THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution 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, you should hand this circular together with the accompanying proxy form at once to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

HONG KONG INTERNATIONAL CONSTRUCTION INVESTMENT MANAGEMENT GROUP CO., LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY AND NOTICE OF SPECIAL GENERAL MEETING

A letter from the Board is set out on pages 7 to 20 of this circular.

A notice convening the SGM to be held at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong on Friday, 11 May 2018 at 10:00 a.m. or any adjournment of such meeting is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed on it and return it to the Company's branch share registrar and transfer office in Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment of such meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment of such meeting should you so wish and, in such event, the proxy form previously submitted shall be deemed to be revoked.

19 April 2018

CONTENTS

In this circular, the following expressions shall have the meanings set out below unless the context otherwise requires:

"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
"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
"Adjusted NAV"	the total adjusted consolidated net assets value of the Target Group on the date of Closing, being the total consolidated assets less total consolidated liabilities as adjusted in accordance with the terms of the SPA
"Agreed Accounting Principles"	principles to be applied for the purpose of the preparation of the Adjusted NAV included in the Pro Forma Closing Accounts and the Closing Accounts, being that the following shall be disregarded and not be included as liabilities or assets of the Target Group: (i) properties under development; (ii) the Shareholder Loans; (iii) such amount which has been deducted from the Remaining Balance pursuant to the Vendor's Payment Obligations; (iv) unamortised balance of prepaid development expenses and accounts receivable (if any); (v) deferred taxation (if any); and (vi) deferred tax assets (if any)
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audited Closing Accounts"	the Closing Accounts audited by the auditors of the Company
"Bank"	Shanghai Commercial Bank Limited
"Bank Indebtedness"	the indebtedness owing or payable by the Target Subsidiary to the Bank under a facility agreement dated 20 February 2017 (as supplemented by a supplemental agreement dated 20 February 2018) entered into between the Target Subsidiary and the Bank
"Binding Offer"	the binding offer dated 8 March 2018 entered into between the Vendor, the Company as guarantor of the Vendor, the Purchaser and the Purchaser Guarantor in relation to, among other things, the Transaction
"Board"	the board of Directors

"Business Day"	a day (other than a Saturday or Sunday, or a gazetted public holiday, or a day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business
"Closing"	the completion of the Transaction in accordance with the terms and conditions of the SPA
"Closing Accounts"	closing accounts of the Target Group as of the date of Closing consisting of a statement of the Adjusted NAV
"Company"	Hong Kong International Construction Investment Management Group Co., Limited, a company incorporated in 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
"Controlling Shareholder" or "HNA Finance I"	means HNA Finance I Co., Ltd., a company incorporated in Anguilla with limited liability and a subsidiary of HNA Group Co., Ltd., which, as at the Latest Practicable Date, held 2,540,222,144 Shares, representing approximately 74.66% of the issued Shares
"Deposit"	a deposit equal to 20% of the Purchase Price
"Development"	the development under construction on the 6564 Land Parcel
"Directors"	the director(s) of the Company
"Earnest Money"	the sum of HK$500,000,000 in cashier's order in favour of the Company as nominee of the Vendor
"EPC"	Engineering Procurement Construction
"Escrow Agent"	an escrow agent jointly appointed by the Company and the Purchaser
"Escrow Agreement"	an escrow agreement entered into between the Company, the Purchaser and the Escrow Agent
"Existing Security"	the existing security created in favour of the Bank
"Fortunate Pool"	Fortunate Pool Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Mr. Fung
"Group"	the Company and its subsidiaries

"HIBOR"	Hong Kong Interbank Offered Rate
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	16 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 June 2018
"Milway"	Milway Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
"Mr. Fung"	Mr. Fung Chiu Chak, Victor, the vice chairman and an executive Director
"MTN Programme"	the USD1,000,000,000 guaranteed medium term note programme established by Silverbell
"Other Documents"	documents referred to in the SPA to which the Vendor is a party, apart from the SPA
"Other Purchaser Documents"	documents referred to in the SPA to which the Purchaser is a party, apart from the SPA
"Parties"	the Vendor, the Purchaser, the Company and the Purchaser Guarantor
"percentage ratios"	has the meaning ascribed to it under Chapter 14 of the Listing Rules
"Pro Forma Closing Accounts"	pro forma closing accounts of the Target Group as of Closing on a consolidated basis and on the basis of the Agreed Accounting Principles with the projections made on information available as at the date of its preparation
"Pro Forma Net Assets Payment"	the amount of the Adjusted NAV as set forth in the Pro Forma Closing Accounts if it is positive
"Pro Forma Net Liabilities Payment"	the amount of the Adjusted NAV as set forth in the Pro Forma Closing Accounts if it is negative
"PRC"	the People's Republic of China

"Property"	the 6564 Land Parcel and the Development, collectively
"Purchase Price"	the consideration payable by the Purchaser to the Vendor for the purchase of the Sale Share and the assignment of 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 beneficial owner of the entire issued share capital of the Purchaser
"Relevant Warranties"	the warranties relating to the Target Subsidiary's ownership of the Property, the Vendor's title to Sale Share and the Shareholder Loans and the Target's ownership of the shares of the Target Subsidiary as set out in the SPA
"Remaining Balance"	the (i) Purchase Price (ii) less the Deposit and (iii) either (a) the Pro Forma Net Assets Payment or (b) deduct the Pro Forma Net Liabilities Payment
"Remaining Group"	the Group (excluding the Target Group) immediately after Closing
"Rights Issue"	the issue by way of rights on the terms set out in the Company's prospectus dated 29 May 2017
"Sale Share"	the entire issued share capital of the Target
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be held at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong on Friday, 11 May 2018 at 10:00 a.m., notice of which is set out on pages SGM-1 to SGM-2 of this circular, or any adjustment thereof
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholder Loans"	any loan owing by the Target to the Vendor at Closing

"Silverbell"	Silverbell Asia Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"SPA"	the sale and purchase agreement dated 21 March 2018 entered into between the Company, the Vendor, the Purchaser and the Purchaser Guarantor in relation to, among other things, the Transaction
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Target"	Onwards Asia Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Vendor
"Target Group"	the Target and the Target Subsidiary
"Target Subsidiary"	Top Genius Holdings Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target
"TFHK"	Tysan Foundation (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Tides Transaction"	the sale and purchase of the 577,279,496 Shares pursuant to the terms of a sale and purchase agreement dated 19 April 2016 between HNA Finance I and Tides Holdings II Ltd., which was completed on 30 June 2016
"Top Class"	Top Class Properties Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"Transaction"	the sale and purchase of the Sale Share and the assignment of the Shareholder Loans pursuant to the terms of the SPA
"Vendor"	Omnilink Assets Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
"Vendor's Payment Obligations"	all costs and expenses related to or in connection with the Development and all obligations incurred before Closing, including but not limited to the following items: (i) bank loan interest; (ii) foundation costs; and (iii) professional fees
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"%"	per cent
"*"	the English names of the PRC entities referred to in this circular are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail

HONG KONG INTERNATIONAL CONSTRUCTION INVESTMENT MANAGEMENT GROUP CO., LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

Executive Directors:
Mr. HUANG Qijun *(Chairman)*
Mr. MUNG Kin Keung *(Vice Chairman)*
Mr. FUNG Chiu Chak, Victor *(Vice Chairman)*
Mr. LIU Junchun *(Vice Chairman)*
Mr. MU Xianyi *(Chief Executive Officer)*
Mr. LI Xiaoming
Mr. WONG Tai Lun Kenneth
Mr. MUNG Hon Ting Jackie

Non-executive Directors:
Mr. TANG King Shing
Mr. TANG Kit

Independent non-executive Directors:
Mr. FAN Chor Ho
Mr. TSE Man Bun
Mr. LUNG Chee Ming, George
Mr. LI Kit Chee
Mr. LEUNG Kai Cheung

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

19 April 2018

To the Shareholders

Dear Sir/Madam

VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY
AND
NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

On 8 March 2018 (after trading hours), the Parties entered into the Binding Offer, pursuant to which, among other things, the Purchaser agreed to purchase from the Vendor and the Vendor agreed to sell to the Purchaser the Sale Share and the Vendor agreed to assign to the Purchaser the Shareholder Loans for a total consideration of HK$6,359,155,000. For details, please refer to the announcement of the Company dated 12 March 2018.

Pursuant to the Binding Offer, on 21 March 2018 (before trading hours), the Parties entered into the SPA in relation to the Transaction which reflects and gives full effect to the terms set out in the Binding Offer, and upon which the Binding Offer was superseded and terminated. For details, please refer to the announcement of the Company dated 21 March 2018.

The purpose of this circular is to provide you with, among other things, (i) further details of the SPA; (ii) the Transaction and the transactions contemplated under it; (iii) a notice of the SGM; and (iv) other information as required under the Listing Rules.

THE DISPOSAL

The SPA

The principal terms of the SPA are set out below:

Date

21 March 2018 (before trading hours)

Parties

(a) Omnilink Assets Limited, as the Vendor;

(b) Fabulous New Limited, as the Purchaser;

(c) The Company, as guarantor of the Vendor; and

(d) Wheelock Properties Limited, as the Purchaser Guarantor.

Transaction

The Purchaser agreed to purchase from the Vendor and the Vendor agreed to (i) sell to the Purchaser the Sale Share; and (ii) assign to the Purchaser the Shareholder Loans.

Purchase price

The Purchase Price shall be HK$6,359,155,000.

