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**HONG KONG INTERNATIONAL CONSTRUCTION
INVESTMENT MANAGEMENT GROUP CO., LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
THE FORMATION OF THE FUND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO
THE RECEIPT OF MANAGEMENT FEE
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

FORMATION OF THE FUND

The Board is pleased to announce that on 30 November 2017 (after trading hours), (i) the Amended and Restated Exempted Limited Partnership Agreement was entered into between Hisea International, BDL III (a direct wholly-owned subsidiary of the Company) and HKICIM (GP) III (an indirect wholly-owned subsidiary of the Company) in relation to the formation of the Fund; and (ii) the Subscription Agreement was entered into in relation to the capital commitment of BDL III to the Fund. Pursuant to the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement, both BDL III and HKICIM (GP) III have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK\$633.16 million to the Fund, representing approximately 16.57% of the Committed Fund Size.

The purpose of the Fund is primarily to (i) invest in the 6562 Land Parcel, with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of the General Partner.

Subject to the approval of the Independent Shareholders in connection with the 6562 Subscription, Hisea International will transfer its entire issued shares of Sky Hero to the Fund, and the Fund will allot and issue the Consideration Shares to Hisea International. As a result, the Fund will become the sole shareholder of Sky Hero.

RECEIPT OF 6562 MANAGEMENT FEE

Pursuant to the Amended and Restated Exempted Limited Partnership Agreement, from the Initial Closing Date till the end of the term of the Fund, the General Partner will receive an annual 6562 Management Fee from the Fund equal to 1.00% of the aggregate capital commitments of the Fund as compensation for managing the affairs of the Fund.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hisea International is a wholly-owned subsidiary of HNA Holding Group, which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company. Accordingly, both Hisea International and the Fund are associates of HNA Finance I, and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the 6562 Subscription and receipt of the 6562 Management Fee, constitute a connected transaction and a continuing connected transaction of the Company respectively, under Chapter 14A of the Listing Rules.

6562 Subscription

Reference is made to the announcement of the Company dated 13 October 2017 in relation to the formation of the HKICIM Fund II, L.P., and receipt of the management fee (the “**Previous 6565 Subscription**”). Given that (i) the 6562 Subscription was entered into within 12 months after completion of the Previous 6565 Subscription; and (ii) both the Previous 6565 Subscription and the 6562 Subscription were entered into between a member of the Group and the same connected person and/or his associates, the 6562 Subscription and the Previous 6565 Subscription are required to be aggregated pursuant to Rules 14.22 and Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the 6562 Subscription and the Previous 6565 Subscription in aggregate under the Listing Rules is more than 5% but less than 25%, the 6562 Subscription and the Previous 6565 Subscription in aggregate constitute (i) a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders approval requirements under Chapter 14A of the Listing Rules.

Receipt of 6562 Management Fee

As mentioned above, since the 6562 Subscription will be aggregated with the Previous 6565 Subscription under the Listing Rules and that the receipt of the 6562 Management Fee is governed pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement, the continuing connected transactions in respect of the receipts of the 6562 Management Fee and the 6565 Management Fee will be aggregated under Rule 14A.83 of the Listing Rules. As the highest applicable percentage ratio in respect of the receipts of the 6562 Management Fee and the 6565 Management Fee in aggregate exceeds 0.1% but less than 5%, the receipts are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules only but exempt from the Independent Shareholders approval requirement. Pursuant to Rule 14A.52 of the Listing Rules, it requires that the term of an agreement governing the continuing connected transaction of an issuer must not exceed three years except in special circumstances where the nature of the transaction requires it to be of a longer duration. Since the Amended and Restated Exempted Limited Partnership Agreement has a term of more than three years, the Company has appointed Lego Corporate Finance Limited as its independent financial adviser to explain as to why a longer period is required and to confirm that it is normal business practice for agreements of the same type as the Amended and Restated Exempted Limited Partnership Agreement to be of such duration. Details of the explanation and confirmation of the independent financial adviser regarding the duration of the Amended and Restated Exempted Limited Partnership Agreement will be included in the circular of the Company to be despatched to the Shareholders on or before 21 December 2017.

