
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hong Kong International Construction Investment Management Group Co., Limited (the "Company"), you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

A copy of each of the Prospectus Documents, together with the written consent referred to in the section headed "Qualification and Consent of Expert" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies Miscellaneous Provisions Ordinance. The SFC and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed "WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR THE NIL-PAID RIGHTS SHARES" in the "Letter from the Board" in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as may be 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their 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 the Prospectus Documents.



HONG KONG INTERNATIONAL INVESTMENT MANAGEMENT GROUP CO., LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

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

Financial Adviser to the Company



HONG KONG INTERNATIONAL CAPITAL MANAGEMENT LIMITED

Underwriters of the Rights Issue



建银国际
CCB International

CCB INTERNATIONAL CAPITAL
LIMITED

HNA FINANCE I CO., LTD.

Capitalised terms used in this cover have the same meanings as those defined in this Prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Monday, 22 May 2017. Dealings in the Rights Shares in their nil-paid form will take place from Thursday, 1 June 2017 to Thursday, 8 June 2017 (both days inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should be noted that the Underwriting Agreement contains provisions granting the Underwriters the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to "Termination of the Underwriting Agreement" on pages 8 to 10 of this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person contemplating dealings in the securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out in the section headed "Underwriting Arrangement — Conditions of the Underwriting Agreement" in the "Letter from the Board" contained in this Prospectus) are fulfilled and the time by which the Underwriters' right of termination under the Underwriting Agreement ceases (which is expected to be at 4:00 p.m. on Wednesday, 14 June 2017) and any person dealing in the nil-paid Rights Shares during the period from Thursday, 1 June 2017 to Thursday, 8 June 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the securities of the Company and/or the nil-paid Rights Shares.

If in doubt, Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

The Latest Time for Acceptance is 4:00 p.m. on Tuesday, 13 June 2017. The procedures for acceptance and payment and transfer of the Rights Shares are set out on pages 16 to 17 of this Prospectus.

29 May 2017

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the associated trading arrangement is set out below.

All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out below is for indicative purposes only. The expected timetable may be subject to change, and any such change will be further announced by the Company as and when appropriate.

| Event | 2017 (Hong Kong time) |
|--|----------------------------------|
| 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 |

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;

EXPECTED TIMETABLE

- (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 of and payment for Rights Shares and for application and payment for excess Rights Shares does not take place on the Last Acceptance Date, the dates mentioned in the expected timetable above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

DEFINITIONS

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

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|--|---|
| “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 |
| “Anglo Chinese” or “Independent Financial Adviser” | Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the independent financial adviser 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 |
| “Announcement” | the announcement of the Company dated 28 March 2017 in relation to, among other things, the Authorised Share Capital Increase and the Rights Issue |
| “associate(s)” | has the same meaning ascribed to it under the Listing Rules |
| “Authorised Share Capital Increase” | the 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 |

DEFINITIONS

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| “Board” | the board of Directors |
| “Business Day(s)” | any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong |
| “BVI” | the British Virgin Islands |
| “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 to be subscribed or procured to be subscribed by CCBI as notified by CCBI to the Company in writing pursuant to the terms of the Underwriting Agreement |
| “Circular” | the circular of the Company dated 29 April 2017 in relation to, among other things, the Authorised Share Capital Increase and the Rights Issue |
| “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 |

DEFINITIONS

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| “Excluded Shareholder(s)” | the Overseas Shareholder(s) whose registered address(es) 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) |
| “Fortunate Pool” | Fortunate Pool Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Mr. Fung |
| “Foundation Sale Shares” | in aggregate, 40 issued shares of TFHK, representing in aggregate 40% of the issued shares of TFHK |
| “Foundation SPA” | the sale and purchase agreement dated 19 April 2016 entered into among the Company as purchaser, Fortunate Pool as vendor and Mr. Fung as guarantor in relation to the sale by Fortunate Pool and purchase by the Company of the Foundation Sale Shares, which had already been completed on 27 April 2017 |
| “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 an indirect 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” in the Letter from the Board |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George and Mr. Li Kit Chee, established to give recommendation to the Independent Shareholders in respect of the Rights Issue and the Underwriting Agreement |

DEFINITIONS

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| “Independent Shareholder(s)” | any Shareholder(s) other than those who are required to abstain from voting on the resolution(s) to approve the Rights Issue 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 Underwriters may agree with the Company 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 the Announcement |
| “Latest Practicable Date” | Tuesday, 23 May 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining information contained herein |
| “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 |
| “Medium Term Note Programme” | the US\$1,000,000,000 guaranteed medium term note programme referred to in the Company’s announcement dated 7 April 2017 and notice of listing dated 10 April 2017 |
| “Milway” | Milway Development Limited, a company incorporated in Hong Kong with limited liability and an indirectly 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 and the Company’s circular dated 28 April 2017 |
| “Milway Shareholder’s Loans” | interest free, unsecured loans from HNA Finance I in the principal amounts of HK\$2,700 million and HK\$3,700 million, respectively, to finance part of the Milway Acquisition and each of which has an initial maturity date of one year with an option available to the Company to extend for another year |

DEFINITIONS

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| “Mr. Fung” | Mr. Fung Chiu Chak, Victor, the vice chairman, chief executive officer, managing Director and executive Director of the Company |
| “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 renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue |
| “Pledged Shares” | (i) the 185,000,000 Shares pledged by HNA Finance I in favour of an associate of CCBI, and (ii) the 16,318,013 Shares pledged by HNA Finance I in favour of a lender, who is an independent third party, according to a master loan agreement, a master pledge agreement and a control agreement pursuant to which such lender may sell, transfer, pledge or otherwise deal in such securities subject to the terms of such agreement |
| “Posting Date” | Monday, 29 May 2017, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Excluded Shareholder(s) (as the case may be) |
| “PRC” | The People’s Republic of China |
| “Prospectus” | this prospectus issued by the Company in relation to the Rights Issue |
| “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 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 |

DEFINITIONS

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| “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 as at the Latest Time for Acceptance, subject to a maximum of HK\$7,328 million, details of which are set out in the section headed “The Set Off” in the Letter from the Board |
| “Settlement Date” | Wednesday, 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 convened and held on Thursday, 18 May 2017, approving, among other things, the Authorised Share Capital Increase and the Rights Issue |
| “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) |
| “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 Codes on Takeovers and Mergers and Share Buy-backs |
| “TFHK” | Tysan Foundation (Hong Kong) Limited, a private limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company as at the Latest Practicable Date |
| “Top Genius” | Top Genius Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirectly 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 |

DEFINITIONS

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| “Top Genius Bank Loan” | an interest bearing bank loan in the principal amount of HK\$2,602 million, with security provided by the Group and a maturity date of one year, to finance part of the Top Genius Acquisition |
| “Top Genius Bank Loan Agreement” | the facility agreement dated 20 February 2017 entered into between, among others, Top Genius as borrower, the Company as guarantor, and a bank as lender in respect of the Top Genius Bank Loan |
| “Top Genius 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 |
| “Underwriters” | CCBI and HNA Finance I |
| “Underwriting Agreement” | the underwriting agreement dated 28 March 2017 (as amended and supplemented by side letters dated 20 April 2017 and 25 April 2017) and entered into between and amongst 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 |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |
| “*” | the English names of the Chinese companies referred to in this Prospectus are transliterated from the Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail |

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 the 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

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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,

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 the 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

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 respect 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.

LETTER FROM THE BOARD



HONG KONG INTERNATIONAL CONSTRUCTION INVESTMENT MANAGEMENT GROUP CO., LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

Executive Directors

Mr. ZHAO Quan (Chairman)
Mr. FUNG Chiu Chak, Victor
(Vice Chairman, Chief Executive Officer and
Managing Director)
Mr. LIU Junchun (Co-Vice Chairman)
Mr. CHIU Chin Hung
Mr. LAU Kin Fai
Mr. FAN Ning
Mr. MENG Yongtao
Mr. WONG Tai Lun Kenneth

Independent Non-executive Directors

Mr. FAN Chor Ho
Mr. TSE Man Bun
Mr. LUNG Chee Ming, George
Mr. LI Kit Chee

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*

20th Floor, One Island South
No. 2 Heung Yip Road
Wong Chuk Hang
Hong Kong

29 May 2017

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

Reference is made to the Announcement and the Circular whereby the Board announced that the Company proposed to raise gross proceeds of up to approximately HK\$9,255 million before expenses (assuming there is no change in the number of issued Shares on or before the Record Date) by way of the Rights Issue to the Qualifying Shareholders at the Subscription Price of HK\$4.08 per Rights Share, on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders.

LETTER FROM THE BOARD

In compliance with Rule 7.19(6) of the Listing Rules, the SGM was held on Thursday, 18 May 2017 at which the relevant resolutions approving the Authorised Share Capital Increase and the Rights Issue were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll.

The purpose of this Prospectus is to provide you with further information in relation to the Rights Issue, including the procedures for the acceptance of, and payment for, the Rights Shares provisionally allotted to you, together with certain financial and other general information of the Company.

2. THE RIGHTS ISSUE

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\$4.08 |
| Number of Shares in issue as at the Latest Practicable Date | : | 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 Latest Practicable Date, the Company had no outstanding warrants, options, derivatives or securities convertible into or exchangeable for Shares. Assuming there is no change in the number of issued Shares on or before the Record Date, the 2,268,331,806 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 200.00% of the number of issued Shares as at the Latest Practicable Date 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, payable in full on acceptance represents:

- (i) a premium of approximately 4.35% over the closing price of HK\$3.91 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

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- (ii) 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;
- (iii) a discount of approximately 0.68% to the average closing price of HK\$4.11 per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 3.09% to the average closing price of HK\$4.21 per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day;
- (v) 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 and the total number of existing issued Shares on the Last Trading Day^(Note); and
- (vi) a premium of approximately 56.32% over the audited net asset value of the Company per Share of approximately HK\$2.61 based on the audited consolidated net asset value of the Company and the number of issued Shares as at 31 December 2016.