The Purchase Price was arrived at after arm's length commercial negotiations between the Parties. The Purchase Price is based on the market conditions, the net asset value of the Target Group and the prospect of the Development. The audited net book value of the Property as at 31 December 2017 is approximately HK$5,689.61 million. The excess of the Purchase Price over the net book value of the Property as at 31 December 2017 is approximately HK$669.55 million.

Terms of payment

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

(a) upon the signing of the Binding Offer, the Purchaser delivered to the Vendor's solicitors the Earnest Money, which was applied as part payment of the Deposit upon execution of the SPA;

(b) as the Purchaser has not paid the Deposit to the Vendor prior to the execution of the SPA, immediately upon execution of the SPA, the Purchaser shall pay to the Escrow Agent the Deposit (less the Earnest Money) in the sum of HK$771,831,000, by way of a cashier's order in favour of the Vendor (or its nominee) to be held in the escrow account subject to the terms and conditions of the Escrow Agreement or (where the escrow account has not been set up by the time of the execution of the SPA) the Purchaser shall deliver the cashier's order for the Deposit (less the Earnest Money) to the Escrow Agent, who shall keep the cashier's orders making up to the total sum of the Deposit in safe custody as stakeholders until the escrow account is set up; and

(c) at Closing, the Purchaser shall pay to the Vendor the Remaining Balance, which shall be satisfied and deemed to be fully satisfied by the Purchaser paying:

    (i) such sum in HK$ out of the Remaining Balance as the Vendor may notify the Purchaser prior to Closing, to the Bank for the repayment and discharge of the Bank Indebtedness by way of a cashier's order issued in favour of the Bank. The amount of the Bank Indebtedness shall be confirmed by the Bank in writing and notified by the Vendor to the Purchaser as soon as possible after the Vendor receiving the same from the Bank and at least three (3) Business Days prior to Closing;

    (ii) such sum in Hong Kong dollars out of the Remaining Balance as the Vendor may direct the Purchaser in writing prior to Closing to Top Class, by way of a cashier's order issued in favour of Top Class or CHATS or telegraphic transfer to a bank account designated by the Vendor; and

    (iii) the Remaining Balance (after deducting the Bank Indebtedness, payment pursuant to item (ii) above and the Vendor's Payment Obligations (that have neither been paid nor accounted for and other than trade and retention payables and accruals (including retention amounts) as shown in the Closing Accounts and included in the Adjusted NAV) to the Vendor by way of cashier's order or CHATS or telegraphic transfer to a bank account designated by the Vendor.

Based on the unaudited financial position of the Target Group as at 28 February 2018, the Remaining Balance expected to be received from the Purchaser is approximately HK$5,032.16 million, which is computed as follows:

	HK$'million
Purchase Price	6,359.16
Less: Deposit	(1,271.83)
Add: Bank balance of Target Group	8.71
Less: Payables and accruals of Target Group	(63.88)
Remaining Balance	5,032.16

The actual amount of the Remaining Balance can only be determined at Closing.

The Vendor shall deliver to the Purchaser the Pro Forma Closing Accounts at least five (5) Business Days before Closing and specify the relevant adjustment to be added to or deducted from the Purchase Price.

At Closing, the Company and the Purchaser shall give joint instructions to the Escrow Agent by each delivering a signed notice of release in a form set out in, and in accordance with the terms of, the Escrow Agreement to instruct the Escrow Agent to release the escrow amount to the Company (as nominee of the Vendor).

As at the Latest Practicable Date, the Purchaser had paid to the Escrow Agent the Deposit (less the Earnest Money) in the sum of HK$771,831,000, by way of a cashier's order in favour of the Company (as nominee of the Vendor) to be held in the escrow account.

Net asset value adjustments

The Vendor shall prepare the Closing Accounts as adjusted in accordance with the SPA. No later than five (5) Business Days from the date of delivery of the Audited Closing Accounts, the following adjustment payment shall be made:

(a) if the Adjusted NAV as set forth in the Audited Closing Accounts exceeds the Adjusted NAV in the Pro Forma Closing Accounts, then the Purchaser shall pay the Vendor an amount equal to such difference; or

(b) if the Adjusted NAV as set forth in the Audited Closing Accounts falls short of the Adjusted NAV in the Pro Forma Closing Accounts, then the Vendor shall pay to the Purchaser an amount equal to such difference.

Termination and default by either Parties

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 with its obligations in accordance with 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);

(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 shall be released 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 in accordance with 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 so far as practicable (without prejudice to its rights or remedies under the SPA or otherwise at law or in equity);

(b) defer the Closing to a later date; or

(c) if the Purchaser has failed to perform or comply with its payment obligations in accordance with 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 shall be released to the Company.

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 is not true or accurate or is misleading in any respect as at Closing, each of the Company (as nominee of the Vendor) and the Purchaser shall forthwith deliver a signed notice of release in the form set out in, and in accordance with the terms of, the Escrow Agreement to instruct the Escrow Agent to unconditionally release the escrow amount (together with any interest accrued thereon) 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 to 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 escrow amount as liquidated damages, and each of the Company (as nominee of the Vendor) and the Purchaser shall forthwith deliver a signed notice of release in the form set out in, and in accordance with the terms of, the Escrow Agreement to instruct the Escrow Agent to unconditionally release the escrow amount to the Company (as nominee of the Vendor).

Tax indemnity

The Vendor and the Company shall enter into a deed of tax covenant in favour of the Purchaser (for itself and on behalf of and as trustee for the Target Group members) the deed of tax covenant, pursuant to which, the Vendor and the Company shall indemnify the Purchaser, the Target and the Target Subsidiary from and against, among other things, the amount of any and all taxation on any of the Target Group or in respect of the 6564 Land Parcel for which any of the Target Group is responsible resulting from or by reference to any transactions, events, matters or things occurred or effected on or before Closing.

Vendor's obligation

The Vendor shall be fully responsible for the Vendor's Payment Obligations, to the extent that such payment obligations are not yet paid by the Target Group as at Closing (other than trade and retention payables and accruals (including retention amounts) as shown in the Audited Closing Accounts and included in the Adjusted NAV).

At Closing the Vendor shall provide receipts or documentary evidence of due payment or settlement of all costs related to or in connection with the Development incurred up to Closing.

For the avoidance of doubt, if there are any costs related to or in connection with the Development that are incurred before Closing, but the invoices or demand notes of which are issued after Closing (other than trade and retention payables and accruals (including retention amounts) as shown in the Audited Closing Accounts and included in the Adjusted NAV), the Vendor shall be responsible for payment of the same in full.

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 Other Documents.

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 Other Purchaser Documents.

Conditions Precedent

Closing is conditional upon the Conditions Precedent being satisfied (or waived by the Purchaser in the case of the Condition Precedent set out in (a) below) on or before the Long Stop Date (or such other date to be agreed by the Vendor and the Purchaser in writing):

(a) there being no encumbrances over the Sale Share, the Shareholder Loans or the Property (or any part thereof) save and except the Existing Security which shall be released upon Closing;

(b) compliance with all applicable notification, announcement, shareholders' approval and other requirements under the Listing Rules relating to the SPA and the Transaction by the Company as guarantor of the Vendor; and

(c) compliance with all applicable notification, announcement, and other requirements under the Listing Rules relating to the SPA and the Transaction by the holding company of the Purchaser (where applicable).

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

If any of the Conditions Precedent are not satisfied or waived by the Purchaser (as allowed above) on or before the Long Stop Date or if it is demonstrated by the Purchaser that any of the Relevant Warranties 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 Company (as nominee of the Vendor) and the Purchaser shall, within three (3) Business Days from the date of such notice, deliver a signed notice of release in the form set out in, and in accordance with the terms of, the Escrow Agreement to instruct the Escrow Agent to unconditionally release the escrow amount to the Purchaser in accordance with the terms of the Escrow Agreement.

If any of the Conditions Precedent set out in (b) and (c) above is not satisfied on or before the Long Stop Date, the Vendor may by a written notice to the Purchaser terminate the SPA whereupon the Company (as nominee of the Vendor) and the Purchaser shall, within three (3) Business Days from the date of such notice, deliver a signed notice of release in the form set out in, and in accordance with the terms of, the Escrow Agreement to instruct the Escrow Agent to unconditionally release the escrow amount to the Purchaser in accordance with the terms of the Escrow Agreement.

As at the Latest Practicable Date, the Purchaser has not indicated that there is any intention to waive the Condition Precedent set out in (a) above. On 8 March 2018, the Purchaser's parent company, Wheelock and Company Limited (Stock Code: 20), has published an announcement in relation to the Transaction. Saved as the publication of announcements by the relevant parties in relation to the Conditions Precedent set out in (b) and (c) above, none of the Conditions Precedent set out above have been fully fulfilled as at the Latest Practicable Date.

Closing

Closing is to take place within three (3) Business Days after all the Conditions Precedent have been satisfied, or waived by the Purchaser in accordance with the SPA and when all of the business relating to delivery of closing deliverables as set out in the SPA have been transacted.

REASONS FOR THE TRANSACTION AND FINANCIAL IMPLICATIONS THEREOF

The Directors believe that the Transaction under the SPA will enable the Group to better align its business strategy and represent a good opportunity for the Group to realise a considerable return, taking into account the profitability of the Transaction and the development of the real estate market in Hong Kong. The Transaction will also improve the Group's cash position and enable the Group to capture potential new investment opportunities that may arise in the future. The Company is from time to time and currently exploring new investment opportunities that may or may not relate to its existing businesses with other parties with an aim to achieving the best use of its resources and improve its portfolio. As at the Latest Practicable Date, no agreement had been reached in relation to any new investment opportunities.