SGM & DESPATCH OF CIRCULAR

The SGM will be convened to consider and, if thought fit, to approve the 6562 Subscription. HNA Finance I and its associates shall abstain from voting at the SGM.

The Company expects that a circular containing, among other things, (i) further details of the 6562 Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the 6562 Subscription; (iii) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the 6562 Subscription; (iv) the explanation and confirmation of the independent financial adviser regarding the duration of the Amended and Restated Exempted Limited Partnership Agreement; (v) the property valuation of the 6562 Land Parcel; and (vi) the notice of the SGM and form of proxy, will be despatched to the Shareholders on or before 21 December 2017.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders, and the Company has appointed Lego Corporate Finance Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 6562 Subscription.

WARNING

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE 6562 SUBSCRIPTION AND RECEIPT OF THE 6562 MANAGEMENT FEE ARE SUBJECT TO CONDITIONS BEING SATISFIED, AND CONSEQUENTLY THE 6562 SUBSCRIPTION AND RECEIPT OF THE 6562 MANAGEMENT FEE MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

INTRODUCTION

The Board is pleased to announce that on 30 November 2017 (after trading hours), (i) the Amended and Restated Exempted Limited Partnership Agreement was entered into between Hisea International, BDL III (a direct wholly-owned subsidiary of the Company) and HKICIM (GP) III (an indirect wholly-owned subsidiary of the Company) in relation to the formation of the Fund; and (ii) the Subscription Agreement was entered into in relation to the capital commitment of BDL III to the Fund. Pursuant to the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement, both BDL III and HKICIM (GP) III have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK\$633.16 million to the Fund, representing approximately 16.57% of the Committed Fund Size.

The purpose of the Fund is primarily to (i) invest in the 6562 Land Parcel, with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of the General Partner.

Subject to the approval of the Independent Shareholders in connection with the 6562 Subscription, Hisea International will transfer its entire issued shares of Sky Hero to the Fund, and the Fund will allot and issue the Consideration Shares to Hisea International. As a result, the Fund will become the sole shareholder of Sky Hero.

RECEIPT OF 6562 MANAGEMENT FEE

Pursuant to the Amended and Restated Exempted Limited Partnership Agreement, from the Initial Closing Date till the end of the term of the Fund, the General Partner will receive an annual 6562 Management Fee from the Fund equal to 1.00% of the aggregate capital commitments of the Fund as compensation for managing the affairs of the Fund.

THE AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Amended and Restated Exempted Limited Partnership Agreement are set out below:

Date

30 November 2017 (after trading hours)

Parties

- (a) BDL III (as Limited Partner);
- (b) Hisea International (as Limited Partner); and
- (c) HKICIM (GP) III (as General Partner)

Purpose of the Fund

The purpose of the Fund is primarily to (i) invest in the 6562 Land Parcel, with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investment, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of the General Partner. The Fund will not be responsible for the development of the 6562 Land Parcel.

As at the date of this Announcement, save for the investment in the 6562 Land Parcel, the Fund has no other investment plans and does not expect to have any other investment plans.

Commencement and duration of the Fund

The Fund was established on 21 November 2017 pursuant to the terms of an initial limited partnership agreement. Pursuant to the Amended and Restated Exempted Limited Partnership Agreement, the Limited Partners shall be bound by the Amended and Restated Exempted Limited Partnership Agreement at such time as (i) a

subscription agreement or a counterpart thereof is executed by such Limited Partner and accepted by the General Partner, and (ii) the Amended and Restated Exempted Limited Partnership Agreement is executed by all relevant parties (the “**Initial Closing Date**”).

Subject to the Amended and Restated Exempted Limited Partnership Agreement and the applicable laws and regulations, the Fund shall continue until expiry of the fifth (5th) anniversary of the Initial Closing Date. The term of the Fund may be shortened, or extended for up to a maximum of two consecutive one-year periods, as determined by the General Partner at its sole discretion. If the term of the Fund extends after its expiry, the Company will re-comply with the applicable Listing Rules.

