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

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 687)**

### **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN A SUBSIDIARY**

### **PROFIT WARNING**

### **RESUMPTION OF TRADING**

#### **INTRODUCTION**

The Company announces that on 1 February 2019, the Vendor (a wholly-owned subsidiary of the Company), the Purchaser, the Company as guarantor of the Vendor, and the Purchaser Guarantor, entered into the SPA, pursuant to which, among other things, the Purchaser agreed to purchase, and the Vendor agreed to (i) sell the Sale Shares and (ii) assign the Shareholder Loans, for a total consideration of HK\$3,912,225,000 (subject to adjustment, if any). The Target Group owns the Property, namely the 6563 Land Parcel and the Development, collectively.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 25% but all the applicable percentage ratios are below 75%, the Transaction constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will either seek the requisite Shareholders' approval for the Transaction pursuant to Chapter 14 of the Listing Rules, where applicable, by way of a written approval from the controlling Shareholder pursuant to Rule 14.44 of the Listing Rules or by way of Shareholders' approval to be obtained at a special general meeting of the Company. Further announcement will be made by the Company as and when appropriate.

## **DESPATCH OF THE CIRCULAR**

A circular containing, among other things, further information relating to the SPA and the transactions contemplated thereunder is expected to be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. The Company currently expects the circular will be despatched to the Shareholders on or before 27 February 2019.

**Closing is conditional upon the satisfaction or, if applicable, waiver of certain Conditions Precedent. Accordingly, the Transaction may or may not proceed as contemplated or at all. Shareholders and other investors should exercise caution when dealing in the Shares or other securities of the Company.**

## **PROFIT WARNING**

The Company currently expects to record a loss from the Transaction (before tax) of approximately HK\$740 million (subject to finalisation and adjustments), estimated based on (i) the unaudited consolidated financial information of the Target as at 31 December 2018; (ii) estimated costs to be incurred for the development of the Property up to Closing; and (iii) other estimated related transaction costs and expenses. However, the actual amount of any such loss from the Transaction can only be determined after Closing and such loss will be recognised in the financial information of the Company for the year ending 31 December 2019. Moreover, the Company expects that the provision for impairment of the properties under development of the Target Group will also impact the net profit of the Company for the year ended 31 December 2018. As disclosed in the interim results announcement of the Company dated 27 August 2018, the Company recorded an unaudited profit attributable to ordinary equity holders of the Company of HK\$1,054 million. However, it is expected that the corresponding figure for the year ended 31 December 2018 will be substantially lower, primarily due to the aforesaid impairment loss of approximately HK\$450 million (subject to finalisation) and also the share option expenses of approximately HK\$160 million (subject to finalisation) arising from the grant of share options by the Company in the second half of 2018.

The above profit warning and the above figures are only based on the preliminary assessment by the Company, with reference to its management accounts and the information currently available, which are subject to finalisation and adjustments where necessary, and have not been reviewed or audited by the auditors or audit committee of the Company. Also, the final figures may be affected by certain items that are still being ascertained and finalised. The Company is still in the process of finalising its annual results for the year ended 31 December 2018. Financial information and other details of the Company for the year ended 31 December 2018 will be disclosed in its annual results announcements in accordance with the requirements of the Listing Rules.

**Shareholders and other investors should read carefully the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published by the end of March 2019 pursuant to the requirements of the Listing Rules.**

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 1 February 2019 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 4 February 2019.

## **INTRODUCTION**

The Company announces that on 1 February 2019, the Vendor (a wholly-owned subsidiary of the Company), the Purchaser, the Company as guarantor of the Vendor, and the Purchaser Guarantor, entered into the SPA, pursuant to which, among other things, the Purchaser agreed to purchase, and the Vendor agreed to (i) sell the Sale Shares and (ii) assign the Shareholder Loans, for a total consideration of HK\$3,912,225,000. The Target Group owns the Property, namely the 6563 Land Parcel and the Development, collectively.

## **THE SPA**

### **Date**

1 February 2019

### **Parties**

- (a) Omnilink Assets Limited, as Vendor;
- (b) Fabulous New Limited, as Purchaser;
- (c) the Company, as guarantor of the Vendor; and
- (d) Wheelock Properties Limited, as Purchaser Guarantor.