The Group expects to record a gain from the Transaction (before tax) of approximately HK$607.39 million based on the unaudited consolidated financial information of the Target as at 31 December 2017. It is estimated by the Company by adding to the Purchase Price of approximately HK$6,359.16 million (i) the unrealised profit of the Group of approximately HK$30.86 million, which is capitalised in the total assets of the Target Group, as reflected in the Group's unaudited consolidated accounts as at 31 December 2017 less (ii) the total assets of the Target Group of approximately HK$5,689.61 million as reflected in the Target Group's unaudited consolidated accounts as at 31 December 2017; (iii) further development costs of approximately HK$77.56 million; and (iv) related transaction costs and expenses of approximately HK$15.46 million. However, the actual amount of net gain from the Transaction can only be determined at Closing.

According to the unaudited consolidated financial information of the Company for the year ended 31 December 2017, the unaudited consolidated total assets and total liabilities of the Group as at 31 December 2017 were approximately HK$19,769.19 million and HK$7,551.19 million, respectively. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, assuming Closing had taken place on 31 December 2017, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group would be approximately HK$17,772.63 million and HK$4,947.25 million, respectively.

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 transactions contemplated thereunder are in the best interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS BY THE GROUP

Based on the unaudited financial position of the Target Group as at 28 February 2018, the net proceeds from the Transaction after deducting the repayment of bank borrowings and trade and retention and other payables of approximately HK$1,664.71 million of the Target Group, of which the Vendor is required to repay according to the terms of the SPA, and the related transaction costs and expenses of approximately HK$15.46 million, are estimated to be approximately HK$4,678.99 million. The actual amount of net proceeds from the Transaction can only be determined after Closing.

The Company may, subject to actual circumstances and available opportunities, apply such net proceeds for the purposes below. Please note that the actual application of proceeds may differ from that described below as the Company may, depending on actual circumstances and opportunities in the future, decide to apply the proceeds in a different manner so as to act in the best interests of the Company and its shareholders as a whole:

(a) approximately 90% of the net proceeds for business development in the next 3 years (subject to change to address needs in actual circumstances), amongst which:

    (i) approximately 30% of the net proceeds for investment into warehousing logistics-related and commercial-related real estate projects in Hong Kong, Singapore and other countries, as identified from time to time, in line with the "Belt and Road Initiative" of the PRC;

    (ii) approximately 40% of the net proceeds for investment into globalized and market-leading asset management companies, as identified from time to time, to expand the scale of asset management of the Group; accelerate the Group's establishment of a financial investment platform with real estate as its core competence; and realise the Group's transition to an international financial investment group; and

    (iii) approximately 20% of the net proceeds for the cooperation with leading international real estate development companies and fund management companies, as identified from time to time, to establish or invest into private equity funds or real estate investment trusts (REITs); and

(b) approximately 10% of the net proceeds for general working capital, amongst which:

    (i) approximately 3% of the net proceeds for the operation of the foundation division of the Company;

    (ii) approximately 4% of the net proceeds for the operation of the property division of the Company, in particular to finance the development cost of Land Parcel 6563; and

    (iii) approximately 3% of the net proceeds for the overhead cost of the Group.

The Company is currently and from time to time exploring new investment opportunities with other parties. For example, as at the Latest Practicable Date, the Company is exploring potential investments into asset-based warehousing and logistics assets in Singapore and an asset management platform and property development project in the United States. As at the Latest Practicable Date, no agreement had been reached in respect of any of these opportunities; as discussions are preliminary and exploratory, one or more, or none, of these opportunities may materialise. The timetable depends on the negotiation with the relevant counterparties and when agreements (if any) may be reached. Further announcement(s) will be made by the Company in relation to any materialised opportunities in accordance with the applicable requirements of the Listing Rules as and when appropriate. The Company will allocate the net proceeds as set out above in such proportions as actual circumstances in the future deem to represent the optimal use of resources and to be in the best interests of the Company and its Shareholders as a whole.

The Company's management has relevant experience and expertise spanning across various business sectors and countries. In particular, Mr. MU Xianyi, an executive Director and the Chief Executive Officer of the Company, has extensive experience in the hotel accommodation business. He was a director of NH Hotel Group, S.A. (a company listed on the Madrid Stock Exchange) from April 2013 to June 2016 and was a director of Park Hotels & Resorts Inc. (a company listed on the New York Stock Exchange, stock code: PK) from June 2017 to March 2018. Mr. Mu has also served as the vice president and the financial director of Hainan HNA International Hotel Management Co., Ltd.* (海南海航國際酒店管理有限公司). Further, Mr. LAU Kin Fai is a director of various subsidiaries of the Company and the general manager of the Group's China Division in charge of the Group's Property Development Division in the PRC. Prior to joining the Group, Mr. Lau 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 also a Fellow Member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. Furthermore, the Company has an in-house property and investment team that has extensive experience in real estate related business in various countries.

The Company's management also has relevant experience and expertise in asset management and financial investment. In particular, Mr. CHAN Wing Kit Jeremy, the managing director of the investment management department of the Company, has over 15 years' experience in private equity, investment banking and project finance. Mr. Chan has extensive deal experience in investment, leveraged buyouts, cross-border mergers and acquisitions and capital raising projects across a variety of sectors including real estate, healthcare, financial institutions, retail and consumer, food and beverage, technology and industrial. Mr. Chan had previously been the investment director at Audentia Advisors and had worked for Credit Suisse, UBS and BNP Paribas. Further, the Company has a professional investment team comprising a number of professionals each with more than 10 years of experience in investment banking and asset management related businesses with global financial institutions. The Company will hire professionals with relevant expertise and experience when needed.

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 Latest Practicable Date was 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 unaudited financial information of the Target (on a consolidated basis) for the period from 23 November 2015 (being date of incorporation of the Target) to 31 December 2016 and the year ended 31 December 2017 is set out below:

	For the year ended 31 December 2017	**Period from 23 November 2015 (being date of incorporation of the Target) to 31 December 2016**
	HK$	*HK$*
Net loss before taxation and extraordinary items	80,400	12,023
Net loss after taxation and extraordinary items	80,400	12,023

As at 31 December 2017, the unaudited net liabilities of the Target (on a consolidated basis) was HK$92,422.

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 6564 Land Parcel and the Development collectively. The Property has a total site area of approximately 7,318 square metres and is valued at HK$5,790,000,000 based on the valuation report prepared by Knight Frank Petty Limited as set out in Appendix IV of this circular.

INFORMATION ON THE GROUP AND THE PARTIES TO THE SPA

The Company and the Group

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 property development and investment, foundation piling and real estate investment and asset management.

The Vendor

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

The Purchaser

The Purchaser is a company incorporated in the British Virgin Islands whose principal business activity is investment holding.

The Purchaser Guarantor

The Purchaser Guarantor is a company incorporated in Hong Kong with limited liability whose principal business activity is investment holding.

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

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Transaction are 75% or more, the Transaction constitutes a very substantial disposal for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder has an interest in the SPA and the transactions contemplated thereunder which is materially different from the other Shareholders. Accordingly, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM.

SGM

A notice convening the SGM to be held at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong on Friday, 11 May 2018 at 10:00 a.m. or any adjournment of such meeting at which ordinary resolutions will be proposed to consider and, if thought fit, to approve, among other things, the SPA and the transactions contemplated thereunder is set out on pages SGM-1 and SGM-2 of this circular.

A proxy form for use at the SGM is accompanied with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed on it and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment of such meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment of such meeting should you so wish and, in such event, the proxy form previously submitted shall be deemed to be revoked.

The vote of the Shareholders at the SGM will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The Company has received a written undertaking from its controlling shareholder (as defined in the Listing Rules) entitled to exercise approximately 74.66% of the voting rights of the Company that it will vote in favour of the resolutions in relation to the SPA and the transactions contemplated thereunder to be proposed at SGM.

None of the Directors has a material interest in the SPA and the transactions contemplated thereunder. Accordingly, no Director was required to abstain from voting on and/or passing the relevant Board resolutions.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining Shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 7 May 2018 to Friday, 11 May 2018, both days inclusive, during which period no transfer of Shares will be registered. The record date for such purposes is Friday, 11 May 2018.

In order to be eligible to attend and vote at the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 4 May 2018.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the SPA and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms, and in the interest of the Group and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM in relation to the entering into of the SPA and the transactions contemplated thereunder.

FURTHER INFORMATION

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

By order of the Board
HONG KONG INTERNATIONAL CONSTRUCTION INVESTMENT MANAGEMENT GROUP CO., LIMITED
Huang Qijun
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of two years ended 31 March 2015 and 2016, the period from 1 April 2016 to 31 December 2016 and the year ended 31 December 2017 is disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://www.hkicimgroup.com):

(i) annual report of the Company for the year ended 31 March 2015 published on 30 June 2015 (pages 53 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 year ended 31 March 2016 published on 19 July 2016 (pages 65 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 9 month period ended 31 December 2016 published on 30 March 2017 (pages 52 to 205), which can be accessed via the link at:

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

(iv) the annual results announcement of the Company (pages 1 to 30) for the year ended 31 December 2017 dated 23 March 2018, which can be accessed via the link at:

(http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0325/LTN20180325005.pdf).

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis of the performance and other information of the Remaining Group for the years ended 31 March 2015 and 2016, the period from 1 April 2016 to 31 December 2016 and the year ended 31 December 2017 principally extracted from the annual reports of the Company for the years ended 31 March 2015 and 2016, the period from 1 April 2016 to 31 December 2016, and the annual results announcement of the Company for the year ended 31 December 2017, respectively. Unless the context otherwise require, capitalised terms used therein shall have the same meanings as those ascribed in the Company's annual reports for the years ended 31 March 2015 and 2016, the period from 1 April 2016 to 31 December 2016, and the annual results announcement of the Company for the year ended 31 December 2017, respectively.