Committed Fund Size

The Committed Fund Size shall be approximately HK\$3,821 million, and is determined with reference to (i) the Adjusted NAV of the Sky Hero Group of approximately HK\$3,188.14 million; and (ii) the total projected development costs of the 6562 Land Parcel deducted by the maximum banking facilities which the Fund is able to obtain under normal market practice according to the discussion between management of the Group and independent banks. The respective commitments of the Partners are set out as follows:

Partners	Commitments HK\$ (million) Approximately	Percentage (%) Approximately
BDL III (as Limited Partner)	594.95	15.57
Hisea International (as Limited Partner)	3,188.14	83.43
HKICIM (GP) III (as General Partner)	38.21	1.00

Each Limited Partner shall contribute capital to the Fund upon notice from the General Partner at such time as the General Partner shall deem appropriate, as specified therein. The notice shall specify the amount of such capital to be made by the respective Limited Partner and the time at which such capital to be made.

Each of the Partners shall contribute capital to the Fund proportionally in accordance with their respective commitments pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement and the relevant Subscription Agreement. HKICIM (GP) III shall contribute its 1.00% of the Committed Fund Size pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement. As at the date of this announcement, apart from the capital commitments

as provided in this announcement made pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement and the relevant Subscription Agreement, each of BDL III (as Limited Partner) and HKICIM (GP) III (as General Partner) does not have any other capital commitments to the Fund.

The capital commitment to be made by Hisea International was determined at arm's length negotiation with reference to the Adjusted NAV of the Sky Hero Group of approximately HK\$3,188.14 million.

The capital commitment to be made by BDL III and HKICIM (GP) III to the Fund were determined after arm's length negotiation among the parties under the Amended and Restated Exempted Limited Partnership Agreement, with reference to the total projected development costs of the 6562 Land Parcel deducted by the maximum banking facilities which the Fund is able to obtain under normal market practice according to the discussion between management of the Group and independent banks. The Company intends to finance the capital commitments of BDL III and HKICIM (GP) III by using internal resources of the Group.

Distributions

The General Partner may, in its sole discretion, determine to cause the Fund to make distributions of cash, securities and other property to the Partners at any time and from time to time pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement. Notwithstanding the foregoing, the General Partner shall use commercially reasonable efforts to cause the Fund to distribute the full net cash proceeds from the disposition of investments promptly after such disposition, but in no event later than 90 days after receipt thereof, in each case, subject to the availability of cash after paying expenses of the Fund and after setting aside appropriate reserves for anticipated liabilities, obligations and commitments of the Fund (including payment of the 6562 Management Fees).

Investment Proceeds from investment in respect of the 6562 Land Parcel shall be apportioned preliminary among the Partners in proportion to their sharing percentages with respect to the applicable investment. The amount so apportioned to any Partner shall generally be distributed between the General Partner and such Partner (subject to the terms of the Amended and Restated Exempted Limited Partnership Agreement) as follows:

- (a) First, 100% to such Partner until such Partner has received cumulative distributions equal to such Partner's aggregate capital contributions in connection with making, maintaining or disposing of any investment by the Fund.

(b) Second, 100% to such Partner until such Partner has received 6% per annum annually compounded internal rate of return on its aggregate capital contributions referred to in (a).

(c) Third, thereafter, (i) 20% to the General Partner and (ii) 80% to such Partner.

Within 90 days after the end of each fiscal year commencing with the first year in which the Fund is in operation for a full fiscal year, the General Partner shall furnish to each Limited Partner financial statements for the Fund for such year, audited by a firm of independent certified public accountants of recognized international standing selected by the General Partner and prepared in accordance with the International Financial Reporting Standards.

Role of the General Partner

The General Partner is responsible for the day-to-day operation and management of the Fund, including without limitation, performing the management and administrative services necessary for the operation of the Fund, opening, maintaining and closing accounts with banks, brokers and custodians, and retaining third parties for necessary services relating to the operation of the Fund. Subject to the terms of the Amended and Restated Exempted Limited Partnership Agreement, the management of the Fund shall be vested exclusively in the General Partner (acting directly or through its duly appointed agents), and the General Partner shall be responsible for the conduct of the business, assets and affairs of the Fund, and the General Partner has the power on behalf and in the name of the Fund to carry out any and all of the objectives and purposes of the Fund.

