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

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 687)**

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF  
POSSIBLE CONTINUING CONNECTED TRANSACTION**

The Board is pleased to announce that on 19 January 2017, the Company's wholly-owned subsidiary, Gainful, entered into the Memorandum with HIC and Denco, both of which are non-wholly-owned subsidiaries of HNA Group, in connection with the potential engagement of Gainful by HIC and Denco, to provide certain engineering, procurement, construction, designing, project management and other services in relation to the development of the Project. The specific terms of the Proposed Engagement, including the service fee payable to Gainful and payment structure, are subject to further negotiations and is subject to Gainful, HIC and Denco entering into a Formal Agreement.

HIC and Denco are both non-wholly-owned subsidiaries of HNA Group, which in turn is the holding company of HNA Finance I Co., Ltd., the controlling shareholder of the Company. HIC and Denco being associates of HNA Finance I Co., Ltd. are therefore connected persons of the Company under Chapter 14A of the Listing Rules. If the Proposed Engagement proceeds, the provision of the services by Gainful will constitute a continuing connected transaction for the Company under the Listing Rules, and the Company will comply with the reporting, disclosure and/or independent shareholders' approval requirements, as applicable.

**The Board wishes to emphasise that, save for limited provisions, the Memorandum is not legally binding. The Proposed Engagement may or may not proceed as the specific terms of the Proposed Engagement are subject to further negotiation and the signing of the Formal Agreement. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Company's shares.**

The board (the “**Board**”) of directors (“**Directors**”) of Hong Kong International Construction Investment Management Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 19 January 2017, the Company’s wholly-owned subsidiary, Gainful Engineering Limited (“**Gainful**”) entered into a memorandum of understanding (the “**Memorandum**”) with Hongkong Island Construction Properties Co., Limited (“**HIC**”) and Denco Properties Limited (“**Denco**”), both of which are non-wholly-owned subsidiaries of HNA Group Co., Ltd. (“**HNA Group**”) in connection with the potential engagement of Gainful by HIC and Denco or another affiliate of HNA Group (the “**Proposed Engagement**”), to provide certain engineering, procurement, construction, designing, project management and other services in relation to the development of a proposed residential and non-industrial project (the “**Project**”) on two pieces of land parcel, situated at Kai Tak Area 1K Site 3, Kowloon, Hong Kong (to be registered known as New Kowloon Inland Lot No. 6565) and Kai Tak Area IL Site 3, Kowloon, Hong Kong (to be registered known as New Kowloon Inland Lot No. 6562).

The Memorandum is not legally binding, save for certain binding provisions on reimbursement of certain costs, confidentiality, legal effect, governing law and dispute resolution. The specific terms of the Proposed Engagement, including the service fee payable to Gainful and payment structure, are subject to further negotiations and are subject to Gainful, HIC and Denco entering into a formal, binding agreement (the “**Formal Agreement**”).

Under the Memorandum, where Gainful has entered into engagement letters with consultants and contractors on behalf of HIC, Denco or any other affiliates of HNA to commence preliminary work on the Project and has made certain payments (“**Advance Payments**”) under such engagements, HIC and Denco will reimburse all Advance Payments with interest. The Advance Payments shall not exceed HK\$3 million unless further compliance is made under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and accordingly, the Advance Payments, if made and do not exceed HK\$3 million, are de minimis and not subject to announcement or shareholder approval requirements under the Listing Rules.

As disclosed in the Company's annual report for 2015/2016, the main segments of the business of the Group include (i) foundation piling and site investigation in Hong Kong; (ii) property development in the PRC; and (iii) property investment and management in the PRC. The Company seeks to extend the Group's property development, investment and management business in the PRC to include project management and construction related business in Hong Kong. The Proposed Engagement presents a business opportunity for the Group to enhance its long-term growth potential.

HIC and Denco are both non-wholly-owned subsidiaries of HNA Group, which in turn is the holding company of HNA Finance I Co., Ltd., the controlling shareholder of the Company. HIC and Denco being associates of HNA Finance I Co., Ltd. are therefore connected persons of the Company under Chapter 14A of the Listing Rules. If the Proposed Engagement proceeds, the provision of the services by Gainful will constitute a continuing connected transaction for the Company under the Listing Rules, and the Company will comply with the reporting, disclosure and/or independent shareholders' approval requirements, as applicable.

Further announcement(s) will be made by the Company to update shareholders of the Company on the discussions regarding the Proposed Engagement as and when appropriate.

**The Board wishes to emphasise that, save for limited provisions, the Memorandum is not legally binding. The Proposed Engagement may or may not proceed as the specific terms of the Proposed Engagement are subject to further negotiation and the signing of the Formal Agreement. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Company's shares.**

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

Hong Kong, 19 January 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 and Mr. Meng Yongtao; 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](http://www.hkicimgroup.com)*