

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.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**
- (2) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS
SHARES FOR EVERY ONE SHARE HELD ON THE RECORD DATE
AT HK\$4.08 PER RIGHTS SHARE; AND**
- (3) CLOSURE OF REGISTER OF MEMBERS**

Financial Adviser to the Company



HONG KONG INTERNATIONAL CAPITAL MANAGEMENT LIMITED

Underwriters of the Rights Issue



**CCB INTERNATIONAL
CAPITAL LIMITED**

HNA FINANCE I CO., LTD.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to increase the Company's authorised share capital from HK\$200 million divided into 2,000,000,000 Shares, to HK\$600 million divided into 6,000,000,000 Shares by the creation of an additional 4,000,000,000 unissued Shares. The proposed Authorised Share Capital Increase is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

THE PROPOSED RIGHTS ISSUE

The Company proposes, subject to the Authorised Share Capital Increase becoming effective and other conditions, to implement the Rights Issue on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price of HK\$4.08 per Rights Share. The Company will raise gross proceeds of approximately HK\$9,255 million before expenses (assuming that there will be no change in the number of issued Shares on or before the Record Date) by way of the issue of 2,268,331,806 Rights Shares.

The Company will provisionally allot to the Qualifying Shareholders two (2) Rights Shares in nil-paid form for every one (1) Share held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders.

Applications will be made to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue.

The HNA Irrevocable Undertaking

As at the date of this announcement, HNA Finance I, the controlling shareholder of the Company, holds 755,862,228 Shares, representing approximately 66.64% of the existing issued Shares. Pursuant to the HNA Irrevocable Undertaking, subject to the Underwriting Agreement becoming unconditional, HNA Finance I has irrevocably undertaken in favour of the Company and CCBI, that the 755,862,228 Shares will remain registered in the name of HNA Finance I at the close of business on the Record Date and that it will subscribe for or procure the subscription of a total of 1,511,724,456 Rights Shares, being its full entitlement under the Rights Issue.

The Underwriting Agreement

The Board is pleased to announce that on 28 March 2017 (after trading hours), the Company entered into the Underwriting Agreement with CCBI and HNA Finance I. The Rights Issue is fully underwritten by CCBI and HNA Finance I. Subject to the terms and conditions of the Underwriting Agreement, CCBI has conditionally agreed to subscribe or procure subscription for the CCBI Portion, being the number of Untaken Shares as it may notify the Company in writing, subject to a maximum of 382,352,940 Rights Shares with an aggregate Subscription Price of US\$200 million (the equivalent of approximately HK\$1,560 million), and HNA Finance I has (in addition to its obligations under the HNA Irrevocable Undertaking) conditionally agreed to subscribe or procure subscription for the HNA Finance I Portion, being any remaining Untaken Shares in excess of the CCBI Portion. Under the Underwriting Agreement, HNA Finance I has undertaken that it will use its best endeavours to procure subscribers to subscribe for Untaken Shares to such an extent as will cause the Company to remain in compliance with the public float requirements under Rule 8.08 of the Listing Rules. The underwriting obligations are subject in each case to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the principal terms and conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangement” in this announcement.

Under the Underwriting Agreement, CCBI will receive the higher of (i) an underwriting commission of up to 2.5% of the aggregate Subscription Price in respect of the CCBI Portion (if any) and (ii) HK\$100,000 (being the minimum charge of CCBI). HNA Finance I will not receive any commission under the Underwriting Agreement. The Subscription Price payable by HNA Finance I in respect of the Rights Shares it will subscribe for under the HNA Irrevocable Undertaking and the Underwriting Agreement (if any) will be subject to the Set Off.

The Underwriting Agreement may be terminated by the Underwriters prior to the Latest Time for Termination pursuant to the termination provisions set out in the Underwriting Agreement.

Intended use of proceeds of the Rights Issue

The estimated net proceeds from the Rights Issue (after deducting the estimated expenses, but disregarding the Set Off) will be approximately HK\$9,212 million, assuming that there will be no change in the number of issued Shares on or before the Record Date. The Company intends to use the net proceeds for, among others, (i) to be applied by way of Set Off; (ii) for improving its financial position, including but not limited to repaying part of its bank and other loans, including the interest-bearing Bank Loan for financing part of the Top Genius Acquisition; (iii) financing future investment opportunities in relation to the Group's principal activities; and (iv) the general working capital of the Group.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional on, amongst other things, the Underwriting Agreement having become unconditional and not terminated (see the section headed “Underwriting Arrangement — Termination of the Underwriting Agreement” in this announcement). The conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangement — Conditions of the Underwriting Agreement” in this announcement. In particular, it is conditional, among other things, upon:

- (i) the approval of the Rights Issue by the Independent Shareholders at the SGM; and**
- (ii) the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares in both nil-paid and fully-paid forms by no later than the first day of their dealings, which is expected to be 9:00 a.m. on Thursday, 1 June 2017 and 9:00 a.m. on Wednesday, 21 June 2017, respectively.**

If the Underwriters exercise their right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

Any Shareholders and potential investors contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (including the date on which the Underwriters' right of termination of the Underwriting Agreement ceases), and/or any dealings in the Rights Shares in their nil-paid form from 9:00 a.m. on Thursday, 1 June 2017 to 4:00 p.m. on Thursday, 8 June 2017 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders and potential investors contemplating dealing in Shares and/or Rights Shares in their nil-paid form are advised to exercise caution when dealing in the Shares and/or the Rights Shares in their nil-paid form. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

According to the expected timetable, the last day of dealings in the Shares on a cum-rights basis is Friday, 19 May 2017 and the Shares will be dealt in on an ex-rights basis from Monday, 22 May 2017. The Rights Shares are expected to be dealt in their nil-paid form from 9:00 a.m. on Thursday, 1 June 2017 to 4:00 p.m. on Thursday, 8 June 2017 (both dates inclusive). In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificate(s) or indemnities thereof) with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Tuesday, 23 May 2017. The Latest Time for Acceptance is expected to be 4:00 p.m. on Tuesday, 13 June 2017.

