping will be appointed as an executive Director after the despatch of this Composite Document.

LETTER FROM ECF

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing status of the Company on the Main Board of the Stock Exchange following the close of the Offer.

Pursuant to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The board of directors of the Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible to ensure that sufficient public float of not less than 25% of the issued Shares will be held by the public following the close of the Offer.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further terms of the Offer, including the procedures for acceptance and settlement and acceptance period of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL INFORMATION

To ensure equality of treatment of all Offer Shareholders, those registered Offer Shareholders who hold any Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in the names of nominees to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

The attention of the Overseas Shareholders is drawn to the section headed "Important notices" contained in this Composite Document and the section headed "7. Overseas Shareholders" in Appendix I to this Composite Document.

All documents and remittances will be sent to the Offer Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to the Offer Shareholders at their respective addresses as they appear in the register of members of Company or in the case of joint Offer Shareholders, to such Offer Shareholders whose name appears first in the register of members of the Company. None of the Offeror and

LETTER FROM ECF

parties acting in concert with it, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, advisers, agents or associate or any other person involved in the Offer accepts any responsibility for any loss or delay in transmission or any other liabilities that may arise as a result thereof. Further details have been set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

WARNING

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors of the Company are in any doubt about their position, they should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which forms part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board" on pages 17 to 23 of this Composite Document, "Letter from the Independent Board Committee" on pages 24 to 25 of this Composite Document and "Letter from the Independent Financial Adviser" on pages 26 to 47 of this Composite Document in relation to their respective recommendations and advices with respect to the Offer before reaching a decision as to whether or not to accept the Offer.

Yours faithfully,

For and on behalf of

Essence Corporate Finance (Hong Kong) Limited

Griffin Tse

Managing Director

Mazy Chan

Director

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: 908)

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. ZHU Minming as his alternate)

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

17 April 2020

To the Offer Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF
LONGWAY SERVICES GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND ZJ HOLDINGS)**

INTRODUCTION

References are made to the Joint Announcement, the Completion Announcement, the Clarification Announcement, the joint announcement issued by the Offeror and the Company dated 10 February 2020 in relation to the delay in despatch of this Composite Document, the 2nd Clarification Announcement and the joint announcement issued by the Offeror and the Company dated 10 March 2020 in relation to the update on the delay in despatch of this Composite Document. Reference is further made to the joint announcement issued by the Offeror and the Company on 30 March 2020 that the Offeror has acquired an aggregate of 34,066,000 Shares on 27 March 2020 and the Offer has become a mandatory unconditional general cash offer and is not subject to any conditions. Terms used in this letter shall have the same meanings as defined in this Composite Document unless the context otherwise requires.

LETTER FROM THE BOARD

On 20 January 2020 (after the trading hours of the Stock Exchange), the Offeror (a member of the Concert Group and a wholly-owned subsidiary of ZJ Holdings), and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Offeror had conditionally agreed to acquire and the Seller had conditionally agreed to sell the an aggregate of 78,929,909 Sale Shares (representing approximately 5.53% of the total issued share capital of the Company as at the Latest Practicable Date) for a consideration of HK\$95,505,189.89 (equivalent to HK\$1.21 per Sale Share). Completion took place on 22 January 2020.

Immediately prior to Completion, the Concert Group owned 605,760,000 Shares in aggregate, representing approximately 42.42% of the total issued share capital of the Company.

Immediately following Completion, the Concert Group owned a total of 684,689,909 Shares, representing approximately 47.95% of the total issued share capital of the Company.

Further, on 27 March 2020, the Offeror acquired an aggregate of 34,066,000 Shares on the open market. As at the Latest Practicable Date, the Concert Group owned a total of 718,755,909 Shares, representing approximately 50.34% of the total issued share capital of the Company.

As a result of the acquisition of the Sale Shares and the 34,066,000 Shares on the open market, the voting rights of the Offeror in the Company increased from approximately 25.73% to 33.65% and the Concert Group's aggregate interests in the Company increased from approximately 42.42% to 50.34%. Accordingly, the Offeror is required under Rule 26.1 of the Takeovers Code, to make a mandatory unconditional general cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and ZJ Holdings).

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, on 17 January 2020, the Board established the Independent Board Committee comprising Mr. HUI Chiu Chung, Mr. CHU Yu Lin, David, Mr. Albert HO and Mr. WANG Yijiang, being all the independent non-executive Directors, and Mr. KWOK Hoi Hing (Mr. ZHU Minming as his alternate), being one of the non-executive Directors, who have no direct or indirect interest in the Offer, to give a recommendation to the Offer Shareholders in respect of the Offer, in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Datuk Wira LIM Hock Guan, a non-executive Director, is a director of the Seller and Mr. ZOU Chaoyong, a non-executive Director, is a director and financial controller of ZJ Holdings which is the holding company of the Offeror, and are both considered to have material interests in the Offer, and therefore Datuk Wira LIM Hock Guan and Mr. ZOU Chaoyong shall not form part of the Independent Board Committee.

Pursuant to Rule 2.1 of the Takeovers Code, on 26 February 2020, Southwest Securities (HK) Capital Limited was appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer, and in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

LETTER FROM THE BOARD

The purpose of this Composite Document is to provide you with, among other things, information relating to the Group, the Offeror and the Offer as well as setting out the letter from the Independent Board Committee containing its recommendation to the Offer Shareholders in respect of the terms of the Offer and as to acceptance of the Offer, and the letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the terms of the Offer and as to acceptance of the Offer.

THE OFFER

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

Principal terms of the Offer

As mentioned in the "Letter from ECF" on pages 7 to 16 of this Composite Document, EIS, on behalf of the Offeror, is making the Offer in compliance with Rule 26.1 of the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$1.21 in cash

The Offer Price of HK\$1.21 per Offer Share is the same as the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party of any nature and together with all rights now and thereafter becoming attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after 17 April 2020, being the date of despatch of this Composite Document. The Offer is unconditional in all respects.

The Directors confirm that as at the Latest Practicable Date, (a) the Company has not declared any dividend, the record date of which falls on or after 17 April 2020, being the date of despatch of this Composite Document; and (b) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer.

Further details of the Offer, including terms and procedures for acceptance and settlement and acceptance period of the Offer, are contained in the "Letter from ECF" as set out on pages 7 to 16 of, and Appendix I to, this Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP

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

The principal activities of the Group consist of investment holding, the provision of port facilities in Zhuhai, the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part, the management of a holiday resort, a theme park and an amusement park, property development and the operation of a golf club, the provision of financial information services and internet financial information intermediary services and the trading and distribution of fuel oil, to form three major business segments, namely (i) 九洲藍色幹線 (Jiuzhou Blue Sea Jet, maritime transportation) and 藍色海洋旅遊 (Blue Marine Tourism); (ii) green leisure tourism and composite real estate; and (iii) public utilities and financial investments.

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2017, 2018 and 2019 as extracted from the annual report of the Company for the financial years ended 31 December 2017 and 2018 and 2019 Results Announcement:

	For the year ended 31 December		
	2019	2018	2017
	(audited) <i>(RMB'000)</i>	(audited) <i>(RMB'000)</i>	(audited) <i>(RMB'000)</i>
Revenue	11,812,280	9,248,350	3,835,638
Profit before tax	936,467	1,003,559	368,580
Profit for the period	280,328	396,844	157,948
Total comprehensive income for the period	252,837	341,586	178,313
	As at 31 December		
	2019	2018	2017
	(audited) <i>(RMB'000)</i>	(audited) <i>(RMB'000)</i>	(audited) <i>(RMB'000)</i>
Total equity	3,537,959	3,318,335	3,011,129

LETTER FROM THE BOARD

Adjusted net asset value

Set out below is the unaudited adjusted consolidated net asset value of the Group, the adjustment takes into account the market value of properties of the Group as at 29 February 2020 as set out in the valuation report as set out in Appendix III to this Composite Document:

	Approximate (RMB'000)
Audited consolidated net asset value of the Group as at 31 December 2019 as disclosed in the 2019 Results Announcement	3,537,959
Less: Carrying value of the properties of the Group as at 31 December 2019	(7,971,329)
Add: Market value of the properties of the Group as at 29 February 2020 based on the valuation report prepared by the Independent Property Valuer	<u>12,760,890</u>
Unaudited adjusted consolidated net asset value of the Group	<u>8,327,520</u>

Further details of the Group are set out in Appendices II and V to this Composite Document.

INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed "Information of the Offeror" in the "Letter from ECF" as set out on pages 13 to 14 of this Composite Document, and Appendix IV to this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed "Intention of the Offeror in relation to the Group" in the "Letter from ECF" as set out on page 14 of this Composite Document. The Board is aware of the Offeror's intention in respect of the Company and the employees of the Group and is willing to co-operate with the Offeror in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

PROPOSED CHANGE OF BOARD COMPOSITION

As at the Latest Practicable Date, the Board 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 (Mr. ZHU Minming as his alternate) 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.

It is intended that: (i) Datuk Wira LIM Hock Guan will resign from the Board following the close of the Offer; (ii) Mr. Huang informed the Board that he would not offer himself for re-election at the upcoming annual general meeting of the Company to be held on 29 June 2020, and he will retire upon the conclusion of such annual general meeting and, upon such retirement, will cease to be the chairman of the Board and an executive Director; and (iii) Mr. ZENG Jianping will be appointed as an executive Director after the despatch of this Composite Document.

MAINTAINING THE LISTING STATUS OF THE COMPANY

It is stated in the "Letter from ECF" on page 15 of this Composite Document that the Concert Group intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

Pursuant to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The Offer Shares to be tendered by the Offer Shareholders upon valid acceptance of the Offer will be retained by the Offeror. It is stated in the section headed "Maintaining the Listing Status of the Company" in the "Letter from ECF", that the board of directors of the Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible to ensure that sufficient public float of not less than 25% of the issued Shares will be held by the public following the close of the Offer.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 24 to 25 of this Composite Document, which sets out its recommendation to the Offer Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Offer Shareholders are concerned, and as to acceptance thereof; and (ii) the “Letter from the Independent Financial Adviser” on pages 26 to 47 of this Composite Document, which sets out its advice and recommendation to the Independent Board Committee as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Offer Shareholders are concerned, and as to acceptance thereof, and the principal factors considered by it in arriving at its advice and recommendation.

The Offer Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

ADDITIONAL INFORMATION

You are advised to read this Composite Document together with the accompanying Forms of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offer.

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: 908)

17 April 2020

To the Offer Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF
LONGWAY SERVICES GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND ZJ HOLDINGS)**

INTRODUCTION

We refer to the composite offer and response document dated 17 April 2020 jointly issued by the Offeror and the Company (the “**Composite Document**”) of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in this Composite Document, unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned, and as to acceptance thereof.

Southwest Securities (HK) Capital Limited has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Offer and as to acceptance thereof. Details of its advice and the principal factors considered by it in arriving at its advice and recommendation are set out in the “Letter from the Independent Financial Adviser” on pages 26 to 47 of this Composite Document.

We also wish to draw your attention to the “Letter from the Board”, the “Letter from ECF” and the additional information set out in the appendices to this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, the Independent Board Committee (with the exception of Mr. KWOK Hoi Hing (Mr. ZHU Minming as his alternate)) considers that the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned. Accordingly, the Independent Board Committee (with the exception of Mr. KWOK Hoi Hing (Mr. ZHU Minming as his alternate)) recommends the Offer Shareholders to accept the Offer. Mr. ZHU Minming, being alternate director to Mr. KWOK Hoi Hing, abstained from giving a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. Mr. ZHU Minming generally agrees with the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its recommendation as set out in the “Letter from the Independent Financial Adviser”, but Mr. ZHU Minming abstained from the voting because he considers that if Offer Shareholders maintain an optimistic view on the business plans, long-term business prospects and Share price performance of the Group, Offer Shareholders may consider not to accept the Offer and to maintain all or part of their Shares at their own discretion.

However, for those Offer Shareholders who are considering to realise all or part of their holdings in the Shares, they should monitor the Share price movement until near the end of the Offer Period. If the market price of the Shares exceeds the Offer Price and the sale proceeds net of all transaction costs exceed the net proceeds receivable under the Offer, the Offer Shareholders should consider selling their Shares in the open market instead of accepting the Offer.

Offer Shareholders are recommended to read the full text of the “Letter from the Independent Financial Adviser” on pages 26 to 47 of this Composite Document.

Notwithstanding our recommendation, the Offer Shareholders should consider carefully the terms and conditions of the Offer.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. HUI	Mr. CHU Yu	Mr. Albert	Mr. WANG	Mr. ZHU
Chiu Chung	Lin, David	HO	Yijiang	Minming
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>(being alternate</i>
<i>Non-executive</i>	<i>Non-executive</i>	<i>Non-executive</i>	<i>Non-executive</i>	<i>director to</i>
<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Director</i>	<i>Mr. KWOK Hoi Hing)</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.



Southwest Securities (HK) Capital Limited
40/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

17 April 2020

To the Independent Board Committee of Zhuhai Holdings Investment Group Limited

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY
ESSENCE INTERNATIONAL SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF
LONGWAY SERVICES GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ZHUHAI HOLDINGS INVESTMENT GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE OFFEROR AND ZJ HOLDINGS)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Offer. Details of the Offer are set out in the Composite Document jointly issued by the Offeror and the Company dated 17 April 2020, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

The Independent Board Committee comprising Mr. HUI Chiu Chung, Mr. CHU Yu Lin, David, Mr. Albert HO and Mr. WANG Yijiang, being all the independent non-executive Directors, and Mr. KWOK Hoi Hing (Mr. ZHU Minming as his alternate), being one of the non-executive Directors, who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rules 2.1 and 2.8 of the Takeovers Code to give a recommendation to the Offer Shareholders in respect of the Offer, in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The Independent Board Committee has approved our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Offer. In our capacity as the Independent Financial Adviser to the Independent Board Committee, our role is to provide the Independent Board Committee with independent advice as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

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We are not associated or connected with the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our advice and recommendation, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material respects at the time they were provided and expressed, and continue to be true, accurate and complete in all material respects up to the Latest Practicable Date. We have also sought and received confirmation from the executive Directors and management of the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group or the Offeror or the associates of any of them, nor have we carried out any independent verification of the information supplied. Should there be any subsequent material changes in such information during the Offer Period, the Company will inform the Shareholders as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Shareholders shall also be informed as soon as practicable when there are any material changes to the information contained or referred to herein and our opinion after the Latest Practicable Date and throughout the Offer Period.

In relation to the Offer, we have not considered the tax implications on the Offer Shareholders for the acceptance or non-acceptance of the Offer since these depend on their individual circumstances. In particular, the Offer Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

BACKGROUND OF THE OFFER

References are made to the Joint Announcement, the Completion Announcement, the Clarification Announcement, the joint announcement issued by the Offeror and the Company dated 10 February 2020 in relation to the delay in despatch of the Composite Document, the 2nd Clarification Announcement, the joint announcement issued by the Offeror and the Company dated 10 March 2020 in relation to the update on the delay in despatch of the Composite Document, as well as the joint announcement by the Offeror and the Company dated 30 March 2020.

The Board was informed by the Offeror that, on 20 January 2020 (after trading hours of the Stock Exchange), the Offeror (a member of the Concert Group and a wholly-owned subsidiary of ZJ Holdings) and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to acquire and the Seller conditionally

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agreed to sell an aggregate of 78,929,909 Sale Shares (representing approximately 5.53% of the total issued share capital of the Company as at the date of the Joint Announcement and the Latest Practicable Date) for a consideration of HK\$95,505,189.89 (equivalent to HK\$1.21 per Sale Share).

Immediately prior to the Completion, the Concert Group owned 605,760,000 Shares in aggregate, representing approximately 42.42% of the total issued share capital of the Company as at the date of the Joint Announcement and the Latest Practicable Date. Completion took place on 22 January 2020. Immediately after the Completion, the Concert Group owned a total of 684,689,909 Shares, representing approximately 47.95% of the total issued share capital of the Company as at the date of Completion and the Latest Practicable Date. Further, on 27 March 2020, the Offeror acquired an aggregate of 34,066,000 Shares on the open market. As at the Latest Practicable Date, the Concert Group owned a total of 718,755,909 Shares, representing approximately 50.34% of the total issued share capital of the Company.

As a result of the aforesaid, the voting rights of the Offeror in the Company increased from approximately 25.73% to 33.65% and the Concert Group's aggregate interests in the Company increased from approximately 42.42% to 50.34%. Accordingly, the Offeror is required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional general cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and ZJ Holdings).