## **Transaction**

The Purchaser agreed to purchase, and the Vendor agreed to (i) sell the Sale Shares and (ii) assign the Shareholder Loans.

## **Purchase price**

HK\$3,912,225,000, subject to adjustment (if any).

The Purchase Price was arrived at after arm's length commercial negotiations between the Parties, taking into account, among other things, a valuation of the Property based on arm's length negotiations of the Parties and the Existing Bank Loan (the outstanding principal amount of which is HK\$2,977,000,000 as at the date of the SPA).

## **Terms of payment**

The Purchase Price shall be payable by the Purchaser to the Vendor in the following manner:

### **(a) *Payment of Deposit***

HK\$1,377,845,000 (the “**Deposit**”) shall be paid by the Purchaser to the Vendor immediately upon execution of the SPA. The Deposit shall be held by the Vendor's designated legal adviser as stakeholder and not to be released to the Vendor until upon Closing (in which case the Deposit shall represent part payment of the Purchase Price) or its release in accordance with the terms and conditions of the SPA.

### **(b) *Completion payment***

At Closing, the Purchaser shall pay to the Vendor an amount equal to the Purchase Price:

- (i) less the Deposit and the Escrow Amount (as defined below); and
- (ii) either (A) add the amount of the Adjusted NAV as set forth in the Pro Forma Closing Accounts if it is positive or (B) deduct the absolute amount of the Adjusted NAV as set forth in the Pro Forma Closing Accounts if it is negative;

(c) *Escrow arrangement*

The remaining balance of HK\$560,000,000 (the “**Escrow Amount**”) shall be paid by the Purchaser to the Escrow Agent at Closing in favour of the Company (as nominee of the Vendor) subject to the terms and conditions of the Escrow Agreement and the release of which to the Company (as nominee of the Vendor) shall be subject to the terms of the SPA. The Escrow Amount shall be treated as retention money as security for the performance by the Vendor of its obligations as specified in the SPA. The Escrow Amount (or such part thereof, if any) shall be released and paid to the Vendor on the earlier of:

- (i) within ten (10) business days after the expiry of the six-month period after Closing;  
or
- (ii) within ten (10) business days after receipt by the Purchaser of (i) the duly executed Termination Agreements in respect of all Existing Arrangements (other than the Tenancy Agreement); and (ii) a notice in writing of the Vendor confirming that final accounts or settlement amount (as the case may be) for all Existing Arrangement (other than the Tenancy Agreement) have been issued and agreed by the Target Subsidiary and all contractors and/or consultants and/or service providers thereof (or deemed to be conclusive under the relevant Termination Agreements) (the “**Agreed Contractor Final Account**”),

after deducting (i) all amounts payable by any member of the Target Group under the Termination Agreements and the Agreed Contractor Final Account; and (ii) the Contractor Accounts Payment (as defined below) (if any) (the balance thereof, the “**Remaining Balance**”), provided always that:

- (aa) if the amount of the Remaining Balance is positive, payment of the Remaining Balance shall only be made after deducting therefrom certain Vendor’s outstanding obligations as specified in the SPA but have neither been fully paid nor accounted for; or
- (bb) if the amount of the Remaining Balance is zero or negative, without prejudice to the generality of certain Vendor’s obligations as specified in the SPA, the Vendor shall cease to have any liability in respect of the relevant Existing Arrangement(s) with no Agreed Contractor Final Account.

Within five (5) business days after the expiry of the six-month period after Closing or within five (5) business days after receipt by the Purchaser of all the documents as referred to in c(ii) above, whichever is earlier, the Company and the Purchaser shall give joint instructions to the Escrow Agent by each delivering a signed notice of release in accordance with the terms of the Escrow Agreement to instruct the Escrow Agent to release the Escrow Amount (or such part thereof after deducting therefrom) to the Company (as nominee of the Vendor).