LISTING RULES IMPLICATIONS

The Authorised Share Capital Increase

The Authorised Share Capital Increase is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution at the SGM. As none of the Shareholders or their associates would have any interest in the Authorised Share Capital Increase, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Authorised Share Capital at the SGM.

The Rights Issue

As the Rights Issue will result in an increase of the number of issued Shares by more than 50%, the Rights Issue is subject to, among other things, the approval by the Independent Shareholders at the SGM. Pursuant to Rule 7.19(6) of the Listing Rules, HNA Finance I, being the controlling shareholder of the Company, and its associates shall abstain from voting in favour of the resolution relating to the Rights Issue at the SGM.

Further, HNA Finance I, being the controlling shareholder of the Company, is a connected person of the Company, and underwriting of the Untaken Shares pursuant to the terms of the Underwriting Agreement by HNA Finance I constitutes a connected transaction of the Company under the Listing Rules. However, as the Company has made arrangements for the disposal of Rights Shares which are not subscribed for in accordance with Rule 7.21 of the Listing Rules, the underwriting of the Untaken Shares by HNA Finance I is exempt from the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.92(2)(b) of the Listing Rules.

GENERAL

The Company will establish an Independent Board Committee, comprising all the independent non-executive Directors, to advise the Independent Shareholders with respect to the Rights Issue, and to provide recommendations as to voting. The Company will appoint an Independent Financial Adviser (subject to the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders as to the terms of the Rights Issue and as to voting. The Independent Board Committee will form its views with respect to the Rights Issue after considering the advice of the Independent Financial Adviser.

The SGM will be convened and held for the Shareholders and/or Independent Shareholders (as the case may be) to consider and, if thought fit, approve, among other matters, the Authorised Share Capital Increase and the Rights Issue and the transactions contemplated thereunder. The Circular containing, among other things, further details of (i) the Authorised Share Capital Increase; (ii) the Rights Issue and the Underwriting Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder; and (v) a notice convening the SGM is expected to be despatched to the Shareholders on or before Tuesday, 25 April 2017.

Subject to the approval of the Authorised Share Capital by the Shareholders and the approval of the Rights Issue by the Independent Shareholders at the SGM, and the Authorised Share Capital Increase becoming effective, the Prospectus Documents are expected to be despatched to the Qualifying Shareholders on or before Monday, 29 May 2017 and the Prospectus (but not the PAL and the EAF) will be despatched to the Excluded Shareholders for information only.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 16 May 2017 to Thursday, 18 May 2017 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM.

The register of members of the Company will be closed from Wednesday, 24 May 2017 to Friday, 26 May 2017 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of the Shares will be registered during the above book closure periods.

PROPOSED AUTHORISED SHARE CAPITAL INCREASE

The Board proposes to increase the Company's authorised share capital from HK\$200 million divided into 2,000,000,000 Shares, to HK\$600 million divided into 6,000,000,000 Shares by the creation of an additional 4,000,000,000 unissued Shares. The proposed Authorised Share Capital Increase is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM. As none of the Shareholders has any material interest in the Authorised Share Capital Increase, no Shareholder is required to abstain from voting on this resolution at the SGM.

The Board is of the view that the Authorised Share Capital Increase will provide flexibility to the Company for future fundraising and expansion in the share capital of the Company, and is therefore in the interest of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Subject to the Authorised Share Capital Increase becoming effective and other conditions as detailed in the section headed "Conditions of the Rights Issue" below, the Board proposes to implement the Rights Issue on the following terms:

Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held on the Record Date
Subscription Price	:	HK\$4.08 per Rights Share
Net price per Rights Share (disregarding the Set Off)	:	Approximately HK\$4.06
Number of Shares in issue as at the date of this announcement	:	1,134,165,903 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	2,268,331,806 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Approximately HK\$226,833,180 (assuming no change in the number of issued Shares on or before the Record Date)
Total number of issued Shares upon Completion	:	3,402,497,709 Shares (assuming no change in the number of issued Shares on or before the Record Date)

As at the date of this announcement, the Company has no outstanding warrants, options, derivatives or securities convertible into or exchangeable for Shares. Assuming no new Shares are issued and no repurchase of the Shares takes place on or before the Record Date, the 2,268,331,806 Rights Shares to be issued pursuant to the terms of the Rights Issue represents 200.00% of the number of existing issued Shares and approximately 66.67% of the number of issued Shares as enlarged immediately upon Completion.

Subscription Price

The Subscription Price of HK\$4.08 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, upon an application of excess Rights Shares, or where a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 0.99% over the closing price of HK\$4.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 0.68% to the average closing price of HK\$4.11 per Share for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 3.09% to the average closing price of HK\$4.21 per Share for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 0.33% over the theoretical ex-entitlement price of approximately HK\$4.067 per Share after the Rights Issue, based on the closing price of HK\$4.04 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a premium of approximately 56.32% over the audited net asset value of the Company per Share of approximately HK\$2.61 as at 31 December 2016.

The Subscription Price was determined, among others, after arm's length negotiation between the Company and the Underwriters with reference to the market price of the Shares prior to and including the Last Trading Day, the capital needs of the Group as detailed in the sections headed "Reasons for and benefits of the Rights Issue" and "Proposed use of proceeds" below, the financial position of the Group and the prevailing market conditions.

Given (i) each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date; (ii) the Subscription Price has been set at a price with a view to encouraging existing Shareholders to participate in the potential growth of the Company; and (iii) the proceeds are to fulfil the funding needs of the Group as referred to in the sections below headed "Reasons for and benefits of the Rights Issue" and "Proposed use of proceeds", the Directors (excluding the independent non-executive Directors who will form their views after considering the opinion of the Independent Financial Adviser) consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

At the Board meeting to approve the Rights Issue and the Underwriting Agreement, each of Mr. Zhao Quan, Mr. Liu Junchun, Mr. Fan Ning, Mr. Meng Yongtao and Mr.

Wong Tai Lun Kenneth, being Directors nominated to the Board by HNA Finance I, were in support of the Rights Issue, but so as to avoid a perception of a conflict of interest, had abstained from voting on the Rights Issue and the Underwriting Agreement.