As at the Latest Practicable Date, there were 1,427,797,174 Shares in issue and there were no outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and the Company had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee in relation to the Offer, we have considered the principal factors and reasons as set out below:

1. Principal terms of the Offer

The Offer is unconditional in all respects. The Offer is being made by EIS on behalf of the Offeror on the following basis:

- (i) Shareholders accepting the Offer will receive Offer Price of HK\$1.21 per Offer Share in cash; and
- (ii) The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party of any nature and together with all rights now and thereafter becoming attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on

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which the Offer is made, being the date of the despatch of the Composite Document. Meanwhile, the Directors have confirmed in the letter from the Board contained in the Composite Document that, as at Latest Practicable Date, (a) the Company had not declared any dividend, the record date of which falls on or after 17 April 2020, being the date of despatch of the Composite Document; and (b) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the close of the Offer. The Offeror has also indicated that it has no intention to deduct the dividends declared by the Company (if any) after the release of the 2019 Results Announcement from the Offer Price.

Further terms of the Offer, including the procedures for acceptance, are set out in the letter from ECF and the letter from the Board contained in the Composite Document and in Appendix I to the Composite Document and the accompanying Form of Acceptance.

2. Information of the Group

2.1 *Principal activities*

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

Majority of the assets and operations of the Group are located in the PRC and the principal activities of the Group are mainly classified into the following business segments, namely:

- (i) the ferry services segment (the “**Jiuzhou Blue Sea Jet and Blue Marine Tourism Segment**”), which consists of the provision of ferry services between Zhuhai on the one part and Hong Kong and Shekou on the other part;
- (ii) the hotel, tourist attraction and property development segment (the “**Green Leisure Tourism and Composite Real Estate Segment**”), which consists of (a) the management of a holiday resort, a theme park and an amusement park; (b) development of properties for sale, and (c) the operation of a golf club; and
- (iii) the public utilities and financial investments segment (the “**Public Utilities and Financial Investments Segment**”), which consists of (a) the provision of port facilities, (b) the trading and distribution of fuel oil, (c) construction of river-regulating facilities, (d) the provision of river maintenance service; (e) the provision of financial information services, and (f) the provision of factoring services and internet financial information intermediary services.

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2.2 *Historical financial information*

Set out below are the key consolidated financial results of the Group for each of the years ended 31 December 2017 (“FY2017”), 2018 (“FY2018”) and 2019 (“FY2019”), as extracted from the annual report of the Company for FY2018 (the “2018 Annual Report”) and the 2019 Results Announcement:

Key income statement items:

	FY2017 (audited) (RMB'000)	FY2018 (audited) (RMB'000)	FY2019 (audited) (RMB'000)	FY2018 vs. FY2017	FY2019 vs. FY2018
Revenue	3,835,638	9,248,350	11,812,280	141.1%	27.7%
Gross profit	643,779	1,328,993	1,244,050	106.4%	-6.4%
Profit before tax	368,580	1,003,559	936,467	172.3%	-6.7%
Profit for the year/period	157,948	396,844	280,328	151.2%	-29.4%

Key segment information:

	FY2017 (audited) (RMB'000)	FY2018 (audited) (RMB'000)	FY2019 (audited) (RMB'000)	FY2018 vs. FY2017	FY2019 vs. FY2018
Segment revenue					
– Jiuzhou Blue Sea Jet and Blue Marine Tourism Segment	592,758	680,340	545,972	14.8%	-19.8%
– Green Leisure Tourism and Composite Real Estate Segment	1,449,510	3,315,857	2,734,524	128.8%	-17.5%
– Public Utilities and Financial Investments Segment	1,793,370	5,252,153	8,531,784	192.9%	62.4%
Segment results					
– Jiuzhou Blue Sea Jet and Blue Marine Tourism Segment	304,669	290,047	218,064	-4.8%	-24.8%
– Green Leisure Tourism and Composite Real Estate Segment	82,067	723,481	748,121	781.6%	3.4%
– Public Utilities and Financial Investments Segment	60,372	101,758	105,012	68.6%	3.2%

Source: the 2018 Annual Report and the 2019 Results Announcement

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FY2018 vs FY2017

The revenue of the Group amounted to approximately RMB9,248.4 million in FY2018, representing an increase of 141.1% as compared to FY2017. The gross profit of the Group was approximately RMB1,329.0 million, representing a year-on-year increase of approximately 106.4%. The net profit for FY2018 totalled approximately RMB396.8 million, representing a year-on-year increase of 151.2%. The growth in the overall financial performance of the Group is a combined contribution from each of its principal business segments, which attained positive business results for the year.

As disclosed in the 2018 Annual Report, the segment revenue and results from the Green Leisure Tourism and Composite Real Estate Segment amounted to approximately RMB3,315.9 million and approximately RMB723.5 million in FY2018, representing increases of 128.8% and 781.6% compared to FY2017, respectively. Such remarkable growth was mainly attributable to the increase in revenue recognised in the property development segment as a result of an increase in units delivered for the sales of the Group's real estate project, namely the Zhuhai Cuihu Xiangshan High-end Tourism Real Estate Project (the "Cuihu Xiangshan Project").

The Public Utilities and Financial Investments Segment recorded revenue and segment results of approximately RMB5,252.2 million and RMB101.8 million in FY2018, which were 192.9% and 68.6% higher than that in FY2017, respectively. It has been illustrated in the 2018 Annual Report that the Group's (i) operation of the Jiuzhou Passenger Port attracted increasing passenger flow volume during the year and thus saw boost in operating income and retail rents; and (ii) product oil wholesale business attained an increase of 200% in sales volume during the year while the product oil retail business remained stable, which could be the drivers for the segment growth during the year.

The Jiuzhou Blue Sea Jet and Blue Marine Tourism Segment had remained relatively stable and recorded segment revenue and results of approximately RMB680.3 million and RMB290.0 million in FY2018, compared to RMB592.8 million and RMB304.7 million in FY2017.

FY2019 vs FY2018

The revenue of the Group amounted to approximately RMB11,812.3 million in FY2019, representing an increase of 27.7% as compared to FY2018. The gross profit of the Group was approximately RMB1,244.1 million, representing a year-on-year decrease of approximately 6.4%. The net profit for FY2019 totalled approximately RMB280.3 million, representing a year-on-year decrease of 29.4%.

As stated in the 2019 Results Announcement, for FY2019, there was an increase in the revenue of the Company, primarily due to the significant increase in transaction volume of fuel oil trading and distribution, which increased the revenue of Public Utilities and Financial Investments Segment of the Group. However, there was a decrease in profit for FY2019, primarily

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due to significant decrease in segment results in (i) the Jiuzhou Blue Sea Jet and Blue Marine Tourism Segment as a result of a full year effect of diversion in passenger flow from the Hong Kong-Zhuhai ferry lines following the opening of the Hong Kong-Zhuhai-Macao Bridge in around October 2018; and (ii) the hotel business of the Group under the Green Leisure Tourism and Composite Real Estate Segment as a result of the increase in number of new hotels in Zhuhai and increased competition in the region, despite significant revenue and segment results recognised from the property development business of the Group as a result of the change in sales mix in the Cuihu Xiangshan Project.

Set out below is the summary of the consolidated statement of financial positions of the Company as at 31 December 2018 and 31 December 2019.

	As at 31 December 2018 (audited) (RMB'000)	As at 31 December 2019 (audited) (RMB'000)
Total assets	12,319,806	13,407,145
– Properties under development	6,356,871	5,454,700
– Completed properties held for sale	76,071	786,643
– Property, plant and equipment	1,138,530	1,463,042
– Cash and bank balances	982,527	1,452,837
Total liabilities	9,001,471	9,869,186
– Interest-bearing bank borrowings	2,848,203	3,426,221
– Contract liabilities	2,580,126	2,568,984
Net asset value	3,318,335	3,537,959

Source: the 2018 Annual Report and the 2019 Results Announcement

As at 31 December 2019, the Group's total assets amounted to approximately RMB13,407.1 million, representing an increase of 8.8% as compared to that as at 31 December 2018. The major assets of the Group consisted of (i) properties under development, which amounted to approximately RMB5,454.7 million as at 31 December 2019, representing 14.2% lower than that as at 31 December 2018 and analogous to the increase in completed properties held for sale from RMB76.1 million as at 31 December 2018 to RMB786.6 million as at 31 December 2019; (ii) property, plant and equipment (comprising mainly the leasehold buildings located in the Group's theme park and amusement park, as well as its resort hotel), which amounted to approximately RMB1,463.0 million as at 31 December 2019, representing 28.5% higher than that as at 31 December 2018; and (iii) cash and bank balances (including time deposits and cash and cash equivalents) of RMB1,452.8 million, representing 47.9% higher than that as at 31 December 2018 mainly attributable to the net cash inflow from operating activities, as well as the cash inflow from new bank borrowings during the period.

The total liabilities amounted to approximately RMB9,869.2 million as at 31 December 2019, representing an increase of 9.6% as compared to that as

at 31 December 2018. The total liabilities comprised mainly (i) contract liabilities (which include properties pre-sale proceeds received from customer, deferred income from golf club membership and advances from other customers) of approximately RMB2,569.0 million, which is comparable to that as at 31 December 2018; and (ii) interest-bearing bank borrowings of approximately RMB3,426.2 million, representing 20.3% higher than that as at 31 December 2018 as a result of the new bank borrowings obtained during the period.

As a result, the Group recorded net assets of approximately RMB3,538.0 million as at 31 December 2019, which remained stable compared to RMB3,318.3 million as at 31 December 2018.

3. Prospects of the Group

Based on our discussion with the management of the Company and the disclosures in the 2019 Results Announcement, we understood that the management has held a cautious view on the outlook of the Group's business in 2020 as it expects to face challenges and uncertainties amid the generally volatile economy and trade environment around the globe. The recent outbreak of coronavirus known as COVID-19 has further shadowed the prospects of each of the Group's principal business segments to various extents in near term. Meanwhile, the Group is exploring various remedial measures in its three major segments as summarised below:

Jiuzhou Blue Sea Jet and Blue Marine Tourism Segment

The Group has been proactively adjusting services of some of its Hong Kong city routes and airport routes, with a view to increasing the passenger capacities of these routes and reducing operation cost. It has also been expanding its maritime tourism business through increasing the frequency of services of its island routes. On the other hand, the Group will leverage on its own advantages and continue to explore and launch new products in order to seize the tourism market development opportunities presented by the opening of the Hong Kong-Zhuhai-Macao Bridge and the development of the Guangdong-Hong Kong-Macau Greater Bay Area.

Since the outbreak of COVID-19, the Group has followed the Hong Kong and Zhuhai governments' measures to tackle the novel coronavirus infection and suspended or reduced the frequency of its ferry routes between Hong Kong and the PRC. The Group is also seeing a significant reduction in the population of marine tourists. We understand that the Group is mulling various remedial measures in this connection, such as imposing stringent cost control, striving for government subsidies, and diversifying marketing strategies, such as offering discounted packages to attract marine tourists.

Green Leisure Tourism and Composite Real Estate Segment

The Group has carried out preparation work for the renovation project of its holiday resort hotel. It is also endeavouring to accelerate the decoration progress of

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its new hotel in order to expedite commencement of business. Alongside the development plan for its hotel business, the Group will explore the possibility of secondary planning for its theme park and amusement park and carry out upgrade work. For its golf club, the Group will enhance marketing efforts so as to improve the utilisation rate of the golf course and attract hosting of more events and commercial activities. The Group will also actively push for the commencement of works for its new property development project as scheduled.

Despite that the epidemic has imposed difficulties on the national tourism and hotel industry, we understand that the Company is contemplating a series of measures to maintain the segment performance, including promoting its hotel's brand awareness and hygiene standard, etc.

Public Utilities and Financial Investments Segment

In order to cope with the challenges brought by the opening of the Hong Kong-Zhuhai-Macao Bridge to its operating environment, the Group aims to improve competitiveness of its Jiuzhou Passenger Port by enhancing service quality and passengers' travel experience through multiple methods, such as strengthening staff training, improving facilities in waiting lounges, etc..

Contemporaneous with its recent suspension or reduction of ferry routes, the Group is seeing decline in passenger volume at its port facilities. Further, as the epidemic has discouraged people from travel, both road and marine traffic in Zhuhai has shrunk, which has dragged down the demand for the Group's refined oil products at its stations in the city. We understand that the Company is proactively exploring the possibilities to expand its service and product offerings at the port and oil stations in order to diversify income sources from the segment.

4. Information and intention of the Offeror

4.1 Background of the Offeror

Based on the information disclosed in the letter from ECF in the Composite Document and the Clarification Announcement, the Offeror is a company incorporated under the laws of BVI and a directly wholly-owned subsidiary of ZJ Holdings. The principal activity of the Offeror is investment holding. As at the Latest Practicable Date, the board of directors of the Offeror comprised Madam CAI Sulan, Mr. KANG Xiaodan and Mr. CHEN Xiaoqi. Immediately before the Completion, the Offeror beneficially held 367,398,000 Shares, representing approximately 25.73% of the total issued share capital of the Company. Immediately after the Completion and the acquisitions of the Shares made by the Offeror on the open market, the Offeror beneficially held 480,393,909 Shares, representing approximately 33.65% of the total issued share capital of the Company as at the Latest Practicable Date.

ZJ Holdings is a state-owned enterprise established in the PRC wholly owned by the Zhuhai SASAC. The principal activities of ZJ Holdings include investment in

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tourism and transportation businesses and properties letting. As at the Latest Practicable Date, the board of directors of ZJ Holdings comprised Mr. ZENG Jianping, Mr. JIN Tao, Mr. YE Yuhong, Mr. LI Guibo, Mr. ZOU Chaoyong, Mr. HUANG Jianbin and Mr. WANG Xiandong. ZJ Holdings beneficially held 235,200,000 Shares, representing approximately 16.47% of the total issued share capital of the Company as at the Latest Practicable Date.

Mr. HUANG Xin, an executive Director, a former director of ZJ Holdings and a director of one of the subsidiaries of the Zhuhai SASAC, beneficially held 720,000 Shares, representing approximately 0.05% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. JIN Tao, an executive Director, the chief executive officer of the Company and a director of ZJ Holdings, beneficially held 1,742,000 Shares, representing approximately 0.12% of the total issued share capital of the Company as at the Latest Practicable Date. Mr. YE Yuhong, an executive Director and a director of ZJ Holdings, beneficially held 700,000 Shares, representing approximately 0.05% of the total issued share capital of the Company as at the Latest Practicable Date. By virtue of their directorships in ZJ Holdings and/or one of the subsidiaries of the Zhuhai SASAC, Mr. HUANG Xin, Mr. JIN Tao and Mr. YE Yuhong are regarded as parties acting in concert with the Offeror under the Takeovers Code.

4.2 Intention of the Offeror

It is the intention of the Offeror to continue with the Group's existing principal business following the close of the Offer. As at the Latest Practicable Date, the Offeror had no intention and had not entered into any understanding, negotiation or arrangement (concluded or otherwise) to downsize, cease or dispose of the existing business or material operating assets of the Group. As at the Latest Practicable Date, the Offeror did not intend to introduce any major changes to the existing business and operation of the Group following the close of the Offer. Furthermore, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror will continue to ensure good corporate governance, monitor or review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

4.3 Proposed change of the Board composition

As at the Latest Practicable Date, the Board comprised 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 (Mr. ZHU Minming as his alternate) 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.

As stated in the letter from the Board contained in the Composite Document, (i) it is intended that, Datuk Wira LIM Hock Guan, a non-executive Director, will

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resign from the Board following the close of the Offer; (ii) Mr. HUANG Xin informed the Board that he would not offer himself for re-election at the upcoming annual general meeting of the Company to be held on 29 June 2020, and he will retire upon conclusion of such annual general meeting and will cease to be the chairman of the Board and an executive Director upon such retirement; and (iii) it is intended that Mr. ZENG Jianping will be appointed as an executive Director after the despatch of the Composite Document.