Note: The last day of dealings in Shares on a cum-entitlement basis was Friday, 19 May 2017 (the “**Last Cum-entitlement Day**”) and the closing price per Share as quoted on the Stock Exchange on the Last Cum-entitlement Date was HK\$4.00. Given that the Subscription Price of HK\$4.08 per Right Share is higher than the closing price per Share on the Last Cum-entitlement Day, no price adjustment for the Rights Issue was made and the previous closing price of the Shares remained unchanged on the first day of dealings in the Shares on an ex-entitlement basis (i.e. Monday, 22 May 2017).

Basis for determining the Subscription Price

The Subscription Price was determined, among others, after arm’s length negotiations 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 (including the independent non-executive Directors having considered the advice from 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.

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Each of Mr. Zhao Quan, Mr. Liu Junchun, Mr. Fan Ning, Mr. Meng Yongtao and Mr. Wong Tai Lun Kenneth, being the 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 the terms of the Underwriting Agreement. 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 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.

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

Qualifying Shareholders

To qualify for the Rights Issue, a Qualifying Shareholder must be registered as a member of the Company on the Record Date, and not be an Excluded Shareholder on the Record Date.

The Prospectus Documents are despatched to the Qualifying Shareholders.

This Prospectus (without the PAL(s) and EAF(s)) is sent to the Excluded Shareholder(s) for information purposes only.

Rights of the Overseas Shareholders

According to the register of members of the Company as at the Latest Practicable Date, there were 5 Overseas Shareholders with registered addresses situate in the PRC, the BVI, Thailand and Canada, holding 31,500,000 Shares, 2,198 Shares, 2,396 Shares and 192 Shares, respectively.

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The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the legal restrictions under the laws of the PRC, the BVI, Thailand and Canada and the requirements of the regulatory bodies or stock exchanges of these places with respect to extending the Rights Shares to such Overseas Shareholders.

The Company has been advised by its legal advisers in the PRC, the BVI and Thailand that the Prospectus Documents would not be required to be registered with any regulatory authorities or the stock exchanges of the PRC, the BVI and Thailand. Based on such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders located in the PRC, the BVI and Thailand, who are accordingly Qualifying Shareholders.

The Company has been advised by its legal advisers in Canada that the extension of the Rights Issue to Overseas Shareholders in Canada would or might, in the absence of compliance with the registration requirements or other special formalities under the relevant legislation or regulations of Canada, be unlawful or impracticable, and compliance with the registration or other special formalities in Canada could be both disproportionately costly and time-consuming, particularly in light of the fact that there is only one Overseas Shareholder with registered address situate in Canada. Accordingly, in view of the likely expense and time involved if compliance with the laws of Canada were to be observed and the insignificant shareholding of the only Overseas Shareholder located in Canada, the Directors believe that the costs and burden of compliance with such laws of Canada would outweigh the benefits which the Company and its Shareholders as a whole would stand to receive by having the only Overseas Shareholder included in the Rights Issue. Therefore, the Directors have determined that it would not be necessary or expedient to extend the Rights Issue to the Overseas Shareholder located in Canada and accordingly, such Overseas Shareholder is an Excluded Shareholder.

Receipt of a copy of any Prospectus Documents does not and will not constitute an offer to the Excluded Shareholder(s) or any other persons in any territories in which it would be unlawful to make an offer, and in such circumstances a Prospectus is sent for information only and should not be copied or redistributed.

The Prospectus Documents are not intended to be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholder(s), to be sold in the market 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 Excluded Shareholder(s) 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 Shareholder(s) and any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of the nil-paid Rights Shares will be made available for excess application on EAFs by the Qualifying Shareholders.

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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.

Procedures for acceptance, payment and transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it should lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Tuesday, 13 June 2017 or such later time and/or date as mentioned in the section headed "Effect of bad weather on the Latest Time for Acceptance of and payment for Rights Shares" on page ii of this Prospectus. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "HKICIMGROUP CO LTD - RIGHTS ISSUE AC" and crossed "Account Payee Only". No receipt will be issued in respect for any remittances received.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 13 June 2017 or such later time and/or date as mentioned in the section headed "Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares" on page ii of this Prospectus, whether by the original allottee or any person in whose favour the rights to subscribe for the Rights Shares have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/it provisional allotment or transfer all or part of his/her/it provisional allotment under the PAL to more than one person, the original PAL must be surrendered and lodged for cancellation together with a covering letter in accordance with the instructions printed in the PAL by no later than 4:30 p.m. on Monday, 5 June 2017 to the Registrar, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, which will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection from the Registrar at the above address after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of a PAL with a cheque and/or cashier's order in

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payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements given pursuant to it will be deemed to have been declined and will be cancelled.

The Prospectus Documents have not been and will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. No action has been taken to permit a public offering of nil-paid Rights Shares or fully-paid Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus or a PAL or an EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for nil-paid Rights Shares, fully-paid Rights Shares or excess Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of any person (including but without limitation to nominees, custodian, agents and trustees) receiving a copy of the Prospectus, or a PAL or an EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself, before acquiring any nil-paid Rights Shares and/or fully-paid Rights Shares or to apply for excess Rights Shares, as to the observance of the laws and regulations of any relevant territory or jurisdiction, including obtaining of any governmental or other consents or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith without prejudice to the foregoing. Completion and return of a PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of it, have been duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties. The Company reserves the right to refuse to accept an application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

No receipt will be issued for any monies received in respect of the provisional allotments. If the Underwriters exercise the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled and/or waived (as the case may be), the monies received in respect of the acceptances of the Rights Issue will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk on or before Tuesday, 20 June 2017.

Application for the excess Rights Shares

Qualifying Shareholders are entitled to apply, by way of excess application, for (i) the Rights Shares representing the entitlement of the Excluded Shareholder(s) and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying

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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 and on a pro rata 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.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**HKICIMGROUP CO LTD - EXCESS APPLICATION AC**" and crossed "**Account Payee Only**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Monday, 19 June 2017. If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, it is expected that the amount tendered on application will be refunded to that Qualifying Shareholder in full without interest by means of a cheque despatched by ordinary post to his/her/its registered address on or before Tuesday, 20 June 2017 at his/her/its own risk. If the number of excess Rights Shares allotted to a Qualifying Shareholders is less than that applied for, it is expected that the surplus application monies will also be refunded to that Qualifying Shareholder without interest by means of a cheque despatched by ordinary post to his/her/its registered address on or before Tuesday, 20 June 2017 at his/her/its own risk.

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Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares which are the subject of the EAF will constitute a warranty by the applicant that such cheque or cashier's order will be honoured on first presentation. All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. If any cheque or cashier's order is dishonoured on first presentation, without prejudice to the other rights of the Company, the EAF is liable to be rejected.

Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date. No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, it is the responsibility of any person outside Hong Kong wishing to make an application for excess Rights Shares to satisfy himself/herself/itself before making the application for excess Rights Shares as to the full observance of the laws and regulations of the relevant jurisdiction, including the obtaining of any government or other consents, and to pay taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes in doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriters exercise the right to terminate the Underwriting Agreement at or before the Latest Time for Termination or if the conditions of the Rights Issue are not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk on or before Tuesday, 20 June 2017.

Application for listing

The Company has applied 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.

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The nil-paid Rights Shares and fully-paid Rights Shares are expected to be traded in board lots of 2,000 (as the Shares are currently traded on the Stock Exchange in board lots of 2,000). 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, SFC transaction levy, investor compensation levy and/or any other applicable fees and charges in Hong Kong.

Rights Shares will be Eligible for admission into CCASS

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 and compliance with the stock admission requirements of HKSCC, 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 on the Stock Exchange, or such other dates as may be 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 settlement 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.

All necessary arrangements will be made to enable the Rights Shares (in both their nil-paid and fully-paid forms) to be admitted into CCASS.

Certificates of the Rights Shares

Subject to fulfilment and/or waiver (as the case may be) of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Tuesday, 20 June 2017, to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each applicant (except HKSCC Nominees Limited) will receive one share certificate for all the Rights Shares allotted and issued to him/her/it.

Refund cheques for the Rights Issue

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.

The HNA Irrevocable Undertaking

As at the Latest Practicable Date, HNA Finance I, the controlling shareholder of the Company, was interested in 755,862,228 Shares (including 201,318,013 Pledged 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:

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- (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 lodgement 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.

Existing Shareholders' participation in the Rights Issue

In addition to the HNA Irrevocable Undertaking, as at the Latest Practicable Date, the Company has received irrevocable undertakings from the following existing Shareholders that they will take up and pay for or procure they are taken up and paid for on the terms of the Prospectus Documents the following Rights Shares, which constitute their provisional allotment of the Rights Shares in respect of the Shares beneficially owned by them as at the time of giving of the relevant undertaking:-

- (i) Shenzhen Terart Decoration Design Engineering Co., Ltd.* (深圳市特藝達裝飾設計工程有限公司) in respect of 21,000,000 Rights Shares;
- (ii) Hainan Shengda Industrial Co., Ltd.* (海南生達實業有限公司) in respect of 21,000,000 Rights Shares; and
- (iii) Hong Kong Marine Construction Limited (香港海事建設有限公司) in respect of 114,000,000 Rights Shares.