(i) For the year ended 31 March 2015

BUSINESS REVIEW

Hong Kong Market

Foundation Piling

Turnover of the Remaining Group's foundation division increased by 52% to HK$3,752 million for the year under review. Its net contribution increased by 1.7 times to HK$321 million as compared to HK$189 million last year, driven by increased construction activities and public spending on infrastructure. The Remaining Group's major contracts on hand include, inter alia, the Passenger Clearance Building for the HK-Zhuhai-Macau Bridge, public housing developments in Tung Chung Area 39, Pak Tin Estates, Kai Tak and the former Wholesale Food Market at Cheung Sha Wan, private residential developments in Kai Tak, Tseung Kwan O, and Kwun Tong and commercial development in Wong Chuk Hang and Quarry Bay. EBITDA for the foundation piling segment increased by 56%, from HK$245 million to HK$381 million for the year under review. The overall EBITDA margin for the segment remained at 10% as per last year.

PRC Market

Property Development[1]

The Waterfront

During the year under review, the Remaining Group's residential project in Shanghai, The Waterfront, recognized a revenue of HK$569 million as compared to HK$449 million in the same period last year and contribution to profit of HK$414 million (2014: HK$258 million).

The unsold area of The Waterfront as at 31 March 2015 is outlined below:

- Residential: about 6,100 sqm;
- Car Park: about 73 car park units;
- Non-Residential: about 4,800 sqm, representing primarily street front retail shops and a historic building.

The residential market sentiment has improved after the Chinese government relaxed the tightening policies in early 2015. The Waterfront is a unique development and the remaining inventory is relatively small. The Company expects the price of the remaining units to escalate due to limited supply.

The Riverside

The Remaining Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of about 75,000 sqm.

For the year under review, a revenue of HK$418 million was recognized as compared to HK$515 million in the same period last year and contribution to profit decreased from HK$199 million of last year to HK$166 million. The Remaining Group is confident that The Riverside can maintain the sales velocity and price of the remaining units which are of high quality and unique design.

[1] Please refer to the Company's announcements dated 13 November 2017, 4 December 2017 and 27 December 2017, and circular dated 7 December 2017 in relation to the disposal of interests in the property development projects in the PRC.

The unsold area of The Riverside as at 31 March 2015 is outlined below:

- Residential: about 25,500 sqm;
- Car Park: about 165 car park units;
- Non-Residential: about 3,900 sqm, representing primarily street front retail shops and The Riverside's clubhouse.

The Pinnacle

The site in Shenyang is located at Huanggu District with a site area of about 41,209 sqm and a GFA of about 165,000 sqm. The Pinnacle comprises of both residential and commercial development. Construction works are in progress and will be completed in mid-2016 as scheduled. With the opening of the Sales Office on 1 May 2015, the Remaining Group expects to commence presales in the financial year of 2015-2016, subject to market conditions.

EBITDA for the property development segment increased by 34%, from HK$449 million to HK$603 million for the year under review. The overall EBITDA margin increased by 15% from 46% to 61% for the year ended 31 March 2015.

Property Investment and Management

Since the completion of the renovation works in mid-2014, the Remaining Group's investment properties in Shanghai have continued to provide steady recurring income. During the period under review, turnover of the property investment division maintained at HK$13 million.

PROSPECTS

The Remaining Group expects Hong Kong's foundation piling industry to stay healthy in the next few years. This is driven by strong construction activities in both public and private sectors. For the fiscal year 2015-16, the government's capital spending on infrastructure is estimated to reach about HK$76 billion; this represents about 13% above the 5-year average. The government has carried out land use reviews continuously on sites available for residential use and increased the land supply to cope with the overwhelming housing needs, resulting in a marked increase in both public and private housing development activities. Major infrastructure projects and land development projects being undertaken or planned include the revitalization of Kowloon East, development of Tung Chung New Town Extension, East Lantau Metropolis, Kai Tak Fantasy project and implementing new railway projects. The Remaining Group is well-positioned to benefit from the high level of construction activities while maintaining its leading market position in Hong Kong.

While the Remaining Group's foundation business has performed very well in the past financial year, challenges remain with continuing cost inflation and increasingly competitive market landscape. However, with the current works in the pipeline, and barring any unforeseen circumstances, it is expected that the division will continue to yield profits in the current financial year.

In China, the overall property market sentiment has improved significantly subsequent to the PRC government's announcement to support the property market in early March 2015. The new policies on mortgages and the housing provident fund for first and second home buyers, the lowering of interest rates and bank's reserve requirement ratio, and the lifting of business tax on the sale of units purchased for more than two years, have stimulated demand in the market. In addition, our product offers a unique value proposition to our potential customers, which will be beneficial to our residential sales campaigns.

The Remaining Group will maintain a prudent investment and financing strategy and continue to strengthen its efficiency and seek opportunities to maximize the interests of its shareholders.

FINANCIAL REVIEW

The Remaining Group continues to adopt a prudent financing policy and sustain a sound capital structure with healthy cashflow. As at 31 March 2015, the Remaining Group's cash on hand was approximately HK$1,311 million (31 March 2014: HK$1,551 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK$5,568 million (31 March 2014: HK$5,277 million) and HK$2,742 million (31 March 2014: HK$2,482 million), respectively. As at 31 March 2015, the Remaining Group's working capital amounted to HK$1,100 million. As at 31 March 2015, the Remaining Group did not have any net debt balance and recorded a net cash balance of HK$944 million, while the Remaining Group recorded a net cash balance HK$965 million as at 31 March 2014. Contingent liabilities in relation to guarantees of performance bonds decreased from HK$533 million as at 31 March 2014 to HK$417 million as at 31 March 2015. Certain of the Remaining Group's assets with a book value of approximately HK$183 million have been pledged to secure certain banking facilities of the Remaining Group. The Remaining Group's bank borrowings were primarily denominated in Hong Kong dollars, with a few loan facilities in Euro. Currency exposure has been monitored and forward contracts will be considered as required.

EMPLOYMENT AND REMUNERATION POLICIES

The Remaining Group, including its subsidiaries in Hong Kong, Macau and the PRC, employed approximately 1,518 employees as at 31 March 2015. Total staff cost for the year ended 31 March 2015 was approximately HK$504 million. The Remaining Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Fringe benefits include provident fund, medical insurance and training. In addition, share options may also be granted in accordance to the terms of the Remaining Group's approved share option scheme.

(ii) **For the year ended 31 March 2016**

BUSINESS REVIEW

Hong Kong Market

Foundation Piling

Turnover of the Remaining Group's foundation division decreased by 20% to HK$3,018 million for the year under review. Its net contribution increased by 22% to HK$394 million as compared to

HK$321 million last year, driven by increased construction activities and public spending on infrastructure. The Remaining Group's major contracts on hand include, inter alia, the Passenger Clearance Building for the HK-Zhuhai-Macau Bridge, public housing developments in Pak Tin Estates and Wong Tai Sin, private residential developments in Tseung Kwan O and North Point, and commercial developments in Wong Chuk Hang, Kwun Tong, Pak Shek Kok and Yuen Long. EBITDA for the foundation piling segment increased by 19%, from HK$381 million to HK$455 million for the year under review. The overall EBITDA margin for the segment increased by 5% to 15% for the year ended 31 March 2016.

PRC Market

Property Development[1]

The Waterfront

During the year under review, the Remaining Group's residential project in Shanghai, The Waterfront, recognised a revenue of HK$466 million as compared to HK$569 million in the same period last year and contribution to profit of HK$302 million (2015: HK$414 million).

The unsold area of The Waterfront as at 31 March 2016 is outlined below:

- Residential: about 1,000 sqm;
- Car Park: about 31 car park units;
- Non-Residential: about 4,800 sqm, representing primarily street front retail shops and a historic building.

At the end of March 2016, the Shanghai Government issued tightening policies to cool the overheated property market, including raising the minimum down-payment for the second home purchase with unit size below 140 square meters and tightening the qualifications threshold for non-local buyers to purchase home. The residential market remains stable after the introduction of these tightening policies. With a relatively small inventory in an unique development, the Company does not expect these Government policies would to be an additional significant challenge.

The Riverside

The Remaining Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of about 75,000 sqm.

For the year under review, a revenue of HK$488 million was recognised as compared to HK$418 million in the same period last year and contribution to profit increased from HK$166 million of last year to HK$228 million.

The unsold area of The Riverside as at 31 March 2016 is outlined below:

- Residential: about 7,600 sqm;
- Car Park: about 164 car park units;
- Non-Residential: about 3,900 sqm, representing primarily street front retail shops and The Riverside's clubhouse.

The market sentiment of the high-end market in Tianjin was positive in the beginning of 2016. Buyers' confidence was strong due to the supportive policies rolled out by the Central Government for the real estate market. The rising demand for the first-time home buyers and upgraders helped to maintain a positive market sentiment in the first quarter of 2016.

The Pinnacle

The site in Shenyang is located at Huanggu District with a site area of about 41,209 sqm and a GFA of about 165,000 sqm. The Pinnacle comprises both residential and commercial development. Pre-sale of the residential units started in the second half of 2015 and construction works are expected to be completed around mid 2016. The first batch of the sold units is expected to be handed over starting from September 2016.

The unsold area of The Pinnacle as at 31 March 2016 is outlined below:

- Residential: About 96,200 sqm;
- Car Park: About 1,049 car park units;
- Non-Residential: About 62,665 sqm, representing primarily street front retail shops, The Pinnacle's clubhouse, and a commercial building with a podium.