The Limited Partners in their capacity as such shall not participate in the management, direction or operation of the affairs or take part in the conduct of the business of the Fund and shall have no power to bind the Fund. The rights and obligations of the Partners are governed under the Amended and Restated Exempted Limited Partnership Agreement, including the rights of the Limited Partners holding at least 75% of the aggregate commitments to require the winding up and dissolution of the Fund, and the rights of the Limited Partners to approve any transfer of general partner interest in the Fund by the General Partner (other than to one of its affiliates).

6562 Management Fee

From the Initial Closing Date, the Fund will pay the General Partner an annual 6562 Management Fee equal to 1.00% of the aggregate capital commitments of the Fund as at December 31 of each calendar year as compensation for managing the affairs of the Fund.

The proposed annual caps for the 6562 Management Fee for each of the year during the term of the Fund pursuant to the Amended and Restated Exempted Limited Partnership Agreement will not exceed HK\$38.22 million.

In arriving at the above proposed annual caps for the 6562 Management Fee, the Directors have taken into account (i) the nature of the investment by the Fund, (ii) the expected level of management activities required from the General Partner over the term of the Fund, and (iii) the market range of management fees charged by other fund sponsors.

Transfer of interest in the Fund

Subject to the terms of the Amended and Restated Exempted Limited Partnership Agreement, any transfer of interest in the Fund by a Limited Partner is subject to the consent of the General Partner in its absolute discretion.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out below:

Date

30 November 2017 (after trading hours)

Subscriber

BDL III

Pursuant to the Subscription Agreement, BDL III shall (i) irrevocably subscribe for and covenant to purchase from the Fund an interest as a Limited Partner in the Fund with a capital commitment of approximately HK\$594.95 million to the Fund, representing approximately 15.57% of the Committed Fund Size; (ii) covenant to become a Limited Partner of the Fund upon acceptance; and (iii) covenant to be bound by the terms and provisions of the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement.

Conditions Precedent

The acceptance of the Subscription Agreement by the General Partner, the admission of BDL III as a Limited Partner and any obligations of BDL III to pay or contribute to the Fund under the Subscription Agreement and the Amended and Restated

Exempted Limited Partnership Agreement shall be conditional upon the following conditions being satisfied or waived by BDL III:

- (a) execution and delivery of the relevant subscription agreement and the Amended and Restated Exempted Limited Partnership Agreement by BDL III and Hisea International; and
- (b) all necessary consent and approval from the shareholders, financial institutions, competent governmental authorities or regulators required to be obtained on the part of any members of the Group in respect of the Subscription Agreement, the Amended and Restated Exempted Limited Partnership Agreement and the transactions contemplated thereunder, including the approval from the general meeting of the Company having been obtained and remain in full force and effect.

INFORMATION ON THE GROUP AND THE PARTIES TO THE LIMITED PARTNERSHIP AGREEMENT AND THE SUBSCRIPTION AGREEMENT

The Company is a company incorporated under the laws of Bermuda with limited liability, and is an investment holding company. The Group's principal business includes property development, foundation piling and site investigation in Hong Kong and property investment and management.

BDL III is a company incorporated under the laws of the BVI with limited liability, and is an investment holding company. It is a direct wholly-owned subsidiary of the Company.

HKICIM (GP) III is a company incorporated under the laws of the Cayman Islands with limited liability, and is the General Partner of the Fund. It is an indirect wholly-owned subsidiary of the Company.

Hisea International is a company incorporated under the laws of the BVI with limited liability. It is a wholly-owned subsidiary of HNA Holding Group, and it is an investment holding company.

Subject to completion of the Fund's investment in Sky Hero, the Fund will become the sole shareholder of Sky Hero which holds the 6562 Land Parcel immediately following completion of its investment in Sky Hero. The development of a land parcel will require the contribution and synergy of different experts and professional parties, who may or may not belong to the same group as the investor of such land parcel. The Company is of the view that the Group as both investor of the Fund whereby the Fund will not be responsible for the development of the 6562 Land Parcel and the potential tenderer for the provision of the foundation services for the

6562 Land Parcel will not have any conflict of interest. Upon completion of the 6562 Subscription, the equity interest in the Fund will be owned as to approximately 15.57%, 83.43% and 1.00%, by BDL III (as Limited Partner), Hisea International (as Limited Partner) and HKICIM (GP) III (as General Partner), respectively. Accordingly, the financial results of the Fund will not be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE 6562 SUBSCRIPTION AND RECEIPT OF THE 6562 MANAGEMENT FEE

The purpose of the Fund is primarily to (i) invest in the 6562 Land Parcel, with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of the General Partner.