3. UNDERWRITING ARRANGEMENT

Underwriting Agreement

On 28 March 2017 (after trading hours), the Company, CCBI and HNA Finance I entered into the Underwriting Agreement in respect of the underwriting arrangement for the Rights Issue. The principal terms of the Underwriting Agreement are as follows:

- Date** : 28 March 2017 (after trading hours) (as amended and supplemented by side letters dated 20 April 2017 and 25 April 2017)
- Parties** : (i) the Company

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- (ii) the Underwriters, namely:-
- (a) CCBI. As at the Latest Practicable Date, save in respect of 185,000,000 Shares in which the ultimate holding company of CCBI was deemed to have an interest, through the security interest held by its wholly-owned subsidiary by way of a share charge, CCBI and its associates held no other interest in the Shares; and
 - (b) HNA Finance I, the controlling shareholder of the Company and which, as at the Latest Practicable Date, was interested in 755,862,228 Shares (including 201,318,013 Pledged 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 subscription for the Untaken Shares on the following basis:

- (i) CCBI conditionally agreed to subscribe or procure subscription for such number of Untaken Shares (which may be zero) as it may notify the Company in writing (being the CCBI Portion) on the terms of the Prospectus Documents (so far as the same are applicable). The Company did not receive the said notice from CCBI in respect of the number of Untaken Shares to be subscribed or procure to be subscribed by CCBI at the relevant time prescribed under the terms of the Underwriting Agreement. Accordingly, pursuant to the terms of the Underwriting Agreement, CCBI Portion is deemed to be zero Untaken Shares; and

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- (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). As CCBI Portion is deemed to be zero Untaken Shares as explained in the paragraph above, HNA Finance I shall subscribe or procure the subscription for all the Untaken Shares (i.e. up to 756,607,350 Rights Shares) pursuant to the terms of the Underwriting Agreement. Under the Underwriting Agreement, HNA Finance I has undertaken that it will use its best endeavours to procure subscribers to subscribe for any further Rights Shares under the HNA Finance I Portion 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 an amount 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. As CCBI's commitment in respect of the CCBI Portion is deemed to be zero Untaken Shares, the commission payable to CCBI under the Underwriting Agreement will be HK\$100,000 (being the minimum charge of CCBI). HNA Finance I will not receive any commission under the Underwriting Agreement.

Pursuant to the Underwriting Agreement, HNA Finance I has undertaken that it will use its best endeavours to procure subscribers to subscribe for Right 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. Assuming there is no change in the number of issued Shares on or before the Record Date and on the basis that the CCBI Portion is deemed to be zero Untaken Shares and assuming no Shareholders (except HNA Finance I and the existing Shareholders who have undertaken to take up their provisional allotments) subscribe for the Rights Shares, HNA Finance I will be required to procure subscribers or purchasers to subscribe or purchase 316,320,753 Shares to keep the Company in compliance with the public float requirements under Rule 8.08 of the Listing Rules. As at the Latest Practicable Date, HNA Finance I has entered into the following arrangements with respect to up to 345,098,040 Shares currently held by HNA Finance I to restore public float as and when required in accordance with Rule 8.08 of the Listing Rules:-

- (a) a conditional sale and purchase agreement with Infini Capital Management (“**Infini**”), pursuant to which Infini shall acquire a certain number of Shares currently held by HNA Finance I, being such number of Shares as HNA Finance I may notify Infini in writing, subject to a maximum of 122,549,020 Shares, from HNA Finance I at a price of HK\$4.08 per Share, if any public float issue arises as a result of the underwriting arrangement;

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- (b) a conditional sale and purchase agreement with 中海怡高控股有限公司 (Sino Decco Holding Co., Ltd.*) (“**Sino Decco**”), pursuant to which Sino Decco shall acquire a certain number of Shares currently held by HNA Finance I, being such number of Shares as HNA Finance I may notify Sino Decco in writing, subject to a maximum of 100,000,000 Shares, from HNA Finance I at a price of HK\$4.08 per Share, if any public float issue arises as a result of the underwriting arrangement; and
- (c) a conditional sale and purchase agreement with Wise Bell Group Limited (“**Wise Bell**”), pursuant to which Wise Bell shall acquire a certain number of Shares currently held by HNA Finance I, being such number of Shares as HNA Finance I may notify Wise Bell in writing, subject to a maximum of 122,549,020 Shares, from HNA Finance I at a price of HK\$4.08 per Share, if any public float issue arises as a result of the underwriting arrangement,

(collectively, the “**Sale and Purchase Agreements**”).

Pursuant to the Sale and Purchase Agreements, HNA Finance I may, at its sole discretion, notify the purchasers of the number of Shares to be sold to each of them (subject to their respective maximum number), if any public float issue arises as a result of the underwriting arrangement. The purchasers are obliged to purchase all such number of Shares as notified by HNA Finance I. It is a term under the respective Sale and Purchase Agreements that HNA Finance I is not obliged to give any notice to the purchasers to sell any of the Shares, and HNA Finance I has the right to give notice to the purchasers to sell less than the maximum number of Shares stated in their respective Sale and Purchase Agreements. The Company has been informed that HNA Finance I will determine the number of Shares to be sold to the respective purchasers based on commercial consideration. HNA Finance I may also enter into sale and purchase agreement(s) with other independent third party(ies) for the sale of Shares by HNA Finance I to such independent third party(ies) before completion of the Rights Issue, provided that HNA Finance I has no intention to sell Shares to any such other independent third party(ies) on commercial terms that are less favourable than those contained in the Sale and Purchase Agreements. No binding agreement has been entered into between HNA Finance I and any such other independent third party(ies) as of the Latest Practicable Date.

Furthermore, according to the terms of the Sale and Purchase Agreements, it is expected that, if Infini, Sino Decco and/or Wise Bell are called upon to purchase any Shares held by HNA Finance I, the completion of the respective Sale and Purchase Agreements will take place on or before Completion. The Company therefore believes that the public float requirements under Rule 8.08 can be complied with at all times. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Infini, Sino Decco and Wise Bell and their respective ultimate beneficial owners are third parties independent of the Company and its connected person (as defined in the Listing Rules).

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 (including the independent non-executive Directors who have

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considered the advice of Anglo Chinese but excluding Mr. Zhao Quan, Mr. Liu Junchun, Mr. Fan Ning, Mr. Meng Yongtao and Mr. Wong Tai Lun Kenneth, being the Directors nominated to the Board by HNA Finance I, who had abstained from voting on the Board approval of, among others, the Underwriting Agreement 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 Top Genius 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 and Benefits of the Rights Issue" below. On 5 April 2017 and 7 April 2017, HNA Finance I also granted to the Company the Milway Shareholder's Loans in the amounts of HK\$2,700 million and HK\$3,700 million respectively, to finance part of the Milway Acquisition, further details of which are set out in the section headed "Reasons for and benefits of the Rights Issue" below. As at the Latest Practicable Date, the total amount due from the Company to HNA Finance I was HK\$9,150 million.

Subject to a maximum amount of approximately HK\$7,328 million (being the Subscription Price payable for 1,796,011,053 Rights Shares) 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. A further sum of up to approximately HK\$1,160 million which may be payable by HNA Finance I if HNA Finance I is called upon to fulfil its obligations under the Underwriting Agreement may also be subject to the Set Off. 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 to the Company in accordance with the terms of the Underwriting Agreement.

Assuming that the Company does not exercise the option to extend for another year, the Top Genius Shareholder's Loan and the Milway Shareholder's Loans will mature on 19 February 2018, and 4 April 2018 and 6 April 2018, respectively. The Company intends to apply the Subscription Price payable by HNA Finance I (subject to a maximum amount of approximately HK\$7,328 million (being the Subscription Price payable for 1,796,011,053 Rights Shares)) to Set Off the Top Genius Shareholder's Loan first, and the remaining Subscription Price payable by HNA Finance I will be used to Set Off part of the Milway Shareholder's Loans. In respect of the remaining balance of the Milway Shareholder's Loans which will not be subject to the Set Off (being approximately HK\$1,822 million), the Company intends to repay such amount by way of bank financing or the Company's surplus resources.

Underwriters' Undertaking

Under the Underwriting Agreement, each of CCBI and HNA Finance I has undertaken with the Company that it shall use 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

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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 the Concert Party(ies) of 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 10.0% 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 placees 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, no 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 Shareholder(s), 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

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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 Underwriting Agreement being true and accurate and not misleading on and as of the date of the Underwriting 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) 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.

As at the Latest Practicable Date, conditions (i), (ii) and (ix) have been fulfilled. The Underwriters may at any time in writing waive any of the conditions in (vii) to (xiii) above or extend the time or date for fulfilment of any of the conditions set out above and such waiver or extension may be made subject to such terms and conditions as are determined by the Underwriters. If any of the

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conditions above has not been fulfilled or waived (where appropriate) 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 or waived (where appropriate) 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.

Please refer to the section headed "Termination of the Underwriting Agreement" on pages 8 to 10 of this Prospectus for the provisions in the Underwriting Agreement that govern its termination.

4. EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDING IN THE COMPANY

Assuming there is no change in the number of issued Shares on or before the Record Date and on the basis that the CCBI Portion is deemed to be zero Untaken Shares, the expected changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

| | (i) As at the Latest Practicable Date | | (ii) Immediately after Completion, assuming all the Rights Shares are subscribed by the Qualifying Shareholders | | (iii) Immediately after Completion, given CCBI Portion is deemed to be zero Untaken Shares and assuming no Shareholders (except HNA Finance I and the existing Shareholders who have undertaken to take up their provisional allotments) subscribe for the Rights Shares | |
|---|---------------------------------------|----------------------|---|----------------------|--|----------------------|
| | <i>Number of Shares</i> | <i>Approx. %</i> | <i>Number of Shares</i> | <i>Approx. %</i> | <i>Number of Shares</i> | <i>Approx. %</i> |
| HNA Finance I and its Concert Parties (<i>Note 1</i>) | 755,862,228 | 66.64 | 2,267,586,684 | 66.64 | 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 |
| CCBI (including subscribers/ sub-underwriters procured by it) | — | — | — | — | — | — |
| Purchasers of Shares held by HNA Finance I (<i>Note 2</i>) | — | — | — | — | 316,320,753 | 9.30 |
| Other public Shareholders | 378,303,675 | 33.36 | 1,134,911,025 | 33.36 | 534,303,675 | 15.70 |
| Sub-total | 378,303,675 | 33.36 | 1,134,911,025 | 33.36 | 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> |

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Notes:

1. As at the Latest Practicable Date, HNA Finance I, which is ultimately owned by Hainan Province Cihang Foundation, were interested in 755,862,228 Shares (including 201,318,013 Pledged Shares).
2. HNA Finance I, as one of the Underwriters 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. As at the Latest Practicable Date, HNA Finance I has entered into the arrangements as set out in the section headed “Underwriting Arrangement — Underwriting Agreement” with respect to up to 345,098,040 Shares currently held by HNA Finance I to restore public float as and when required in accordance with Rule 8.08 of the Listing Rules. HNA Finance I has further undertaken with the Company that it shall use 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 Concert Party(ies) of 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 10.0% 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. For further details of sub-underwriting arrangements entered into by HNA Finance I with respect to the HNA Finance I Portion, please refer to the section above headed “Underwriting Arrangement”.