Conditions of the Rights Issue

The Rights Issue is conditional upon (i) the Authorised Share Capital Increase becoming effective on or before the Record Date, and (ii) the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The conditions to the Underwriting Agreement are set out in the section headed “Underwriting Arrangement - Conditions of the Underwriting Agreement” below.

Basis of provisional allotments

The basis of the provisional allotment shall be two (2) Rights Shares (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Last Acceptance Date.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) or indemnities thereof) must be lodged with the Registrar no later than 4:30 p.m. (Hong Kong time) on Tuesday, 23 May 2017, at the following address:

Tricor Tengis Limited at
Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong

It is expected that the last day of dealings in the Shares on a cum-rights basis is Friday, 19 May 2017 and the Shares will be dealt with on an ex-rights basis from Monday, 22 May 2017.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Posting Date and will despatch the Prospectus only (but not the PAL and the EAF) to the Excluded Shareholders for their information only.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents will not be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions of the relevant overseas regulatory body or stock exchange, no provisional allotment of the Rights Shares will be made to such Overseas Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Fractional entitlement to the Rights Shares

On the basis of provisional allotment of two (2) Rights Shares for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Application for the excess Rights Shares

Qualifying Shareholders shall be entitled to apply, by way of excess application, for (i) the Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders. Applications for excess Rights Shares may be made by completing the EAF for the excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) subject to availability of the excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the number of excess Rights Shares applied for by them. No reference will be made to Rights Shares subscribed through PALs, or the number of Shares held by the Qualifying Shareholders.

Beneficial owners of Shares whose shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the beneficial owners of Shares whose shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually and are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For those beneficial owners of Shares whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for completion of the relevant registration not later than 4:30 p.m. on Tuesday, 23 May 2017.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 16 May 2017 to Thursday, 18 May 2017 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM.

The register of members of the Company will be closed from Wednesday, 24 May 2017 to Friday, 26 May 2017 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of the Shares will be registered during the above book closure periods.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Certificates of the Rights Shares and Refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Tuesday, 20 June 2017, to those entitled thereto by ordinary post, at their own risk, to their registered addresses.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 20 June 2017, by ordinary post to the applicants, at their own risk, to their registered addresses.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in each of their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

The HNA Irrevocable Undertaking

As at the date of this announcement, HNA Finance I, the controlling shareholder of the Company, holds 755,862,228 Shares, representing approximately 66.64% of the existing issued Shares.

On 28 March 2017, HNA Finance I entered into the HNA Irrevocable Undertaking in favour of the Company and CCBI. Pursuant to the HNA Irrevocable Undertaking, subject to the Underwriting Agreement becoming unconditional, HNA Finance I irrevocably undertakes, among other things:

- (i) to take up and pay for or procure they are taken up and paid for on the terms of the Prospectus Documents the 1,511,724,456 Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares beneficially owned by HNA Finance I pursuant to the terms of the Rights Issue;
- (ii) that the 755,862,228 Shares will remain registered in the name of HNA Finance I at the close of business on the Record Date; and
- (iii) to lodge, or to procure lodgment of, acceptances in respect of the aforesaid Rights Shares with the Registrar or the Company, with payment in full therefor being satisfied in accordance with the Set Off, or, where HNA Finance I is not the subscriber of the Rights Shares taken up under the HNA Irrevocable Undertaking, in cash (whether by cheque, bank cashier's order or such other form as the Company may approve), by no later than the Latest Time for Acceptance or such later date as the Company may agree.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date : 28 March 2017 (after trading hours)

Parties : (i) the Company

(ii) the Underwriters, namely:-

(a) CCBI. As at the date of this announcement, save in respect of 135,000,000 Shares in which the ultimate holding company of CCBI has a security interest, CCBI and its associates hold no Shares; and

(b) HNA Finance I, the controlling shareholder of the Company and which, as at the date of this announcement, holds 755,862,228 Shares, representing approximately 66.64% of the total issued Shares. HNA Finance I does not underwrite securities in its ordinary course of business.

Number of Underwritten Shares : Assuming there is no change in the number of issued Shares on or before the Record Date, the Underwriters have conditionally agreed to underwrite up to 756,607,350 Underwritten Shares, being the total number of Rights Shares under the Rights Issue less the 1,511,724,456 Rights Shares undertaken to be subscribed by HNA Finance I (or its nominee) under the section headed “The HNA Irrevocable Undertaking” above. The Rights Issue is therefore fully underwritten.

The Underwriters will subscribe or procure subscribers for the Untaken Shares on the following basis:

- (i) CCBI has conditionally agreed to subscribe or procure subscription for such number (which may be zero) of Untaken Shares as it may notify the Company in writing, subject to a maximum number of Rights Shares with an aggregate Subscription Price of US\$200 million (the equivalent of approximately HK\$1,560 million), i.e. 382,352,940 Rights Shares (being the CCBI Portion) on the terms of the Prospectus Documents (so far as the same are applicable); and
- (ii) HNA Finance I has (in addition to its obligations under the HNA Irrevocable Undertaking) conditionally agreed to subscribe or procure subscription for any remaining Untaken Shares in excess of the CCBI Portion, being the HNA Finance I Portion, on the terms of the Prospectus Documents (so far as the same are applicable). Under the Underwriting Agreement, HNA Finance I has undertaken that it will use its best endeavours to procure subscribers to subscribe for Untaken Shares to such an extent as will cause the Company to remain in compliance with the public float requirements under Rule 8.08 of the Listing Rules.

**Underwriting
Commission**

- : The higher of (i) an underwriting commission of up to 2.5% of the aggregate Subscription Price in respect of the CCBI Portion (if any) and (ii) HK\$100,000 (being the minimum charge of CCBI) is payable to CCBI. Subject to CCBI confirming the maximum commitment of US\$200 million (the equivalent of approximately HK\$1,560 million), the commission payable to CCBI under the Underwriting Agreement will be approximately HK\$39 million and (ii) HK\$100,000 (being the minimum charge of CCBI). HNA Finance I will not receive any commission under the Underwriting Agreement.