5. Evaluation of the Offer Price

The Offer Price of HK\$1.21 per Offer Share represents:

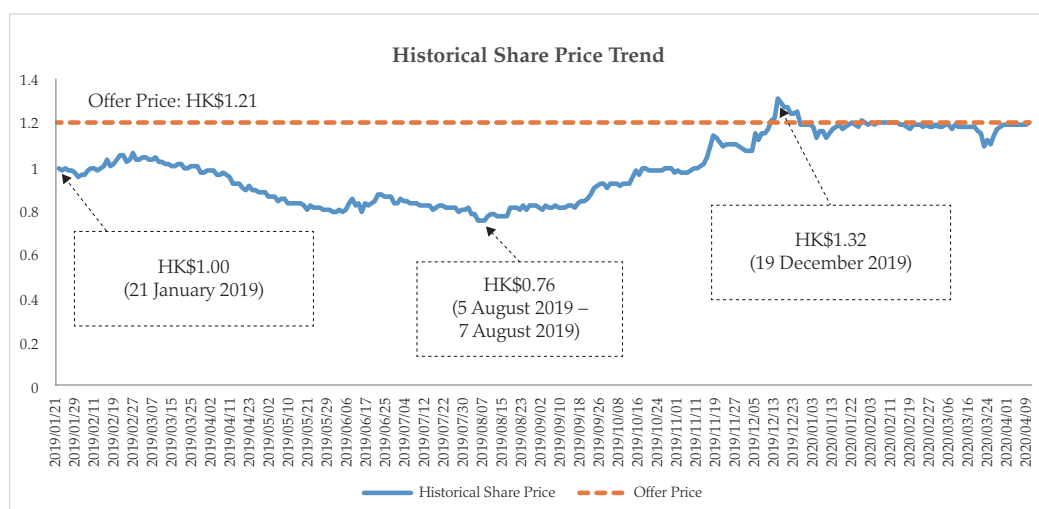
- (i) the closing price of HK\$1.21 per Share as quoted on the Stock Exchange on 14 April 2020, being the Latest Practicable Date;
- (ii) a premium of approximately 0.83% over the closing price of HK\$1.200 per Share as quoted on the Stock Exchange on 20 January 2020, being the Last Trading Day;
- (iii) a premium of approximately 1.51% over the average of the closing prices of the Shares of approximately HK\$1.192 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 2.72% over the average of the closing prices of the Shares of approximately HK\$1.178 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 0.58% over the average of the closing prices of the Shares of approximately HK\$1.203 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 14.69% over the average of the closing prices of the Shares of approximately HK\$1.055 per Share as quoted on the Stock Exchange for the 90 consecutive trading days up to and including the Last Trading Day;
- (vii) a discount of approximately 54.37% to the audited consolidated net asset value per Share (the "NAV per Share") as at 31 December 2018 of approximately HK\$2.652 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of the Group of RMB3,318,335,000 as at 31 December 2018, as disclosed in the annual report of the Company dated 26 March 2019 and the exchange rate of RMB0.8762 to HK\$1, being the exchange rate as quoted by the People's Bank of China on the last working day before 31 December 2018);

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- (viii) a discount of approximately 54.13% to the unaudited NAV per Share as at 30 June 2019 of approximately HK\$2.638 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net asset value of the Group of RMB3,313,834,000 as at 30 June 2019, as disclosed in the interim report of the Company dated 29 August 2019 and the exchange rate of RMB0.87966 to HK\$1, being the exchange rate as quoted by the People’s Bank of China on the last working day before 30 June 2019);
- (ix) a discount of approximately 56.25% to the audited NAV per Share as at 31 December 2019 of approximately HK\$2.766 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of the Group of RMB3,537,959,000 as at 31 December 2019, as disclosed in the 2019 Results Announcement dated 26 March 2020 and the exchange rate of RMB0.89578 to HK\$1, being the exchange rate as quoted by the People’s Bank of China on 31 December 2019); and
- (x) a discount of approximately 81.36% to the unaudited adjusted NAV per Share of approximately HK\$6.490 (based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date, the unaudited adjusted consolidated net asset value of the Group of RMB8,327,520,000 (as referred to the paragraph headed “Adjusted net asset value” under the section headed “Information of the Group” in the “Letter from the Board” in the Composite Document) and the exchange rate of RMB0.89866 to HK\$1, being the exchange rate as quoted by the People’s Bank of China on the last working day before 29 February 2020).

5.1 Historical Share price trend

The chart below depicts the closing prices of the Shares traded on the Stock Exchange from 21 January 2019, being the date falling 12 months preceding the Last Trading Day (i.e. 20 January 2020), up to and including the Latest Practicable Date (the “Review Period”).



Source: the Stock Exchange’s website

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As shown in the chart above, the closing prices of the Shares were below the Offer Price on most of the trading days during the Review Period.

The closing prices of the Shares were relatively high between 12 December 2019 and 24 December 2019, ranging from HK\$1.22 to HK\$1.32. Particularly, the closing price of HK\$1.32 was recorded on 19 December 2019, which represents the peak closing price of the Shares for the Review Period. We are not aware of any public announcements of the Company during such period which might explain the relatively higher Share prices. The management of the Company also advised that they are not aware of any affairs of the Group which could possibly lead to the relatively higher Share prices during such period. Yet, the relatively high closing prices of the Shares had not sustained and moderated to HK\$1.20 or below since 27 December 2019 until the Last Trading Day.

Trading in the Shares was halted on 21 January 2020, pending the release of the Joint Announcement. On the trading day immediately prior to the release of the Joint Announcement, being the Last Trading Day, the closing price was HK\$1.20. Immediately thereafter, the closing price of the Shares ascended to HK\$1.21 on 22 January 2020 (i.e. the first trading day following publication of the Joint Announcement) and maintained in the range of HK\$1.10 – HK\$1.22 and closed at HK\$1.21 (equal to the Offer Price) as at the Latest Practicable Date.

During the Review Period, the closing prices of the Shares ranged between HK\$0.76 and HK\$1.32 and the average closing price was approximately HK\$1.00. The Offer Price is within the range of the closing prices and higher than the average of the closing prices during the Review Period. The Offer Price also represents a premium of 1.51%, 2.72%, 0.58% and 14.69% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5, 10, 30 and 90 consecutive trading days up to and including the Last Trading Day. It is also worth noting that, within the Review Period comprising 302 trading days, the closing prices of the Shares were either equal to or below the Offer Price on 292 trading days of the Review Period. In our opinion, the generally higher Share price after the publication of the Joint Announcement as compared to the earlier time of the Review Period was likely associated with the market response to the Offer. There is no assurance that the closing price of the Shares will remain at the current level or continue to rise after the close of the Offer.

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5.2 NAV per Share

Comparison with historical discounts to NAV per Share

We further noted that the Shares had consistently been trading at discount to the NAV per Share during the whole Review Period, ranging from 49.97% to 71.35% with an average discount of 62.29%. Set out below are the discounts of the closing prices of the Shares as at the relevant dates (i.e. including (i) 21 January 2019, being the beginning of the Review Period; (ii) 27 March 2019, 30 August 2019 and 27 March 2020, each being the next trading day following the announcement of the financial results for FY2018, 1H2019 and FY2019 respectively; (iii) the Last Trading Day; and (iv) the Latest Practicable Date) to the then latest published NAV per Share:

	As at 30 June 2018 (unaudited) (RMB)	As at 31 December 2018 (audited) (RMB)	As at 30 June 2019 (unaudited) (RMB)	As at 31 December 2019 (audited) (RMB)
Consolidated net asset value of the Group	3,152,022,000	3,318,335,000	3,313,834,000	3,537,959,000

Source: *the 2019 Results Announcement and the interim reports of the Company for the six months ended 30 June 2019 and 30 June 2018, respectively*

	As at 21 January 2019	As at 27 March 2019	As at 30 August 2019	As at the Last Trading Day	As at 27 March 2020	As at the Latest Practicable Date
Number of Shares in issue	1,427,797,174	1,427,797,174	1,427,797,174	1,427,797,174	1,427,797,174	1,427,797,174
Latest published NAV per Share (HK\$) (Note 1)	2.618	2.652	2.638	2.638	2.766	2.766
Closing price of the Shares (HK\$)	1.00	0.98	0.82	1.20	1.18	1.21
Closing price discount to NAV per Share (Note 2)	61.81%	63.05%	68.92%	54.52%	57.34%	56.25%

Source: *the Stock Exchange's website*

Notes:

- The latest published NAV per Share represents the consolidated net asset value of the Group in the then last published financial statements (as converted from RMB into HK\$ using the exchange rates quoted by the People's Bank of China on the last working day before the date to which such financial statements were made up) divided by the number of Shares in issue as at the relevant date.*
- The closing price discount to NAV per Share is calculated by dividing (i) the closing price of the Shares as at the relevant date by (ii) the latest published NAV per Share as at the even date.*

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We noted that the Offer Price represents a discount of approximately 54.37%, 54.13% and 56.25% to the NAV per Share as at 31 December 2018, 30 June 2019 and 31 December 2019, respectively. Such discounts represented by the Offer Price are within the range and below the average of the historical closing price discounts to NAV per Share and are also less than the closing price discounts to the NAV per Shares as at the relevant dates as illustrated above.

We also noted that there is a fair value adjustment of approximately RMB4,789.6 million to the properties of the Group. Such fair value adjustment represents the difference between the net book value of the properties of approximately RMB7,971.3 million as at 31 December 2019 and the market value of the properties of approximately RMB12,760.9 million as at 29 February 2020. Based solely on the said fair value adjustment and applying the exchange rate of RMB0.89866 to HK\$1 (being the exchange rate as quoted by the People's Bank of China on the last working day before 29 February 2020), the NAV per Share of the Group would be adjusted upward to HK\$6.490, to which the Offer Price would represent a deeper discount of 81.36%. Nevertheless, we are of the view that the comparison of the Offer Price to the said adjusted NAV per Share is not representative, given that (i) as discussed with the Company and by comparing the valuation report prepared by the Independent Property Valuer to the net book value information provided by the Company, we understand that the fair value adjustment arises from, among others, the addition of value to properties held by the Group under development during the two months ended 29 February 2020; (ii) the said adjusted NAV per Share only takes into account the fair value adjustment in properties but not the fluctuation in value of the other assets and liabilities of the Group (such as the cash deployed during the two months ended 29 February 2020 towards the construction work for the aforesaid properties under development); and (iii) not all of the valued properties are wholly owned by the Group and particularly there is a material balance of minority interest of RMB1,563.5 million as at 31 December 2019 which should be excluded in arriving at the NAV attributable to Shareholders.

As such, we believe it would be more representative to compare the Offer Price to the latest audited NAV per Share attributable to owners of the Company. Based on a total of 1,427,797,174 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value attributable to owners of the Company of RMB1,974,504,000 as at 31 December 2019, as disclosed in the 2019 Results Announcement and the exchange rate of RMB0.89578 to HK\$1, being the exchange rate as quoted by the People's Bank of China on 31 December 2019, the NAV per Share attributable to owners of the Company as at 31 December 2019 is approximately HK\$1.544, to which the Offer Price represents a discount of approximately 21.62%. In assessing the fairness of such discount to NAV per Share attributable to owners of the Company, we have made a comparison by a market comparable study, which is elaborated in the paragraph below.

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Comparison with discounts to net asset value of other listed companies with comparable asset type

Based on the latest published information on assets by segments of the Group, it is noted that the Green Leisure Tourism and Composite Real Estate Segment has consistently dominated the Group's total assets, accounting for over 70% for each of FY2017, FY2018 and FY2019. It is also noted that the core assets under the Green Leisure Tourism and Composite Real Estate Segment are attributable to its property development and hotel operation. Accordingly, we have conducted a comparison between the price-to-book value ratio (the "P/B Ratio") implied by the Offer Price (the "Implied P/B Ratio") with the P/B Ratios of companies with asset type comparable to the Group's (the "Comparable Companies"), as (i) P/B Ratio is a commonly used parameter in valuing listed companies with properties accounting for substantial part of assets; and (ii) this comparison could allow us to assess whether the ratio between the Offer Price and the NAV per Share attributable to Shareholders is fair when compared to the market P/B Ratios represented by the comparable companies.

Considering the core asset type of the Green Leisure Tourism and Composite Real Estate Segment, we have selected Comparable Companies exhaustively based on the following selection criteria: (i) being currently listed on the Main Board of the Stock Exchange with market capitalisation ranging from approximately HK\$1.4 billion to HK\$2.0 billion as at the Latest Practicable Date (comparable to that of the Company represented by the Offer Price); (ii) having positive net asset value as disclosed in the latest published financial report; and (iii) principally engaged in property development (including residential real estate development project) and hotel operation in the PRC with corresponding segment assets accounting for more than half of

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the total assets as disclosed in the latest published financial reports. The Comparable Companies and their P/B Ratios as at the Latest Practicable Date are shown below:

No	Company (Stock Code)	Company descriptions	Market capitalisation (HK\$' billion) (Note 1)	P/B Ratio (time) (Note 2)
1	Wanda Hotel Development Company Limited (169)	Wanda Hotel Development Company Limited is principally engaged in property development, property investment and property management, development and operation of hotel, hotel management, hotel design and hotel construction management in the PRC.	1.4	0.7
2	Overseas Chinese Town (Asia) Holdings Limited (3366)	Overseas China Town (Asia) Holdings Limited is principally engaged in development and operation of tourism theme park, development and sale of residential properties, construction services, development and management of properties, property investment and operation of hotel in the PRC.	1.4	0.1
3	Hon Kwok Land Investment Company, Limited (160)	Hon Kwok Land Investment Company, Limited is principally engaged in property development, property investment and property related activities with property portfolio comprising residential properties, commercial centres, office buildings and hotels, in Hong Kong and the PRC.	1.7	0.2
		Maximum		0.7
		Minimum		0.1
		Simple average		0.3
		The Company (908)	1.7	0.8

Source: the Stock Exchange's website

Notes:

1. *The market capitalisation figures of the Comparable Companies have been extracted from the Stock Exchange's website as at the Latest Practicable Date. The implied market capitalisation of the Company under the Offer has been calculated by multiplying the Offer Price and the total number of 1,427,797,174 Shares in issue as at the Latest Practicable Date.*
2. *The P/B Ratios have been computed by dividing the market capitalisation by the net asset value attributable to shareholders extracted from the latest published balance sheets of the Company and the Comparable Companies and adjusted by an exchange rate of RMB0.89578 to HK\$1.*

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As shown in the table above, the shares of the Comparable Companies were all trading at discount to their respective net asset value attributable to shareholders, as demonstrated by their P/B Ratios of less than one time as at the Latest Practicable Date. Their P/B Ratios ranged from 0.1 times to 0.7 times with a simple average of 0.3 times. The Implied P/B Ratio of 0.8 times is above the range of the P/B Ratios of the Comparable Companies. In other words, the discount of the Offer Price to the NAV per Share attributable to Shareholders is less than the market discount represented by the Comparable Companies.

For illustrative purpose, having taken into account the fair value adjustment of approximately RMB2,800.0 million to the interests of the properties attributable to the Group based on the difference between (i) the net book value of the interests of the properties attributable to the Group of approximately RMB5,515.6 million as at 31 December 2019 and (ii) the market value of the properties attributable to the Group of approximately RMB8,315.6 million as at 29 February 2020, the net asset value attributable to owners of the Company would be adjusted upward to approximately RMB4,774.5 million, resulting in an Implied P/B Ratio of 0.3 times, which is consistent with the market average and is within the range of the P/B Ratios of the Comparable Companies.

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5.3 Liquidity of the Shares

The following table sets out the trading volume of the Shares during the Review Period:

	No. of trading days for the month/period	Total trading volume for the month/period (No. of Shares)	Average daily trading volume for the month/period (No. of Shares) (Note 1)	Percentage of average daily trading volume to the total issued Shares as at the Latest Practicable Date (Note 2)	Percentage of average daily trading volume to the total number of Shares held by public Shareholders as at the Latest Practicable Date (Note 3)
21 to 31 January 2019	9	4,944,200	549,356	0.04%	0.12%
February 2019	17	10,080,150	592,950	0.04%	0.13%
March 2019	21	11,887,600	566,076	0.04%	0.12%
April 2019	19	6,730,000	354,211	0.02%	0.08%
May 2019	21	6,492,000	309,143	0.02%	0.07%
June 2019	19	5,948,000	313,053	0.02%	0.07%
July 2019	22	5,318,000	241,727	0.02%	0.05%
August 2019	22	15,967,300	725,786	0.05%	0.16%
September 2019	21	6,990,000	332,857	0.02%	0.07%
October 2019	21	8,800,000	419,048	0.03%	0.09%
November 2019	21	20,742,000	987,714	0.07%	0.21%
December 2019	20	104,344,122	5,217,206	0.37%	1.13%
January 2020	19	42,962,000	2,261,158	0.16%	0.49%
February 2020	20	29,240,000	1,462,000	0.10%	0.32%
March 2020	22	127,814,000	5,809,727	0.41%	1.26%
April 2020 (up to and including 14 April 2020, being the Latest Practicable Date)	8	12,212,000	1,526,500	0.11%	0.33%

Source: the Stock Exchange's website

Notes:

- The total trading volume is expressed in terms of the number of Shares traded.
- Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period excluding any trading days on which trading of the Shares on the Stock Exchange was suspended for the whole trading day.
- Based on 1,427,797,174 Shares in issue as at the Latest Practicable Date.
- Based on 460,921,265 Shares held by the public Shareholders as at the Latest Practicable Date.