5. 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 Top Genius Bank Loan and (c) the Top Genius 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 financed by (a) the Group’s internal resources and (b) the Milway Shareholder’s Loans 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”.

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As at 31 March 2017, the Group had cash and bank balances of approximately HK\$2 billion to support its funding needs and total assets of approximately HK\$18 billion. In view of the Group's financing needs, the Board has considered fund raising options available to the Group such as bank borrowing and other equity methods such as placing. However, given the existing bank loans including the Top Genius Bank Loan, the Company may incur higher interest rate and additional finance costs if the Company continues to increase its indebtedness. Placing of new Shares is also subject to limitation of general mandates. Having considered the market conditions and the benefits of the Rights Issue as mentioned below, the Company has decided to proceed with the Rights Issue for the time being and will consider such other fund raising options when appropriate.

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 Group. In respect of the issue of bonds, as disclosed in the Company's announcement dated 7 April 2017 and the notice of listing dated 10 April 2017, Silverbell Asia Limited, being a wholly-owned subsidiary of the Company, has established the Medium Term Note Programme under which notes of an aggregate principal amount of up to US\$1,000,000,000 are expected to be issued in tranches from time to time, with a view to obtaining flexible and efficient funding and/or capital management in the future. As mentioned in the Company's announcement dated 7 April 2017, Silverbell Asia Limited may or may not proceed with drawdowns under the Medium Term Note Programme and the timing of drawdown(s) (if any) is uncertain as it depends on, amongst other things, market conditions. The issue of the notes will also be subject to compliance with relevant laws, regulations and directives, depending on the identity of the relevant professional investor subscriber of the note. As at the Latest Practicable Date, no notes have yet been issued under the Medium Term Note Programme.

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.

6. PROPOSED USE OF PROCEEDS

The Rights Issue is proposed with a view to providing 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\$4 million (and on the basis that no underwriting commission is payable to CCBI apart from the minimum charge of HK\$100,000), the net proceeds, disregarding the Set Off, are estimated to be approximately HK\$9,251 million (assuming that there will be no change in the number of issued Shares on or before the Record Date).

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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, the Subscription Price payable for such further Rights Shares may also be subject to the Set Off. HNA Finance I and the Company have agreed that the maximum amount for 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;
- (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 Top Genius Bank Loan for financing part of the Top Genius Acquisition;
- (iii) as to approximately HK\$647.9 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\$925.1 million for use as general working capital of the Company.

The Company does not intend to apply HK\$925.1 million mentioned in paragraph (iv) above to repay the remaining the Milway Shareholder's Loans as the Company intends to reserve sufficient funds for working capital for use in its ordinary course of business.

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 Directors consider that it is in the interests of the Company and the Shareholders to proceed with the Rights Issue.

The Company evaluates business opportunities for possible investments and/or acquisitions from time to time. However, as at the Latest Practicable Date, it was not aware that the Group had secured any successful bids in relation to any investment opportunities.

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7. 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 Latest Practicable Date:

| 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 | Fully utilised for the acquisition of the 6563 Land Parcel under the Milway Acquisition. |
| 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 | Fully utilised for the acquisition of the 6563 Land Parcel under the Milway Acquisition. |
| 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 | (i) Approximately HK\$300.4 million was utilised for the acquisition of the 6563 Land Parcel under the Milway Acquisition; (ii) approximately HK\$8.9 million has been used to pay loan arrangement fee of Top Genius Bank Loan; and (iii) approximately HK\$8.2 million has been used to pay interest expenses of Top Genius Bank Loan. |

Other than the Rights Issue and the issue of term notes under the Medium Term Note Programme, as at the Latest Practicable Date, the Company did not have any intention or having any negotiation or arrangement in respect of any other fund raising activities.

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8. WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR 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 Prospectus). The conditions of the Underwriting Agreement are set out in the section headed “Underwriting Arrangement — Conditions of the Underwriting Agreement” in this Prospectus. In particular, it is conditional, among other things, upon:

- (i) 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; and
- (ii) the obligations of the Underwriters under the Underwriting Agreement not being terminated by the Underwriters in accordance with its terms.

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 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).

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the financial years ended 31 March 2015 and 31 March 2016 and for the nine months ended 31 December 2016 (which only covers the period from 1 April 2016 to 31 December 2016 as a result of the change of financial year end date of the Company to 31 December, effective on 20 September 2016) together with the relevant notes thereto are disclosed in the following documents which have been published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.hkicimgroup.com>):

- (i) annual report of the Company for the financial year ended 31 March 2015 published on 30 June 2015 (pages 55 to 187), which can be accessed via the link at

(<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0630/LTN20150630161.pdf>)

- (ii) annual report of the Company for the financial year ended 31 March 2016 published on 19 July 2016 (pages 67 to 188), which can be accessed via the link at

(<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0719/LTN20160719009.pdf>)

- (iii) annual report of the Company for the nine months ended 31 December 2016 published on 30 March 2017 (pages 61 to 205), which can be accessed via the link at

(<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0330/LTN20170330141.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at 31 March 2017, being the latest practicable date for the purpose of preparation of this statement prior to the publication of this Prospectus, the Group had unaudited bank borrowings and other borrowings amounting to approximately HK\$3,349,501,000 and HK\$3,105,798,000, respectively, details of which are as follows:

The following table illustrates the Group's indebtedness as at 31 March 2017:

| | <i>HK\$'000</i> |
|--------------------------|--------------------------------|
| Bank borrowings | |
| <i>Current</i> | |
| Bank loans, unsecured | 169,902 |
| Bank loans, secured | 2,829,100 |
| Instalment loan, secured | <u>4,061</u> |
| | <u>3,003,063</u> |
| <i>Non-current</i> | |
| Bank loans, unsecured | 272,824 |
| Instalment loan, secured | <u>73,614</u> |
| | <u>346,438</u> |
| Total | <u><u>3,349,501</u></u> |

HK\$'000

Other borrowings*Current*

| | |
|---|-------------------------|
| Loan from immediate holding company | 2,750,000 |
| Loan from an intermediate holding company | <u>355,798</u> |
| Total | <u>3,105,798</u> |

As at 31 March 2017, out of the total current secured bank loans of approximately HK\$2,829,100,000, balance of HK\$2,600,100,000 was drawn by the Group on 21 February 2017 and refers to the Top Genius Bank Loan, which was an interest bearing bank loan from Shanghai Commercial Bank Limited pursuant to a loan agreement dated 20 February 2017 at an interest rate of the Hong Kong interbank offered rate plus 1.6% and with a maturity date of one year (i.e. 20 February 2018). The loan was secured by Top Genius' property under development with carrying amount of approximately HK\$5,544,963,000, cash and bank balances of Top Genius of approximately HK\$227,271,000 and all the issued shares of Top Genius. The loan was also supported by corporate guarantee from the Company.

As at 31 March 2017, the Group's current secured bank loan of HK\$229,000,000 and instalment loan were secured by certain of the Group's land and buildings with carrying amounts of approximately HK\$167,117,000 and was supported by corporate guarantee from the Company.

All unsecured bank borrowings were supported by corporate guarantees from the Company and certain subsidiaries of the Company, respectively. Mr. Fung, who is a beneficial shareholder of certain subsidiaries of the Company through Fortunate Pool, also provided personal guarantees in respect of borrowing facilities granted to these subsidiaries.

As at 31 March 2017, the loan from the immediate holding company of HK\$2,750,000,000 refers to the interest-free, unsecured Top Genius Shareholder's Loan granted by HNA Finance I to the Company with an initial maturity date of one year with an option available to the Company to extend for another year.

The Group's gearing ratio, calculated on the basis of total bank borrowings divided by Shareholders' equity, was 13% as at 31 March 2015, 31% as at 31 March 2016 and 16.1% as at 31 December 2016.

3. CONTINGENT LIABILITIES

As at 31 March 2017:-

- (a) the Group provided guarantees to certain banks in respect of performance bonds granted to certain subsidiaries of approximately HK\$303,382,000;
- (b) the Group provided guarantees in respect of mortgage facilities granted by Shenyang Housing Fund Management Center relating to the mortgage loans arranged for purchases of certain properties developed by a subsidiary of the Company and the outstanding mortgage loans under these guarantees amounted to approximately HK\$55,932,000;
- (c) the Company provided guarantees to certain banks in connection with general credit facilities granted to its certain subsidiaries in an aggregate amount of approximately HK\$3,861,890,000; and
- (d) the Company provided guarantee to an intermediate holding company in connection with a loan granted to its subsidiary in an amount of approximately HK\$355,798,000.

Disclaimer

Save as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, any loan capital, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or hire purchase commitments guarantees or other contingent liabilities as at the close of business on 31 March 2017.

4. WORKING CAPITAL SUFFICIENCY

According to the Top Genius Bank Loan Agreement, the Top Genius Bank Loan will be due in February 2018 and the Company plans to repay part of the Top Genius Bank Loan of approximately HK\$388 million in response to the new requirements imposed by the Hong Kong Monetary Authority on 12 May 2017 and to renew the remaining portion of the Top Genius Bank Loan with the existing banks before maturity date. In addition, the Company has proposed the Rights Issue with a view to providing funding for the Group's business development and expansion and assisting with the Company's repayment of financial indebtedness. A portion of the net proceeds from the Rights Issue is intended to be used for repaying borrowings and as general working capital. The sufficiency of working capital of the Group in the next 12 months from the date of this Prospectus is dependent on the successful renewal of the Top Genius Bank Loan and completion of the Rights Issue. The Directors are confident that the Group will be able to renew the remaining portion of the Top Genius Bank Loan before its final maturity date and that the Rights Issue will be completed.