The terms of the Underwriting Agreement, including the maximum commission rate of 2.5% and the minimum charge payable to CCBI, were determined after arm's length negotiations between the Company and the Underwriters with reference to, among other things, the size of the Rights Issue, the current market conditions and the prevailing market rate for the underwriting commission of comparable transactions. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice from the Independent Financial Adviser and Mr. Zhao Quan, Mr. Liu Junchun, Mr. Fan Ning, Mr. Meng Yongtao and Mr. Wong Tai Lun Kenneth, being Directors nominated to the Board by HNA Finance I, who have abstained from voting so as to avoid a perception of a conflict of interest) consider that the terms of the Underwriting Agreement including the underwriting commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Set Off

As disclosed in the circular of the Company dated 13 March 2017, HNA Finance I has granted to the Company the Shareholder's Loan in the amount of HK\$2,750 million to finance part of the Top Genius Acquisition, the details of which are set out in the section headed "Reasons for and benefits of the Rights Issue" below. As at the date of this announcement, the total amount due from the Company to HNA Finance I is HK\$2,750 million, but it is expected that the Company will increase its borrowing from HNA Finance I to satisfy its further financing needs for the Milway Acquisition, further details of which are set out in the section headed "Reasons for and benefits of the Rights Issue" below.

It is a term of the Underwriting Agreement that in respect of any amount of Subscription Price payable by HNA Finance I, whether under the HNA Irrevocable Undertaking or the underwriting obligations of HNA Finance I contained in the Underwriting Agreement, such amount will be set off, on a dollar-to-dollar basis, against amounts owed by the Company to HNA Finance I at the Latest Time for Acceptance. The total Subscription Price payable by HNA Finance I under the HNA Irrevocable Undertaking is approximately HK\$6,168 million. If there remains any further Subscription Price payable by HNA Finance I after the Set Off, such amount shall be payable by HNA Finance I in accordance with the terms of the Underwriting Agreement.

Underwriters Undertaking

Under the Underwriting Agreement, each of CCBI and HNA Finance I has undertaken with the Company that it shall use all its best endeavours to procure that each of the subscribers or purchasers (in each case together with their respective ultimate beneficial owners) of the Untaken Shares procured by it: (i) shall be third party(ies)

independent of, not acting in concert (as such term is defined in the Takeovers Code) with and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) shall not, together with party(ies) acting in concert (as such term is defined in the Takeovers Code) with each of them, hold 30.0% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon Completion; and (iii) will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue and are not otherwise core connected persons (as such term is defined in the Listing Rules) of the Company. The Underwriters have also agreed that they shall procure, and shall ensure that the sub-underwriters (if any) to procure independent places to take up the Rights Shares pursuant to the Listing Rules.

Conditions of the Underwriting Agreement

The obligations of the Underwriters under the Underwriting Agreement are conditional on, among others:

- (i) the passing of all the necessary resolution(s) by the Shareholders (or where required under applicable laws and regulations (including the Listing Rules), the Independent Shareholders), in each case other than those who are required to abstain from voting or to vote in favour of the relevant resolutions, at the SGM duly approving and confirming:
 - (a) the Authorised Share Capital Increase; and
 - (b) the Rights Issue and the transactions contemplated thereunder and authorising the Directors to allot and issue the Rights Shares (in their nil-paid and fully paid-forms),each in accordance with the Bye-laws and the Listing Rules;
- (ii) the Authorised Share Capital Increase having become effective;
- (iii) the Stock Exchange having authorised the registration of, and the Registrar of Companies in Hong Kong having registered, respectively, not later than one Business Day prior to the Posting Date, each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Miscellaneous Provisions Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies Miscellaneous Provisions Ordinance and the Listing Rules;

- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholders, if any, for information purposes only, on or before the Posting Date;
- (v) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listings and permission to deal not having been withdrawn or revoked on or before 4:00 p.m. on the Settlement Date;
- (vi) each condition to enable the Rights Shares in their nil-paid and fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS being satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (vii) the Shares remaining listed on the Stock Exchange at all times and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Stock Exchange and/ or the SFC to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (viii) the representations, warranties or undertakings referred to in the Undertaking Agreement being true and accurate and not misleading on and as of the date of the Undertaking Agreement and at any time before the Latest Time for Termination, as though they have been given and made at such time by reference to the facts and circumstances then subsisting;
- (ix) the execution and delivery of the HNA Irrevocable Undertaking on the date of the Underwriting Agreement;
- (x) and the compliance by HNA Finance I with its obligations under the HNA Irrevocable Undertaking;
- (xi) the delivery to the Underwriters of the documents as required under the Underwriting Agreement in accordance with the timing set out therein;
- (xii) the obligations of the Underwriters under the Underwriting Agreement not being terminated by the Underwriters in accordance with the terms thereof;

(xiii) the compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement; and

(xiv) if necessary, the obtaining of the consent or permission from the Bermuda Monetary Authority in respect of the issue of the Rights Shares.

If any of the conditions above has not been satisfied on or before the relevant time and date specified in that respective condition or, if no such date is so specified or referred to, is not fulfilled on or prior to the Latest Time for Termination (or such later date(s) as the Underwriters and the Company may agree in writing), all liabilities of the parties to the Underwriting Agreement shall cease and determine. In such event, none of the parties shall have any claim against the other parties (other than for antecedent breaches and claims) provided that, among other things, the Company shall remain liable to pay the Underwriters' reasonable costs, fees and other out-of-pocket expenses in accordance with the Underwriting Agreement.

