

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 announcement.*



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

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 687)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE PROVISION OF MANAGEMENT SERVICE TO THE FUND**

**FORMATION OF THE FUND**

The Board announces that on 6 March 2018 (after trading hours), (i) the Amended and Restated Exempted Limited Partnership Agreement was entered into between the General Partner (an indirect wholly-owned subsidiary of the Company) and the Limited Partners in relation to the formation of the Fund; and (ii) the Subscription Agreement was entered into in relation to the capital commitment of Hong Kong IIG to the Fund. Pursuant to the Subscription Agreement, Hong Kong IIG has agreed to make a non-cash capital commitment of HK\$1.5 billion to the Fund.

The purpose of the Fund is primarily (i) to make unquoted investments, in general by subscribing for investments in new private equity funds and by buying secondary interests in existing private equity funds and (ii) to acquire direct holdings in unquoted companies.

## **RECEIPT OF MANAGEMENT FEE**

Pursuant to the Amended and Restated Exempted Limited Partnership Agreement, from the Initial Closing till the end of the term of the Fund, the General Partner will, as compensation for managing the affairs of the Fund, receive an annual Management Fee from the Fund equals to 2.00% of: (i) during the Commitment Period, the Committed Fund Size; and (ii) thereafter, the aggregate capital contributions made by each Limited Partner less capital contributions made in respect of investments that have been realized, disposed of or written off.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Hong Kong IIG is a non-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 Hong Kong IIG 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 receipt of the Management Fee, constitutes a continuing connected transaction of the Company respectively, under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the proposed annual cap for the Management Fee for each of the three years during the initial term of the Fund exceeds 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules only but exempt from the requirement of independent shareholders' approval.

## **INTRODUCTION**

The Board announces that on 6 March 2018 (after trading hours), (i) the Amended and Restated Exempted Limited Partnership Agreement was entered into between the General Partner (an indirect wholly-owned subsidiary of the Company) and the Limited Partners in relation to the formation of the Fund; and (ii) the Subscription Agreement was entered into in relation to the capital commitment of Hong Kong IIG to the Fund. Pursuant to the Subscription Agreement, Hong Kong IIG as a limited partner of the Fund has agreed to make a non-cash capital commitment of HK\$1.5 billion to the Fund. The General Partner shall manage the Fund in return for the Management Fee and is not required to make any capital contribution to the Fund other than a nominal contribution solely for the purposes of the valid formation of the Fund.

The purpose of the Fund is primarily to (i) to make unquoted investments, in general by subscribing for investments in new private equity funds and by buying secondary interests in existing private equity funds and (ii) to acquire direct holdings in unquoted companies.

## **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**

6 March 2018 (after trading hours)

### **Parties**

- (a) Hong Kong IIG (as limited partner);
- (b) MU Xianyi (as initial limited partner); and
- (c) the General Partner (as general partner)

### **Purpose of the Fund**

The purpose of the Fund is primarily (i) to make unquoted investments, in general by subscribing for investments in new private equity funds and by buying secondary interests in existing private equity funds and (ii) to acquire direct holdings in unquoted companies.

### **Commencement and duration of the Fund**

The Fund was established on 27 February 2018 pursuant to the terms of an initial limited partnership agreement. Pursuant to the Amended and Restated Exempted Limited Partnership Agreement, the Limited Partner(s) 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**”). Immediately following the admission of one or more limited partners to the Fund at the Initial Closing, the initial limited partner shall cease to be a Partner and shall have no further interest in, right or claim against, or obligation of any kind whatsoever to, the Fund. In light of Hong Kong IIG committing to be a limited partner of the Fund pursuant to the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement, the initial limited partner shall cease to be a Partner accordingly. Pursuant to the said initial limited

partnership agreement, the initial limited partner of the Fund is to facilitate, for administrative purpose, the initial establishment of the Fund pending the entering into of the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement.

Subject to the Amended and Restated Exempted Limited Partnership Agreement and the applicable laws and regulations, the Fund shall continue until expiry of the third anniversary of the Initial Closing, provided that the General Partner may extend the term of up to one year with the consent of the Limited Partner(s). Such extension shall be agreed between the General Partner and the Limited Partner(s) at least 6 months in advance of such extension. The Company will comply with the then applicable requirements under the Listing Rules (if required) should the General Partner determine to extend the term of the Fund.

### **Committed Fund Size**

It is expected that the Committed Fund Size shall be HK\$1.5 billion which shall be contributed by Hong Kong IIG as a limited partner pursuant to the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement. The General Partner is not required to make any capital contribution to the Fund other than a nominal contribution solely for the purposes of the valid formation of the Fund.

### **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.

### **Role of the General Partner**

The General Partner is responsible for the day-to-day operation and management of the Fund, including without limitation, direct the formulation of investment policies and strategies of the Fund, make all decisions concerning the investigation, selection, negotiation, structuring, commitment to, realization, sale, exchange, redemption, repayment, repurchase or other disposal of investment of the Fund, performing the management and administrative services necessary for the operation of the Fund 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 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 Partner(s) in such capacity 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.

### **Management Fee**

From the Initial Closing till the end of the term of the Fund, the Fund will pay the General Partner an annual Management Fee equals to 2.00% of: (i) during the Commitment Period, the Committed Fund Size; and (ii) thereafter, the aggregate capital contributions made by each Limited Partner less capital contributions made in respect of investments that have been realized, disposed of or written off, as compensation for managing the affairs of the Fund. The Management Fee will accrue semi-annually in arrears and payable to the General Partner from, and following the receipt by the Fund of, any disposition proceeds or income.