EBITDA for the property development segment decreased by 12%, from HK$603 million to HK$528 million for the year under review. The overall EBITDA margin decreased by 6% to 55% for the year ended 31 March 2016.

The confidence of the buyers was strengthened by the positive sentiment of the new home market across the country and supportive policies for the housing market. The Shenyang Government rolled out a series of supportive policies at the end of March 2016 to stimulate the demand for new homes, such as relaxation of using housing provident fund for home purchase, reduction of deed tax and provision of subsidies to the current students of universities and secondary vocational schools as well as the fresh graduates for home purchase.

Property Investment and Management

The Remaining Group has realized some of its investment properties and turnover of the property investment division increased from HK$13 million of last year to HK$26 million during the year under review. Disposal of the service apartment business at Aidu Apartment and China Garden in Shanghai were completed in December 2015 and in February 2016 respectively.

PROSPECTS

The Board notes that, in the joint announcement dated 19 April 2016 ("Joint Announcement"), HNA Finance I and the Company jointly announced the Tides Transaction. It was stated in the Joint Announcement that upon completion of the Tides Transaction, HNA Finance I will become the controlling shareholder of the Company. It was also stated that HNA Finance I intends that the Remaining Group will continue with the Remaining Group's existing businesses and that subject to market conditions, HNA Finance I also intends to provide funds, personnel, technology and other resources to support the Remaining Group's investment in and development of new projects, and raise the number of projects, asset value and brand recognition to a higher level, including by actively seeking potential business investment and development projects in the PRC and overseas. HNA Finance I also stated that it has no intention to terminate any employment of the employees of the Remaining Group or to make significant changes to any employment. For further details, please refer to the Joint Announcement, the announcements and/or joint announcements (collectively, the "Announcements") of the Company to be made following completion of the Tides Transaction, and the composite offer document relating to the mandatory unconditional cash offer to be made by HNA Finance I ("Composite Offer Document") to be despatched within 7 days from the completion of the Tides Transaction.

With the recent decision by the United Kingdom to exit European Union ("Brexit"), the Remaining Group does not expect there is any immediate impact on its operations, but it will review the effect of the "Brexit" closely.

The Remaining Group will maintain a prudent investment and financing strategy and continue to strengthen its efficiency and seek opportunities to maximize the interests of its shareholders.

FINANCIAL REVIEW

The Remaining Group continues to adopt a prudent financing policy and sustain a sound capital structure with healthy cashflow. As at 31 March 2016, the Remaining Group's cash on hand was approximately HK$1,806 million (31 March 2015: HK$1,311 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK$5,608 million (31 March 2015: HK$5,568 million) and HK$2,688 million (31 March 2015: HK$2,742 million), respectively. As at 31 March 2016, the Remaining Group's working capital amounted to HK$3,013 million. As at 31 March 2016, the Remaining Group did not have any net debt balance and recorded a net cash balance of HK$949 million, while the Remaining Group recorded a net cash balance HK$944 million as at 31 March 2015. Contingent liabilities in relation to guarantees of performance bonds decreased from HK$417 million as at 31 March 2015 to HK$195 million as at 31 March 2016 while guarantees for end user mortgage loans amounted to HK$14 million. Certain of the Remaining Group's assets with a book value of approximately HK$175 million have been pledged to secure certain banking facilities of the Remaining Group. The Remaining Group's bank borrowings were primarily denominated in Hong Kong dollars, with a few loan facilities in Euro. Currency exposure has been monitored and forward contracts will be considered as required.

EMPLOYMENT AND REMUNERATION POLICIES

The Remaining Group, including its subsidiaries in Hong Kong, Macau and the PRC, employed approximately 1,348 employees as at 31 March 2016. Total staff cost for the year ended 31 March 2016 was approximately HK$549 million. The Remaining Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Fringe benefits include provident fund, medical insurance and training. In addition, share options may also be granted in accordance to the terms of the Remaining Group's approved share option scheme.

ACQUISITION OF CONTROLLING INTEREST AND MANDATORY UNCONDITIONAL CASH OFFER

The Tides Transaction completed on 30 June 2016. Upon completion of the Tides Transaction, HNA Finance I became the controlling shareholder of the Company.

Pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, following the completion of the Tides Transaction, HNA Finance I will be required to make a mandatory unconditional general offer in cash for all the issued shares of the Company other than those already owned or agreed to be acquired by HNA Finance I and its concert parties upon completion of the Tides Transaction. For details, please refer to the Joint Announcement, the Announcements and the Composite Offer Document.

(iii) **For the period from 1 April 2016 to 31 December 2016 (the "Period")**

BUSINESS REVIEW

Hong Kong Market

Foundation Piling

During the Period, turnover of the Remaining Group's foundation piling segment was HK$2,115 million. Its contribution to net profit, representing segment result less share of management incentive bonus, was HK$226 million as compared to HK$394 million last year. The Remaining Group's major contracts on hand include, inter alia, the public housing developments in Wong Tai Sin, Pak Tin Estates and Fanling, private residential developments in Tseung Kwan O, Kwun Tong, North Point, Pak Shek Kok, and commercial developments in Wong Chuk Hang, Kwun Tong, Pak Shek Kok and Yuen Long. During the Period, EBITDA for the foundation piling segment was HK$268 million as compared to HK$455 million last year. The overall EBITDA margin for the segment was 13% for the Period.

PRC Market

***Property Development*[1]**

The Waterfront

During the Period, the Remaining Group's residential project in Shanghai, The Waterfront, recognized a revenue of HK$30 million as compared to HK$466 million last year and contribution to net profit of HK$11 million (year ended 31 March 2016: HK$302 million).

The unsold area of The Waterfront as at 31 December 2016 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.

Due to the tightening policies introduced in October and November 2016, the overall Shanghai residential market has slowed down in terms of number of transactions but the average unit price remains stable. As there is only one unsold residential unit which is of such a unique nature, it is not intended to dispose of it by substantial reduction in price. Despite the unfavourable retail market sentiment in Shanghai, all the retail shops and the historic building at The Waterfront have been leased out.

The Riverside

The Remaining Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of about 75,000 sqm.

During the Period, a revenue of HK$569 million was recognized as compared to HK$488 million last year and contribution to net profit increased from HK$228 million last year to HK$305 million.

The unsold area of The Riverside as at 31 December 2016 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.

The residential market sentiment in Tianjin was very positive in 2016 and both transaction volume and average unit price have reached record high. The Riverside has benefited from the overall market sentiment and there is only one unsold unit.

The retail shops would be reinstated for leasing or disposal.

The Pinnacle

The Pinnacle is located at Huanggu District in Shenyang with a site area of about 41,209 sqm and a GFA of about 165,000 sqm. The Pinnacle comprises both residential and commercial developments. Construction works had substantially completed and handover of the units to the buyers commenced in mid-September 2016. As the units are available for inspection and occupancy, it is expected that the confidence of our potential customers will increase hence improving the pace of sale in 2017.

During the Period, a revenue of HK$286 million was recognized and contribution to net profit was about HK$3 million.

The unsold area of The Pinnacle as at 31 December 2016 is outlined below:

- Residential: About 74,000 sqm;
- Car Park: About 972 car park units;
- Non-Residential: About 62,665 sqm, comprising a shopping mall and an office block.

The sale of residential units of The Pinnacle has also benefited from the Central Government's policies on reduction in housing inventories. As for the overall market sentiment for retailed office in Shenyang, the over supply situation has created tremendous adverse impact. Disposal or leasing of the office and retail shops of The Pinnacle remains challenging.

During the Period, EBITDA for the property development segment was HK$330 million as compared to HK$528 million last year. The overall EBITDA margin was 37% for the Period.

Property Investment and Management

The Remaining Group has realized some of its investment properties and turnover of the property investment and management segment during the Period was HK$2 million as compared to HK$26 million last year.

Mandatory Unconditional Cash Offer, Change of Company Name and Year End Date

On 30 June 2016, HNA Finance I acquired about 66% interest in the Company and the mandatory unconditional cash offer made by HNA Finance I was closed on 28 July 2016. During the Period, the Company has become a subsidiary of HNA Finance I, completed its name change, and changed its financial year end date to 31 December.

Share Placement

During the period from August to October 2016, the Company had issued 259,500,000 Shares and raised net proceeds amounted to approximately HK$1,058,100,000.

PROSPECTS

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 by reduced profit margins given market factors such as labour shortages, rising operating costs and intensification of competition since 31 March 2016 and up to the financial period ended 31 December 2016. Based on the tenders it has submitted after 31 March 2016, being its most recent financial year end, it has been observed by the Remaining Group that successful tenders for the Remaining Group or others have been achieved at levels of decreased profit margins as compared to the average profit margin achieved by the Remaining Group for the most recent financial year ended 31 March 2016 and this trend is expected to affect the Remaining Group's financial results for the financial year ending 31 December 2017.

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 the Remaining Group's remaining residential properties is expected to remain steady due to uniqueness of the Remaining Group's products in terms of quality and value. Construction of the property development project in Shenyang was substantially completed in September 2016, and hand over of some units previously sold commenced. Since September 2016, the Remaining Group has continued to hand over sold units. As the availability units are available for inspection and occupancy, it is expected that the confidence of the Remaining Group's 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 February 2017, represented approximately 31% 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 sale of properties of the Shenyang development are not as high as those of the Remaining Group's development projects in Shanghai and Tianjin, which are first tier cities in the PRC.

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". The Remaining 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.

The Remaining 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 Remaining Group. As at 31 December 2016 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 Remaining 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 Remaining Group.