Where there is no Agreed Contractor Final Account in respect of any one or more of the Existing Arrangements (other than the Tenancy Agreement) on or before the expiry of the six-month period after Closing, a sum representing 20% of the aggregate contract sum of all such Existing Arrangements with no Agreed Contractor Final Account (the “**Contractor Accounts Payment**”) shall be absolutely forfeited to and kept by the Purchaser, pursuant to which the Vendor shall cease to have any liability in respect of such Existing Arrangements.

## **NAV payment**

### **(a) *Pro Forma Closing Accounts***

The Vendor is required to prepare the Pro Forma Closing Accounts, which shall reflect the financial position of the Target Group immediately before Closing.

### **(b) *Closing Accounts***

The Vendor is required to prepare the Closing Accounts to be audited by auditors and a Final Statement of Adjusted NAV. The Vendor and the Purchaser shall use their reasonable endeavours to agree on the Adjusted NAV as set out in the Final Statement of Adjusted NAV after having reviewed and taken into account the information provided by the audited Closing Accounts (the Final Statement of Adjusted NAV so agreed is referred to as the “**Agreed Statement**”).

In the event that the Adjusted NAV as set forth in the Agreed Statement differs from the Adjusted NAV as set forth in the Pro Forma Closing Accounts, payment by the Vendor or (as the case may be) the Purchaser shall be adjusted accordingly and shall be made within five (5) business days from the date of the Agreed Statement.

## **Termination and default by either Party**

If Closing shall not occur in accordance with the SPA by reason of the Vendor failing to perform or comply with the Conditions Precedent (otherwise than by reason of the default of the Purchaser), or if for any reason the Vendor does not materially perform or comply its obligations as specified in the SPA, then the Purchaser shall be entitled, in its sole and absolute discretion, to:

- (a) proceed to Closing or seek specific performance to complete the Transaction so far as practicable (without prejudice to its rights or remedies under the SPA or otherwise at law or in equity); or
- (b) defer the Closing to a later date; or
- (c) terminate the SPA by giving to the Vendor a written notice of termination and if the Purchaser shall do so, the SPA shall forthwith be terminated and of no further force and effect and in which event the Deposit (together with any interest accrued thereon) shall be returned to the Purchaser.

If Closing shall not occur in accordance with the SPA by reason of the Purchaser failing to perform or comply with its obligations as specified in the SPA (otherwise than by reason of the default of the Vendor or the Company), the Vendor shall be entitled, in its sole and absolute discretion, to:

- (a) proceed to Closing or seek specific performance to complete the Transaction, including enforcing Purchaser's obligation to deliver all deliverables under the SPA so far as practicable (without prejudice to its rights or remedies under the SPA or otherwise at law or in equity); or
- (b) defer the Closing to a later date; or
- (c) if the Purchaser has failed to perform or comply with its obligations in the SPA, terminate the SPA by giving to the Purchaser a written notice of termination and if the Vendor shall do so, the SPA shall forthwith be terminated and of no further force and effect and the Deposit (together with any interest accrued thereon) shall be retained by the Vendor.

Without prejudice to the other rights and remedies of the Purchaser, if Closing does not take place as a result of default by the Vendor on the ground that any of the relevant warranties under the SPA is not true or accurate or is misleading in any respect as at Closing, the Deposit (together with any interest accrued thereon) shall be returned to the Purchaser. In addition, the Vendor shall pay to the Purchaser an additional amount equal to the Deposit as liquidated damages.

Without prejudice to the other rights and remedies of the Vendor, if Closing does not take place as a result of default by the Purchaser not complying with its payment obligations in accordance with the SPA, the Vendor shall be entitled to retain the Deposit as liquidated damages.

### ***Guarantee of the Vendor***

The Company irrevocably and unconditionally guarantees and undertakes to the Purchaser due, proper and punctual performance by the Vendor of all the Vendor's obligations, covenants, indemnities and other undertakings and the terms and provisions of the SPA and documents referred to in the SPA to which the Vendor is a party.

### ***Guarantee of the Purchaser***

The Purchaser Guarantor irrevocably and unconditionally guarantees and undertakes to the Vendor due, proper and punctual performance by the Purchaser of all the Purchaser's obligations, covenants, indemnities and other undertakings and the terms and provisions of the SPA and documents referred to in the SPA to which the Purchaser is a party.