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account (i) the Group's internal resources; (ii) the Top Genius Shareholder's Loan and the

Milway Shareholder's Loans; (iii) the loan facilities presently available to the Group; (iv) the expected net proceeds from the Rights Issue; and (v) the expected refinancing of the existing banking facilities upon their maturities, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Foundation piling and construction

In respect of the foundation piling and construction business, the competition is expected to remain keen in the near future due to the growing number of market players and reduced available projects. The profit margins as a whole have been negatively affected given market factors such as labour shortages, rising operating costs and intensification of competition. This has impacted on the segment results for the foundation piling business of the Group, which showed a slight decrease of approximately 0.1% in the segment results margin for the nine months ended 31 December 2016 as compared with the financial year ended 31 March 2016. This trend is expected to affect the Group's financial results for the financial year ending 31 December 2017.

Property development

In respect of the property development business in the PRC, the overall property market sentiment improved significantly in the first quarter of 2016 due to a slew of relaxation policies rolled out by the Central Government to support the property market, given that a reduction in housing inventories was set as one of the five major tasks in 2016 for the Central Government. The relaxation measures boosted the confidence of buyers. Though the overall market sentiment in China has weakened since October 2016 due to the re-introduction of austerity measures in more than 20 cities to stabilize the residential market, sales of our remaining residential properties are expected to remain steady due to uniqueness of our products in terms of quality and value. Construction of the property development project in Shenyang (The Pinnacle) was substantially completed in September 2016, and hand over of some units previously sold commenced. Since September 2016, the Group has continued to hand over sold units. As the available units are ready for inspection and occupancy, it is expected that the confidence of our potential customers will increase hence improving the pace of sale in 2017. Revenue and gross profits from the sale of the properties are only recognised upon delivery. Based on delivery of units which, as at the end of March 2017, representing approximately 33% of all residential units in the development, the profit margins from the Shenyang development has remained relatively stable since September 2016. By way of background, the profit margins from the sale of properties of the Shenyang development are not as high as those of the Group's development projects in Shanghai

and Tianjin, which are first tier cities in the PRC. The unsold area of The Pinnacle, the Company's residential and commercial project in Shenyang, as at 31 March 2017 is outlined below:

- Residential: about 64,400 sqm;
- Car Park: about 956 car park units;
- Non-Residential: about 62,665 sqm, comprising a shopping mall and an office block.

The unsold area of The Waterfront, the Group's residential project in Shanghai, as at 31 March 2017 is outlined below:

- Residential: about 1,000 sqm;
- Car Park: about 12 car park units;
- Non-Residential: about 4,800 sqm, representing primarily street front retail shops and a historic building.

The 13 retail shops and a historic building at The Waterfront were leased to independent third parties for rental income and were therefore classified as investment properties of the Group.

The unsold area of The Riverside, the Group's residential project in Tianjin, as at 31 March 2017 is outlined below:

- Residential: about 330 sqm;
- Car Park: about 26 car park units;
- Non-Residential: about 3,900 sqm, representing primarily street front retail shops and The Riverside's clubhouse.

Looking at the overall development of the PRC property market, although demand for private residential property in the PRC has been growing rapidly in recent years, such growth is often coupled with volatility in market conditions and fluctuation in property prices. In recent years, to curtail the overheating of the PRC property market, the PRC government has implemented a series of measures to tighten mortgage financing for second home purchases. There is uncertainty as to whether further restrictions will be imposed that may reduce the affordability of the Group's properties.

In respect of the property development business in Hong Kong, the HK Government intends to supply up to 460,000 public and private units as the housing supply target for the next 10 years, which is expected to support demand for services from the construction industry in the medium term. There is also a strong demand for professional and infrastructure services from the regions along the "One Belt One Road". On the other hand, the Group notes that competition in the real estate industry in Hong Kong is highly severe and may be further intensified as a result of any future governmental land supply policies and implementation measures. Any cooling-off governmental regulation and

macroeconomic control measures may have an adverse effect on the Group's property development business. Despite the fierce competition, in view of the expected growing housing demand, the Group will explore more property development and related project management opportunities in Hong Kong and consider the viability of each project on its own merits with reference to the prevailing market conditions. According to the latest development plans of the Group, the development of the 6563 Land Parcel and 6564 Land Parcel is expected to provide approximately 1,200 units and presale could start by the end of 2019.

The total capital expenditure for developing the 6563 Land Parcel and the 6564 Land Parcel is expected to be approximately HK\$2.6 billion and HK\$2 billion respectively. The expected capital expenditure for developing the 6563 Land Parcel and the 6564 Land Parcel for the year ending 31 December 2017 is approximately HK\$10 million and HK\$8 million respectively and the Group intends to finance the capital expenditure for developing the 6563 Land Parcel and 6564 Land Parcel by internal resources and construction loans.

The Group will continue with its existing businesses, being property development, foundation piling and site investigation, and property investment and management. It will also continue to maintain a prudent investment and financing strategy and strive to strengthen its efficiency, while seeking opportunities to maximize the return to its shareholders. It will also continue to explore suitable business opportunities for its future development, including leveraging on synergies with its shareholder(s), to enhance the long-term growth potential of the Group. As at the Latest Practicable Date and save for sales of its property developments and other transactions in the ordinary and usual course of business and as otherwise disclosed by the Group, the Company had not identified any potential targets and had no agreement, arrangement, understanding or negotiation on any potential acquisition, and had no plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any disposal or scale down of existing assets or business of the Group.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group attributable to ordinary equity holders of the Company has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company as if the Rights Issue had been completed on 31 December 2016.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company upon completion of the Rights Issue as at 31 December 2016 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company as at 31 December 2016, as extracted from the published annual report of the Company for the nine months ended 31 December 2016, and is adjusted for the effect of the Rights Issue described below.

| Consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company as at 31 December 2016 | Estimated net proceeds from the Rights Issue | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company immediately after the completion of the Rights Issue | Consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company as at 31 December 2016 per Share | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company immediately after the completion of the Rights Issue per Share |
|---|--|--|---|--|
| <i>HK\$'000</i> (Note 1) | <i>HK\$'000</i> (Note 2) | <i>HK\$'000</i> | <i>HK\$</i> (Note 3) | <i>HK\$</i> (Note 4) |

Based on 2,268,331,806
Rights Shares at
Subscription Price of
HK\$4.08 per Rights
Share

| | | | | |
|-----------|-----------|------------|------|------|
| 2,895,835 | 9,250,806 | 12,146,641 | 2.55 | 3.57 |
|-----------|-----------|------------|------|------|

Notes:

- (1) The amount is determined based on the consolidated net assets of approximately HK\$2,959,730,000 after deducting non-controlling interests of approximately HK\$10,359,000, other assets such as club memberships of HK\$1,080,000 and deferred tax assets of approximately HK\$52,456,000 as at 31 December 2016, which is extracted from the audited consolidated statement of financial position of the Group as at 31 December 2016 included in the published annual report of the Company for the nine months ended 31 December 2016. Other assets are deducted from the amount as they are not tangible assets.

- (2) The estimated net proceeds from the Rights Issue of approximately HK\$9,250,806,000 are calculated based on 2,268,331,806 Rights Shares to be issued at the Subscription Price of HK\$4.08 per Rights Share, after deduction of the estimated related expenses, including among others, financial advisory fee and other professional fees, which are directly attributable to the Rights Issue, of approximately HK\$3,988,000.
- (3) The calculation of the consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company as at 31 December 2016 per Share is determined based on the consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company of approximately HK\$2,895,835,000 divided by the number of Shares in issue of 1,134,165,903 as at 31 December 2016.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company immediately after the completion of the Rights Issue per Share is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to ordinary equity holders of the Company immediately after the completion of the Rights Issue of approximately HK\$12,146,641,000 divided by 3,402,497,709 Shares, which represent 1,134,165,903 Shares in issue as at 31 December 2016 and 2,268,331,806 Rights Shares to be allotted and issued pursuant to the Rights Issue, assuming that the Rights Issue had been completed on 31 December 2016.
- (5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results, a final dividend of approximately HK\$113,416,000 for the nine months ended 31 December 2016 as recommended by the Board of the Company on 27 March 2017 or other transactions of the Group entered into subsequent to 31 December 2016.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as set out in Section A of Appendix II to this Prospectus.



22/F
CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

**To the Directors of Hong Kong International Construction Investment Management Group
Co., Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Hong Kong International Construction Investment Management Group Co., Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2016, and related notes (the “**Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of the prospectus dated 29 May 2017 issued by the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of two rights shares for every one share held on the record date (the “**Rights Issue**”) on the Group’s financial position as at 31 December 2016 as if the Rights Issue had taken place as at 31 December 2016. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated statement of financial position as at 31 December 2016, on which an annual report has been published.

Directors’ responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Rights Issue, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the Rights Issue in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong

29 May 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately following Completion (assuming there is no change in the issued share capital of the Company up to the Record Date) is as follows:

(a) *As at the Latest Practicable Date*

| | |
|-------------------------------|--------------------|
| <i>Authorised:</i> | <i>HK\$</i> |
| <u>6,000,000,000</u> Shares | <u>600,000,000</u> |
| <i>Issued and fully paid:</i> | |
| <u>1,134,165,903</u> Shares | <u>113,416,590</u> |

(b) *Immediately following Completion (assuming there is no change in the issued share capital of the Company up to the Record Date)*

| | |
|--|--------------------|
| <i>Authorised:</i> | <i>HK\$</i> |
| <u>6,000,000,000</u> Shares | <u>600,000,000</u> |
| <i>Issued and fully paid:</i> | |
| 1,134,165,903 Shares (immediately before Completion) | 113,416,590 |
| <u>2,268,331,806</u> Rights Shares to be allotted and issued upon Completion | <u>226,833,181</u> |
| <u>3,402,497,709</u> Shares (immediately upon Completion) | <u>340,249,771</u> |

All the Shares in issue are fully paid and rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Rights Shares, once allotted, issued and 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 may be declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms). No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. The Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares.