FINANCIAL REVIEW

The Remaining Group continues to adopt a prudent financing policy and sustain a sound capital structure with healthy cashflow. As at 31 December 2016, the Remaining Group's cash on hand was approximately HK$1,858 million (31 March 2016: HK$1,806 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK$5,527 million (31 March 2016: HK$5,608 million) and HK$2,949 million (31 March 2016: HK$2,688 million), respectively. As at 31 December 2016, the Remaining Group's net current assets amounted to HK$2,830 million. As at 31 December 2016, the Remaining Group did not have any net debt and recorded a net cash balance of HK$1,383 million, while the Remaining Group recorded a net cash balance of HK$949 million as at 31 March 2016. Contingent liabilities in relation to guarantees of performance bonds increased from HK$195 million as at 31 March 2016 to HK$344 million as at 31 December 2016 while guarantees for end user mortgage loans amounted to HK$42 million. Certain of the Remaining Group's assets with a book value of approximately HK$169 million have been pledged to secure certain banking facilities of the Remaining Group. The Remaining Group's bank borrowings were primarily denominated in Hong Kong dollars. Currency exposure has been monitored and forward contracts will be considered as required.

EMPLOYMENT AND REMUNERATION POLICIES

The Remaining Group, including its subsidiaries in Hong Kong, Macau and the PRC, employed approximately 1,270 employees as at 31 December 2016. Total staff cost for the nine months ended 31 December 2016 was approximately HK$564 million. The Remaining Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Fringe benefits include provident fund, medical insurance and training. In addition, share options may also be granted in accordance to the terms of the Remaining Group's approved share option scheme.

(iv) **For the year ended 31 December 2017**

BUSINESS REVIEW

Hong Kong Market

Foundation Piling

During the year under review, turnover of the Remaining Group's foundation piling segment was HK$2,494 million. Its contribution to net profit was HK$147 million as compared to HK$226 million, representing segment result and share of management incentive bonus, last period. During the year under review, EBITDA for the foundation piling segment was HK$189 million as compared to HK$268 million last period. The overall EBITDA margin for the segment was 8% for the year under review. The Remaining Group's major contracts on hand include, inter alia, the public housing developments in Wong Tai Sin, Pak Tin Estates and Fanling, private residential developments in Tseung Kwan O, Kwun Tong, North Point, Pak Shek Kok, and commercial developments in Wong Chuk Hang, Kwun Tong, Pak Shek Kok and Yuen Long.

Property Development and Investment

The Hong Kong residential market remained robust with a stable increase in property's prices. The development and construction of the residential projects of the Remaining Group in the Kai Tak area, New Kowloon Inland Lot No. 6563 and No. 6564, together with the two EPC projects in the same district, New Kowloon Inland Lot No. 6562 and No. 6565 progressed as scheduled in 2017. The Remaining Group remained confident with the development and construction projects in the Kai Tak Development Area and believed it would bring steady return in the coming years.

PRC Market

Property Development[1]

The Waterfront

During the year under review, the Remaining Group's residential project in Shanghai, The Waterfront, recognized a revenue of HK$8 million as compared to HK$30 million last period and contribution to net profit of HK$4 million (period ended 31 December 2016: HK$11 million). During the year under review, the Remaining Group also recorded a fair value gain of its investment properties at The Waterfront of HK$23 million (period ended 31 December 2016: HK$23 million).

The Riverside

The Remaining Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of about 75,000 sqm. During the year under review, a revenue of HK$57 million was recognized as compared to HK$569 million last period and contribution to net profit of HK$15 million (period ended 31 December 2016: HK$305 million).

The Pinnacle

During the year under review, the Remaining Group's property development project in Huanggu District in Shenyang recognized a revenue of HK$666 million as compared to HK$286 million last period and contribution to net profit was about HK$49 million (period ended 31 December 2016: HK$3 million). During the year under review, EBITDA for the property development and investment segment was HK$89 million as compared to HK$330 million last period. The overall EBITDA margin was 12% for the year under review.

Disposal of subsidiaries which are holding The Waterfront, The Riverside and The Pinnacle

On 13 November 2017, Great Regent Investments Limited, Shanghai Changning Duncan Property Consulting Company Limited, Red Shine Investment Limited and Carriway Limited, each being a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hainan HNA Shou Fu Investment Co., Ltd. ("HNA Shou Fu"), a subsidiary of HNA Group Co., Ltd. ("HNA Group"), for disposal of the entire equity interests in Tysan Land (Shanghai) Limited which is holding The Waterfront, at a cash consideration of RMB585.8 million (the "Shanghai Disposal").

On 13 November 2017, Sparkle Key Limited, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hainan HNA Infrastructure Investment Group Co., Ltd. ("HNA Infrastructure", now known as HNA Infrastructure Investment Group Co., Ltd.), a subsidiary of HNA Group, whose shares are listed on the Shanghai Stock Exchange, for the disposal of the entire equity interests in Tysan Land (Shenyang) Limited which is holding The Pinnacle, at a cash consideration of RMB762 million (the "Shenyang Disposal").

On 13 November 2017, Great Prosper Limited, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with HNA Shou Fu for disposal of the entire equity interests in Tysan Property Development (Tianjin) Co. Ltd. which is holding The Riverside, at a cash consideration of RMB435.8 million (the "Tianjin Disposal").

Both HNA Shou Fu and HNA Infrastructure are subsidiaries of HNA Group, which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company.

The Shanghai Disposal, the Shenyang Disposal and the Tianjin Disposal are expected to be completed in the first half of 2018. Further details of the Shanghai Disposal, the Shenyang Disposal and the Tianjin Disposal are set out in the Company's announcements dated 13 November 2017, 4 December 2017 and 27 December 2017, and a circular dated 7 December 2017, respectively.

Real Estate Investment and Asset Management

The Remaining Group's real estate investment and asset management business was started in late 2017 with the launch of two Cayman Islands investment funds, namely HKICIM Fund II, L.P. and HKICIM Fund III, L.P. (collectively, the "Funds"), with a total asset under management of HK$9,851 million and a total management fee of approximately HK$6,443,000 was generated as of 31 December 2017.

Formation of HKICIM Fund II, L.P.

On 13 October 2017, an amended and restated exempted limited partnership agreement (the "Fund II Partnership Agreement") was entered into between Hisea International Co., Ltd. ("Hisea") (a wholly-owned subsidiary of HNA Holding Group Co., Ltd., which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company), Benefit Developments Limited ("BDL") (a wholly-owned subsidiary of the Company) and HKICIM (GP) II Limited ("HKICIM (GP) II") (a wholly-owned subsidiary of the Company) in relation to the formation of HKICIM Fund II, L.P. ("Fund II") and a subscription agreement (the "Fund II Subscription Agreement") was entered into in relation to the capital commitment of BDL to Fund II. Pursuant to the Fund II Partnership Agreement and the Fund II Subscription Agreement, both BDL and HKICIM (GP) II have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK$728 million to Fund II, representing approximately 12.07% of the committed fund size (the "Fund II Subscription").

Pursuant to the Fund II Partnership Agreement, HKICIM (GP) II, as a general partner of Fund II ("General Partner II"), is responsible for the day-to-day operation and management of Fund II, and will receive an annual management fee equal to 1% of the aggregate capital commitments of Fund II as at 31 December of each calendar year as compensation for managing affairs of Fund II. During the year, HKICIM (GP) II received management fee of approximately HK$6,443,000 from Fund II.

The purpose of Fund II is primarily to (i) invest in a piece of land parcel known as New Kowloon Inland Lot No. 6565 ("6565 Land Parcel"), with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of General Partner II.

Further details of Fund II are set out in the Company's announcements dated 13 October 2017, 16 October 2017, 3 November 2017 and 21 November 2017, and a circular dated 4 November 2017.

Formation of HKICIM Fund III, L.P.

On 30 November 2017, an amended and restated exempted limited partnership agreement (the "Fund III Partnership Agreement") was entered into between Hisea, Benefit Developments III Limited ("BDL III") (a wholly-owned subsidiary of the Company) and HKICIM (GP) III Limited ("HKICIM (GP) III") (a wholly-owned subsidiary of the Company) in relation to the formation of HKICIM Fund III, L.P. ("Fund III") and a subscription agreement (the "Fund III Subscription Agreement") was entered into in relation to the capital commitment of BDL III to Fund III. Pursuant to the Fund III Partnership Agreement and the Fund III Subscription Agreement, both BDL III and HKICIM (GP) III have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK$633.16 million to Fund III, representing approximately 16.57% of the committed fund size (the "Fund III Subscription").

Pursuant to the Fund III Partnership Agreement, HKICIM (GP) III, as a general partner of Fund III ("General Partner III"), is responsible for the day-to-day operation and management of Fund III, and will receive an annual management fee equal to 1% of the aggregate capital commitments of Fund III as at 31 December of each calendar year as compensation for managing affairs of Fund III.

The purpose of Fund III is primarily to (i) invest in a piece of land parcel known as New Kowloon Inland Lot No. 6562 ("6562 Land Parcel"), with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of General Partner III.

Further details of Fund III are set out in the Company's announcements dated 30 November 2017 and 11 January 2018, and a circular dated 21 December 2017.

Disposal of 6565 Land Parcel and 6562 Land Parcel through the Funds

On 12 February 2018, the Funds entered into separate sale and purchase agreements in relation to the disposal of their respective entire equity interests in Sky Hero Developments Limited and Total Thrive Holdings Limited (which, through intermediate holding companies, hold the 6562 Land Parcel and 6565 Land Parcel respectively) with Easco Investment Limited and Shibo Investment Limited, wholly-owned subsidiaries of Henderson Land Development Company Limited at an initial consideration of approximately HK$15,959,410,000. The disposals were completed on 14 February 2018.