The Board believes that the 6562 Subscription will improve the profit of the Group and also its capital utilization, as the General Partner, the Group will receive an annual 6562 Management Fee equal to 1.00% of the aggregate capital commitments of the Fund. In addition, the Group will also receive additional distributions if the Fund has excess proceeds for distribution. The annual 6562 Management Fee will provide a stable income to the Group and will enhance the Group's profit during the investment period of the Fund. As the Limited Partner, the 6562 Subscription will enable the Group to share the income and capital appreciation to be generated from the development of the 6562 Land Parcel.

The Company came across the opportunity of the 6562 Subscription since both Hisea International and the Group are subsidiaries of the HNA Holding Group, and the Group owns the 6563 and 6564 Land Parcels, and has interest in the 6565 Land Parcel, which are adjacent to the 6562 Land Parcel. Taking into account (i) the enhanced cumulated branding effect; and (ii) the effectiveness of sales strategy and strengthened pricing power from development of the three adjacent land parcels in the same geographical area, Hisea International and the Group consider this is an opportunity to invest together to maximize the benefits in the development of the three land parcels. With HKICIM (GP) III being the General Partner to manage the operation of the Fund, the Board believes that such arrangement will create synergy in the development of the land parcels and generate additional income and enhance the overall return to the Group.

The Investment Proceeds of the Fund are expected to be distributed to the Limited Partners in 2022, which will further increase the capital gain and profit of the Group.

Given that the prospects of the Hong Kong property market remains optimistic and in particular the positive outlook of the East Kowloon, the Directors believe that the 6562 Subscription will enlarge the Group's property business in Hong Kong with an increase in the number of land parcel for development, which will be conducive to the Group's property development business. The 6562 Subscription will enable the Group to explore and expand additional sources of profit.

In light of the above, the Directors are of the view that the 6562 Subscription is in line with the overall development strategy of the Group and will be conducive to the Company's property development business. Although there is no minimum guarantee Investment Proceeds pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement, in consideration of (i) the initiatives of the Hong Kong government, as reiterated in consecutive past policy addresses, to transform Kowloon East into an additional premier central business district in Hong Kong and the announcement of the first Energizing Kowloon East Conceptual Master Plan in 2011; (ii) the optimistic prospects of the Hong Kong property market and in particular the positive outlook of East Kowloon; (iii) the potential of the development of the 6562 Land Parcel; (iv) after taking into account the market value of the 6562 Land Parcel of approximately HK\$5,833 million, as appraised by Knight Frank Petty Limited as at 17 November 2017, as compared to the cost of the 6562 Land Parcel of approximately HK\$5,412 million, the Adjusted NAV of Sky Hero Group will increase to approximately HK\$3,537 million, which represents a premium to the capital commitment of Hisea International and is thus favourable to the Group; and (v) the benefits of the 6562 Subscription as stated above, the Directors are of the view that the transactions contemplated under the 6562 Subscription (including receipt of the 6562 Management Fee) are fair and reasonable, on normal commercial terms and in the interest of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Hisea International is a wholly-owned subsidiary of HNA Holding Group, which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company. Accordingly, both Hisea International and the Fund are associates of HNA Finance I, and are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the 6562 Subscription and receipt of the 6562 Management Fee, constitute a connected transaction and a continuing connected transaction of the Company respectively, under Chapter 14A of the Listing Rules.

6562 Subscription

Reference is made to the announcement of the Company dated 13 October 2017 in relation to the Previous 6565 Subscription. Given that (i) the 6562 Subscription was entered into within 12 months after completion of the Previous 6565 Subscription;

and (ii) both the Previous 6565 Subscription and the 6562 Subscription were entered into between a member of the Group and the same connected person and/or his associates, the 6562 Subscription and the Previous 6565 Subscription are required to be aggregated pursuant to Rules 14.22 and Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio in respect of the 6562 Subscription and the Previous 6565 Subscription in aggregate under the Listing Rules is more than 5% but less than 25%, the 6562 Subscription and the Previous 6565 Subscription in aggregate constitute (i) a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules; and (ii) a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders approval requirements under Chapter 14A of the Listing Rules.