### ***Conditions Precedent***

Closing is conditional upon the Conditions Precedent being satisfied (or waived by the Purchaser in accordance with the SPA) on or before 28 May 2019 (the “**Long Stop Date**”) (or such other date to be agreed by the Vendor and the Purchaser in writing) except that in the case of the Conditions Precedent set out in (e) and (f) below which can be satisfied (or waived by the Purchaser in accordance with the SPA on or before Closing):

- (a) compliance with all applicable notification, announcement, Shareholders’ approval and other requirements under the Listing Rules relating to the SPA and the transactions contemplated thereunder by the Company (where applicable), including the Requisite Shareholder Approval, save and except for the requirements under the Listing Rules in relation to the issue and despatch of a circular by the Company to the Shareholders in case where the Requisite Shareholder Approval is sought under Rule 14.44 of the Listing Rules;
- (b) compliance with all applicable notification, announcement, and other requirements under the Listing Rules relating to the SPA and the transactions contemplated thereunder by the holding company of the Purchaser (where applicable);
- (c) the Foundation Contract having been terminated to the Purchaser’s reasonable satisfaction and the relevant Termination Agreement for such termination having been duly executed by the parties thereto and delivered to the Purchaser;
- (d) (i) the substantial completion certificate having been issued by the architect under the Foundation Contract for the whole of the works under the Foundation Contract and a certified copy of which having been delivered to the Purchaser; and (ii) the Form BA14 (Certificate on Completion of Building Works Not Resulting in a New Building or of Street Works) having been signed by Tysan for reporting completion or (as the case may be) partial completion of the works for pile cap, tie beam, screen wall and basement slab and a certified copy of which having been delivered to the Purchaser;
- (e) there being no encumbrances over the Sale Shares, the Shareholder Loans or the Property (or any part thereof) at Closing save and except the Existing Bank Security;
- (f) all consents, approvals and/or authorisations of the existing mortgagee, any other banks, financial institutions and relevant third parties which are required under the Existing Finance Documents in connection with the transactions contemplated under the SPA having been obtained, and if subject to conditions, on such conditions having been satisfied to the satisfaction of the existing mortgagee (as agent) prior to the Long Stop Date, and such consents, approvals and authorisations remaining in full force and effect and not being revoked as at Closing; and

- (g) the Tenancy Agreement having been duly assigned by the Target Subsidiary to the Company or any of its subsidiaries (other than any member of the Target Group) as the replacement tenant; and such replacement tenant and the Target Subsidiary as the outgoing tenant having duly executed the deed of assignment of tenancy and the notice of assignment as duly signed by the Target Subsidiary having been duly served on the landlord.

The Vendor shall use its best endeavours to procure the satisfaction of all the Conditions Precedent set out in (a), (c) to (g) above on or before the Long Stop Date and the Conditions Precedent set out in (e) and (f) above at Closing. The Purchaser shall use its best endeavours to procure the satisfaction of the Condition Precedent set out in (b) above on or before the Long Stop Date.

If (i) any of the Conditions Precedent are not satisfied or, in the case of the Conditions Precedent set out in (c) to (g) above (or any part thereof), waived by the Purchaser on or before the Long Stop Date or the Conditions Precedent set out in (e) and (f) above are not satisfied or waived by the Purchaser on or before Closing; or (ii) it is demonstrated by the Purchaser that any of the relevant warranties under the SPA is not true or accurate or is misleading in any respect as at Closing, the Purchaser may by a written notice to the Vendor terminate the SPA, whereupon the Deposit, with interest, shall be returned to the Purchaser.

If any of the Conditions Precedent set out in (a) and (b) above is not satisfied on or before the Long Stop Date, the Vendor or (as the case may be) the Purchaser may by a written notice to the other terminate the SPA, whereupon the Deposit, with interest, shall be returned to the Purchaser.