The Company, through its wholly-owned subsidiaries, has contributed capital of 12.07% and 16.57% in Fund II and Fund III, respectively. Pursuant to the respective partnership agreements of the Funds, the Funds will distribute the full net cash proceeds from the disposals promptly after completion to the limited partners and general partner. Up to the date of the results announcement of the Company dated 23 March 2018, the Funds have returned to the Remaining Group the capital of an aggregate amount of HK$1,361.16 million.

Further details of the disposals were set out in the Company's announcement dated 12 February 2018.

Following the disposals of the Funds' indirect interests in 6565 Land Parcel and 6562 Land Parcel on 12 February 2018, distribution of principals and returns will be made according to the Remaining Group's interests in the Funds, and the Funds will be liquidated. As the disposals by the Funds were made at a premium to the acquisition costs, the Remaining Group is expected to have a positive investment return in addition to the management fee income.

Fund Raising Activities

Rights Issue

In 2017, 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, New Kowloon Inland Lot no. 6563 and New Kowloon Inland Lot no. 6564. The acquisitions of the said land parcels had been financed by the Remaining Group's internal resources, by bank borrowings as well as by way of shareholder's loans from HNA Finance I, the Company's controlling shareholder. In view of the Company's financing needs, the Board has considered various fund raising options. The Company has proceeded with the rights issue (the "Rights Issue"). Pursuant to the Rights Issue, the Company issued 2,268,331,806 rights shares at the subscription price of HK$4.08 per rights share based on two rights shares for every one existing share in issue on 26 May 2017. Out of the net proceeds of HK$9,250 million raised, about HK$6,931 million was used to set off against the amount due from the Company to HNA Finance I on a dollar-to-dollar basis upon the completion of the Rights Issue in June 2017, about HK$958 million was used to repay the

Remaining Group's bank loans up to the date of the results announcement of the Company dated 23 March 2018 and about HK$1,361 million was used to invest in the Funds. For details of the Rights Issue, please refer to the Company's announcements dated 28 March 2017, 27 April 2017 and 19 June 2017, the circular dated 29 April 2017 and the prospectus dated 29 May 2017.

Medium Term Note Programme

During the year of 2017, Silverbell Asia Limited (the "Issuer"), a wholly-owned subsidiary of the Company, has issued guaranteed notes to professional investors with an aggregate principal amount of HK$305,000,000 (the "Guaranteed Notes") under the US$1,000,000,000 medium term note programme (the "MTN Programme") established by the Issuer on 7 April 2017. The Guaranteed Notes bear fixed interest rate at 7% per annum payable semi-annually in arrears and will mature on 26 July 2020. Under the MTN Programme, the Issuer may from time to time issue the Guaranteed Notes which are unconditionally and irrevocably guaranteed by the Company.

The gross proceeds from the Guaranteed Notes have been used for general corporate purposes of the Remaining Group.

Increase of Authorised Share Capital

On 18 May 2017, the Company increased the authorised share capital of the Company from HK$200 million divided into 2,000,000,000 ordinary shares of par value of HK$0.10 each to HK$600 million divided into 6,000,000,000 ordinary shares of par value of HK$0.10 each by the creation of an additional 4,000,000,000 ordinary shares.

FINANCIAL REVIEW

The Remaining Group continues to adopt a prudent financial policy and sustain a sound capital structure with healthy cashflow. As at 31 December 2017, the Remaining Group's cash on hand was approximately HK$2,369 million (31 December 2016: HK$1,858 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK$19,769 million (31 December 2016: HK$5,527 million) and HK$12,218 million (31 December 2016: HK$2,949 million), respectively. As at 31 December 2017, the Remaining Group's net current assets amounted to HK$12,432 million (31 December 2016: HK$2,830 million). As at 31 December 2017, the Remaining Group's net debt balance and net debt to equity (including non-controlling interests) ratio were HK$3,806 million and 31% respectively, while the Remaining Group recorded a net cash balance of HK$1,383 million as at 31 December 2016. Contingent liabilities in relation to guarantees of performance bonds decreased from HK$344 million as at 31 December 2016 to HK$256 million as at 31 December 2017 while guarantees for end user mortgage loans amounted to HK$22 million (31 December 2016: HK$42 million). Certain of the Remaining Group's assets with aggregate book value of approximately HK$13,376 million have been pledged to secure certain banking facilities of the Remaining Group. The Remaining Group's bank borrowings were primarily denominated in Hong Kong dollars. Currency exposure has been monitored and forward contracts will be considered as required.

EMPLOYMENT AND REMUNERATION POLICIES

The Remaining Group, including its subsidiaries in Hong Kong, Macau and the PRC, employed approximately 1,051 employees as at 31 December 2017. Total staff cost for the year ended 31 December 2017 was approximately HK$481 million. The Remaining Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Fringe benefits include provident fund, medical insurance and training. In addition, share options may also be granted in accordance with the terms of the Remaining Group's approved share option scheme.

3. INDEBTEDNESS

As at 28 February 2018, being the latest practicable date for the purpose of preparation of this statement prior to the publication of this circular, the Group had unaudited bank borrowings and other borrowings amounting to approximately HK$4,880,425,000 and HK$595,892,000, respectively, details of which are as follows:

	HK$'000
Bank borrowings	
Current	
Bank loans, secured	4,806,164
Instalment loan, secured	4,280
	4,810,444
Non-current	
Instalment loan, secured	69,981
Total	4,880,425
Other borrowings	
Non-current	
Guaranteed notes	295,892
Other loan	300,000
Total	595,892

As at 28 February 2018, out of the total current secured bank loans of approximately HK$4,806,164,000, HK$4,577,164,000 was secured by the Group's properties under development located at the 6563 Land Parcel and the 6564 Land Parcel with an aggregate carrying amount of approximately HK$13,355,248,000 and all the issued shares of Top Genius Holdings Limited and Milway Development Limited, floating charge on bank balances of approximately HK$15,458,000 and were supported by corporate guarantee from the Company.

As at 28 February 2018, the Group's current secured bank loan of HK$229,000,000 and secured instalment loan of HK$74,261,000 were secured by the Group's office premises with a gross floor area of 29,526 sq. ft. located at 20th floor, One Island South, Wong Chuk Hang, Hong Kong with a carrying amount of approximately HK$159,987,000 and were supported by corporate guarantee from the Company.

All other borrowings were supported by corporate guarantees from the Company.

Out of the total current secured bank loans of approximately HK$4,806,164,000, approximately HK$1,600,830,000 will mature on 20 February 2019, HK$229,000,000 will mature on 14 March 2019 and approximately HK$2,976,334,000 will mature on 7 June 2018. As at 28 February 2018, the interest payables relating to such banks loans were approximately HK$1,235,000, HK$199,000 and HK$3,143,000, respectively.

Interest rates of bank borrowings range from HIBOR plus 1.3% to HIBOR plus 2.4% per annum. Interest rates of guaranteed notes and other loan are 7% per annum and HIBOR plus 4.75% per annum, respectively.

The Group's gearing ratio, calculated on the basis of total bank borrowings and guaranteed notes divided by Shareholders' equity, was 13% as at 31 March 2015, 31% as at 31 March 2016, 16.1% as at 31 December 2016 and 50.5% as at 31 December 2017.

4. CONTINGENT LIABILITIES

As at 28 February 2018:

(a) the Group provided guarantees to certain banks in respect of performance bonds granted to certain subsidiaries of approximately HK$370,856,000, out of which HK$36,980,000 were supported by pledged bank balance of the same amount as at 28 February 2018;

(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$19,141,000;

(c) the Company provided guarantees to holders of the guaranteed medium term notes issued by a subsidiary of the Company in an aggregate amount of approximately HK$305,000,000;

(d) the Company provided guarantees to an independent third party in connection with the other loan granted to a subsidiary of the Company in an amount of HK$300,000,000; and

(e) the Company provided guarantees to certain banks in connection with bank loans and general credit facilities granted to its certain subsidiaries in an aggregate amount of approximately HK$5,347,349,000.

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 28 February 2018.

5. WORKING CAPITAL

The sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on the successful completion of the Transaction or the successful renewal of the bank loan due in June 2018.

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account (i) the proceeds from the successful completion of the Transaction; (ii) the Group's internal resources; (iii) the loan facilities presently available to the Group; and (iv) 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 circular.

6. 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 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The Company will continue to pursue the core objective of creating maximized value for shareholders. While continuing to consolidate the development of existing principal businesses, the Company will dedicate strong efforts to expand the real estate investment and asset management business, in order to realize the transformational development of the Company, and to strike a balance between risk and revenue to achieve the long-term development objective of the Company. The development strategies of the Remaining Group are set out below:

Foundation Piling

Regarding the foundation piling and construction business, competition is expected to remain keen in the near future due to the growing number of market players and reduced available projects. Profit margins as a whole have been negatively affected given market factors such as labour shortages, rising operating costs and intensification of competition, causing an impact on segment results for the foundation piling business of the Remaining Group. This trend is expected to affect the Remaining Group's performance for the financial year ending 31 December 2018.

As at the Latest Practicable Date, the Group had 17 foundation piling projects on hand. The Company will continue to reinforce development in the foundation piling business. While constantly maintaining our industry leading position in the Hong Kong and Macau markets, the Company will further enhance its influence in the industry and contribute to the long-term development of the Company. As at the Latest Practicable Date, the Company has no intention to materially change its current foundation piling business.