If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

If, at any time prior to the Latest Time for Termination, there occurs:-

- (i) any of the following which, in the absolute opinion of any Underwriter, will or is likely to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
 - (b) the occurrence, happening, coming into effect or becoming public knowledge of (x) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (y) a suspension or a material limitation in trading in securities generally on the New York Stock

Exchange, the London Stock Exchange plc, the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (z) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded for more than five Business Days (other than pending publication of this announcement or any other document relating to the Rights Issue); (aa) a general moratorium on commercial banking activities in Hong Kong, the People's Republic of China, the United States of America and/or the United Kingdom declared by the relevant authority or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the People's Republic of China, the United States of America and/or the United Kingdom; or (bb) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof; or

- (ii) any change in the circumstances of the Company or any member of the Group occurs which in the absolute opinion of any Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (iii) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease, epidemic, terrorism, armed conflict, strike or lock-out; or
- (iv) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not ejusdem generis with any of the foregoing; or

the Underwriters shall be entitled by notice in writing issued by the Underwriters jointly to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If, at or prior to the Latest Time for Termination:

- (i) the Company commits any breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement, where, in the absolute opinion of the Underwriters, such breach or omission will or is likely to have a material and adverse effect on its business, financial or trading position of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or

- (ii) any Underwriter shall receive notification from the Company, or shall otherwise become aware of, the fact that any of the representations, warranties or undertakings was, when given, untrue or inaccurate in any material respects or would be untrue or inaccurate in any material respects if repeated on the Posting Date or on the Latest Time for Acceptance in each case, with reference to the facts and circumstances then subsisting, and the Underwriters shall, in their absolute discretion, determine that any such untrue representation, warranty or undertaking represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company's application to the Listing Committee of the Stock Exchange for the permission for the listing of, and permission to in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange; or
- (iv) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused; or
- (v) any statement contained in this announcement or any Prospectus Document has been shown to be untrue, inaccurate or incomplete in any material respect or misleading with reference to the date on which such statement was made; or
- (vi) after the occurrence of any matter or event prior to the despatch of the Prospectus Documents or on or prior to the Latest Time for Acceptance as a result of which, any representation or warranty given by the Company in the Underwriting Agreement, if repeated immediately after the occurrence thereof, would be untrue or inaccurate in any material respect or which would or might render untrue, inaccurate in any material respects or misleading any statement, whether of fact or opinion, contained in the Prospectus Documents if the same were issued immediately after such occurrence, the Company fails to promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as any Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company;

the Underwriters shall be entitled (but not bound) by notice in writing issued by the Underwriters jointly to the Company to elect to treat such matter or event as releasing and discharging the Underwriters from their obligations under the Underwriting Agreement and rescind the Underwriting Agreement.

Upon giving the joint notice of termination in accordance with the terms of the Underwriting Agreement, all obligations of the Underwriters shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, but without prejudice to all rights to claim against the Company for all losses and damages suffered by any of the Underwriters, and, provided that the Company shall remain liable to pay to the Underwriters such fees and expenses (but not the underwriting commission) according to the terms of the Underwriting Agreement. Indemnities given by the Company in the Underwriting Agreement shall survive notwithstanding termination of the Underwriting Agreement.

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

The expected timetable for the Authorised Share Capital Increase and the Rights Issue is set out below. Dates or deadlines specified in this announcement are indicative only and will be affected by a number of matters such as timing of the despatch of the Circular, proxy form and notice of SGM, which are required to take into account, amongst other things, financial information of the Group. The times and dates may also be varied by agreement between the Company and the Underwriters. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Event	Timeline/ 2017
Announcement of the Rights Issue	Tuesday, 28 March
Expected despatch date of the Circular, proxy form and notice of the SGM	Tuesday, 25 April
Latest time for lodging transfers of Shares to attend and vote at the SGM.....	4:30 p.m. on Monday, 15 May
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM (both dates inclusive)	From Tuesday, 16 May to Thursday, 18 May
Latest time for lodging proxy forms to qualify for attendance and voting at the SGM	10:00 a.m. on Tuesday, 16 May

Record date for attendance and voting at the SGM	Thursday, 18 May
Expected date and time of the SGM	10:00 a.m. on Thursday, 18 May
Announcement of results of the SGM	Thursday, 18 May
Effective date of the Authorised Share Capital Increase	Thursday, 18 May
Last day of dealings in Shares on cum-rights basis	Friday, 19 May
First day of dealings in Shares on ex-rights basis	Monday, 22 May
Latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 23 May
Closure of register of members of the Company for determining entitlements under the Rights Issue (both dates inclusive)	From Wednesday, 24 May to Friday, 26 May
Record Date for determining entitlements to the Rights Issue	Friday, 26 May
Register of members of the Company re-opens	Monday, 29 May
Despatch of Prospectus Documents (in the case of the Excluded Shareholders, the Prospectus only for their information)	Monday, 29 May
First day of dealings in nil-paid Rights Shares	Thursday, 1 June
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 5 June
Last day of dealings in nil-paid Rights Shares	Thursday, 8 June
Latest time for acceptance of, and payment for, the Rights Shares and the applications for excess Rights Shares	4:00 p.m. on Tuesday, 13 June

Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 14 June
Announcement of results of the Rights Issue.....	Monday, 19 June
Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before	Tuesday, 20 June
Certificates for fully paid Rights Shares to be despatched on or before.....	Tuesday, 20 June
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Wednesday, 21 June

Note: All references to time in this announcement are references to Hong Kong time.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Last Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Last Acceptance Date. Instead the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance and application and payment for excess Rights Shares does not take place on the Last Acceptance Date, the dates mentioned in the “Expected timetable for the Rights Issue” section may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDING IN THE COMPANY

Assuming there is no further change in the number of issued Shares of the Company on or before the Record Date, the expected changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

	(i) As at the date of this announcement		(ii) Immediately after Completion, assuming all the Rights Shares are subscribed by the Qualifying Shareholders		(iii) Immediately after Completion, assuming no Shareholders (except HNA Finance I) subscribed for the Rights Shares			
					(a) if CCBI takes up the maximum number of Untaken Shares it can take under the Underwriting Agreement		(b) if CCBI takes up none of the Untaken Shares	
	<i>Number of Approx. Shares</i>		<i>Number of Approx. Shares</i>		<i>Number of Approx. Shares</i>		<i>Number of Approx. Shares</i>	
		%		%		%		%
HNA Finance I (Note 1)	755,862,228	66.64	2,267,586,684	66.64	2,551,873,281	75.00	2,551,873,281	75.00
Sub-total	755,862,228	66.64	2,267,586,684	66.64	2,551,873,281	75.00	2,551,873,281	75.00
CCBI (including subscribers/ sub-underwriters procured by it) (Note 2)	—	—	—	—	382,352,940	11.24	—	—
Subscribers and/or sub-underwriters to be procured by HNA Finance I (Note 3)	—	—	—	—	89,967,813	2.64	472,320,753	13.88
Other public Shareholders	<u>378,303,675</u>	<u>33.36</u>	<u>1,134,911,025</u>	<u>33.36</u>	<u>378,303,675</u>	<u>11.12</u>	<u>378,303,675</u>	<u>11.12</u>
Sub-total	378,303,675	33.36	1,134,911,025	33.36	850,624,428	25.00	850,624,428	25.00
Total	<u>1,134,165,903</u>	<u>100.00</u>	<u>3,402,497,709</u>	<u>100.00</u>	<u>3,402,497,709</u>	<u>100.00</u>	<u>3,402,497,709</u>	<u>100.00</u>