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As illustrated in the table above, the average daily trading volume during the Review Period ranged from 241,727 Shares to 5,809,727 Shares, representing approximately 0.02% to 0.41% of the total number of Shares in issue as at the Latest Practicable Date, and approximately 0.05% to 1.26% of the total number of Shares held by public Shareholders as at the Latest Practicable Date.

We saw relatively higher average trading volume of the Shares in December 2019 and March 2020 with the liquidity percentages to the total number of Shares in issue and the total number of Shares held by public Shareholders as at the Latest Practicable Date being above 0.3% and 1%, during these two months. Having delved into the daily trading volumes of the Shares, we noted that it was the then disposal of certain amount of Shares by the Seller on 5 December 2019 (as disclosed in the relevant disclosure of interest form) which boosted the average trading volume for the month. However, such level of trading volume and percentages did not sustain and dropped in January 2020 and February 2020, even after the publication of the Joint Announcement. We could also observe that the relatively higher average trading volume in March 2020 is mainly contributed by the increased trading volume on 27 March 2020, on which date the Offeror acquired an aggregate of 34,066,000 Shares on the open market as set out in the section headed "Background of the Offer" above in this letter.

Taking the above into account, we are of the view that the overall liquidity of the Shares was relatively thin during the Review Period. For most of the time during the Review Period, the percentages of average daily trading volume to the total number of Shares in issue and the total number of Shares held by public Shareholders as at the Latest Practicable Date were below 0.1% and 1%, respectively. As such, we consider that the Offer Shareholders may find it difficult to dispose of a large number of Shares in the open market without exerting downward pressure on the price of the Shares, and that the Offer provides the Offer Shareholders with an assured exit if they wish to realise their investments in the Shares.

6. *Listing status of the Company*

As set out in the letter from ECF in the Composite Document, the Offeror intends to maintain the listing status of the Company on the Main Board of the Stock Exchange following the close of the Offeror.

Pursuant to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The board of directors of the Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible to ensure that sufficient public float of not less than 25% of the issued Shares will be held by the public following the close of the Offer.

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RECOMMENDATION

Having considered the abovementioned principal factors, in particular:

- (i) the Offer Price represents a premium of 1.51%, 2.72%, 0.58% and 14.69% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5, 10, 30 and 90 consecutive trading days up to and including the Last Trading Day, equals to the closing price of the Shares as at the Latest Practicable Date, and has been equal to or higher than the closing prices of the Shares for most of the trading days of the Review Period;
- (ii) the closing prices of the Shares have consistently represented discounts to the NAV per Share during the whole Review Period and the discounts represented by the Offer Price are within the range and below the average of the historical closing price discounts to NAV per Share, as well as the closing price discounts to the NAV per Shares as at the relevant dates, while the discount of the Offer Price to the NAV per Share attributable to Shareholders is less than the market discounts represented by the Comparable Companies;
- (iii) the liquidity of the Shares was generally low and the Offer Shareholders may find it difficult to dispose of a large number of Shares in the open market without exerting a downward pressure on the price of the Shares while the Offer provides an assured opportunity to the Offer Shareholders to realise their investments in the Company; and
- (iv) while the Group has been profit-making in FY2018 and FY2019 and the Offeror intends to continue with the existing businesses of the Group, the results of each of the Group's principal business segments have been fluctuating from year/period to year/period and the challenges faced by the Group amid the generally volatile global economy and trade environment and the recent outbreak of COVID-19 have cast uncertainty on the stability of the Group's operation and financial performance in near term;

we are of the opinion that the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Offer Shareholders to accept the Offer.

As different Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Shareholder who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

The Offer Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period, where possible, rather than accepting the Offer, if the net proceeds from the

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sales of such Shares in the open market would exceed the net amount receivable under the Offer. In any event, the Offer Shareholders should note that there is no certainty that the current trading volume and/or current trading price level of the Shares will be sustainable during or after the Offer Period.

Yours faithfully,
For and on behalf of

Southwest Securities (HK) Capital Limited

Steven Lo

Managing Director

Kenny How

Managing Director

Mr. Steven Lo is a responsible officer under the SFO to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and has over 20 years of experience in investment banking and corporate finance fields.

Mr. Kenny How is a responsible officer under the SFO to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and has over 20 years of experience in investment banking, corporate finance and audit fields.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) by post or by hand, to the Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "**Zhuhai Holdings Investment Group Limited — Offer**" on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar in an envelope marked "**Zhuhai Holdings Investment Group Limited — Offer**"; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar in an envelope marked "**Zhuhai Holdings Investment Group Limited — Offer**"; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your investor participant's stock account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar in an envelope marked "**Zhuhai Holdings Investment Group Limited — Offer**" together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to the Offeror and/or EIS and/or their respective agent(s) to collect from the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar in an envelope marked "**Zhuhai Holdings Investment Group Limited — Offer**" together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), you should also write

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER

to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other documents(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) Unless otherwise decided by the Offeror, acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar no later than 4:00 p.m. on the Closing Date, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code and the Registrar has recorded that the acceptance and the relevant documents as required under the Takeovers Code have been so received, and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant shares, executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Offer Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph under this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered Offer Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.
- (g) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/ or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT

- (a) Provided that the Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order in all respects and have been received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, settlement of the consideration, less seller's *ad valorem* stamp duty, will be made by cheque as soon as possible, but in any event within seven (7) Business Days following the date of receipt of the duly completed and signed Form of Acceptance and all the relevant documents which render such acceptance complete and valid by the Registrar in compliance with Note 1 to Rule 30.2 of the Takeovers Code. Each cheque will be despatched by ordinary post to the address specified on the relevant Offer Shareholder's Form of Acceptance at his/her/its own risk.
- (b) Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect of the payment of seller's *ad valorem* stamp duty) set out in this Composite Document (including this Appendix) and the accompanying Form of Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder.
- (c) No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offer is made on Friday, 17 April 2020, being the date of despatch of this Composite Document and is capable of acceptance on and from this date until 4:00 p.m. on the Closing Date.
- (b) Unless the Offer has previously been revised or extended with the consent of the Executive and in accordance with the Takeovers Code, the Form of Acceptance must be received by no later than 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the Offer will be closed on the Closing Date.
- (c) The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised or extended or has closed for acceptance.

- (d) If the Offeror revises the terms of the Offer, all Offer Shareholders, whether or not they have already accepted the Offer will be entitled to the revised terms. The revised Offer must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted and shall not close earlier than the Closing Date.
- (e) If the Offeror extends the Offer, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Offer Shareholders who have not accepted the Offer.
- (f) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer so as extended.

4. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision or extension of the Offer. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or has closed for acceptance.

The announcement must state the following:

- (i) the total number of Offer Shares for which acceptances of the Offer have been received;
- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Concert Group before the Offer Period;
- (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Concert Group during the Offer Period;
- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with the Offeror has borrowed or lent (save for any borrowed Shares which have been on-lent or sold); and
- (v) the percentages of the relevant classes of share capital of the Company and the percentages of voting rights, represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date (being the latest time and date for acceptance of the Offer) shall be included.
- (c) As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

5. NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, those registered Offer Shareholders who hold any Offer Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

6. RIGHT OF WITHDRAWAL

- (a) As the Offer is unconditional in all respects, acceptances tendered by the Offer Shareholders shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in (b) below or in compliance with Rule 17 of the Takeovers Code.
- (b) If the Offeror is unable to comply with the requirements set out in the section headed "4. Announcements" in this Appendix, the Executive may require pursuant to Rule 19.2 of the Takeovers Code that the Offer Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirement of Rule 19.2 of the Takeovers Code can be met.

In such case, when the Offer Shareholder(s) withdraw(s) the acceptance, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Offer Shareholder(s) at their own risks.

Save as aforesaid, acceptances of the Offer, shall be irrevocable and not capable of being withdrawn.

7. OVERSEAS SHAREHOLDERS

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

Acceptance of the Offer by the Overseas Shareholders will constitute a representation and warranty by such person that the local laws and requirements have been complied with and such person is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws. The Overseas Shareholders should consult their professional advisers if in doubt. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

8. STAMP DUTY

The seller's Hong Kong *ad valorem* stamp duty arising in connection with acceptance of the Offer will be payable by the Offer Shareholders that accept the Offer at a rate of 0.1% of (i) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer; or (ii) the market value of the Offer Shares, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Offer Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's Hong Kong *ad valorem* stamp duty on behalf of the Offer Shareholders that accept the Offer and will pay the buyer's Hong Kong *ad valorem* stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

9. TAX ADVICE

None of the Offeror, parties acting in concert with it, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer is in a position to advise the Offer Shareholders on their individual tax implications. The Offer Shareholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offer. None of the Offeror, parties acting in concert with it, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptances or rejections of the Offer.

10. GENERAL

- (a) All communications, notices, the Forms of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Offer Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Offer Shareholders at their addresses specified on the relevant Form of Acceptance. None of the Offeror, parties acting in concert with it, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any responsibility for any loss or delay in transmission or any other liabilities that may arise as a result thereof.
- (b) If no number of Shares is specified in the Form of Acceptance or the number of Shares specified by the acceptor in the Form of Acceptance is greater than the number of Shares registered in the name of the acceptor as holder or the number of Shares represented by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) that are forwarded by the acceptor to the Registrar, the Form of Acceptance will be returned to the acceptor for correction and resubmission. Any corrected Form of Acceptance must be re-submitted and received by the Registrar on or before the latest time for acceptance of the Offer in order for it to be counted towards fulfilling the acceptance Condition.
- (c) The provisions set out in the Form(s) of Acceptance form part of the terms of the Offer.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER

- (d) The accidental omission to despatch this Composite Document and/or the Forms of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (e) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (f) The Offer is made in accordance with the Takeovers Code.
- (g) Due execution of the Form(s) of Acceptance in compliance with Note 1 to Rule 30.2 of the Takeovers Code, will constitute an authority to the Offeror, EIS or its agents or such person or persons as the Offeror and/or EIS may direct to complete, amend and execute on behalf of the person or persons accepting the Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (h) Acceptance of the Offer by the Offer Shareholders will be deemed to constitute a warranty by such person(s) to the Offeror and EIS that the Offer Shares acquired under the Offer are sold or tendered by such Offer Shareholder(s) free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions recommended, declared, made or paid, if any, on or after the date on which the Offer is made, being the date of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.
- (i) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares it has indicated in the Form of Acceptance is the aggregate number of Shares for which such nominee has received authorisations from the beneficial owners to accept the Offer on their behalf.
- (j) References to the Offer in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.
- (k) Any Offer Shareholder accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable by them in any relevant jurisdiction.
- (l) Save for the payment of stamp duty, settlement of the consideration to which any Offer Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder.

APPENDIX I FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER

- (m) The English text of this Composite Document and the Form(s) of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (n) In making their decision, Offer Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained therein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, ECF, EIS, the Independent Financial Adviser, the Registrar or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.
- (o) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offer in Hong Kong and the operating rules of the Stock Exchange.

I. FINANCIAL SUMMARY

The following is a summary of the audited financial information of the Group for each of the three financial years ended 31 December 2017, 2018 and 2019 as extracted from the annual reports of the Company for the financial years ended 31 December 2017 and 2018 and the 2019 Results Announcement.

The consolidated financial statements of the Group for each of the years ended 31 December 2017, 2018 and 2019 were audited by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and did not contain any qualifications.

There were no items of any income or expense which was material in respect of the consolidated financial results for the three years ended 31 December 2019.

	For the year ended 31 December		
	2019 (audited) <i>(RMB'000)</i>	2018 (audited) <i>(RMB'000)</i>	2017 (audited) <i>(RMB'000)</i>
Revenue	11,812,280	9,248,350	3,835,638
Profit before tax	936,467	1,003,559	368,580
Income tax expense	(656,139)	(606,715)	(210,632)
Profit for the year	280,328	396,844	157,948
attributable to:			
Owners of the Company	81,069	177,028	61,479
Non-controlling interests	199,259	219,816	96,469
Total comprehensive income			
for the year	252,837	341,586	178,313
attributable to:			
Owners of the Company	54,288	124,822	78,012
Non-controlling interests	198,549	216,764	100,301
Earnings per share attributable			
to owners of the Company			
for the year			
Basic	RMB5.68 cents	RMB12.40 cents	RMB4.31 cents
Diluted	RMB5.68 cents	RMB12.40 cents	RMB4.31 cents
Dividend	–	RMB25,021	RMB24,701
Dividend per share	–	HK2 cents	HK2 cents

II. AUDITED CONSOLIDATED FINANCIAL INFORMATION

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”), 31 December 2018 (the “**2018 Financial Statements**”) and 31 December 2017 (the “**2017 Financial Statements**”), as well as significant accounting policies together with the notes to the relevant published accounts which are of major relevance to the appreciation of the information contained in the relevant financial statements.

The 2019 Financial Statements are set out from page 1 to page 22 of the 2019 Results Announcement. The 2019 Results Announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.0908.hk>) respectively, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0326/2020032601118.pdf>

The 2018 Financial Statements are set out from page 103 to 218 of the annual report of the Company for the year ended 31 December 2018 (the “**2018 Annual Report**”), which was published on 24 April 2019. The 2018 Annual Report is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.0908.hk>) respectively, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0424/ltn20190424438.pdf>

The 2017 Financial Statements are set out from page 99 to 206 of the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”), which was published on 23 April 2018. The 2017 Annual Report is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.0908.hk>) respectively, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0423/ltn20180423292.pdf>

The 2019 Financial Statements, the 2018 Financial Statements and the 2017 Financial Statements (but not any other part of the 2019 Results Announcement, the 2018 Annual Report and the 2017 Annual Report in which they appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

III. INDEBTEDNESS STATEMENT

As at the close of business on 29 February 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the publication of this Composite Document, the respective indebtedness of the Group is set out as follows:

Interest-bearing bank borrowings

	As at 29 February 2020 RMB'000
Interest-bearing bank borrowings	
Secured guaranteed	1,680,524
Secured non-guaranteed	130,000
Unsecured guaranteed	1,114,291
Unsecured non-guaranteed	690,063
	<hr/>
	3,614,878
	<hr/> <hr/>

As at the close of business on 29 February 2020, the Group's secured guaranteed interest-bearing bank borrowings are secured by charges over bank accounts amounted to approximately RMB17,601,000, certain leasehold buildings in the Group's property, plant and equipment with carrying amount of approximately RMB49,408,000 and guaranteed by the Company and certain subsidiaries of the Company.

As at the close of business on 29 February 2020, the Group's secured non-guaranteed interest-bearing bank borrowings were secured by the bank deposits amounted to approximately RMB100,000,000 and the rights and income under service concession agreement.

As at the close of business on 29 February 2020, the Group's unsecured guaranteed interest-bearing bank borrowings are guaranteed by the Company, Zhuhai Jiuzhou Holdings Group Co., Ltd., as the major shareholder of the Company, and a subsidiary of the Company.

Amounts due to a major shareholder

As at the close of business on 29 February 2020, the Group had unsecured non-guaranteed amounts due to a major shareholder of approximately RMB11,114,000.

Amounts due to related companies

As at the close of business on 29 February 2020, the Group had unsecured non-guaranteed amounts due to related companies of approximately RMB1,129,000.

Lease liabilities

As at the close of business on 29 February 2020, the Group had lease liabilities of approximately RMB18,755,000.

Contingent liabilities

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchasers for repayments. As at the close of business on 29 February 2020, the contingent liabilities in respect of financial guarantees on mortgage facilities are amounted to approximately RMB1,832,495,000.

Save as aforesaid, and apart from normal trade payables in the normal course of business, as at the close of business on 29 February 2020 the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

IV. MATERIAL CHANGE

Save as disclosed below, the Directors have confirmed that there were no material changes in the financial or trading position or outlook of the Group since 31 December 2019, being the date the latest audited consolidated financial statements of the Group to which was made up, and up to the Latest Practicable Date:

After the outbreak of novel Coronavirus Disease 2019 ("COVID-19") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country/region. According to the cross-boundary arrangements announced by The Government of the Hong Kong Special Administrative Region, the China Ferry Terminal and Hong Kong Macau Ferry Terminal were closed on 30 January 2020 and 4 February 2020, respectively. The ferry service between China Ferry Terminal and Zhuhai Jiuzhou Port provided by the Group and the ferry service between Hong Kong Macau Ferry Terminal and Zhuhai Jiuzhou Port were temporarily suspended from 30 January 2020 and 4 February 2020, respectively until the end of the precautionary and control measures relating to the COVID-19 outbreak. After the outbreak of COVID-19, the Company recorded decrease in revenue for the two months ended 29 February 2020 when compared with the corresponding period in 2019, in particular, the Company's revenue from the provision of ferry services business, the tourism and hotel-related business, as well as the trading and distribution of fuel oil business.