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

3. INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(a) Interests and short positions of the Directors and chief executive in the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(b) Disclosure of interests of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, so far as is known to the Directors, the persons (other than a Director and chief executive of the Company) or entities who had or were deemed or taken to have an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights

to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital were as follows:

Interests in Shares and underlying Shares

| Name | Capacity | Number of Shares interested | Percentage of issued share capital of the Company (%) |
|---|------------------------------------|------------------------------------|--|
| Hainan Province Cihang Foundation ⁽¹⁾ | Interest of controlled corporation | 2,679,095,994 | 236.21 |
| Hainan Traffic Administration Holding Co., Ltd. ⁽¹⁾ | Interest of controlled corporation | 2,679,095,994 | 236.21 |
| Tang Dynasty Development (Yangpu) Company Limited ⁽¹⁾ | Interest of controlled corporation | 2,679,095,994 | 236.21 |
| HNA Group Co., Ltd. ⁽¹⁾ | Interest of controlled corporation | 2,679,095,994 | 236.21 |
| HNA Finance I ⁽²⁾ | Beneficial owner | 2,679,095,994 | 236.21 |
| Blackstone Group Management L.L.C. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Holdings IV GP L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Holdings IV GP Management (Delaware) L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Holdings IV GP Management L.L.C. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Holdings IV L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Real Estate Associates Asia-NQ L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Real Estate Partners Asia Holding (NQ) L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Blackstone Real Estate Partners Asia-NQ L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| BREP Asia Holdings (NQ) Pte. Ltd. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |

APPENDIX III**GENERAL INFORMATION**

| Name | Capacity | Number of Shares interested | Percentage of issued share capital of the Company (%) |
|---|------------------------------------|------------------------------------|--|
| BREP Asia-NQ L.L.C. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Schwarzman Stephen A. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| The Blackstone Group L.P. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Tides Holdings I Ltd. ⁽³⁾ | Interest of controlled corporation | 78,719,931 | 6.94 |
| Tides Holdings II Ltd. | Beneficial owner | 78,719,931 | 6.94 |
| China State Construction Engineering Corporation ⁽⁴⁾ | Interest of controlled corporation | 57,000,000 | 5.03 |
| China State Construction Engineering Corporation Limited ⁽⁴⁾ | Interest of controlled corporation | 57,000,000 | 5.03 |
| CSCEC Capital (Hong Kong) Limited | Beneficial owner | 57,000,000 | 5.03 |
| 北京市國有資產監督管理委員會 ⁽⁵⁾ | Interest of controlled corporation | 57,000,000 | 5.03 |
| 中國交通建設股份有限公司 ⁽⁶⁾ | Interest of controlled corporation | 57,000,000 | 5.03 |
| China Railway Construction Corporation Limited ⁽⁷⁾ | Interest of controlled corporation | 57,000,000 | 5.03 |
| China Railway Construction Corporation ⁽⁷⁾ | Interest of controlled corporation | 57,000,000 | 5.03 |
| Central Huijin Investment Ltd. ⁽⁸⁾ | Security interest in Shares | 185,000,000 | 16.31 |
| China Construction Bank Corporation ⁽⁸⁾ | Security interest in Shares | 185,000,000 | 16.31 |

Notes:

- (1) These parties were deemed to have interests in 2,679,095,994 Shares by virtue of their equity interests in HNA Finance I. Out of these interested Shares, these parties were deemed to be interested in 755,862,228 Shares; and the derivative interest in 2,268,331,806 Shares which represent the Rights Shares HNA Finance I has agreed to subscribe for under the HNA Irrevocable Undertaking, and which HNA Finance I may be required to take up pursuant to its obligations under the Underwriting Agreement, taking into account the conditional sale and purchase agreements which HNA Finance I has entered into with three parties in relation to the acquisition by such parties of up to 345,098,040 Shares from HNA Finance I, should any public float issues arise as a result of the underwriting arrangement.

- (2) This includes the 2,268,331,806 Rights Shares which HNA Finance I has agreed to subscribe for under the HNA Irrevocable Undertaking, and which HNA Finance I may be required to take up pursuant to its obligations under the Underwriting Agreement, taking into account the conditional sale and purchase agreements which HNA Finance I has entered into with three parties in relation to the acquisition by such parties of up to 345,098,040 Shares from HNA Finance I, should any public float issues arise as a result of the underwriting arrangement.
- (3) These parties were deemed to have interests in 78,719,931 Shares by virtue of their equity interests in Tides Holdings II Ltd..
- (4) These parties were deemed to have interests in 57,000,000 Shares by virtue of their equity interests in CSCEC Capital (Hong Kong) Limited, the subscriber of 57,000,000 Shares under a subscription agreement dated 22 August 2016.
- (5) This party was deemed to have interests in 57,000,000 Shares by virtue of its equity interests in BCEGI (Hong Kong) Company Limited, the subscriber of 57,000,000 Shares under a subscription agreement dated 22 August 2016.
- (6) This party was deemed to have interests in 57,000,000 Shares by virtue of its equity interests in Hong Kong Marine Construction Limited, the subscriber of 57,000,000 Shares under a subscription agreement dated 22 August 2016.
- (7) These parties were deemed to have interests in 57,000,000 Shares by virtue of their equity interests in CRCC Hong Kong Development Limited, the subscriber of 57,000,000 Shares under a subscription agreement dated 9 September 2016.
- (8) Central Huijin Investment Ltd., through its interests in China Construction Bank Corporation, and China Construction Bank Corporation, through its interest in CCB International Overseas Limited, was deemed to be interested in the 185,000,000 Shares over which CCB International Overseas Limited had a security interest.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person (other than a Director and chief executive of the Company) had or was deemed or taken to have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or any options in respect of such share capital.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group or any other member of the Group save for those expiring or determinable by the relevant employer within one year without payment of any compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS AND COMPETING INTERESTS

Save for Mr. Fung's interest in the Foundation SPA, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, no Director was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group, and no Director was interested in any assets which have been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since the date of the latest published audited accounts of the Company.

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any other member of the Group.

7. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years preceding the Latest Practicable Date and which are material:

- (a) the Foundation SPA dated 19 April 2016 entered into among the Company as purchaser, Fortunate Pool as vendor and Mr. Fung as a guarantor in relation to the obligations, commitments and undertakings of Fortunate Pool under the Foundation SPA for an aggregate consideration of HK\$836,790,400;
- (b) the subscription agreement dated 22 August 2016 entered into among the Company as issuer and CSCEC Capital (Hong Kong) Limited as subscriber in relation to the subscription for 57,000,000 Shares at a price of HK\$4.08 per subscription Share;
- (c) the subscription agreement dated 22 August 2016 entered into among the Company as issuer and BCEGI (Hong Kong) Company Limited as subscriber in relation to the subscription for 57,000,000 Shares at a price of HK\$4.08 per subscription Share;
- (d) the subscription agreement dated 22 August 2016 entered into among the Company as issuer and Hong Kong Marine Construction Limited as subscriber in relation to the subscription for 57,000,000 Shares at a price of HK\$4.08 per subscription Share;
- (e) the subscription agreement dated 5 September 2016 entered into among the Company as issuer and 華寶信託有限責任公司 (Hwabao Trust Co., Ltd.*) (as trustee and for and on behalf of and for the benefit of 深圳市特藝達裝飾設計工程有限公司 (Shenzhen Terart Decoration Design Engineering Co., Ltd.*)) as subscriber in relation to the subscription for 10,500,000 Shares at a price of HK\$4.08 per subscription Share;
- (f) the subscription agreement dated 9 September 2016 entered into among the Company as issuer and CRCC Hong Kong Development Limited 中鐵香港發展有限公司 as subscriber in relation to the subscription for 57,000,000 Shares at a price of HK\$4.08 per subscription Share;

- (g) the subscription agreement dated 9 September 2016 entered into among the Company as issuer and 華寶信託有限責任公司 (Hwabao Trust Co., Ltd.*) (as trustee and for and on behalf of and for the benefit of 蘇州金螳螂企業 (集團) 有限公司 (Suzhou Gold Mantis Corporation (Group) Co., Ltd.)) as subscriber in relation to the subscription for 10,500,000 Shares at a price of HK\$4.08 per subscription Share;
- (h) the subscription agreement dated 9 September 2016 entered into among the Company as issuer and 華寶信託有限責任公司 (Hwabao Trust Co., Ltd.*) (as trustee and for and on behalf of and for the benefit of 海南生達實業有限公司 (Hainan Shengda Industrial Co., Ltd.)) as subscriber in relation to the subscription for 10,500,000 Shares at a price of HK\$4.08 per subscription Share;
- (i) the shareholder's loan agreement dated 20 February 2017 entered into among the Company as borrower and HNA Finance I as lender in relation to an interest-free unsecured loan of HK\$2,750 million for financing of the Top Genius Acquisition;
- (j) the Underwriting Agreement;
- (k) the HNA Irrevocable Undertaking;
- (l) the shareholder's loan agreement dated 5 April 2017 entered into among the Company as borrower and HNA Finance I as lender in relation to an interest-free unsecured loan of HK\$2,700 million for financing the Milway Acquisition;
- (m) the shareholder's loan agreement dated 7 April 2017 entered into among the Company as borrower and HNA Finance I as lender in relation to an interest-free unsecured loan of HK\$3,700 million for financing the Milway Acquisition;
- (n) the programme agreement dated 7 April 2017 between Silverbell Asia Limited (“Silverbell”), a wholly-owned subsidiary of the Company, as issuer, the Company as guarantor and the dealers named therein in relation to the basis on which Silverbell may from time to time agree to issue, and on which any of dealers may from time to time agree to subscribe, notes under the Medium Term Note Programme and unconditionally and irrevocably guaranteed by the Company;
- (o) the trust deed dated 7 April 2017 between the Company, Silverbell and The Bank of New York Mellon, London Branch (the “Trustee”) in relation to the rights and duties of the Trustee in respect of any notes issued under the Medium Term Note Programme and by which any notes to be issued under the Medium Term Note Programme shall be constituted;
- (p) the agency agreement dated 7 April 2017 between the Company, Silverbell, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent, and the other agents named in it in relation to the rights and duties of such agents in respect of any notes to be issued under the Medium Term Note Programme;