Receipt of 6562 Management Fee

As mentioned above, since the 6562 Subscription will be aggregated with the Previous 6565 Subscription under the Listing Rules and that the receipt of the 6562 Management Fee is governed pursuant to the terms of the Amended and Restated Exempted Limited Partnership Agreement, the continuing connected transactions in respect of the receipts of the 6562 Management Fee and the 6565 Management Fee will be aggregated under Rule 14A.83 of the Listing Rules. As the highest applicable percentage ratio in respect of the receipt of the 6562 Management Fee and the 6565 Management Fee in aggregate exceeds 0.1% but less than 5%, the receipts are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules only but exempt from the Independent Shareholders approval requirement. Pursuant to Rule 14A.52 of the Listing Rules, it requires that the term of an agreement governing the continuing connected transaction of an issuer must not exceed three years except in special circumstances where the nature of the transaction requires it to be of a longer duration. Since the Amended and Restated Exempted Limited Partnership Agreement has a term of more than three years, the Company has appointed Lego Corporate Finance Limited as its independent financial adviser to explain as to why a longer period is required and to confirm that it is normal business practice for agreements of the same type as the Amended and Restated Exempted Limited Partnership Agreement to be of such duration. Details of the explanation and confirmation of the independent financial adviser regarding the duration of the Amended and Restated Exempted Limited Partnership Agreement will be included in the circular of the Company to be despatched to the Shareholders on or before 21 December 2017.

SGM & DESPATCH OF CIRCULAR

The SGM will be convened to consider and, if thought fit, to approve the 6562 Subscription. HNA Finance I and its associates shall abstain from voting at the SGM.

The Company expects that a circular containing, among other things, (i) further details of the 6562 Subscription; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders regarding the 6562 Subscription; (iii) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the 6562 Subscription; (iv) the explanation and confirmation of the independent financial adviser regarding the duration of the Amended and Restated Exempted Limited Partnership Agreement; (v) the property valuation of the 6562 Land Parcel; and (vi) the notice of the SGM and form of proxy, will be despatched to the Shareholders on or before 21 December 2017.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders.

Lego Corporate Finance Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the discloseable and connected transaction in relation to the 6562 Subscription.

WARNING

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE 6562 SUBSCRIPTION AND RECEIPT OF THE 6562 MANAGEMENT FEE ARE SUBJECT TO CONDITIONS BEING SATISFIED, AND CONSEQUENTLY THE 6562 SUBSCRIPTION AND RECEIPT OF THE 6562 MANAGEMENT FEE MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

DEFINITIONS

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

“6562 Land Parcel” the piece or parcel of ground registered in the Land Registry as New Kowloon Inland Lot No. 6562 together with the messuages erections and buildings thereon, which is held by Denco as at the date of this announcement, with a total site area of approximately 8,803 square metres. The 6562 Land Parcel was awarded in a tender at a premium of approximately HK\$5,412 million on 16 December 2016

“6562 Management Fee”	the annual management fee which the General Partner will receive from the Fund
“6562 Subscription”	the transactions contemplated under the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement
“6563 and 6564 Land Parcels”	the piece of land parcel known as New Kowloon Inland Lot No. 6563, on Kai Tak Area 1L Site 2, Kai Tak, Kowloon, Hong Kong with a total site area of approximately 9,482 square metres and the piece of land parcel known as New Kowloon Inland Lot No. 6564, on Kai Tak Area 1L Site 1, Kai Tak, Kowloon, Hong Kong with a total site area of approximately 7,318 square metres
“6565 Land Parcel”	the piece of land parcel known as New Kowloon Inland Lot No. 6565, on Kai Tak Area 1K Site 3, Kai Tak, Kowloon, Hong Kong with a total site area of approximately 11,262 square metres
“Adjusted NAV”	the consolidated net asset value of the Sky Hero Group of approximately HK\$3,188.14 million upon completion of the Surrender which was adjusted from the consolidated net asset value of the Sky Hero Group of approximately HK\$6,388.14 million based on the management accounts of the Sky Hero Group as at 30 September 2017
“Amended and Restated Exempted Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement dated 30 November 2017 entered into between the Limited Partners and the General Partner in relation to the 6562 Subscription
“associate”	has the meaning ascribed to it under the Listing Rules
“BDL III”	Benefit Developments III Limited, a company incorporated under the laws of the BVI with limited liability, and is a direct wholly-owned subsidiary of the Company
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Circular”	the circular to be sent to the Shareholders in relation to, among other things, the 6562 Subscription