## **Closing**

Subject to the satisfaction of all the Conditions Precedent or, in the case of the Conditions Precedent set out in (c) to (g) above, waived by the Purchaser on or before the Long Stop Date (except that in the case of the Conditions Precedent set out in (e) and (f) above which can be satisfied or waived by the Purchaser on or before Closing) and subject to the relevant warranties under the SPA remaining true, accurate and not misleading in any respect, Closing shall take place on 14 February 2019, or in the case that the Requisite Shareholder Approval is required to be obtained in a Shareholders' meeting under the Listing Rules, on a day which is three (3) business days after the satisfaction of all the Conditions Precedent (and/or waived by the Purchaser) (or such other date as the Vendor and the Purchaser may agree in writing).

## INFORMATION ABOUT THE TARGET GROUP AND THE PROPERTY

### The Target

The Target is a company incorporated in the British Virgin Islands with limited liability and as at the date of this announcement is a direct wholly-owned subsidiary of the Vendor. The Target is the sole shareholder of the Target Subsidiary, which is the sole legal and beneficial owner of the Property. Upon Closing, the Target will cease to be a subsidiary of the Company.

A summary of the financial information of the Target (on a consolidated basis) for the period from 8 February 2017 (being the date of incorporation) to 31 December 2017 and the year ended 31 December 2018 is set out below:

	<b>For the year ended 31 December 2018 (unaudited) HK\$'000</b>	<b>For the period from 8 February 2017 (being the date of incorporation) to 31 December 2017 (unaudited) HK\$'000</b>
Net loss before taxation and extraordinary items	476,315	102
Net loss after taxation and extraordinary items	476,315	102

As at 31 December 2018, the unaudited net liabilities of the Target (on a consolidated basis) amounted to approximately HK\$476,417,000.

### The Target Subsidiary

The Target Subsidiary is a company incorporated in Hong Kong with limited liability whose principal business activity is property development and is a wholly-owned subsidiary of the Target. The Target Subsidiary is the registered and the sole legal and beneficial owner of the Property. Upon Closing, the Target Subsidiary will cease to be a subsidiary of the Company.

### The Property

The Property is the development under construction on New Kowloon Inland Lot No. 6563. The Property has a total site area of approximately 9,482 square metres. According to the valuation report prepared by an independent valuer appointed by the Company, the market value of the existing state of the Property as at the valuation date of 31 December 2018 is HK\$7,476,000,000.

## **INFORMATION ABOUT THE GROUP AND THE PARTIES TO THE SPA**

### **The Company, the Group and the Vendor**

The Company is a company incorporated under the laws of Bermuda with limited liability, and is an investment holding company. The Group's principal business includes foundation piling and site investigation, property development and investment and investment business.

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company. The Vendor's principal business activity is investment holding.

### **The Purchaser and the Purchaser Guarantor**

The Purchaser is a company incorporated in the British Virgin Islands whose principal business activity is investment holding. The Purchaser Guarantor is a company incorporated in Hong Kong with limited liability whose principal business activity is investment holding. Each of the Purchaser and the Purchaser Guarantor is a wholly-owned subsidiary of Wheelock and Company Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, the Purchaser Guarantor and their respective ultimate beneficial owners are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

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

The Board considers that the recent volatile market conditions globally and generally weakening property prices and the transaction volume in Hong Kong have led to increasing uncertainties in the future prospects of the property development business in Hong Kong. Having assessed the prospects of developing the Property, the market competition and the associated costs, efforts and risks involved in the development of the Property, the Board considers that the Transaction provides an opportunity for the Group to realise its investment and re-deploy its resources in a more prudent matter. The Board will continue to monitor the market sentiment and evaluate the development strategy of the Group, while for the time being focus on the Group's principal business of foundation piling and site investigation and continue to explore business opportunities in the Group's other principal business and other investment opportunities, with a view to achieving sustainable growth and development of the Group as a whole.

Taking into account the abovementioned factors, the Directors consider that the terms of the SPA (and the transactions contemplated under it) are made on normal commercial terms and are fair and reasonable, and that the entering into the SPA and the Transaction are in the interests of the Company and the Shareholders as a whole.