The following is the full text of the letter, the Property Valuation Report and summary of values, prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent valuer, in connection with its valuation as at 29 February 2020 of the Properties.



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Zhuhai Holdings Investment Group Limited
Units 3709-10, 37/F, West Tower
Shun Tak Centre
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Hong Kong

17 April 2020

Dear Sirs

VALUATION OF VARIOUS PROPERTIES LOCATED IN ZHUHAI, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PROPERTIES")

In accordance with your instructions for us to value the properties owned by Zhuhai Holdings Investment Group Limited (the "**Company**"), its subsidiaries, its associated company and its joint ventures (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 29 February 2020 (the "**Valuation Date**").

BASIS OF VALUATION

In arriving at our opinion of market values, we followed “The HKIS Valuation Standards 2017” issued by The Hong Kong Institute of Surveyors (“HKIS”). Under the said standards, market value is defined as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market value is understood as the value of an asset or liability estimated without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

VALUATION METHODOLOGY

For property nos. 1 and 8, in arriving at our opinion of market values, we have adopted Market Approach with reference to market comparable evidence available in the market. In valuing property no. 2, we have valued the property as an ongoing operational entity and applied capitalization method in the assessment. We have been provided with the historical performance including the revenues and expenses of the business conducting inside the premise, and have also assessed the performance by making references to similar business. The valuation result is then arrived by adopting an appropriate capitalization rate, which reflects the required return of similar forms of investments, on the profit generating from the property.

In valuing property nos. 3, 4, leased portion of property no. 5 and 7, we have valued the properties by “Income Approach — Term and Reversion Method” by capitalizing the net incomes shown on the documents handed to us by the Group and where appropriate by reference to sales evidence as available on the market. We have allowed for outgoings and, in appropriate cases, made provisions for reversionary income potential.

For the remaining portion of the property no. 5 and property no. 6, due to the specific purpose for which the buildings have been constructed, market transactions of comparable property cannot be readily identified in the market. We have therefore adopted Cost approach in valuing the property. The Depreciated Replacement Cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimization. We would define “Gross Replacement Cost” as the estimated cost of erecting the building or a modern substitute building having the same area as the existing building at prices level as at the valuation date. The estimated building cost includes professional fees and finance charges payable during the construction period and other associated expenses directly related to the construction of the building. The depreciated replacement cost of the property is subject to adequate potential profitability of the concerned business.

In valuing property nos. 9, 10 and 11 which are leased property and the Company does not own the legal titles of such properties, we have attributed no commercial value to the properties due to either the prohibition against assignment or sub-letting or the lack of substantial profit rents.

In valuing property nos. 12, 13, 14 and 15, we have valued the property on the basis that the properties will be developed and completed in accordance with the Group’s latest development proposals provided to us. We have assumed that approvals for the proposals will be granted without onerous conditions. In arriving at our opinion of value, we have adopted the Market Approach by making reference to comparable transactions in the locality and have also taken into account the construction costs that will be expended to complete the development to reflect the quality of the completed development.

TITLE DOCUMENTS AND ENCUMBRANCES

We have been provided with extracts of documents in relation to the titles to the Properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We have relied on the information provided by the Group and its PRC legal advisor, Dentons (北京大成(珠海)律師事務所), regarding the title of the Properties.

No allowance has been made in our report for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in affecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Group and the legal opinion of the Group's PRC legal advisor. We have no reason to doubt the truth and the accuracy of the information provided by the Group which is material to the valuation. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, development schemes, incurred and budget construction costs, tenancies, tenure, and site areas. Dimension, measurements and areas included in the attached valuation report are based on the information provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the site areas of the Properties and we have assumed that the areas shown on the documents handed to us are correct. We were also advised by the Group that no material facts have been omitted from the information provided.

We have inspected the Properties and the inspection was carried out by Ocean Ruan and Wayne Luo in March 2020. However, we have not carried out site investigations to determine the suitability of ground conditions and services, etc. Our valuation is prepared on the assumption that these aspects are satisfactory. No tests were carried out on any of the services.

IDENTITY OF PROPERTIES TO BE VALUED

We have exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Properties, identified by the property addresses in your instructions, are the Properties inspected by us and contained within our valuation report. If there is ambiguity as to the property addresses, or the extent of the Properties to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

STRUCTURAL AND SERVICES CONDITION

We have not undertaken any structural surveys, test the services or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Properties. Our valuations have therefore been undertaken on the basis that the Properties were in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily.

GROUND CONDITION

We have assumed that there is no unidentified adverse ground or soil conditions and the load bearing qualities of the site of the Properties are sufficient to support the buildings constructed or to be constructed thereon; and that the services are suitable for any existing development. Our valuations are prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

ENVIRONMENTAL ISSUES

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Properties are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

COMPLIANCE WITH RELEVANT ORDINANCES AND REGULATIONS

We have assumed that the Properties were constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Properties upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

LIMITATIONS ON LIABILITY

In accordance with our standard practice, we must state that this valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this valuation.

Knight Frank has prepared the valuation based on information and data available to us as at the Valuation Date. It must be recognised that the real estate market is subject to market fluctuations, while changes in policy direction and social environment could be immediate and have sweeping impact on the real estate market. It should therefore be noted that any market violation, policy and social changes or other unexpected incidents after the Valuation Date may affect the values of the Properties.

RISKS FACTOR

The current market is influenced by various policies and regulations, international trade tensions and the recent regional health issue of outbreak of Novel Coronavirus. There may be a difference, be it material or not, between our estimation of market value based on the current market and the actual transaction price which will be affected by many other factors such as the above-mentioned.

REMARKS

In preparing our valuation report, we have complied with the requirements contained within relevant provisions of Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors.

CURRENCY

All sums stated in our valuation are in Renminbi.

Our valuation report is attached.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited
Clement W M Leung
MFin MCIREA MHKIS MRICS RPS (GP)
Executive Director
Head of China Valuation & Advisory

Remarks: Clement W M Leung MFin MCIREA MHKIS MRICS RPS (GP) is a qualified valuer who has 27 years of experiences in property valuation and consultancy services in Asia Pacific region, including the People's Republic of China, Hong Kong, Macau, Vietnam, London, New York and San Francisco, and has been participating in various corporate valuation projects in the People's Republic of China and Hong Kong.

SUMMARY OF VALUES

Group I — Completed Properties held for Investment by the Group in the PRC

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
1 A parcel of land and various buildings and structures (excluding property no.2 and properties under development erected thereon), Zhuhai Holiday Resort Hotel, Shihua East Road, Jida District, Zhuhai, Guangdong Province, The PRC	RMB286,000,000	100%	RMB286,000,000
2 A parcel of land and main hotel building office building and various ancillary facilities erected thereon Zhuhai Holiday Resort Hotel Shihua East Road Jida District Zhuhai Guangdong Province The PRC	RMB160,000,000	100%	RMB160,000,000
3 Units 201-701 and Units 202-702 of Block No. 1, Nanping Xin Cun, Off Zhuhai Main Road, Nanping District, Zhuhai, Guangdong Province, The PRC	RMB13,780,000	100%	RMB13,780,000

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
4 Units G101, 102, 101-701 and Units 102-702 of Block No. 7, Nanping Xin Cun, Off Zhuhai Main Road, Nanping District, Zhuhai, Guangdong Province, The PRC	RMB13,910,000	100%	RMB13,910,000
5 A parcel of land and various buildings and structures (including the buildings and structures within the area of "Lost World") erected thereon The New Yuanming Palace, Lan Pu Road, Qian Shan District, Zhuhai, Guangdong Province, The PRC	RMB373,000,000	100%	RMB373,000,000
6 Lakewood Golf Club located at Jinfeng Road, Jinding Town, Zhuhai, Guangdong Province, The PRC	RMB105,000,000	60%	RMB63,000,000
7 Shop Nos. 101-105, 133 Ninghuai Road, Zhuhai National Hi-Tech Industrial Development District, Zhuhai, Guangdong Province, The PRC	RMB4,800,000	60%	RMB2,880,000

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
8 Unit 101 of No. 2 Block 4, 133 Ninghuai Road, Zhuhai National Hi-Tech Industrial Development District, Zhuhai, Guangdong Province, The PRC	RMB400,000	60%	RMB240,000
9 Flats 101, 201, 302, 401 and 402 of Block No. 15, Tangjia Leyuan, Gangwan Main Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	No commercial value		No commercial value
Sub-total	RMB956,890,000		RMB912,810,000

Group II — Properties held by the Group for Operation in the PRC

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
10 Jiuzhou Harbour Passenger Pier and Various Ancillary Buildings, and Lease Term Interests of Passenger Terminal of Jiuzhou Harbour Pier, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	No commercial value		No commercial value
11 Ancillary Building of Wanzai Pier located in 3002 Nanwan South Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	No commercial value		No commercial value
Sub-total	No commercial value		No commercial value

Group III — Properties held by the Group under development in the PRC

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
12 A Proposed Real Estate Development located at Jinfeng Road, Jinding Town, Zhuhai, Guangdong Province, The PRC	RMB10,297,000,000	60%	RMB6,178,200,000

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
13 A Proposed Hotel Development (including a proposed hotel recreational sports complex and commercial buildings) to be erected thereon Shihua East Road, Jida District, Zhuhai, Guangdong Province, The PRC	RMB547,000,000	100%	RMB547,000,000
14 Proposed Comprehensive Development on Land Parcels of Phase 2 and 3 to be erected thereon Shihua East Road Jida District, Zhuhai, Guangdong Province, The PRC	RMB254,000,000	100%	RMB254,000,000
Sub-total	RMB11,098,000,000		RMB6,979,200,000

Group IV — Property held by the Group for Development in the PRC

Property	Market value in existing state as at 29 February 2020	Interest attributable to the Group	Market value in existing state attributable to the Group as at 29 February 2020
15 A Land Parcel located at the North of Qingping Road and South of Shengping Avenue, Pingsha Town, Jinwan District, Zhuhai, Guangdong Province, the PRC	RMB706,000,000	60%	RMB423,600,000
Sub-total	RMB706,000,000		RMB423,600,000
Grand Total:	RMB12,760,890,000		RMB8,315,610,000

VALUATION REPORT

Group I — Completed Properties held for Investment by the Group in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
1	A parcel of land and various buildings and structures (excluding property no.2 and properties under development erected thereon), Zhuhai Holiday Resort Hotel, Shihua East Road, Jida District, Zhuhai, Guangdong Province, The PRC	<p>The property comprises 77 blocks of villa, a recreational complex, a health centre, a shopping arcade, a car park, and various ancillary facilities of Zhuhai Holiday Resort hotel with a total gross floor area of approximately 23,322.86 sq m erected upon two parcels of land with a total site area of approximately 174,341.88 sq m and was completed in between 1984 and 2011.</p> <p>The land use rights term of the property has been granted for a term expiring on 18 March 2042 for tourist industrial use.</p>	<p>The property is subject to a tenancy agreement entered into between 珠海九洲置業開發有限公司 and a subsidiary of the Company.</p> <p>The property is currently occupied by 珠海九洲置業開發有限公司 for hotel use.</p>	<p>RMB286,000,000 (RENMINBI TWO HUNDRED EIGHTY SIX MILLION ONLY)</p> <p>(100% interest attributable to the Group: RMB286,000,000)</p> <p><i>(please see note 5)</i></p>

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No. 91440400053746420M, 珠海九洲置業開發有限公司, a wholly owned subsidiary of the Company, was incorporated for a term commencing from 11 October 2012 to 11 October 2032.
2. Pursuant to the Realty Title Certificate No. Yue Fang Di Quan Zheng Zhu Zi Di 0100248579 dated 21 March 2013, the land use rights of a parcel of land with a site area of 174,341.88 sq m is granted to 珠海九洲置業開發有限公司 (formerly known as 珠海九洲置業顧問有限公司) for a term commencing from 18 March 1992 to 18 March 2042 for hotel use.
3. Pursuant to 105 Building Ownership Certificates issued by People's Government of Zhuhai, the building ownership of portion of the property with total gross floor area of 30,136.19 sq m was vested in 珠海九洲置業開發有限公司 (formerly known as 珠海九洲置業顧問有限公司).
4. As advised by the Company, the site area of the property is shared with property nos. 2, 13 and 14 and cannot be clearly delineated.
5. As advised by the Company, portion of the property with a total gross floor area of 6,812.63 sq m stated in note 3 was demolished. In the course of our valuation, we have excluded such portion.
6. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) portion of the property is subject to mortgages;
 - (iii) apart from the portion stated in note 5, the property can be legally transferred, leased, mortgaged or handled in other ways, subject to relevant laws and regulations and approval from the mortgagee.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
2	A parcel of land and main hotel building, office building and various ancillary facilities erected thereon Zhuhai Holiday Resort Hotel Shihua East Road Jida District Zhuhai Guangdong Province The PRC	The property comprises a 11-storey hotel with 296 guest rooms, a 4-storey office building and other ancillary facilities of Zhuhai Holiday Resort Hotel erected on two parcels of land with a total site area of approximately 30,075.25 sq m. The property has a total gross floor area of approximately 28,301.38 sq m, and was completed in 1984. The area breakdown of the property is stated as follows:	RMB160,000,000 (RENMINBI ONE HUNDRED SIXTY MILLION ONLY) (100% interest attributable to the Group: RMB160,000,000) <i>(please see note 4)</i>

**Approximate
Gross
Floor Area
(sq m)**

Hotel	18,425.70
Ancillary facilities	1,364.45
Office	3,172.13
Ancillary facilities (w/o title document)	5,339.10
Total	<u>28,301.38</u>

The land use rights term of the property has been granted for a term expiring on 18 March 2042 for tourist industrial and commercial uses.

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No. 91440400707784531X, 珠海度假村酒店有限公司, a wholly owned subsidiary of the Company, was incorporated for a term commencing from 20 March 1998 to unspecified long-term period.
2. Pursuant to two Realty Title Certificates Nos. Yue Fang Di Zheng Zi Di 1248729 and 1248730 both dated 31 March 1998 issued by People's Government of Zhuhai, the building ownership of portion of the property with a gross floor area of 22,962.28 sq m and the land use rights of two parcel of lands with a total site area of 30,075.25 sq m for a term commencing from 31 March 1998 to 18 March 2042 for tourist industrial and commercial uses are vested in 珠海度假村酒店有限公司.
3. As advised by the Company, the site area of the property is shared with property nos. 1, 13 and 14 and cannot be clearly delineated.
4. As advised by the Company, portion of the property with a total gross floor area of 5,339.10 sq m have not obtained relevant title documents; hence we have assigned no commercial value.
5. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) apart from the portion stated in note 4, the property can be legally transferred, leased, mortgaged or handled in other ways.
6. Our key assumptions in the valuation are as follows:

	Average Daily Rate <i>(RMB per night)</i>	Capitalisation Rate
Hotel	530	6.50%

We have made reference to the average daily rate (ADR) of similar hotels. The ADRs from comparable hotels are in the range of RMB530 to RMB750 per night. The above estimated ADR assumed by us is in line with the market. The capitalisation rate is considered not unreasonable taking into account the market yields of similar properties.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
3	Units 201-701 and units 202-702 of Block No 1 Nanping Xin Cun Off Zhuhai Main Road Nanping District Zhuhai Guangdong Province The PRC	<p>The property comprises 12 residential units on level 2 to level 7 of a 7-storey residential building with a total gross floor area of approximately 1,382.76 sq m which was completed in about 1996.</p> <p>The land use rights term of the property has been granted for a term expiring on 21 May 2061 for residential use.</p>	The property is subject to a tenancy agreement expiring in September 2021, yielding a total monthly rental of approximately RMB13,000, exclusive of management fee.	<p>RMB13,780,000 (RENMINBI THIRTEEN MILLION SEVEN HUNDRED AND EIGHTY THOUSAND ONLY)</p> <p>(100% interest attributable to the Group: RMB13,780,000)</p>

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No. 9144040061823751XH, 珠海經濟特區圓明新園旅遊有限公司, a wholly owned subsidiary of the Company, was incorporated for a term commencing from 1 November 1993 to 1 November 2033.
2. Pursuant to the Realty Title Certificate No Yue Fang Di Zheng Zi Di 2119253 dated 13 September 1999 issued by People's Government of Zhuhai, the building ownership of portion of the property with a gross floor area of 1,382.76 sq m and the land use rights of the land with a total site area of 1,064.10 sq m for a term commencing from 1 September 1999 to 21 May 2061 for residential use are vested in 珠海經濟特區圓明新園旅遊有限公司.
3. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred, leased, mortgaged or handled in other ways.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
4	Units G101, 102, 101-701 and 102-702 of Block No 7 Nanping Xin Cun Off Zhuhai Main Road Nanping District Zhuhai Guangdong Province The PRC	<p>The property comprises 16 residential units on ground level to level 7 of an 8-storey residential building with a total gross floor area of approximately 1,374.24 sq m which was completed in about 1996.</p> <p>The land use right term of the property have been granted for a term expiring on 21 May 2061 for residential use.</p>	The property is subject to a tenancy agreement expiring in August 2021, yielding a total monthly rental of approximately RMB24,000, exclusive of management fee and inclusive of tax.	<p>RMB13,910,000 (RENMINBI THIRTEEN MILLION NINE HUNDRED AND TEN THOUSAND ONLY)</p> <p>(100% interest attributable to the Group: RMB13,910,000)</p>

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No. 9144040061823751XH, 珠海經濟特區圓明新園旅遊有限公司, a wholly owned subsidiary of the Company, was incorporated for a term commencing from 1 November 1993 to 1 November 2033.
2. Pursuant to the Realty Title Certificate No Yue Fang Di Zheng Zi Di 2119254 dated 13 September 1999 issued by People's Government of Zhuhai, the building ownership of portion of the property with a gross floor area of 1,202.46 sq m and the land use rights of the land with a total site area of 925.30 sq m for a term commencing from 2 September 1999 to 21 May 2061 for residential use m are vested in 珠海經濟特區圓明新園旅遊有限公司.
3. Pursuant to the Realty Title Certificate No Yue Fang Di Zheng Zi Di C0840920 dated 14 September 1999 issued by People's Government of Zhuhai, the building ownership of portion of the property with a gross floor area of 171.78 sq m and the land use rights of the land with a total site area of 132.20 sq m for a term expiring on 21 May 2061 for residential use m are vested in 珠海經濟特區圓明新園旅遊有限公司.
4. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred, leased, mortgaged or handled in other ways.

