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

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 687)**

**VERY SUBSTANTIAL ACQUISITION  
IN RELATION TO THE ACQUISITION OF LAND USE RIGHT  
IN HONG KONG**

**THE MEMORANDUM OF AGREEMENT**

On 7 February 2017, Top Genius signed the Memorandum of Agreement and delivered the same to the HK Government, pursuant to which Top Genius will acquire the land use right over the Land Parcel from the HK Government at the Consideration of HK\$5,529,700,000.

**LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios in respect of the obtaining of the land use right over the Land Parcel is 100% or more, the Acquisition constitutes a very substantial acquisition for the Company pursuant to Chapter 14 of the Listing Rules. The Acquisition is a qualified property acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of land in Hong Kong from the HK Government through a public tender. The Acquisition is undertaken on a sole basis by the Company in its ordinary and usual course of business. Accordingly, the Acquisition is subject to reporting and announcement requirements but is exempt from Shareholders' approval requirements pursuant to Rule 14.33A(1) of the Listing Rules.

**GENERAL**

A circular containing, among other things, (i) further details of the Acquisition and (ii) financial information of the Group, is expected to be despatched to the Shareholders on or before 27 February 2017.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 25 January 2017 in relation to the acceptance by the HK Government of the Tender for the Land Parcel submitted by Top Genius.

On 7 February 2017, Top Genius signed the Memorandum of Agreement and delivered the same to the HK Government for the acquisition of land use right over the Land Parcel.

## **DETAILS OF THE MEMORANDUM OF AGREEMENT AND ACQUISITION**

### **Parties**

- (1) The HK Government, as the vendor of the Land Parcel and a third party independent of the Company and its connected persons; and
- (2) Top Genius, a wholly-owned subsidiary of the Company, as the tenderer of the Land Parcel

### **Information of the Land Parcel**

Location:	New Kowloon Inland Lot No. 6564, Kai Tak Area 1L Site 1, Kai Tak, Kowloon, Hong Kong
Term of lease:	50 years commencing from the date of the Memorandum of Agreement
Site area:	Approximately 7,318 square metres
Minimum and maximum permissible developable gross floor area:	Approximately 23,711 square metres and 39,517 square metres, respectively
Maximum site coverage:	Not exceeding 40% of the area of the Land Parcel
Permitted use:	Private residential purposes
Completion Date:	The Land Parcel should be developed into building or buildings which shall be completed and made fit for occupation on or before 31 March 2022.

Assignment restriction: The Land Parcel and the buildings erected thereon may only be assigned after compliance with the conditions of the conditions of sale of the Land Parcel to the satisfaction of the Director of Lands, unless prior written consent of the Director of Lands is obtained and any conditions imposed on the grant of consent have been satisfied.

### **Consideration and payment terms**

The Consideration of HK\$5,529,700,000, for the acquisition of land use right of the Land Parcel shall be settled as follows:

- (a) the non-refundable deposit of HK\$25,000,000 paid together with the submission of the Tender by Top Genius has been treated as a deposit towards and applied in partial payment of the Consideration; and
- (b) the remaining balance of HK\$5,504,700,000 shall be paid in one lump sum to the HK Government within twenty eight days from the date of the Acceptance Letter, i.e. on or before 21 February 2017.

On the date of this announcement, Top Genius has not yet paid the remaining balance of HK\$5,504,700,000 to the HK Government.

The Consideration, being the bid price submitted under the Tender was determined by the Directors with reference to the future business prospects and development potential in the region in which the Land Parcel is situated and the overall prospects of the property market in Hong Kong. Pursuant to the Memorandum of Agreement, an annual rent of an amount equal to 3% of the rateable value from time to time of the Land Parcel will be charged to Top Genius for a term of fifty years commencing from the date of the Memorandum of Agreement. Subject to the payment of the remaining balance of the Consideration in accordance with the terms of the Memorandum of Agreement, Top Genius shall obtain possession of the Land Parcel from the HK Government and such possession is deemed to have been given to Top Genius from the date of the Memorandum of Agreement.

The Consideration payable by Top Genius will be financed by the Group's internal resources, bank financing and an interest free unsecured loan from the controlling Shareholder, HNA Finance I Co., Ltd.. As the loan is not secured by any assets of the Group and, being interest free, is on normal commercial terms or better, the grant of the loan from HNA Finance I Co., Ltd., although a connected transaction, is fully-exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

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.

In addition to the foundation piling and site investigation industry in Hong Kong and property development and property investment and management in the PRC, the Company seeks to expand its business to include more substantive project development in Hong Kong. Further, in view of the growing demand for residential properties and surging property prices in Hong Kong, the Board has confidence in the residential property market in Hong Kong. In this connection, the Group has identified the Land Parcel which will be planned and developed into private residential properties. The Land Parcel is situated at a prime location which is expected to be supported by a comprehensive transportation network and infrastructure. The Board believes that the Acquisition represents a significant milestone in expanding the Group's property development business into Hong Kong and will enhance the Group's income stream and competitiveness as a whole.

The Directors consider that the terms of the Memorandum of Agreement are normal commercial terms, and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the obtaining of the land use right over the Land Parcel is 100% or more, the Acquisition constitutes a very substantial acquisition for the Company pursuant to Chapter 14 of the Listing Rules. The Acquisition is a qualified property acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of land in Hong Kong from the HK Government through a public tender. The Acquisition is undertaken on a sole basis by the Company in its ordinary and usual course of business. Accordingly, the Acquisition is subject to reporting and announcement requirements but is exempt from Shareholders' approval requirements pursuant to Rule 14.33A(1) of the Listing Rules.

## **GENERAL**

A circular containing, among other things, (i) further details of the Acquisition and (ii) financial information of the Group, is expected to be despatched to the Shareholders in accordance with the Listing Rules on or before 27 February 2017.

## DEFINITIONS

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

“Acceptance Letter”	the letter of acceptance dated 25 January 2017 issued by the Lands Department of the HK Government to Top Genius, confirming the acceptance of the Tender
“Acquisition”	the acquisition of the land use right over the Land Parcel as contemplated under the Memorandum of Agreement
“Board”	the board of Directors
“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
“Consideration”	the land premium payable for the Land Parcel of HK\$5,529,700,000
“Director(s)”	the director(s) of the Company
“Director of Lands”	the Director of Lands of the Lands Department of the HK Government
“Group”	the Company and its subsidiaries
“HK Government”	the government of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement entered into between Top Genius and the HK Government for the acquisition of land use right over the Land Parcel
“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	the tender bid for the acquisition of the Land Parcel submitted by Top Genius
“Top Genius”	Top Genius Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 7 February 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](http://www.hkicimgroup.com)*