“Committed Fund Size”	approximately HK\$3,821 million, the aggregate amount of capital agreed to be contributed to the Fund by each of the Limited Partners and the General Partner
“Company”	Hong Kong International Construction Investment Management Group Co., Limited (香港國際建設投資管理集團有限公司), a company incorporated under the laws of Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	the allotment and issuance of 83.43% interest by the Fund to Hisea International
“continuing connected transaction”	has the meaning ascribed to it under Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Denco”	Denco Properties Limited, a company incorporated under the laws of Hong Kong with limited liability and is a wholly-owned subsidiary of Sky Hero;
“Director(s)”	director(s) of the Company
“EAL”	Elite Acme Limited, a company incorporated under the laws of the BVI with limited liability, and is a subsidiary of HNA Holding Group
“Fund”	HKICIM Fund III, L.P., an exempted limited partnership established in the Cayman Islands
“General Partner”	HKICIM (GP) III, the general partner of the Fund
“Group”	the Company and its subsidiaries
“Hisea International”	Hisea International Co., Ltd., a company incorporated under the laws of the BVI with limited liability, and is a wholly-owned subsidiary of the HNA Holding Group

“HKICIM (GP) III”	HKICIM (GP) III Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and is an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HNA Finance I”	HNA Finance I Co., Ltd., a company incorporated under the laws of Anguilla with limited liability, and is the controlling shareholder of the Company
“HNA Holding Group”	HNA Holding Group Co., Ltd., a company incorporated under the laws of the PRC and is the holding company of HNA Finance I
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the 6562 Subscription
“Independent Shareholders”	Shareholders (other than HNA Finance I and its associates)
“Investment Proceeds”	all cash, securities and other property received by the Fund after the deduction of any indebtedness, payments and expenses or taxes borne by the Fund
“Limited Partner(s)”	BDL III and Hisea International
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partner(s)”	collectively, the General Partner and the Limited Partners, and “Partner” means, individually, either the General Partner or any Limited Partner
“percentage ratio”	has the meaning ascribed to it under the Listing Rules, as applicable to a transaction
“PRC”	the People’s Republic of China
“SGM”	a special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the 6562 Subscription

“Share(s)”	ordinary shares(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Sky Hero”	Sky Hero Developments Limited, a company incorporated under the laws of the BVI with limited liability, and is an indirect subsidiary of HNA Holding Group. Sky Hero holds the entire issued share capital of Denco which in turn is the sole registered and beneficial owner of the 6562 Land Parcel
“Sky Hero Group”	Sky Hero and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 30 November 2017 entered into by BDL III pursuant to which BDL III has agreed to commit a cash contribution of approximately HK\$594.95 million to the Fund
“Surrender”	the surrender whereby Sky Hero will surrender 50.07% of the issued shares of Sky Hero held by EAL, representing the value of approximately HK\$3,200 million, which will be set-off against the equivalent amount owed by EAL to Sky Hero. Completion of the Amended and Restated Exempted Limited Partnership Agreement is subject to completion of the Surrender
“%”	per cent.

By Order of the Board
**HONG KONG INTERNATIONAL CONSTRUCTION
INVESTMENT MANAGEMENT GROUP CO., LIMITED**
Huang Qijun
Chairman

Hong Kong, 30 November 2017

As at the date of this announcement, the executive Directors of the Company are Mr. Huang Qijun, Mr. Zhao Quan, Mr. Fung Chiu Chak, Victor, Mr. Liu Junchun, Mr. Mu Xianyi, Mr. Wong Tai Lun Kenneth and Mr. Mung Hon Ting Jackie; the non-executive Directors of the Company are Mr. Tang King Shing and Mr. Tang Kit; and the independent non-executive Directors of the Company are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George, Mr. Li Kit Chee and Mr. Leung Kai Cheung.

Company website: www.hkicimgroup.com