5	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
	A parcel of land and various buildings and structures (including the buildings and structures within the area of "Lost World") erected thereon The New Yuanming Palace Lan Pu Road Qian Shan District Zhuhai Guangdong Province The PRC	<p>The property comprises a theme park with various blocks of buildings, various structures and various ancillary facilities erected on two parcels of land with a total site area of approximately 592,201.00 sq m. The property has a total gross floor area of approximately 40,219.41 sq m and was completed in 1997.</p> <p>Portion of the theme park is named "Lost World" and is operated as a separate income-producing entity. Lost World comprises various buildings and structures and has a total gross floor area of approximately 22,317.00 sq m.</p> <p>The land use rights term of the property have been granted for a term expiring on 2 November 2033 for tourism and carparking uses.</p>	<p>Portion of the property with a total site area of approximately 17,045.24 sq m was leased under various tenancies with the last term expiring in October 2023, yielding a total monthly rental of approximately RMB515,000, inclusive of tax.</p> <p>Portion of the property with a total gross floor area of 18,194.28 sq m was leased under various tenancies with the last term expiring in November 2033 yielding a monthly rental of approximately RMB877,000, inclusive of tax.</p>	<p>RMB373,000,000 (RENMINBI THREE HUNDRED SEVENTY THREE MILLION ONLY)</p> <p>(100% interest attributable to the Group: RMB373,000,000)</p> <p><i>(please see note 5)</i></p>

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No. 9144040061823751XH, 珠海經濟特區圓明新園旅遊有限公司, a wholly owned subsidiary of the Company, was incorporated for a term commencing from 1 November 1993 to 1 November 2033.
2. Pursuant to the Realty Title Certificate No Yue Fang Di Zheng Zi Di 1236050 dated 29 April 1998 issued by People's Government of Zhuhai the land use rights of the land with a site area of 586,043.50 sq m for a term commencing from 28 April 1998 to 2 November 2033 for tourist industrial use is vested in Jiuzhou Tourist Development Company Limited (formerly known as Zhu Kuan Tourist Development Company Limited).
3. Pursuant to the Realty Title Certificate No Yue Fang Di Zheng Zi Di 1236051 dated 29 April 1998 issued by People's Government of Zhuhai the land use rights of the land with a site area of 6,157.50 sq m for a term commencing from 28 April 1998 to 2 November 2033 for car parking use is vested in Jiuzhou Tourist Development Company Limited (formerly known as Zhu Kuan Tourist Development Company Limited).
4. Pursuant to 27 Realty Title Certificates dated 21 September 1997 issued by People's Government of Zhuhai, the building ownership of portion of the property with a total gross floor area of 40,219.41 sq m was vested in 珠海經濟特區圓明新園旅遊有限公司.
5. As advised by the Company, a portion of the property and structures with a total gross floor area of 98,539.00 sq m have not obtained relevant title documents; hence we have assigned no commercial value.
6. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) apart from the portion stated in note 5, the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) portion of the property is subject to mortgage; and
 - (iii) apart from the portion stated in note 5, the property can be legally transferred or handled in other ways, subject to relevant laws and regulations and approval from the mortgagee.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
6	Lakewood Golf Club located at Jinfeng Road Jinding Town Zhuhai Guangdong Province The PRC	<p>The property is a golf course comprising a site area of approximately 1,323,173.11 sq m, and various ancillary buildings and structures erected thereon with a total gross floor area of approximately 10,650.00 sq m completed in between 2006 and 2017.</p> <p>The property comprises an 18-holes golf course with a driving range and other ancillary facilities.</p> <p>The land use rights of the Property have been granted for golf course use expiring on 12 October 2063.</p>	The property is operating as golf course.	<p>RMB105,000,000 (RENMINBI ONE HUNDRED AND FIVE MILLION ONLY)</p> <p>(60% interest attributable to the Group: RMB63,000,000)</p> <p>(please see note 5)</p>

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No 91440400618244058A, 珠海市九控體育管理有限公司, a 60% owned subsidiary of the Company, was incorporated for a valid period from 23 August 1993 to 23 August 2043.
2. Pursuant to the Realty Title Certificate no. 2018079791 issued by Zhuhai Real Estate Registration Centre dated 19 October 2018, the title to the property with a site area of 1,323,173.11 sq m is vested in 珠海市九控體育管理有限公司 for other use expiring on 12 October 2063.
3. Pursuant to a Construction Works Planning Permit no. (2004) Tang Gui Zi 08 dated 12 March 2004, the property with a total site area of approximately 6,344.00 sq m was permitted to be developed.
4. Pursuant to the Completion Acceptance Certificate dated 6 March 2009, the construction works of Clubhouse of Lakewood Golf Club Phase 2 with a gross floor area of 6,344.00 sq m was accepted.
5. As advised by the Company, the ancillary facilities and structures of the property with a gross floor area of 9,204.00 sq m and the landscaping of golf courses with a total site area of 830,000.00 sq m have not obtained relevant title documents; hence we have assigned no commercial value.
6. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) apart from the portion stated in note 5, the respective owner as stated in note 1 has legally obtained the land use rights of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage, encumbrance; and
 - (iii) apart from the portion stated in note 5, the property can be legally transferred, mortgaged or handled in other ways, subject to relevant laws and regulations.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
7	Shop Nos. 101-105, 133 Ninghuai Road, Zhuhai National Hi-Tech Industrial Development District, Zhuhai, Guangdong Province, The PRC	<p>The property comprises 5 retail units of the residential development Lakewood Hills with a total gross floor area of approximately 727.75 sq m which was completed in 2017.</p> <p>The land use rights term of the property have been granted for a term expiring on 1 January 2052 for retail use.</p>	<p>Portion of the property with a total lettable area of approximately 257.66 sq m was leased under two tenancies with the last term expiring in March 2027, yielding a total monthly rental of approximately RMB9,000, exclusive of management fee.</p> <p>The remaining portion of the property is currently vacant.</p>	<p>RMB4,800,000 (RENMINBI FOUR MILLION EIGHT HUNDRED THOUSAND ONLY)</p> <p>(60% interest attributable to the Group: RMB2,880,000)</p>

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No 91440400618264411N, 珠海九控房地產有限公司, a 60% owned subsidiary of the Company, was incorporated for a valid period from 8 June 1994 to a non-fixed expiry period.
2. Pursuant to the Realty Title Certificate No Yue (2019) Zhuhai Shi Bu Dong Chan Quan Di 0095309 dated 26 September 2019 issued by Zhuhai Realty Registration Centre, the building ownership of portion of the property with a gross floor area of 727.75 sq m and the land use rights of the land with a total site area of 70,646.14 sq m for a term commencing from 1 January 2012 to 1 January 2052 for retail commercial use/commercial services use are vested in 珠海九控房地產有限公司.
3. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred, leased, mortgaged or handled in other ways.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
8	Unit 101 of No. 2 Block 4, 133 Ninghuai Road, Zhuhai National Hi-Tech Industrial Development District, Zhuhai, Guangdong Province, The PRC	The property comprises an ancillary unit located in the clubhouse of the residential development Lakewood Hills with a total gross floor area of approximately 63.18 sq m which was completed in 2018. The land use rights term of the property have been granted for a term expiring on 31 December 2051 for retail use.	The property is currently vacant.	RMB400,000 (RENMINBI FOUR HUNDRED THOUSAND ONLY) (60% interest attributable to the Group: RMB240,000)

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No 91440400618264411N, 珠海九控房地產有限公司, a 60% owned subsidiary of the Company, was incorporated for a valid period from 8 June 1994 to a non-fixed expiry period.
2. Pursuant to the Realty Title Certificate No Yue (2019) Zhuhai Shi Bu Dong Chan Quan Di 0059881 dated 25 June 2019 issued by Zhuhai National Resource Bureau, the building ownership of portion of the property with a gross floor area of 63.18 sq m and the land use rights of the land with a total site area of 70,646.14 sq m for terms commencing from 1 January 2012 to 31 December 2051 for retail commercial use, and 1 January 2012 to 31 December 2081 for residential use are vested in 珠海九控房地產有限公司.
3. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights, building ownership of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred, leased, mortgaged or handled in other ways.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
9	Flats 101, 201,302,401 and 402 of Block 15, Tangjia Leyuan, Gangwan Main Road, Xiangzhou District, Zhuhai, Guangdong Province, The PRC	<p>Tangjia Leyuan (the “Development”) is a low-rise residential development located in Xiangzhou District.</p> <p>The property comprises 5 residential units of Block 15 of the development with a total gross floor area of approximately 297.38 sq m which was completed in 1990s.</p> <p>The land use rights term of the property have been allocated for a term with unspecified expiring date for residential use.</p>	<p>Portion of the property is currently subject to a tenancy with a term expiring in April 2020, yielding a monthly rental of approximately RMB4,500, exclusive of management fee.</p> <p>The remaining portion of the property is currently vacant.</p>	No commercial value

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No 91440400192528335P, 珠海九洲能源有限公司, a 49% subsidiary of the Company, was incorporated for a valid period from 8 June 1994 to a non-fixed expiry date.
2. Pursuant to the Realty Title Certificate No Yue Fang Di Zheng Zi Di C0041622 dated 24 April 2001 issued by Zhuhai National Resource Bureau, the building ownership of portion of the property with a gross floor area of 297.38 sq m and the land use rights of the land with a total site area of 37.02 sq m for unspecified terms for residential use, are vested in 珠海九洲港務集團公司, which is currently known as 珠海九洲控股集團有限公司 (the controlling shareholder of the Company) according to two Notifications of Acceptance of Change no. Zhu He Bian Tong Nei Zi [2009] Di0900147886 and Zhu He Bian Tong Nei Zi [2013] Di 1300004219 dated 6 August 2009 and 18 January 2013 respectively.
3. We have been provided with the Group’s PRC legal adviser’s opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has not obtained the land use rights, building ownership of the property and is not the sole owner of the property; and
 - (ii) the title of portion of the property is vested in 珠海九洲港務集團公司 and the nature of land use is allocation; hence, prior to obtaining consent from the government, paying for the land premium of changing source of land use, and applying for division of title certificates, the property cannot be freely transferred.

Group II — Properties held by the Group for Operation in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
10	Jiuzhou Harbour Passenger Pier and Various Ancillary Buildings, and Lease Term Interests of Passenger Terminal of Jiuzhou Harbour Pier, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	The property comprises various buildings and structures of Jiuzhou Harbour Pier with a total gross floor area of 13,259.73 sq m, including passenger terminal, piers, toll booth, and various ancillary facilities and structures. The property was completed in between 2001 and 2015 and portion of the property is undergoing improvement works.	The property is operating as ancillary facilities for the operation of Jiuzhou Harbour Passenger Pier. <i>(Please see notes 4 and 5)</i>	No commercial value

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No 914404001925406413, 珠海九洲港客運服務有限公司, a 90% owned subsidiary of the Company, was incorporated for a valid period from 2 July 1997 to 2 July 2047.
2. Pursuant to 3 Construction Works Commencement Permits nos. (2005) Jian Shi Zi Di (9333), 440400200605080319 and (2005) Jian Shi Zi Di 9620 dated 30 August 2004, 8 May 2006 and 17 October 2005 respectively, construction works of portion of the property was permitted to commence.
3. Pursuant to the Completion Acceptance Certificate with unspecified no. dated 12 March 2017, the construction work with a gross floor area of 19,198.00 sq m was accepted.
4. Pursuant to the lease with unspecified reference number dated 28 March 2000, portion of the property with a gross floor area of 5,973.73 sq m and site area of 9,335.20 sq m is leased to 珠海九洲港客運服務有限公司 from 珠海九洲港務集團有限公司 from 28 March 2000 to 27 March 2040 for 40 years at annual rental of RMB683,000 and annual land rent of RMB515,000. Such portion can be leased to third party. As at the valuation date, such portion is vacant.
5. Pursuant to the lease no. Zhu Jiu Kong Zu 2018 009 dated 29 December 2017, portion of the property with a total gross floor area of 784.00 sq m is leased to 珠海九洲港客運服務有限公司 from 珠海九洲控股集團有限公司 from 1 January 2018 to 31 December 2020 at an annual rental of RMB532,000. During the contract period, 珠海九洲港客運服務有限公司 cannot lease such portion to third party.
6. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the land use rights and the building ownership of the property are not vested in the respective owner as stated in note 1;
 - (ii) portion of the property stated in note 4 is entitled to be leased to third party according to the contract stated in note 4 and such lease will be valid for 20 years following the lease commencement date according to contract law; and
 - (iii) the land use rights of the property is not vested in 珠海九洲港客運服務有限公司 and the information of transferring building ownership to 珠海九洲港客運服務有限公司 is insufficient, the property cannot be freely transferred.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
11	Ancillary Building of Wanzai Pier located in 3002 Nanwan South Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC	The property comprises the 2-storey ancillary building of Wanzai Pier including waiting hall, ticket booths, ancillary office and control room. The property was completed in 2007.	The property is currently operating as ancillary facilities for the operation of Wanzai Pier.	No commercial value

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No 91440400719243396K, 珠海市九洲郵輪有限公司 was incorporated for a valid period from 13 October 1999 to a non-fixed expiry date.
2. Pursuant to the Construction Engineering and Planning Acceptance Certificate No. (2019) Gui Yan Zi (Xiang Zhou) 038, the construction work with a gross floor area of 2,114.36 sq m was accepted.
3. Pursuant to the Contract for Xiangzhou Temporary Land No. Xiang Fu (Lin Shi) 2018-010 dated on 19 March 2018, 珠海市九洲郵輪有限公司 was approved by People's Government of Xiangzhou District of Zhuhai to use the land parcel of Wanzai Pier with a site area of 6,217.34 sq m on temporary basis. The contract valid date is commencing from 6 January 2018 to 5 January 2020 and is charging 珠海市九洲郵輪有限公司 an annual land rent at approximately RMB589,404. According to the above-mentioned contract, 珠海市九洲郵輪有限公司 is not permitted to construct permanent buildings, structures on such land parcel, and the above-ground buildings cannot be transferred, leased, mortgaged and used for operative project.
4. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has not obtained the land use rights, building ownership of the property and is not the sole owner of the property; and
 - (ii) the property cannot be freely transferred.