Based on the Committed Fund Size and for the purpose of Chapter 14A.53 of the Listing Rules, the Company determines that the annual cap for the Management Fee for each of the three year during the initial term of the Fund pursuant to the Amended and Restated Exempted Limited Partnership Agreement will not exceed HK\$30 million, calculated based on 2% of HK\$1.5 billion.

In arriving at the above proposed annual caps for the 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.

### **THE SUBSCRIPTION AGREEMENT**

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

#### **Date**

6 March 2018 (after trading hours)

#### **Subscriber**

Hong Kong IIG

## **Commitment of Hong Kong IIG as the limited partner**

Pursuant to the Subscription Agreement, Hong Kong IIG shall (a) irrevocably subscribe for and covenant to purchase from the Fund an interest as a limited partner of the Fund with a capital commitment of HK\$1.5 billion; (b) covenant to become a limited partner of the Fund upon acceptance; and (c) covenant to be bound by the terms and provisions of the Amended and Restated Exempted Limited Partnership Agreement and the Subscription Agreement. Pursuant to the Subscription Agreement, the capital commitment to be made by Hong Kong IIG in the amount of HK\$1.5 billion shall comprise of non-cash assets being the entire issued share capital of (i) Elite ACME Limited; (ii) Perfect Jade Holdings Limited; and (iii) Richness Talent Limited, the valuation of which has been determined to be HK\$500,000,000 each. Each of Elite ACME Limited, Perfect Jade Holdings Limited and Richness Talent Limited is principally engaged in fund investment.

## **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, property investment and management and asset management.

HKICIM (GP) V Limited 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.

Hong Kong IIG is a company incorporated under the laws of Hong Kong with limited liability, and is the limited partner of the Fund. It is a non-wholly owned subsidiary of HNA Holding Group, and it is an investment holding company.

## **REASONS FOR AND BENEFITS OF RECEIPT OF THE MANAGEMENT FEE**

The Board believes that the Management Fee will provide a stable income to the Group and such income will contribute to the financial performance of the Group. The Directors are of the view that the provision of management service by the General Partner in return for Management Fee as contemplated under the Amended and Restated Limited Partnership Agreement is in line with the overall development strategy of the Group and is in the ordinary and usual course of business of the Group.

It is expected that the Fund will not constitute a subsidiary of the Company.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the provision of management service by the General Partner in return for Management Fee as contemplated under the Amended and Restated Limited Partnership Agreement is fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Hong Kong IIG is a non-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 Hong Kong IIG 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 provision of management service by the General Partner to the Fund in return for the Management Fee constitutes continuing connected transactions of the Company, under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the proposed annual cap for the Management Fee for each of the three years during the initial term of the Fund exceeds 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules only but exempt from the requirement of independent shareholders' approval. Each of Mr. Liu Junchun, Mr. Mu Xianyi, Mr. Wong Tai Lun, Kenneth and Mr. Mung Hon Ting Jackie, being Directors nominated to the Board by HNA Finance I who attended the Board meeting, had abstained from voting on the board resolutions to approve the transactions. Save as disclosed above, no other Directors is regarded to have any material interest in the transactions and required to abstain from voting on the Board resolutions in the Board meeting for considering and approving the transactions.

## **DEFINITIONS**

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

“Amended and Restated Exempted Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement dated 6 March 2018 entered into between the General Partner and the Limited Partners
“associate”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Committed Fund Size”	the amount of capital agreed to be contributed to the Fund by the Limited Partner(s), which is expected to be HK\$1.5 billion, being the amount of non-cash capital committed by Hong Kong IIG under the Subscription Agreement
“Commitment Period”	the period commencing the Initial Closing and ending on the first anniversary of the Initial Closing or such shorter period as the General Partner may determine
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Fund”	HKICIM Fund V, L.P., an exempted limited partnership established in the Cayman Islands
“General Partner”	HKICIM (GP) V Limited, the general partner of the Fund, a company incorporated under the laws of the Cayman Islands with limited liability, and is an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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
“Hong Kong IIG”	Hong Kong International Investment Group Co., Limited, a company incorporated under the laws of Hong Kong with limited liability. It is a non-wholly owned subsidiary of HNA Holding Group
“Initial Closing”	has the meaning ascribed to it under the section headed “The Amended and Restated Exempted Limited Partnership Agreement - Commencement and duration of the Fund” of this announcement
“Limited Partner(s)”	the limited partner(s) of the Fund, namely initially Mr. MU Xianyi (an executive Director) (as initial limited partner) and Hong Kong IIG (which is expected to be the sole limited partner of the Fund upon the Initial Closing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fee”	the management fee which the General Partner will receive from the Fund as compensation for the management service to be provided by the General Partner to the Fund
“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
“Share(s)”	ordinary shares(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription  
Agreement”

the subscription agreement dated 6 March 2018 entered into by Hong Kong IIG pursuant to which Hong Kong IIG has agreed, in the capacity as a limited partner of the Fund, to commit a non-cash contribution of HK\$1.5 billion to the Fund

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

Hong Kong, 6 March 2018

*As at the date of this announcement, the executive Directors of the Company are Mr. Huang Qijun, Mr. Mung Kin Keung, Mr. Fung Chiu Chak, Victor, Mr. Liu Junchun, Mr. Mu Xianyi, Mr. Li Xiaoming, 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](http://www.hkicimgroup.com)*