The Company estimates that the net proceeds from the Transaction will be approximately HK\$3.6 billion (subject to finalisation). While the Board has not made any definitive decision on the application of such proceeds, the Board may apply such proceeds to appropriate investment opportunities as and when they arise and/or to general working capital of the Group. In addition, the Board will review the financial position of the Group in conjunction with the annual results for the year ended 31 December 2018 (which is expected to be published by the end of March 2019) and will consider if any dividends will be recommended for distribution to the Shareholders. The actual use of proceeds is subject to the then circumstances and decision of the Board.

## **PROFIT WARNING**

The Company currently expects to record a loss from the Transaction (before tax) of approximately HK\$740 million (subject to finalisation and adjustments), estimated based on (i) the unaudited consolidated financial information of the Target as at 31 December 2018; (ii) estimated costs to be incurred for the development of the Property up to Closing; and (iii) other estimated related transaction costs and expenses. However, the actual amount of any such loss from the Transaction can only be determined after Closing and such loss will be recognised in the financial information of the Company for the year ending 31 December 2019. Moreover, the Company expects that the provision for impairment of the properties under development of the Target Group will also impact the net profit of the Company for the year ended 31 December 2018. As disclosed in the interim results announcement of the Company dated 27 August 2018, the Company recorded an unaudited profit attributable to ordinary equity holders of the Company of HK\$1,054 million. However, it is expected that the corresponding figure for the year ended 31 December 2018 will be substantially lower, primarily due to the aforesaid impairment loss of approximately HK\$450 million (subject to finalisation) and also the share option expenses of approximately HK\$160 million (subject to finalisation) arising from the grant of share options by the Company in the second half of 2018.

The above profit warning and the above figures are only based on the preliminary assessment by the Company, with reference to its management accounts and the information currently available, which are subject to finalisation and adjustments where necessary, and have not been reviewed or audited by the auditors or audit committees of the Company. Also, the final figures may be affected by certain items that are still being ascertained and finalised. The Company is still in the process of finalising its annual results for the year ended 31 December 2018. Financial information and other details of the Company for the year ended 31 December 2018 will be disclosed in its annual results announcements in accordance with the requirements of the Listing Rules.

**Shareholders and other investors should read carefully the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published by the end of March 2019 pursuant to the requirements of the Listing Rules.**

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The Company will either seek the requisite Shareholders' approval for the Transaction pursuant to Chapter 14 of the Listing Rules, where applicable, by way of a written approval from the controlling Shareholder pursuant to Rule 14.44 of the Listing Rules or by way of Shareholders' approval to be obtained at a special general meeting of the Company. Further announcement will be made by the Company as and when appropriate.

## **DESPATCH OF THE CIRCULAR**

A circular containing, among other things, further information relating to the SPA and the transactions contemplated thereunder is expected to be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. The Company currently expects that the circular will be despatched to the Shareholders on or before 27 February 2019.

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## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 1 February 2019 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 4 February 2019.

## **DEFINITIONS**

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

“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

“Adjusted NAV”	the adjusted consolidated net asset value of the Target Group as of the Closing Date, being the total consolidated assets less the total consolidated liabilities of the Target Group as adjusted in accordance with the SPA
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Closing”	the closing of the Transaction
“Closing Accounts”	the unaudited closing accounts of the Target Group as of the Closing Date, which shall reflect the financial position of the Target Group immediately before Closing on a consolidated basis and in accordance with all applicable HKFRSs
“Closing Date”	the date on which the Closing actually occurs
“Company”	Hong Kong International Construction Investment Management Group Co., Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 687)
“Conditions Precedent”	the conditions precedent to Closing as set out in the SPA
“Development”	the development under construction on the 6563 Land Parcel
“Director(s)”	the director(s) of the Company
“Escrow Agent”	a third party escrow agent
“Escrow Agreement”	an escrow agreement to be entered into between the Purchaser, the Company and the Escrow Agent
“Existing Arrangements”	such contracts, agreements, arrangements, commitments or undertakings entered into or made by the members of the Target Group (including those in relation to the development and/or sales and marketing and/or management of the 6563 Land Parcel), as more particularly set out in the SPA
“Existing Bank Loan”	the term loan facilities under the Existing Finance Documents with an aggregate outstanding principal amount of HK\$2,977,000,000 as at the date of the SPA
“Existing Bank Security”	all mortgages, assignments, pledges, guarantees and all other securities required under the terms of the Existing Finance Documents