Notes:

- As at the date of this announcement, all of the 755,862,228 Shares are directly held by HNA Finance I, which is ultimately owned by Hainan Province Cihang Foundation.

2. CCBI may, at its sole discretion, underwrite Rights Shares with an aggregate Subscription Price of up to US\$200 million (the equivalent of approximately HK\$1,560 million). The maximum number of Rights Shares to be underwritten by CCBI under the Underwriting Agreement is 382,352,940 Rights Shares. Should CCBI be required to underwrite any Rights Shares, CCBI has undertaken with the Company that it shall use all its best endeavours to ensure that each of the subscribers or purchasers (in each case together with their respective ultimate beneficial owners) of the Untaken Shares procured by it: (i) shall be third party(ies) independent of, not acting in concert (as such term is defined in the Takeovers Code) with and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) shall not, together with party(ies) acting in concert (as such term is defined in the Takeovers Code) with each of them, hold 30.0% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon Completion; and (iii) will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue and are not otherwise core connected persons (as such term is defined in the Listing Rules) of the Company.
3. HNA Finance I, as one of the Underwriters has undertaken that will use its best endeavours to procure subscribers to subscribe for Untaken Shares to such an extent as will cause the Company to remain in compliance with the public float requirements under Rule 8.08 of the Listing Rules. HNA Finance I has further undertaken with the Company that it shall use all its best endeavours to ensure that each of the subscribers or purchasers (in each case together with their respective ultimate beneficial owners) of the Untaken Shares procured by it: (i) shall be third party(ies) independent of, not acting in concert (as such term is defined in the Takeovers Code) with and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) shall not, together with party(ies) acting in concert (as such term is defined in the Takeovers Code) with each of them, hold 30.0% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon Completion; and (iii) will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue and are not otherwise core connected persons (as such term is defined in the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Group's principal business includes property development, foundation piling and site investigation in Hong Kong and property investment and management.

The Company has diversified its business operations and expanded its business to include more substantive property investment and development in Hong Kong through its acquisition of two parcels of land, the 6563 Land Parcel and 6564 Land Parcel under the Milway Acquisition and the Top Genius Acquisition, respectively, with an aggregate area of approximately 16,800 square metres, which the Group intends to develop into private residential properties. The consideration for the 6564 Land Parcel awarded to Top Genius was HK\$5,529.7 million, which was financed by a combination of (a) the Group's internal resources, (b) the Bank Loan and (c) the

Shareholder's Loan from HNA Finance I. The consideration for the 6563 Land Parcel awarded to Milway was HK\$7,440.5 million, and is intended to be financed by the Group's internal resources, bank financing and/or another interest free unsecured loan from HNA Finance I.

In the Company's recent tenders for the abovementioned two parcels of land, the Company was responding to the HK Government's notices that were issued and had terms which required significant payments within a very short period of time, if a tender was successful. Given the significant amounts involved, the Company sought support from its controlling shareholder, HNA Finance I, to commit to any funding gaps it may have in the event the Company was successful. These arrangements were always intended to be interim funding arrangements, given the Company's objective of sustainability and financial independence for its own projects. Consequently, a significant portion of the proceeds from the Rights Issue will be applied by way of Set Off against amounts due from the Company to HNA Finance I outstanding at the Latest Time for Acceptance. For further details of the Set Off, please refer to the section above headed "The Set Off".

In view of the Group's financing needs, the Board has considered fund raising options available to the Group. Given rising interest rates worldwide and the general sentiment in the capital markets, the Company is considering raising of funds through equity financing and the issue of bonds to meet the funding requirements of the Board. In this context, the Rights Issue allows Qualifying Shareholders an opportunity to participate in the growth of the Company should they wish to do so, and the Directors consider that the Subscription Price would encourage existing Shareholders to take up their entitlements. Qualifying Shareholders who want to increase their shareholding may do so by acquiring nil-paid Rights Shares in the open market (subject to availability), and/or apply for excess Rights Shares. It allows the Qualifying Shareholders who decide not to take up their entitlements under the Rights Issue to sell the nil-paid Rights Shares in the market for economic benefit.

Accordingly, the Directors consider that it will be in the interests of the Company and the Shareholders as a whole to conduct an equity fundraising by way of the Rights Issue.

PROPOSED USE OF PROCEEDS

The Rights Issue is proposed with a view to provide funding for the Group's business development and expansion and assisting with the Company's repayment of financial indebtedness. The gross proceeds from the Rights Issue are expected to be approximately HK\$9,255 million (assuming that there will be no change in the number of issued Shares on or before the Record Date). After deducting related expenses of approximately HK\$43 million (assuming the maximum underwriting commission is payable to CCBI), the net proceeds, disregarding the Set Off are estimated to be approximately HK\$9,212 million (assuming that there will be no change in the number of issued Shares on or before the Record Date).

Under the Set Off arrangement, the amount payable by HNA Finance I under the HNA Irrevocable Undertaking (being approximately HK\$6,168 million) will be set off, on a dollar-to-dollar basis, against amounts owed by the Company to HNA Finance I at the Latest Time for Acceptance. In the event that HNA Finance I is required to take up further Rights Shares under the Underwriting Agreement, and assuming that its maximum shareholding in the Company be 75% of the issued Shares (i.e. it will subscribe for a further 284,286,597 Rights Shares), the total maximum Subscription Price payable by HNA Finance I under the Rights Issue, and therefore the total maximum amount subject to the Set Off, will be approximately HK\$7,328 million.