- (q) an irrevocable undertaking dated 10 April 2017 given by an existing Shareholder, Shenzhen Terart Decoration Design Engineering Co., Ltd.* (深圳市特藝達裝飾設計工程有限公司) (“**Shenzhen Terart**”) pursuant to which Shenzhen Terart undertook that it will take up and pay for 21,000,000 Rights Shares, which constitute its provisional allotment of the Rights Shares under the Rights Issue in respect of the Shares beneficially owned by it as at the time of the giving of the undertaking;
- (r) an irrevocable undertaking dated 10 April 2017 given by an existing Shareholder, Hainan Shengda Industrial Co., Ltd.* (海南生達實業有限公司) (“**Hainan Shengda**”) pursuant to which Hainan Shengda undertook that it will take up and pay for 21,000,000 Rights Shares, which constitute its provisional allotment of the Rights Shares under the Rights Issue in respect of the Shares beneficially owned by it as at the time of the giving of the undertaking;
- (s) an irrevocable undertaking dated 18 April 2017 given by an existing Shareholder, Hong Kong Marine Construction Limited (香港海事建設有限公司) (“**HKMCL**”) pursuant to which HKMCL undertook that it will take up and pay for 114,000,000 Rights Shares under the Rights Issue, which constitute its provisional allotment of the Rights Shares under the Rights Issue in respect of the Shares beneficially owned by it as at the time of the giving of the undertaking; and
- (t) the deed of release entered into between the Company, TFHK and Fortunate Pool dated 27 April 2017 in relation to the release of each party to the shareholders’ agreement of TFHK dated 17 January 2014 of their obligations and/or liabilities thereunder, upon completion of the Foundation SPA.

8. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who has given opinion and advice, which is contained in this Prospectus:

| Name | Qualifications |
|---------------|------------------------------|
| Ernst & Young | Certified Public Accountants |

As at the Latest Practicable Date, Ernst & Young (i) had no shareholding, directly or indirectly, in any member of the Group, and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2016, the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any members of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and the reference to its name in the form and context in which it appears.

9. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong.
- (c) The Company Secretary of the Company is Ms. Wong Suk Han, Kitty. She is a Solicitor qualified to practice in Hong Kong and a member of The Law Society of Hong Kong.
- (d) The branch share register of the Company in Hong Kong is Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this Prospectus shall prevail over its Chinese text in the case of inconsistency.

10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**Executive Directors**

Mr. ZHAO Quan (“**Mr. Zhao**”), aged 46, was appointed as an executive Director on 22 December 2016. On the same day, he was also appointed the chairman of the Board, the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Zhao holds a bachelor's degree of Science in Computer Science Software Management from Lanzhou University. Mr. Zhao is an executive director and co-chairman of HNA Holding Group Co. Limited (a company listed on the Main Board of the Stock Exchange, stock code: 521) and a director of HNA Investment Group Co., Ltd.* (海航投資集團股份有限公司) (an A-share listed company, listed on the Shenzhen Stock Exchange, stock code: 000616). He is also the chairman of HNA Holding Group Co., Ltd.* (海航實業集團有限公司). He joined HNA Group Co., Ltd. in 2009, and served as the chief financial officer and the executive vice-president. He was also the chairman of HNA Group Finance Co., Ltd.* (海航集團財務有限公司). Before joining HNA Group Co., Ltd., Mr. Zhao worked in the State Tax Planning and Finance Bureau of Gansu Province. Mr. Zhao has over 20 years of working and management experiences in the areas of airlines, finance, airport investment and operation etc., and has extensive knowledge and experience in corporate management.

Mr. FUNG Chiu Chak, Victor (“**Mr. Fung**”), aged 62, was appointed as an executive Director on 30 April 1994. He is currently the vice chairman of the Board, chief executive officer, managing Director and an executive Director. He is also a member of the Remuneration Committee of the Company and also a director of various subsidiaries of the Company, including Tysan Foundation (Hong Kong) Limited. Mr. Fung is primarily responsible for the business development, strategic planning as well as general and project management of the Group. Mr. Fung has over 38 years' experience in the field of consulting engineering, construction management and property development.

Mr. LIU Junchun (“**Mr. Liu**”), aged 53, was appointed as a non-executive Director on 29 July 2016 and was re-designated as an executive Director and appointed as the co-vice chairman of the Board to serve alongside Mr. Fung on 22 December 2016. Mr. Liu holds a master’s degree in international economy from Peking University. Mr. Liu is the representative of the 14th People’s Congress of Haikou City and 4th People’s Congress of Hainan Province; a member of Internal and Judicial Affairs Committee and a member of the Standing Committee of the 4th People’s Congress of Hainan Province. From 15 November 2013 until 17 February 2015, Mr. Liu was a director of Tianjin Tianhai Investment Co., Ltd. (an A-share listed company, listed on the Shanghai Stock Exchange, stock code: 600751).

Mr. CHIU Chin Hung (“**Mr. Chiu**”), aged 64, joined the Group in July 1994 and was appointed as an executive Director on 8 July 2003. Mr. Chiu is also a director of various subsidiaries of the Company. He is primarily responsible for the business development and management of the Group’s Foundation Division. Mr. Chiu graduated from The University of Aberdeen, Scotland and has over 39 years’ experience in foundation design and construction works and is a fellow of The Institute of Civil Engineers and The Hong Kong Institution of Engineers as well as a Chartered Engineer. Mr. Chiu has been a council member of The Hong Kong Construction Association representing Tysan Foundation Limited since 2001.

Mr. LAU Kin Fai (“**Mr. Lau**”), aged 55, joined the Group in July 2008 and was appointed as an executive Director on 1 October 2010. Mr. Lau is also a director of various subsidiaries of the Company. He is the General Manager of the China Division in charge of the Group’s Property Development Division in the PRC. Mr. Lau is primarily responsible for business development and management of the Group’s property development business. Prior to joining the Group, he had over 24 years’ experience in the field of quantity surveying and housing development with the latter 14 years working in the Hong Kong Housing Society. Mr. Lau is a fellow member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors.

Mr. FAN Ning (“**Mr. Fan**”), aged 52, was appointed as an executive Director on 29 July 2016. He is responsible for developing and participating in the real estate development and foundation business of the Group. Mr. Fan holds a master’s degree in economics from Wuhan University. From May 2002 to October 2006, Mr. Fan served as deputy general manager of Beijing CCID Media Investments Co., Ltd.* (北京賽迪傳媒投資股份有限公司) (an A-share listed company, listed on the Shenzhen Stock Exchange, stock code: 000504) and as chairman of Baoting Hainan Tourism Development Co., Ltd.* (保亭海航旅遊開發有限公司). Mr. Fan previously served as vice president of Hainan International Tourism Island Development and Construction (Group) Co., Ltd.* (海航國際旅遊島開發建設(集團)有限公司) and vice president of the real estate department of HNA Group Co., Ltd.. From 6 February 2015 to 3 June 2015, Mr. Fan worked as an executive director and the chief executive officer of HNA Holding Group Co. Limited (formerly known as HNA International Investment Holdings Limited) (a company listed on the Main Board of the Stock Exchange, stock code: 0521). Mr. Fan has extensive experience in financial, foreign trade and real estate development, and has extensive knowledge and experience in corporate management.

Mr. MENG Yongtao (“**Mr. Meng**”), aged 33, was appointed as an executive Director on 29 July 2016. He is responsible for corporate planning and development and the corporate finance and investment policy of the Group. Mr. Meng holds a bachelor’s degree in business and management from University of Sunderland and a master’s degree in international management from University of Sunderland. Mr. Meng has been a director of Hainan HNA Infrastructure Investment Group Co., Ltd., (an A-share listed company, listed on the Shanghai Stock Exchange, stock code: 600515), since October 2014. He is currently a director, the vice president and chief financial officer of HNA Investment Group Co., Ltd., (an A-share listed company, listed on the Shenzhen Stock Exchange, stock code: 000616). Mr. Meng has extensive knowledge and experience in financing.

Mr. WONG Tai Lun Kenneth (“**Mr. Wong**”), aged 47, was appointed as an executive Director on 26 January 2017. Mr. Wong holds a bachelor’s degree of Laws from the London School of Economics and Political Science of the University of London. Mr. Wong is primarily responsible for legal and compliance matters, mergers and acquisition, and corporate finance of the Group. Mr. Wong is also the General Counsel of HNA Group (International) Company Limited. Mr. Wong co-founded Nixon Peabody CWL, a solicitors’ firm in Hong Kong, in 2002 and had previously served as a managing partner of the firm. Mr. Wong was admitted as a solicitor of the High Court of Hong Kong in 1995 and as a solicitor of the Supreme Court of England and Wales in 1997. Mr. Wong has more than 20 years of experience in legal practice focusing on corporate and commercial work and, in particular, relating to corporate finance. Mr. Wong is currently a member of the Board of Governors of Chu Hai College of Higher Education, a vice chairman of Friends of Caritas and an advisor to Heung Yee Kuk New Territories. Mr. Wong was appointed by the Government of the Hong Kong Special Administrative Region as a member of the Elderly Commission in 2015.

Independent Non-executive Directors

Mr. FAN Chor Ho (“**Mr. C H Fan**”), aged 75, was appointed as an independent non-executive Director on 24 August 1993. Mr. Fan currently also acts as the chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee of the Company. Since 14 December 2015, he has been an independent non-executive director of Perfect Group International Holdings Limited, a company listed on the Main Board of the Stock Exchange. He was a non-executive director of Hong Kong Exchanges and Clearing Limited from 3 April 2000 to 15 April 2003. He was a member of the Advisory Committee to the Securities and Futures Commission from 1993 to 1997 and again serving in the same capacity since 2001 until 2007. He held appointments on Government boards and committees, including chairman of the Chinese Medicine Council of Hong Kong from 13 September 2005 to 12 September 2011. He was awarded the Badge of Honour in 1991 and was made a Justice of the Peace in 1993, and was awarded Bronze Bauhinia Star in July 2005 and the Silver Bauhinia Star in July 2011.