“Existing Finance Documents”	the Facility Agreement together with all other finance and security documents relating to or in connection with the Existing Bank Loan, as the same may be amended or supplemented from time to time
“Facility Agreement”	the facility agreement entered into between the Target Subsidiary (as borrower) and certain banking institutions
“Final Statement of Adjusted NAV”	a statement of Adjusted NAV of the Target Group as adjusted in accordance with the SPA
“Foundation Contract”	the contract documents between, among others, the Target Subsidiary as employer and Tysan as contractor for the foundation, excavation, lateral support, pile cap and basement slab works of the Development
“Group”	the Company and its subsidiaries
“HKFRSs”	the Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAV”	the amount of the net asset value of the Target Group
“Parties”	the Vendor, the Purchaser, the Company and the Purchaser Guarantor
“Pro Forma Closing Accounts”	the pro forma closing accounts of the Target Group as of the Closing Date, which shall reflect the financial position of the Target Group immediately before Closing, on a consolidated basis, prepared by the Vendor in accordance with all applicable HKFRSs and consisting a statement of the Adjusted NAV of the Target Group with the projections made on information available as at the date of its preparation
“Property”	the 6563 Land Parcel and the Development, collectively
“Purchase Price”	the consideration payable by the Purchaser to the Vendor for the purchase of the Sale Shares and the Shareholder Loans under the SPA
“Purchaser”	Fabulous New Limited, a company incorporated in the British Virgin Islands

“Purchaser Guarantor”	Wheelock Properties Limited, a company incorporated in Hong Kong with limited liability, being the indirect sole shareholder of the Purchaser
“Requisite Shareholder Approval”	the approval by the Shareholders of the SPA and the consummation of the transactions contemplated under the SPA in accordance with the requirements of the Listing Rules pursuant to a special general meeting of the Company or the written approval by the controlling Shareholder pursuant to Rule 14.44 of the Listing Rules
“Sale Shares”	100% of the issued share capital of the Target
“Shareholder Loans”	any loan (whether principal, interest or otherwise) owing by the Target to the Vendor at Closing
“Shareholders”	shareholders of the Company
“SPA”	the agreement dated 1 February 2019 and entered into between the Vendor, the Purchaser, the Company and the Purchaser Guarantor for the sale and purchase of the Sale Shares and the Shareholder Loans
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Twinpeak Assets Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Vendor
“Target Group”	the Target and the Target Subsidiary
“Target Subsidiary”	Milway Development Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target
“Tenancy Agreement”	a tenancy agreement entered into between the Target Subsidiary and a third party landlord
“Termination Agreement”	the termination agreement(s) or the letter of confirmation, as the case may be, to be entered into by the Vendor, the Company, the Target Subsidiary with each of the parties to the Existing Arrangements (other than the Tenancy Agreement) evidencing the due termination or confirmation (as the case may be) of the relevant Existing Arrangements
“Transaction”	the sale and purchase of the Sale Shares and the Shareholder Loans pursuant to the terms of the SPA

“Tysan”	Tysan Foundation Geotechnical Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Vendor”	Omnilink Assets Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

By order of the Board of  
**HONG KONG INTERNATIONAL CONSTRUCTION  
INVESTMENT MANAGEMENT GROUP CO., LIMITED**  
**Sun Kin Ho Steven**  
*Co-Chairman*

Hong Kong, 1 February 2019

*As at the date of this announcement, the executive Directors are Mr. Chen Chao, Mr. Sun Kin Ho Steven, Mr. He Jiafu, Mr. Fung Chiu Chak, Victor, Mr. Liu Junchun, Mr. Huang Qijun, Mr. Guo Ke and Mr. Zhang Peihua; the non-executive Directors are Mr. Tang King Shing and Mr. Yang Han Hsiang; and the independent non-executive Directors are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George, Mr. Li Kit Chee and Mr. Chong Kin Ho.*

*Company website: [www.hkicimgroup.com](http://www.hkicimgroup.com)*