The Company intends to use the net proceeds for the following purposes:

- (i) up to approximately HK\$7,328 million to be applied by way of Set Off as described above, on account of the Subscription Price payable by HNA Finance I for the Rights Shares under the HNA Irrevocable Undertaking and its maximum underwriting obligations;
- (ii) as to approximately HK\$350 million for improving its financial position, including but not limited to repaying part of its bank and other loans, including the interest-bearing Bank Loan for financing part of the Top Genius Acquisition;
- (iii) as to approximately HK\$612.8 million for financing future investment opportunities in relation to the Group's principal activities, as may be identified from time to time; and
- (iv) as to the remaining balance of approximately HK\$921.2 million for use as general working capital of the Company.

If the amount applied in (i) above is less than HK\$7,328 million, the balance of the amount shall be applied to item (iii).

In view of the above, the Board considers that it is in the interests of the Company and the Shareholders to proceed with the Rights Issue.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Estimated net proceeds raised	Intended use of proceeds	Actual use of proceeds
22 August 2016	Issue of new Shares under the 2015 General Mandate	Approximately HK\$697.6 million	Financing any investment opportunities when they arise and as general working capital of the Group	Not yet utilised
5 September 2016	Issue of new Shares under the 2016 General Mandate	Approximately HK\$42.5 million	Financing any investment opportunities when they arise and as general working capital of the Group	Not yet utilised
9 September 2016	Issue of new Shares under the 2016 General Mandate	Approximately HK\$317.5 million	Financing any investment opportunities when they arise and as general working capital of the Group	Not yet utilised

LISTING RULES IMPLICATIONS

The Authorised Share Capital Increase

The Authorised Share Capital Increase is conditional upon, among other things, the approval by the Shareholders by way of an ordinary resolution at the SGM. As none of the Shareholders or their associates would have any interest in the Authorised Share Capital Increase, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Authorised Share Capital at the SGM.

The Rights Issue

As the Rights Issue will result in an increase of the number of issued Shares by more than 50%, the Rights Issue is subject to, among other things, the approval by the Independent Shareholders at the SGM. Pursuant to Rule 7.19(6) of the Listing Rules, any controlling shareholder of the Company and their associates, or where there is no such controlling shareholder, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution relating to the Rights Issue. As at the date of this announcement, HNA Finance I is the controlling shareholder of the Company, holding 755,862,228 Shares, representing approximately 66.64% of the issued Shares of the Company. HNA Finance I and its associates shall abstain from voting in favour of the resolution relating to the Rights Issue at the SGM.

Further, HNA Finance I, being the controlling shareholder of the Company, is a connected person of the Company, and underwriting of the Untaken Shares pursuant to the terms of the Underwriting Agreement by HNA Finance I constitutes a connected transaction of the Company under the Listing Rules. However, as the Company has made arrangements for the disposal of Rights Shares which are not subscribed for in accordance with Rule 7.21 of the Listing Rules, the underwriting of the Untaken Shares by HNA Finance I is exempt from the reporting, announcement and Independent Shareholders' approval requirements pursuant to Rule 14A.92(2)(b) of the Listing Rules.

GENERAL

The Company will establish an Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee, to advise the Independent Shareholders with respect to the Rights Issue, and to provide recommendations as to voting. The Company will appoint an Independent Financial Adviser (subject to the

approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders as to the terms of the Rights Issue and as to voting. The Independent Board Committee will form its views with respect to the Rights Issue after considering the advice of the Independent Financial Adviser.

The SGM will be convened and held for the Shareholders and/or Independent Shareholders (as the case may be) to consider and, if thought fit, approve, among other matters, the Authorised Share Capital Increase and the Rights Issue and the transactions contemplated thereunder. The Circular containing, among other things, further details of (i) the Authorised Share Capital Increase; (ii) the Rights Issue and the Underwriting Agreement; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue and the transactions contemplated thereunder; and (v) a notice convening the SGM is expected to be despatched to the Shareholders on or before Tuesday, 25 April 2017.

Subject to the approval of the Authorised Share Capital by the Shareholders and the approval of the Rights Issue by the Independent Shareholders at the SGM, and the Authorised Share Capital Increase becoming effective, the Prospectus Documents are expected to be despatched to the Qualifying Shareholders on or before Monday, 29 May 2017 and the Prospectus (but not the PAL and the EAF) will be despatched to the Excluded Shareholders for information only.

WARNING OF THE RISKS OF DEALINGS IN SHARES AND/OR RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is conditional on, amongst other things, the Underwriting Agreement having become unconditional and not terminated (see the section headed “Underwriting Arrangement — Termination of the Underwriting Agreement” in this announcement). The conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangement — Conditions of the Underwriting Agreement” in this announcement. In particular, it is conditional, among other things, upon:

- (i) the approval of the Rights Issue by the Independent Shareholders at the SGM; and**
- (ii) the Listing Committee of the Stock Exchange granting and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares in both nil-paid and fully-paid forms by no later than the first day of their dealings, which is expected to be 9:00 a.m. on Thursday, 1 June 2017 and 9:00 a.m. on Wednesday, 21 June 2017, respectively.**

If the Underwriters exercise their right to terminate the Underwriting Agreement pursuant to the terms therein, the Rights Issue will not proceed.