Mr. TSE Man Bun (“**Mr. Tse**”), aged 74, was appointed as an independent non-executive Director on 28 September 2004. Mr. Tse is also the chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee of the Company. He is presently an independent non-executive director of HSBC Insurance (Asia) Limited, HSBC Life (International) Limited, Crystal International Limited, and China Fishery Group Limited (listed on the Singapore Exchange Limited). Mr. Tse has over 40 years’ working experience in the banking industry. He joined The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) in 1968 and retired from the

bank in December 2002. During his service with HSBC, he was assigned many key positions, including senior credit manager; managing director, Wayfoong Finance Limited and Wayfoong Credit Limited; and senior executive, Commercial Banking. Apart from the banking field, Mr. Tse is well-versed in the reviewing and analysis of corporate financial statements and has an in-depth understanding of the commerce and manufacturing industries.

Mr. LUNG Chee Ming, George (“**Mr. Lung**”), aged 60, was appointed as an independent non-executive Director on 25 August 2007. Mr. Lung currently also acts as a member of the Audit Committee and the Nomination Committee of the Company. He is an Executive Regional Director of Manulife (International) Limited leading a team of around 1,000 insurance/financial advisers. He first joined Manulife in 1990 and has since achieved outstanding results. Actively involved in community services, Mr. Lung was amongst one of the Ten Outstanding Young Persons of Hong Kong in 1995 and was the chairman of The Outstanding Young Persons Association in 2003 to 2004. Mr. Lung was awarded the Medal of Honour and Bronze Bauhinia Star by the Government of Hong Kong in 2001 and 2014. Furthermore, Mr. Lung is a committee member of the Board of Governors of Hong Kong Shue Yan University, a member of the Guangdong Daya Bay Nuclear Power Station/Lingao Nuclear Power Station, Nuclear Safety Consultative Committee, the Founding Chairman of Hong Kong Youth Exchange Promotion United Association and a chairman of “Passing on the Torch” National Education Activity Series of Education Bureau. Mr. Lung is currently a member of the National Committee of the Chinese People’s Political Consultative Conference and Justice of the Peace of Hong Kong Special Administrative Region. He has also been a non-executive director of Lamtex Holdings Limited (formerly known as China New Energy Power Group Limited), which is listed on the Main Board of the Stock Exchange since 31 July 2015. From 17 June 2015 to 28 July 2015, he served as an independent non-executive director of China Ocean Fishing Holdings Limited, a company listed on the Main Board of the Stock Exchange. From 20 June 2014 to 26 June 2015, he also served as an independent non-executive director of Mega Medical Technology Limited, a company listed on the Main Board of the Stock Exchange.

Mr. LI Kit Chee (“**Mr. Li**”), aged 62, was appointed as an independent non-executive Director on 31 March 2013. Mr. Li is also a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He holds a bachelor’s degree of Social Sciences from the University of Hong Kong. He has over 33 years of experience in auditing, accounting and secretarial services and is a fellow member of both the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. He is a managing director of Arthur Li, Yau & Lee C.P.A. Limited, and also a managing director of Cheong Yip Corporate Services Limited which is principally engaged in corporate service related business. He has been an independent non-executive director of Henry Group Holdings Limited since April 2007 and National Arts Entertainment and Culture Group Limited since June 2014, which are companies listed on the Main Board and the Growth Enterprise Market of the Stock Exchange respectively. Between November 2010 and May 2014, he also served as an independent non-executive director of First Credit Finance Group Limited, a company listed on the Growth Enterprise Market of the Stock Exchange.

Senior Management

Mr. WONG Kay (“**Mr. K Wong**”), aged 54, re-joined the Group in January 2014. Mr. K Wong is the General Manager in charge of the Group’s Shenyang Property Development Division in the PRC. He is primarily responsible for organizing and managing the operations of the Group’s Shenyang property development business in the PRC. Mr. K Wong has over 31 years’ experience in the construction industry with more than 23 years in property development and project management in the PRC.

Miss MO Wai Ling (“**Miss Mo**”), aged 53, joined the Group in February 2008. As the Financial Controller of the Group, Miss Mo is primarily responsible for finance and accounting matters. She has over 30 years’ experience in the finance and accounting field. Miss Mo is a fellow member of The Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants.

Miss WANG Xiaoqiong (“**Miss Wang**”), aged 31, was appointed as the joint Group Financial Controller of the Group in July 2016. Miss Wang is primarily responsible for finance and accounting matters. She has over 9 years’ experience in the finance and accounting field. Miss Wang is qualified as a member of Institute of Public Accountants, China Intermediate Economist and a Senior International Finance Manager certified by the International Finance Management Association.

Mr. LAI Kok Wai (“**Mr. Lai**”), aged 58, joined the Group in July 1994. As a Director of Tysan Foundation Holdings Limited, Tysan Foundation Limited, Tysan Foundation Geotechnical Limited, Tysan Contractors (Hong Kong) Limited and Tysan Construction (Macau) Limited, Mr. Lai is responsible for the planning, coordinating and controlling of the technical operations and administration of the Foundation Division. He has over 36 years’ experience in civil engineering, building and foundation design and construction works and is a member of both The Hong Kong Institution of Engineers (MHKIE) and The Institution of Civil Engineers United Kingdom (MICE). Mr. Lai also represents Tysan Foundation Limited to sit in various Government’s panels and committees. Mr. Lai is also a Director of Proficiency Engineering Limited and Proficiency Equipment Limited. He is also responsible for the business development and management of machinery leasing and trading.

Miss WONG Suk Han Kitty (“**Miss Wong**”), aged 53, joined the Group in June 2007. As the Company Secretary of the Group and Director of Corporate Affairs, Miss Wong is primarily responsible for company secretarial matters, legal, human resources and administration, and investor relations matters. She has over 20 years of experience in the corporate finance and legal fields. Miss Wong is a Solicitor qualified in Hong Kong and has been admitted as a Solicitor of the Supreme Court in England and Wales.

Business address of the Directors and Senior Managers

The business address of the Directors and the Senior Managers disclosed above is the same as the Company’s head office and principal place of business in Hong Kong located at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong.

11. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

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|---|--|
| Registered Office | Clarendon House 2 Church Street Hamilton HM 11 Bermuda |
| Head Office and Principal Place of Business in Hong Kong | 20th Floor, One Island South No. 2 Heung Yip Road Wong Chuk Hang Hong Kong |
| Authorised Representatives | Mr. FUNG Chiu Chak, Victor 20th Floor, One Island South No. 2 Heung Yip Road Wong Chuk Hang Hong Kong Mr. CHIU Chin Hung 20th Floor, One Island South No. 2 Heung Yip Road Wong Chuk Hang Hong Kong |
| Company Secretary | Ms. WONG Suk Han, Kitty |
| Auditor and Reporting Accountants | Ernst & Young <i>Certified Public Accountants</i> 22/F., CITIC Tower 1 Tim Mei Avenue Central Hong Kong |
| Principal Bankers | BNP Paribas Hong Kong Branch 59-63/F., Two IFC 8 Finance Street Central Hong Kong Hang Seng Bank Limited Hang Seng Bank Building 83 Des Voeux Road Central Hong Kong |

| | |
|---|---|
| | Shanghai Commercial Bank Limited 12 Queen's Road Central Hong Kong |
| | The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong |
| Branch Share Register and Transfer Office in Hong Kong | Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong |
| Underwriters | CCB International Capital Limited 12/F., CCB Tower 3 Connaught Road Central Central Hong Kong |
| | HNA Finance I Co., Ltd. 26/F., Three Pacific Place No. 1 Queen's Road East Admiralty Hong Kong |
| Financial Adviser to the Company | Hong Kong International Capital Management Limited Unit A, 25/F., United Centre No.95 Queensway Admiralty Hong Kong |
| Legal Advisors to the Company | <i>as to Hong Kong Law</i> Reed Smith Richards Butler 20/F., Alexandra House 18 Chater Road Central Hong Kong |
| | <i>as to PRC Law</i> Global Law Office 15/F. Tower 1, China Central Place No. 81 Jianguo Road Chaoyang District Beijing 100025 PRC |

as to Bermuda Law & BVI Law

Conyers, Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

as to Canada Law

Boughton Law Corporation
700 - 595 Burrard Street
Vancouver
BC V7X 1S8
Canada

as to Thailand Law

Bangkok International Associates
17/F., ITF Tower
140/36-38 Silom Road
Bangkok 10500
Thailand

**Independent Financial Adviser to the
Independent Board Committee and
the Independent Shareholders**

Anglo Chinese Corporate Finance, Limited
40/F., Two Exchange Square
8 Connaught Place
Central
Hong Kong

12. EXPENSES

The expenses in connection with the Rights Issue, including the financial advising fees, printing, registration, translation, legal and accounting fees are estimated to be not less than approximately HK\$4 million and are payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter referred to in the section headed "Qualification and Consent of Experts" in this Appendix have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Miscellaneous Provisions Ordinance.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than penal provisions) of sections 44A and 44B of the Companies Miscellaneous Provisions Ordinance, so far as applicable.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during the normal business hours from 9:00 a.m. to 5:30 p.m. (save for Saturdays and public holidays) at the head office and principal place of business of the Company in Hong Kong at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong from the date of this Prospectus up to and including the date which is 14 days from the date of this Prospectus:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) the annual reports of the Company for the nine months ended 31 December 2016 and the financial year ended 31 March 2016;
- (c) the independent reporting accountants' assurance report on the unaudited pro forma financial information of the Group issued by Ernst & Young set out in Appendix II of this Prospectus;
- (d) the written consent referred to in the section headed "Qualification and Consent of Expert" of this Appendix III;
- (e) the material contracts referred to in the section headed "Material Contracts" of this Appendix III;
- (f) the circulars dated 13 March 2017 and 28 April 2017 in respect of the Top Genius Acquisition and Milway Acquisition, respectively;
- (g) the Circular; and
- (h) this Prospectus.