Group III — Properties held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
12 A Proposed Real Estate Development located at Jinfeng Road Jinding Town Zhuhai Guangdong Province The PRC	<p>Lakewood Hills (the “Development”) is a comprehensive residential development comprising five parcels of irregular-shaped sites with a total site area of approximately 788,399.50 sq m.</p> <p>The property is part of the Development planned for a proposed real estate development comprising two portions: i) completed stock (the “Completed Portion”); and ii) a proposed residential development (the “Remaining Portion”) which is expected to be completed by phases from late 2020 to 2023.</p> <p>The Completed Portion comprises 547.70 sq m of villa and high-rise apartments completed in 2015 and 2020. In addition, the Completed Portion comprises 563 carparking spaces.</p>	<p>The Completed Portion is currently vacant.</p> <p>The Remaining Portion of the property is currently under construction.</p>	<p>RMB10,297,000,000 (RENMINBI TEN BILLION AND TWO HUNDRED NINETY SEVEN MILLION ONLY)</p> <p>(60% interest attributable to the Group: 6,178,200,000)</p> <p><i>(please see notes 5, 6 and 7)</i></p>

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
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As advised by the Group, the proposed approximate gross floor area ("GFA") of the Remaining Portion is listed as follows:

Use	Approximate GFA (sq m)
Villa	274,049.04
Apartment	245,859.11
Hotel	18,710.50
Commercial	8,184.51
Ancillary Facilities	19,803.24
	<hr/>
Total	<u>566,606.40</u>

Upon completion, the Remaining Portion will also comprise 117 carparking spaces.

The land use rights of the Property have been granted for various uses. (Please see note 2)

Notes:

1. Pursuant to the Business Licence with Unified Social Credit No. 91440400618264411N, 珠海九控房地產有限公司, a 60% owned subsidiary of the Company, was incorporated for a term commencing from 8 June 1994 to non-fixed period.
2. Pursuant to 5 Realty Title Certificates issued by State-owned Land Resources Bureau of Zhuhai, the land use rights of five parcels of land with a total site area of 763,613.00 sq m was granted to 珠海九控房地產有限公司 for land use rights term expiring on 1 November 2088 for various uses. Details of the documents are as follows:

No.	Site Area (sq m)	Use	Land Use Rights Expiry Date
20160009478	437,187.24	Residential/ Wholesale & Retail	1 January 2082 (Residential) 1 January 2052 (Wholesale & Retail)
20160009475	126,277.37	Residential/ Wholesale & Retail	1 January 2082 (Residential) 1 January 2052 (Wholesale & Retail)
20160009479	93,536.10	Residential/ Wholesale & Retail	1 January 2082 (Residential) 1 January 2052 (Wholesale & Retail)
20160009476	60,752.65	Residential/ Wholesale & Retail	1 January 2082 (Residential) 1 January 2052 (Wholesale & Retail)
20160009477	70,646.14	Residential/Hotel/ Commercial Finance	1 January 2082 (Residential) 1 January 2062 (Hotel/ Commercial Finance)

3. Pursuant to 24 Construction Works Planning Permits dated in between 2016 and 2020, portion of the Development with a total gross floor area of approximately 1,161,318.92 sq m was permitted to be developed.
4. Pursuant to 23 Construction Works Commencement Permits dated in between 2014 and 2018, construction works of portion of the property with a total gross floor area of approximately 1,091,026.59 sq m was permitted to be constructed.
5. As advised by the Company, portion of the property with a total GFA of 19,803.24 sq m designated for schools will be reverted to the government without compensation upon completion. In the course of our valuation, we have not assigned any commercial value to such portion.
6. According to the information provided by the Company, residential portion of the property with a total gross floor area of approximately 110,158.58 sq m and 9 carparking spaces have been pre-sold at a total consideration of about RMB3,245,400,184 prior to the date of valuation. According to the Company's instruction, the title of the pre-sold portion was still held by 珠海九控房地產有限公司 as at the date of valuation and were thus included in this valuation. We have taken into account the said consideration in our valuation.
7. As advised by the Company, the construction cost incurred and the projected outstanding construction cost of the property as at the valuation date were approximately RMB1,995,000,000 and RMB3,261,000,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed developments of the property, assuming they were completed as at the valuation date, was estimated approximately as RMB16,876,000,000.

8. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
- (i) the respective owner as stated in note 1 has legally obtained the land use rights of the property and is the sole owner of the property;
 - (ii) portion of the property designated for schools will be reverted to the government without compensation upon completion; and
 - (iii) save and except that the portion of property stated in note 5 is to be reverted to the government upon completion, the property can be legally transferred, leased, mortgaged or handled in other ways, subject to relevant laws and regulations, and approvals from the relevant authorities for obtaining relevant title documents.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020												
13	A Proposed Hotel Development (including a proposed hotel, recreational/sports complex and commercial buildings) to be erected thereon Shihua East Road, Jida District, Zhuhai, Guangdong Province, The PRC	<p>The property comprises a parcel of land with a total site area of approximately 185,720.24 sq m.</p> <p>The property is planned to be developed into a hotel development comprising (i) a 17-storey hotel with 203 guest rooms erected on a 3-storey recreational/sports complex with a 2-storey basement, and (ii) 4 blocks of commercial buildings to be erected on a basement carpark.</p> <p>The property is scheduled to be completed in between 2020 and 2021 by phases.</p> <p>Details of the proposed approximate gross floor area ("GFA") of the property are stated as follows:-</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Proposed GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Hotel</td> <td>30,686.00</td> </tr> <tr> <td>Recreational/Sports Complex</td> <td>7,607.00</td> </tr> <tr> <td>Commercial Buildings (with basement)</td> <td>31,211.18</td> </tr> <tr> <td>Hotel Basement</td> <td>19,922.00</td> </tr> <tr> <td>Total</td> <td>89,426.18</td> </tr> </tbody> </table>	Use	Proposed GFA (sq m)	Hotel	30,686.00	Recreational/Sports Complex	7,607.00	Commercial Buildings (with basement)	31,211.18	Hotel Basement	19,922.00	Total	89,426.18	The property is currently under construction.	<p>RMB547,000,000 (RENMINBI FIVE HUNDRED FORTY SEVEN MILLION ONLY)</p> <p>(100% interest attributable to the Group: 547,000,000)</p> <p>(please see notes 5 and 6)</p>
Use	Proposed GFA (sq m)															
Hotel	30,686.00															
Recreational/Sports Complex	7,607.00															
Commercial Buildings (with basement)	31,211.18															
Hotel Basement	19,922.00															
Total	89,426.18															

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
	The land use rights term of the property has been granted for a term expiring on 18 March 2042 for tourist industrial use.		

Notes:

1. Pursuant to the Realty Title Certificate No Yue Fang Di Quan Zheng Zhu Zi Di 0100188735 dated 21 March 2013 issued by the People's Government of Zhuhai, the land use rights of a parcel of land with a site area of 174,341.88 sq m is granted to 珠海九洲置業開發有限公司 (formerly known as 珠海九洲置業顧問有限公司) for a term commencing from 18 March 1992 to 18 March 2042 for hotel use.
2. Pursuant to a Construction Land Planning Permit no. Di Zi Di 2018-020 dated 28 June 2018, the property with a total site area of approximately 185,720.24 sq m was permitted to be developed.
3. Pursuant to 2 Construction Works Planning Permits nos. Jian Zi Di 2014-088 and Jian Zi Di 2018-060 dated 24 December 2014 and 26 September 2018 respectively, construction works of the property with a total gross floor area of approximately 90,218.01 sq m was permitted to be developed.
4. Pursuant to 4 Construction Works Commencement Permits no. 440400201407230301, 440400201504210101, 440402201901180201 and 440402201810120299 dated 23 July 2014, 21 April 2015, 18 January 2019 and 16 April 2019 respectively, construction works of the property with a total gross floor area of approximately 150,024.84 sq m was permitted to be constructed.
5. As advised by the Company, the site area of the property is shared with property nos. 1, 2 and 14 and cannot be clearly delineated.
6. As advised by the Company, the construction cost incurred and the projected outstanding construction cost of the property as at the valuation date were approximately RMB556,000,000 and RMB416,000,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed developments of the property, assuming they were completed as at the valuation date, was estimated approximately as RMB1,148,000,000.
7. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred, leased, mortgaged or handled in other ways subject to relevant laws and regulations, and approvals from the relevant authorities for obtaining relevant title documents.

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020														
14	Proposed Comprehensive Development on Land Parcels of Phase 2 and 3 to be erected thereon Shihua East Road Jida District, Zhuhai, Guangdong Province, The PRC	<p>The property comprises two parcels of land with a total site area of approximately 19,347.08 sq m.</p> <p>The property is planned to be developed by Phases. Phase 2 of the property is planned to be developed into a commercial development comprising an 19-storey office tower, and a 13-storey hotel-styled office tower erected on a 4-storey retail podium above a basement carpark, which is scheduled to complete in 2023.</p> <p>Phase 3 of the property is planned to be developed into gas station with a gross floor area of 955.73 sq m and is scheduled to be completed in 2021.</p> <p>Details of the proposed approximate gross floor area ("GFA") of the property are stated as follows:-</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Proposed GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>45,400.27</td> </tr> <tr> <td>Hotel-styled Office</td> <td>20,174.94</td> </tr> <tr> <td>Retail</td> <td>25,000.00</td> </tr> <tr> <td>Ancillary Facilities</td> <td>2,068.00</td> </tr> <tr> <td>Gas Station</td> <td>955.73</td> </tr> <tr> <td>Total</td> <td>93,598.94</td> </tr> </tbody> </table>	Use	Proposed GFA (sq m)	Office	45,400.27	Hotel-styled Office	20,174.94	Retail	25,000.00	Ancillary Facilities	2,068.00	Gas Station	955.73	Total	93,598.94	The property is currently under construction.	<p>RMB254,000,000 (RENMINBI TWO HUNDRED FIFTY FOUR MILLION ONLY)</p> <p>(100% interest attributable to the Group: 254,000,000)</p> <p>(please see notes 5 and 6)</p>
Use	Proposed GFA (sq m)																	
Office	45,400.27																	
Hotel-styled Office	20,174.94																	
Retail	25,000.00																	
Ancillary Facilities	2,068.00																	
Gas Station	955.73																	
Total	93,598.94																	

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
	Upon completion the property will also comprise 800 carparking spaces.		
	The land use rights term of the property has been granted for a term expiring on 18 March 2042 for tourist industrial use.		

Notes:

1. Pursuant to the Realty Title Certificate No Yue Fang Di Quan Zheng Zhu Zi Di 0100188735 dated 21 March 2013 issued by the People's Government of Zhuhai, the land use rights of a parcel of land with a site area of 174,341.88 sq m is granted to 珠海九洲置業開發有限公司 (formerly known as 珠海九洲置業顧問有限公司) for a term commencing from 18 March 1992 to 18 March 2042 for hotel use.
2. Pursuant to 2 Construction Land Planning Permits nos. Di Zi Di 2018-021 and Di Zi Di 2018-022 both dated 28 June 2018, the property with a total site area of approximately 19,347.08 sq m was to be developed.
3. Pursuant to 2 Construction Works Planning Permits nos. Jian Zi Di 2018-070 and Jian Zi Di 2019-026 dated 1 November 2018 and 22 May 2019 respectively, construction works of portion of the property with a total gross floor area of approximately 138,223.56 sq m was permitted to be developed.
4. Pursuant to 2 Construction Works Commencement Permits nos. 440402201911150101 and 44040220200108029 dated 15 November 2019 and 9 January 2020 respectively, construction works of portion of the property with a total gross floor area of approximately 138,223.56 sq m was permitted to be constructed.
5. As advised by the Company, the site area of the property is shared with property nos. 1, 2 and 13 and cannot be clearly delineated.
6. As advised by the Company, the construction cost incurred and the projected outstanding construction cost of the property as at the valuation date were approximately RMB59,000,000 and RMB1,762,000,000 respectively. Accordingly, we have taken into account the aforesaid cost in our valuation. In our opinion, the gross development value of the proposed developments of the property, assuming they were completed as at the valuation date, was estimated approximately as RMB2,761,000,000.
7. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
 - (i) the respective owner as stated in note 1 has legally obtained the land use rights of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred, leased, mortgaged or handled in other ways subject to relevant laws and regulations, and approvals from the relevant authorities for obtaining relevant title documents.

Group IV — Property held by the Group for development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 February 2020
15	A Land Parcel located at the North of Qingping Road and South of Shengping Avenue, Jinwan District, Pingsha Town, Zhuhai, Guangdong Province, the PRC	The property comprises a parcel of land with a site area of approximately 72,674.22 sq m. As advised by the Company, no development scheme can be provided. The land use rights of the property have been granted for a term of 70 years for residential use, 40 years for retail and commercial uses, and 50 years for urban road use.	The property is currently vacant. RMB706,000,000 (RENMINBI SEVEN HUNDRED AND SIX MILLION ONLY) (60% interest attributable to the Group: 423,600,000)

Notes:

- Pursuant to the Business Licence with Unified Social Credit No. 91440400MA548UX48J, 珠海平沙九洲開發有限公司, a 60% owned subsidiary of the Company, was incorporated for a term commencing from 31 December 2019 to non-fixed period.
- Pursuant to the Amendment Contract of Land Use Rights Grant Contract No. 4404002019B00879 entered into between Nature Resources Bureau of Zhuhai (“Party A”) and 珠海平沙九洲開發有限公司 dated 7 January 2020, Party A agreed to grant the land use rights of a parcel of land to 珠海平沙九洲開發有限公司. The said contract contains, inter-alia, the following salient conditions:
 - Address : South of Shengping Avenue, North of Qingping Road, Pingsha Town, Zhuhai
 - Site area : 72,674.22 sq m
 - Use : Residential / Retail and Commercial / Urban Road
 - Land use term : 70 years for residential use
40 years for retail and commercial use
50 years for urban road use
 - Plot ratio : 1.99
 - Total gross floor area : 145,023.45 sq m
 - Building covenant : Construction works should be commenced before 4 February 2021 and construction works should be completed before 4 February 2024
 - Land grant fee : RMB706,000,000
- Pursuant to Construction Land Planning Permits no. 440404202000009 dated 3 March 2020, the property was permitted to be developed.

4. We have been provided with the Group's PRC legal adviser's opinion, which inter-alia, contains the followings:
- (i) the respective owner as stated in note 1 has legally obtained the land use rights of the property and is the sole owner of the property;
 - (ii) the property is free from mortgage and encumbrance; and
 - (iii) the property can be legally transferred or handled in other ways.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information to the Offer Shareholders with regard to the Offer, the Offeror and the Group.

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

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	Closing price per Share HK\$
2019	
31 July	0.82
30 August	0.82
30 September	0.91
31 October	0.98
29 November	1.09
31 December	1.20
2020	
20 January (<i>being the Last Trading Day</i>)	1.20
31 January	1.20
28 February	1.19
31 March	1.20
14 April (<i>being the Latest Practicable Date</i>)	1.21

Note: Trading of the Shares was suspended on 21 January 2020 pending the release of the Joint Announcement.

Highest and lowest Share prices

During the Relevant Period,

- (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.32 per Share on 16 December 2019; and
- (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.76 per Share on 5 August 2019, 6 August 2019 and 7 August 2019.

3. DISCLOSURE OF INTERESTS OF THE OFFEROR

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company held, owned or controlled by the Concert Group are as follows:

Name of Shareholder	Capacity	Number of Shares held/ interested	Approximate percentage of the total number of issued Shares (Note 5)
Offeror (Note 1)	Beneficial owner	480,393,909	33.65%
ZJ Holdings (Note 1)	Beneficial owner and interest in controlled corporation	715,593,909	50.12%
Zhuhai SASAC (Note 1)	Interest in controlled corporation	715,593,909	50.12%
Mr. Huang (Note 2)	Beneficial owner	720,000	0.05%
Mr. Jin (Note 3)	Beneficial owner	1,742,000	0.12%
Mr. Ye (Note 4)	Beneficial owner	700,000	0.05%

Notes:

1. 235,200,000 Shares are beneficially held by ZJ Holdings while 480,393,909 Shares are held by the Offeror which is a wholly-owned subsidiary of ZJ Holdings, which in turn is wholly owned by the Zhuhai SASAC.
2. Mr. Huang, an executive Director, the chairman of the Board, a former director of ZJ Holdings and a director of one of the subsidiaries of the Zhuhai SASAC, is beneficially interested in 720,000 Shares.
3. Mr. Jin, an executive Director, the chief executive officer of the Company and a director of ZJ Holdings, is beneficially interested in 1,742,000 Shares.
4. Mr. Ye, an executive Director and a director of ZJ Holdings, is beneficially interested in 700,000 Shares.
5. Based on 1,427,797,174 Shares in issue as at the Latest Practicable Date.

4. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

The Offeror confirms that, save for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement and the following open-market transactions listed below, none of the members of the Concert Group has dealt in any Shares, options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into the Shares during the Relevant Period:

Date of transactions	Name	No. of Shares purchased	Purchase price per Share (HK\$)	Approx. % of the total issued share capital of the Company
27 March 2020	Offeror	17,454,000	1.210	1.22%
		11,032,000	1.200	0.78%
		4,290,000	1.190	0.30%
		1,290,000	1.180	0.09%

The Offeror confirms that, as at the Latest Practicable Date:

- (a) other than the 480,393,909 Shares held by the Offeror, the 235,200,000 Shares held by ZJ Holdings, the 720,000 Shares held by Mr. Huang, the 1,742,000 Shares held by Mr. Jin and the 700,000 Shares held by Mr. Ye, none of the members of the Concert Group holds, owns or has control or direction over any securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (b) each of Mr. Huang, Mr. Jin and Mr. Ye intends to accept the Offer in respect of his own beneficial interest in the Shares;
- (c) none of the members of the Concert Group has received any irrevocable commitment(s) to accept or reject the Offer;

- (d) there is no outstanding derivative in respect of the securities in the Company which has been entered into by any members of the Concert Group;
- (e) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (f) there is no agreement or arrangement to which any members of the Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (g) none of the members of the Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (h) there is no agreement, arrangement or understanding (including any compensation arrangement) exists between any members of the Concert Group and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (i) there is no agreement, arrangement or understanding which may result in the securities of the Company to be acquired in pursuance of the Offer being transferred, charged or pledged to any other persons;
- (j) no benefit (other than statutory compensation) was or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (k) other than acquisition of the Sale Shares, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) any member of the Concert Group or (b) the Company, its subsidiaries or affiliates companies;
- (l) other than the consideration for the Sale Shares, there is no other consideration, compensation or benefit in whatever form or to be paid by any members of the Concert Group to the Seller or parties acting in concert with it in relation to the sale and purchase of the Sale Shares; and
- (m) other than acquisition of the Sale Shares, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any member of the Concert Group on one hand and the Seller or parties acting in concert with it on the other hand.

5. EXPERTS AND CONSENTS

The followings are the names and the qualifications of the professional advisers to the Offeror whose letter, opinion or advice are contained or referred to in this Composite Document:

Name	Qualifications
ECF	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
EIS	a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

Each of ECF and EIS has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its advice, letter/report, and/or references to its name and logo in the form and context in which it appears.

6. MISCELLANEOUS

- (a) The Offeror is Longway Services Group Limited and is an investment holding company incorporated in the BVI and a directly wholly-owned subsidiary of ZJ Holdings which in turn is wholly owned by the Zhuhai SASAC.

The principal members of the Concert Group are the Offeror, ZJ Holdings, the Zhuhai SASAC, Mr. Huang, Mr. Jin and Mr. Ye.

- (b) The registered office of the Offeror is Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, BVI, VG1110.
- (c) The correspondence address of the Offeror is at Jiuzhou Holdings, No. 288 Lover's South Road, Zhuhai City, Guangdong Province, the PRC.
- (d) The directors of the Offeror are Madam CAI Sulan, Mr. KANG Xiaodan and Mr. CHEN Xiaoqi.
- (e) The registered address of ZJ Holdings is at Jidajiuzhou Port, Zhuhai City, Guangdong Province, the PRC.
- (f) The correspondence address of ZJ Holdings is Jiuzhou Holdings, No. 288 Lover's South Road, Zhuhai City, Guangdong Province, the PRC.
- (g) The directors of ZJ Holdings are Mr. ZENG Jianping, Mr. Jin, Mr. Ye, Mr. LI Guibo, Mr. ZOU Chaoyong, Mr. HUANG Jianbin and Mr. WANG Xiandong.

- (h) The registered address of the Zhuhai SASAC is No. 362 Meihua East Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC.
- (i) The correspondence address of Mr. Huang is No. 338 Meihua East Road, Xiangzhou District, Zhuhai City, Guangdong Province, the PRC.
- (j) The correspondence address of Mr. Jin and Mr. Ye is Jiuzhou Holdings, No. 288 Lover's South Road, Zhuhai City, Guangdong Province, the PRC.
- (k) The registered office and correspondence address of each of EIS and ECF is 39/F., One Exchange Square, Central, Hong Kong.
- (l) In the event of inconsistency, the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over the Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) on the website of the SFC (www.sfc.hk); (ii) on the website of the Company at (www.0908.hk); (iii) (during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays, Sundays and gazette public holidays in Hong Kong)) at the principal place of business of the Company at Units 3709-10, 37/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from ECF, the text of which is set out on pages 7 to 16 of this Composite Document; and
- (c) the written consents referred to under the section headed "5. Experts and consents" in this appendix.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Concert Group, the directors of the members of the Concert Group, their associates and parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Offeror and ZJ Holdings) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>	<i>HK\$</i>
4,000,000,000 Shares of HK\$0.10 each	400,000,000.00
<i>Issued and fully paid:</i>	
1,427,797,174 Shares of HK\$0.10 each	142,779,717.40

All of the Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting.

As at the Latest Practicable Date, the Company did not have any outstanding options, derivatives, warrants or other conversion rights affecting the Shares.

The number of Shares in issue at 31 December 2019, being the date to which the latest audited financial statements of the Company were made up, was 1,427,797,174. No Shares had been issued since that date until the Latest Practicable Date.

3. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day (i.e. 20 January 2020); and (iii) the Latest Practicable Date.

Date	Closing price per Share (HK\$)
2019	
31 July	0.82
30 August	0.82
30 September	0.91
31 October	0.98
29 November	1.09
31 December	1.20
2020	
20 January (<i>being the Last Trading Day</i>)	1.20
31 January	1.20
28 February	1.19
31 March	1.20
14 April (<i>being the Latest Practicable Date</i>)	1.21

During the Relevant Period:

- (i) the highest closing price of the Share as quoted on the Stock Exchange was HK\$1.32 per Share on 16 December 2019; and
- (ii) the lowest closing price of the Share as quoted on the Stock Exchange was HK\$0.76 per Share on 5 August 2019, 6 August 2019 and 7 August 2019.

4. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and the chief executives in the Shares and underlying Shares of the Company and its associate corporations

As at the Latest Practicable Date, the interests of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered

in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules; or (iv) which were required to be disclosed under the Takeovers Code, were as follows:

Name of Director	Capacity	Number of Shares (Long position)	Approximate percentage of interests as at the Latest Practicable Date (Note 2)
Mr. HUANG Xin	Beneficial owner	720,000	0.05%
Mr. JIN Tao	Beneficial owner	1,742,000	0.12%
Mr. YE Yuhong	Beneficial owner	700,000	0.05%
Mr. KWOK Hoi Hing (Note 1)	Beneficial owner and interest of controlled corporation	245,170,000	17.17%
Mr. CHU Yu Lin, David	Beneficial owner	2,700,000	0.19%
Mr. Albert HO	Beneficial owner	250,000	0.02%

Notes:

1. Mr. Kwok Hoi Hing held 245,170,000 shares of the Company of which 29,780,000 shares were held through his wholly-owned subsidiary, Surpassing Investment Limited.
2. Based on 1,427,797,174 Shares in issue as at the Latest Practicable Date.

(b) Interests and short positions of substantial shareholders in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as was known to the Directors, the persons or entities who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the issued voting shares of any other member of the Group, or in any options in respect of such share capital were as follows:

Name of substantial Shareholders	Capacity	Number of Shares (Long position)	Approximate percentage of interests as at the Latest Practicable Date (Note 2)
The Offeror (Note 1)	Beneficial owner	480,393,909	33.65%
ZJ Holdings (Note 1)	Beneficial owner and interest of controlled corporation	715,593,909	50.12%
Zhuhai SASAC (Note 1)	Interest of controlled corporation	715,593,909	50.12%

Notes:

- 235,200,000 Shares are beneficially held by ZJ Holdings while 480,393,909 Shares are held by the Offeror which is a wholly-owned subsidiary of ZJ Holdings which in turn is wholly owned by Zhuhai SASAC.
- Based on 1,427,797,174 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any interests or short positions in the Shares and underlying Shares which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

5. DEALINGS IN SECURITIES

- (a) As at the Latest Practicable Date, the Company was not interested in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Offeror, and had not dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Offeror during the Relevant Period.
- (b) Save as disclosed under the paragraph headed “4. Disclosure of interests — (a) Interests and short positions of Directors and the chief executives in the Shares and underlying Shares of the Company and its associate corporations”, as at the Latest Practicable Date, none of the Directors was interested in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company or the Offeror. Save for the sale of the Sale Shares by the Seller to the Offeror pursuant to the Sale and Purchase Agreement and the sale and purchase of Shares by Mr. KWOK Hoi Hing as disclosed below, none of the Directors had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company or the Offeror during the Relevant Period.

Transfer date	Name of relevant company	Name of Director	Number of Shares bought (sold)	Transfer price per Share (HK\$)		
				Average	Lowest	Highest
5 December 2019	The Company	KWOK Hoi Hing	60,000,000	1.15	N/A	1.15
30 December 2019	The Company	KWOK Hoi Hing	(18,000,000) <i>(off exchange)</i>	1.22	N/A	N/A

- (c) As at the Latest Practicable Date, none of the subsidiaries of the Company, the pension funds of the Company or its subsidiaries, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, or had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period.
- (d) As at the Latest Practicable Date, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of class (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code.

- (e) As at the Latest Practicable Date, there were no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which were managed on a discretionary basis by fund managers connected with the Company, and none of them had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period.
- (f) Each of Mr. Huang (who is interested in 720,000 Shares), Mr. Jin (who is interested in 1,742,000 Shares), Mr. Ye (who is interested in 700,000 Shares), Mr. CHU Yu Lin, David (who is interested in 2,700,000 Shares), and Mr. Albert HO (who is interested in 250,000 Shares), is intended to, in respect of his own beneficial interest in all such Shares, accept the Offer; and Mr. KWOK Hoi Hing (who is interested in 245,170,000 Shares) is intended to reject the Offer in respect of his own beneficial interest in all such Shares. Save as disclosed, as at the Latest Practicable Date, none of the Directors has any beneficial interests in any Shares which is subject to the Offer.
- (g) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

- (a) As at Latest Practicable Date, no benefit had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.
- (c) Save for Datuk Wira LIM Hock Guan (a non-executive Director) is a director of the Seller, who entered into the Sale and Purchase Agreement with the Offeror, as at the Latest Practicable Date, the Offeror had not entered into any material contract in which any Director has a material personal interest.

7. SERVICE CONTRACTS OF DIRECTORS

None of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which:

- (a) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period;
- (b) were continuous contracts with a notice period of twelve months or more; or

- (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

None of the Directors had entered into any service contract or had an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

8. MATERIAL CONTRACTS

There had been no material contract, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by members of the Group, entered into by members of the Group after the date falling two years prior to 21 January 2020, being the date of commencement of the Offer Period, and up to the Latest Practicable Date.

9. LITIGATION

As disclosed in the Company's announcement dated 10 September 2008, 20 July 2009, 21 June 2012, 2 October 2013 and 24 January 2014 respectively, and the Company's annual reports for 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018, a letter of intent ("**Letter of Intent**") in relation to the possible acquisition of 80% of the issued share capital in a company ("**Relevant Company**") was entered into in August 2008 (as amended and supplemented) by the Group with a possible vendor ("**Relevant Vendor**", being an independent third party of the Company). The Relevant Company then owned a wholly foreign-owned enterprise established in the PRC. Pursuant to the Letter of Intent, earnest money ("**Earnest Money**") in the amount of RMB26 million was paid by the Company to the Relevant Vendor. The repayment of the Earnest Money was secured by, among others, certain pledge created by the Relevant Vendor over certain shares of the Relevant Company ("**2008 Share Charge**") and a loan assignment executed by a company owned and controlled by the Relevant Vendor, both in favour of the Company.

Since the Company could not reach agreement with the Relevant Vendor on the terms of the proposed acquisition after undertaking detailed due diligence review on the Relevant Company, the Company decided not to proceed with the proposed acquisition and the Letter of Intent was terminated accordingly. However, the Relevant Vendor refused to refund the Earnest Money to the Company. As such, legal proceedings were instituted against the Relevant Vendor for the refund of the Earnest Money. In this connection, receivers ("**Receivers**") were also appointed by the Company under the 2008 Share Charge.

Trial of the case was conducted in the Court of First Instance of the High Court of Hong Kong in May 2012. Judgment ("**CFI Judgment**") was delivered on 7 June 2012. Written reasons for the CFI Judgment were handed down on 19 June 2012. The CFI Judgment was awarded in favour of the Company.

In June 2012, the Relevant Vendor and related parties (“Appellants”) applied for appeal to the CFI Judgment. The appeal was heard before the Court of Appeal on 10 September 2013 and judgment (“CA Judgment”) was handed down on 27 September 2013. Save for an order in the CFI Judgment be substituted with an order that the Company be paid HK\$30 million (instead of the Hong Kong dollars equivalent of RMB26 million) with interest at the best lending rate of Hong Kong banks from 27 May 2009 to 7 June 2012, the appeal was dismissed with costs in the Company’s favour and the CFI Judgment was upheld.

No further appeal against the CA Judgment was filed by the Appellants. For the financial year ended 31 December 2013, a total sum of approximately HK\$40.8 million was received by the Company in partial satisfaction of the CA Judgment, which includes (1) full payment of the Earnest Money with interest thereon and (2) partial payment of agreed costs and interest thereon payable by the Appellants to the Company. For the financial year ended 31 December 2014 (“FY2014”), a further total sum of approximately HK\$2.2 million was received by the Company as partial payment of agreed costs and interest thereon payable by the Appellants to the Company. The Company will soon proceed to assess its damages against the Appellants pursuant to the CFI Judgment and the CA Judgment. Based on the legal advice obtained from its legal advisers, they will liaise with the Receivers when necessary and will proceed to fix the assessment of damages hearing as and when appropriate.

The Company was informed that the Relevant Vendor commenced legal proceedings in the PRC against the Receivers for personal liabilities in the sale of certain assets which indirectly belonged to the Relevant Company. Judgment of such proceedings was given in favour of the Receivers in the first round, and an appeal made by the Relevant Vendor was also dismissed.

The Company was also informed that in August 2013, the Relevant Company commenced proceedings in Hong Kong against the Receivers for recovery of loss in respect of the sale of the assets of the Relevant Company as mentioned above.

So far as the Company is aware, the Company has not been named as a party to any such proceedings brought against the Receivers. However, the Company cannot preclude the possibility of being subsequently named as a party to any of such proceedings. The Company has received requests from the Receivers to seek indemnity from the Company for certain liability (including costs) falling upon the Receivers in connection with the exercise of their powers under the 2008 Share Charge. As advised by the Company’s legal counsel, the Receivers have yet to substantiate its demand for such indemnity from the Company, the Company therefore believes that no provision has to be made in such connection for the time being.

For details of the above matters, please refer to the Company’s announcement dated 10 September 2008, 20 July 2009, 21 June 2012, 2 October 2013 and 24 January 2014 respectively, the Company’s annual reports for 2011, 2012, 2013, 2014, 2015, 2016, 2017 and 2018 and the 2019 Results Announcement.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

10. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following is the qualification of the expert who have given its report, opinion or advice which are contained in this Composite Document:

Name	Qualifications
Southwest Securities (HK) Capital Limited	A corporation licensed by the SFC to conduct, among others, Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Knight Frank Petty Limited	Independent property valuer

Each of the Independent Financial Adviser and the Independent Property Valuer has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, report and references to its name, in the form and context in which they are included.

As at the Latest Practicable Date, none of the above experts had any shareholding, direct or indirect, 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, nor did it have any direct or indirect interest in any assets which had been, since 31 December 2019, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. MISCELLANEOUS

- (a) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its head office and principal place of business in Hong Kong is Units 3709-10, 37/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.
- (b) The registered office of the Independent Financial Adviser is at 40/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (c) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over the Chinese translation in the case of inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and gazette public holidays in Hong Kong) at the principal place of business 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; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of the Company (www.0908.hk) during the period from the date of this Composite Document onwards for as long as the Offer remain open for acceptance:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual report of the Group for the financial years ended 31 December 2017 and 2018 and the 2019 Results Announcement;
- (c) a copy of this Composite Document;
- (d) the letter dated 17 April 2020 from the Board as set out on pages 17 to 23 of this Composite Document;
- (e) the letter dated 17 April 2020 from the Independent Board Committee to the Offer Shareholders as set out on pages 24 to 25 of this Composite Document;
- (f) the letter dated 17 April 2020 from the Independent Financial Adviser to the Independent Board Committee as set out on pages 26 to 47 of this Composite Document;
- (g) the full property valuation report dated 17 April 2020 on the properties held by the Group prepared by Independent Property Valuer, a summary of which is set out in Appendix III to this Composite Document; and
- (h) the letters of consent referred to under the paragraph headed “10. Qualifications and consents of experts” in this Appendix.