Any Shareholders and potential investors contemplating buying or selling Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (including the date on which the Underwriters' right of termination of the Underwriting Agreement ceases), and/or any dealings in the Rights Shares in their nil-paid form from 9:00 a.m. on Thursday, 1 June 2017 to 4:00 p.m. on Thursday, 8 June 2017 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders and potential investors contemplating dealing in Shares and/or Rights Shares in their nil-paid form are advised to exercise caution when dealing in the Shares and/or the Rights Shares in their nil-paid form. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

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

“2015 General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting held on 7 August 2015 to issue and allot up to 174,933,180 new Shares, representing 20% of the number of Shares in issue as at the date of passing of the relevant resolution
“2016 General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting held on 23 August 2016 to issue and allot up to 174,933,180 new Shares, representing 20% of the number of Shares in issue as at the date of passing of the relevant resolution
“6563 Land Parcel”	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

“6564 Land Parcel”	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
“associate”	has the same meaning ascribed to it under the Listing Rules
“Authorised Share Capital Increase”	the proposed increase in the authorised share capital of the Company from HK\$200 million divided into 2,000,000,000 Shares to HK\$600 million divided into 6,000,000,000 Shares by the creation of an additional 4,000,000,000 unissued Shares
“Bank Loan”	an interest bearing bank loan in the principal amount of HK\$2,602 million from Shanghai Commercial Bank Limited, with security provided by the Group and a maturity date of one year, to finance part of the Top Genius Acquisition
“Bank Loan Agreement”	the facility agreement dated 20 February 2017 entered into between, among others, Top Genius as borrower, the Company as guarantor, and Shanghai Commercial Bank Limited as lender in respect of the Bank Loan
“Board”	the board of Directors
“Business Day(s)”	any weekday(s) (other than a Saturday or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks are generally open for business in Hong Kong
“Bye-laws”	the Bye-laws of the Company
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“CCBI”	CCB International Capital Limited, a company incorporated in Hong Kong with limited liability

“CCBI Portion”	such number of Untaken Shares as CCBI may notify the Company in writing which CCBI has conditionally agreed to subscribe or procure subscription for, subject to a maximum number of Rights Shares with an aggregate Subscription Price of US\$200 million (the equivalent of approximately HK\$1,560 million), i.e. 382,352,940 Rights Shares
“Circular”	the circular to be despatched to the Shareholders giving details of, among other things, the Authorised Share Capital Increase and the Rights Issue and containing the notice of the SGM
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Companies Miscellaneous Provisions Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Hong Kong International Construction Investment Management Group Co., Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of The Stock Exchange
“Completion”	completion of the Rights Issue
“Concert Party(ies)”	party(ies) acting in concert as is defined in the Takeovers Code
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for the excess Rights Shares

“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose registered addresses in the Company’s register of members as at the Record Date are in places where the Directors, after making enquiries, consider it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Shareholder(s)
“Group”	the Company and its subsidiaries
“HK Government”	the government of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HNA Finance I”	HNA Finance I Co., Ltd., a company incorporated in Anguilla with limited liability and a wholly-owned subsidiary of HNA Group Co., Ltd.
“HNA Finance I Portion”	the Untaken Shares in excess of the CCBI Portion, which HNA Finance I has agreed to subscribe or procure subscription for
“HNA Irrevocable Undertaking”	an irrevocable undertaking dated 28 March 2017 given by HNA Finance I in favour of the Company and CCBI as described in the section headed “The HNA Irrevocable Undertaking”
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising four independent non-executive Directors, namely Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee, to be established to give a recommendation to the Independent Shareholders in respect of the Rights Issue and the Underwriting Agreement
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders on the terms of the Rights Issue and the Underwriting Agreement

“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the SGM under the Listing Rules
“Last Acceptance Date”	Tuesday, 13 June 2017, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company may determine and notify the Underwriters in writing
“Last Trading Day”	Tuesday, 28 March 2017, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“ Latest Time for Acceptance ”	4:00 p.m. on the Last Acceptance Date
“Latest Time for Termination”	4:00 p.m. on the Settlement Date or such later time or date as may be agreed between the Underwriters and the Company in writing, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Milway”	Milway Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Milway Acquisition”	the acquisition of the land use right over the 6563 Land Parcel by Milway as referred to in the Company’s announcement dated 28 March 2017
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“Posting Date”	Monday, 29 May 2017 or such other day as may be agreed between the Company and the Underwriters, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Excluded Shareholders (as the case may be)

“PRC”	The People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Qualifying Shareholders (and the Excluded Shareholder(s) for information only) on the Posting Date in connection with the Rights Issue in such form as may be agreed between the Company and the Underwriters
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholders”	Shareholder(s), whose names appear on the register of members of the Company as at the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Friday, 26 May 2017, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date at the Subscription Price on the terms to be set out in the Prospectus Documents and summarised herein
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue, being 2,268,331,806 new Shares
“Set Off”	the set off of the outstanding amounts owing by the Company to HNA Finance I, details of which are set out in the section above headed “The Set Off”
“Settlement Date”	14 June 2017, being the first Business Day after the Latest Time for Acceptance or such other time or date as the Company and the Underwriters may agree in writing as the day for settlement of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Authorised Share Capital Increase, the Rights Issue and the Underwriting Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	an interest free, unsecured loan from HNA Finance I in the principal amount of HK\$2,750 million to finance part of the Top Genius Acquisition and which has an initial maturity date of one year with an option available to the Company to extend for another year
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$4.08
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-back of the Securities and Futures Commission of Hong Kong;
“Top Genius”	Top Genius Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Top Genius Acquisition”	the acquisition of the land use right over the 6564 Land Parcel by Top Genius as referred to in the Company’s announcements dated 7 February 2017 and 15 March 2017, and the Company’s circular dated 13 March 2017
“Underwriters”	CCBI and HNA Finance I
“Underwriting Agreement”	the underwriting agreement dated 28 March 2017 and entered into between the Company and the Underwriters in relation to the Rights Issue

“Underwritten Shares”	a total of 756,607,350 Rights Shares to be underwritten by the Underwriters subject to the terms and conditions of the Underwriting Agreement
“Untaken Shares”	any of the Rights Shares not taken up by the Qualifying Shareholders under the Rights Issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

By order of the board of
**HONG KONG INTERNATIONAL
CONSTRUCTION INVESTMENT
MANAGEMENT GROUP CO., LIMITED**
Zhao Quan
Chairman

Hong Kong, 28 March 2017

As at the date of this announcement, the executive Directors are Mr. Zhao Quan, Mr. Fung Chiu Chak, Victor, Mr. Liu Junchun, Mr. Chiu Chin Hung, Mr. Lau Kin Fai, Mr. Fan Ning, Mr. Meng Yongtao and Mr. Wong Tai Lun Kenneth; and the independent non-executive Directors are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee.

Company website: www.hkicimgroup.com