Property Development and Investment

In relation to property development business, the Company will continue to enhance the efficiency level, seek different mix of its property development portfolio, to go along with the macro environment, focus on the property development opportunities in the Guangdong-Hong Kong-Macau Greater Bay Area and the key areas of The Belt and Road Initiative, channel our efforts to develop the EPC business, and adopt the light asset and heavy branding model to attract capital from qualified investors for joint participation in the property development business.

As at the Latest Practicable Date, the Company does not have interest in any property development projects in Hong Kong save as the project in the Kai Tak area, New Kowloon Inland Lot No. 6563, the general building plan of which was approved on 19 January 2018. The development in the 6563 Land Parcel commenced in mid October 2017 and is expected to be completed by mid 2022. As at the Latest Practicable Date, the Company has no intention to dispose of its interest in the 6563 Land Parcel. The Company is currently liaising with banks for construction loan and co-investment opportunities in relation to the 6563 Land Parcel. The Company is positive about the prospects of the 6563 Land Parcel due to the future transportation network, neighbourhood and location of the 6563 Land Parcel, accessibility and proximity to the proposed Kai Tak MTR station, future business prospects and development potential of various sports and leisure infrastructure facilities to be built in the region in which the 6563 Land Parcel is situated.

As at the Latest Practicable Date, the Company has contracted to dispose of all of its interests in the property development projects in the PRC. Please refer to the Company's announcements dated 13 November 2017, 4 December 2017 and 27 December 2017, and circular dated 7 December 2017 for details. As at the Latest Practicable Date, the Company does not have any property development projects other than the foregoing and has no plan to increase the number of property development project it is interested in. As at the Latest Practicable Date, the Company has no intention to downsize its property investment business.

Real Estate Investment and Asset Management

The Company's real estate investment and asset management business comprises of the management of Fund II, Fund III and HKICIM Fund V, L.P. ("Fund V") (Fund II, Fund III and Fund V, together, the "Funds"), with a total asset under management of approximately HK$5.9 billion, HK$1.8 billion and HK$1.5 billion, respectively as of the Latest Practicable Date. Three of the wholly-owned subsidiaries of the Group are the general partners of the Funds. Pursuant to the respective amended and restated exempted limited partnership agreement of the Funds, from the Fund's initial closing till the end of the term of the Fund, the general partner will, receive an annual management fee. The Board believes that the management fee will provide a stable income to the Group and such income will contribute to the financial performance of the Group.

Fund II and Fund III are special funds for investing in the 6565 Land Parcel and 6562 Land Parcel, respectively. Following the disposal of the 6565 Land Parcel and 6562 Land Parcel through Fund II and Fund III, Fund II and Fund III shall undergo liquidation processes and there are no other investment plans. In relation to Fund V, HKICIM (GP) V Limited (as general partner to Fund V, a wholly-owned subsidiary of the Company) has contracted to provide management service to Fund V and has not made any capital contribution to Fund V. As at the Latest Practicable Date, Fund V has completed private equity investment which are not related to real estate. Further details are set out above and in the Company's announcement dated 6 March 2018.

As disclosed above, the Company will dedicate efforts to expand the real estate investment and asset management business, and focus on seeking investment opportunities in the areas of, inter alia, logistics, warehousing and commerce to create a real estate portfolio with stable cash flow and value appreciation potential to realize the transformational development of the Company.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited consolidated statements of financial position of the Target Group as at 31 December 2016 and 31 December 2017 and the unaudited consolidated statements of profit or loss, unaudited consolidated statements of comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows of the Target Group for the period from 23 November 2015 (being the date of incorporation of the Target) to 31 December 2016, and the year ended 31 December 2017, and certain explanatory notes (the "**Financial Information**").

The Financial Information has been presented on the basis set out in note 2 of the notes to the Financial Information and are prepared in accordance with the accounting policies adopted by the Company as set out in note 3 to the Financial Information, and pursuant to Rule 14.68(2)(a)(i) of Chapter 14 of the Listing Rules. The Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Transaction. The Company's reporting accountants were engaged to review the financial information of the Target Group set out on page 1 to 12 in Appendix II of this circular in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Equity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audited opinion. Based on their review on the Financial Information of the Target Group, nothing has come to their attention that causes them to believe that the Financial Information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 below.

Unaudited consolidated Statements of Profit or Loss

	Note	**Period from 23 November 2015 to 31 December 2016** *HK$*	**Year ended 31 December 2017** *HK$*
Other income		—	27,711
Administrative expenses	4	(12,023)	(108,111)
LOSS BEFORE TAX		(12,023)	(80,400)
Income tax expenses		—	—
LOSS FOR THE PERIOD/YEAR		(12,023)	(80,400)

Unaudited consolidated Statements of Comprehensive Income

	Period from 23 November 2015 to 31 December 2016 *HK$*	**Year ended 31 December 2017** *HK$*
LOSS FOR THE PERIOD/YEAR AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD/YEAR	(12,023)	(80,400)

Unaudited consolidated Statements of Financial Position

	Notes	31 December 2016 HK$	31 December 2017 HK$
CURRENT ASSETS			
Properties under development		—	5,689,608,117
Due from the immediate holding company		1	1
Bank balances		—	1,003,681
Total current assets		1	5,690,611,799
CURRENT LIABILITIES			
Trade and retention payables and accruals		—	70,396,143
Loan from a fellow subsidiary	5	—	229,000,000
Due to an intermediate holding company		—	7,467
Due to fellow subsidiaries		—	3,700,611
Interest-bearing bank borrowing	6	—	2,600,100,000
Total current liabilities		—	2,903,204,221
NET CURRENT ASSETS		1	2,787,407,578
NON-CURRENT LIABILITY			
Loan form the immediate holding company	7	12,023	2,787,500,000
Net liabilities		(12,022)	(92,422)
EQUITY			
Equity attributable to ordinary equity holders of Target Group			
Share capital		1	1
Accumulated losses		(12,023)	(92,423)
Deficiency in assets		(12,022)	(92,422)

Unaudited consolidated Statements of Changes in Equity

	Share capital	Accumulated losses	Total
	HK$	*HK$*	*HK$*
Issue of share on incorporation	1	—	1
Loss for the period and total comprehensive expense for the period	—	(12,023)	(12,023)
At 31 December 2016 and 1 January 2017	1	(12,023)	(12,022)
Loss for the year and total comprehensive expense for the year	—	(80,400)	(80,400)
At 31 December 2017	1	(92,423)	(92,422)

Unaudited consolidated Statements of Cash Flows

	Period from 23 November 2015 to 31 December 2016	Year ended 31 December 2017
	HK$	*HK$*
Cash flows from operating activities		
Loss before tax	(12,023)	(80,400)
Adjustment for:		
Interest income	—	(27,711)
	(12,023)	(108,111)
Increase in properties under development	—	(5,630,091,312)
Increase in trade and retention payables and accruals	—	69,395,058
Increase in due to fellow subsidiaries	—	372,355
Increase in due to an intermediate holding company	—	7,467
Cash used in operations and net cash flows used in operating activities	(12,023)	(5,560,424,543)
Cash flow from an investing activity		
Interest received	—	27,711
Net cash flows from an investing activity	—	27,711
Cash flows from financing activities		
New bank borrowing	—	2,600,100,000
Loan from a fellow subsidiary	—	229,000,000
Loan from the immediate holding company	12,023	2,787,487,977
Interest paid	—	(55,187,464)
Net cash flows from financing activities	12,023	5,561,400,513
NET INCREASE IN CASH AND CASH EQUIVALENTS AND CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	—	1,003,681
Analysis of balances of cash and cash equivalents		
Bank balances as at stated in the unaudited consolidated statements of financial position	—	1,003,681

NOTES TO THE FINANCIAL INFORMATION OF THE TARGET GROUP

For the period from 23 November 2015 (being the date of incorporation of the Target) to 31 December 2016 and the year ended 31 December 2017

1. GENERAL INFORMATION

Onwards Asia Limited is a limited liability company incorporated in the British Virgin Islands. Onwards Asia Limited and its subsidiary (together, the "Target Group") principally engaged in property development in Hong Kong.

On 8 March 2018 and 21 March 2018, the Vendor has entered into the Binding Offer and the SPA, respectively, pursuant to which the Vendor has agreed to sell the Sale Share and assign the Shareholder Loans to the Purchaser. Upon completion of the Transaction, the Target Group will cease to be subsidiaries of the Company.

2. BASIS OF PREPARATION

The Financial Information of the Target Group has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Transaction in accordance with Rule 14.68(2)(a)(i) of the Listing Rules and in accordance with the relevant accounting policies adopted by the Company as set out in note 3, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The Financial Information of the Target Group has been prepared under the historical cost convention. The Financial Information of the Target Group is presented in Hong Kong dollars (HK$) except when otherwise indicated.

The Financial Information of the Target Group does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) "Presentation of Financial Statements" nor an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial information include the financial information of the Target Group for the period from 23 November 2015 to 31 December 2016 and year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Target. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee).

When the Target has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Target Group's voting rights and potential voting rights.

The financial information of the subsidiaries are prepared for the same reporting period as the Target, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributable to the ordinary equity holders of the Target and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Target Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Target Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Target Group had directly disposed of the related assets or liabilities.

Related parties

A party is considered to be related to the Target Group if:

(a) ***the party is a person or a close member of that person's family and that person***

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target or of a parent of the Target Group;

or

(b) ***the party is an entity where any of the following conditions applies:***

(i) the entity and the Target Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group.

Properties under development

Properties under development which are developed in the ordinary course of business are included in current assets at the lower of cost and net realisable value.

The cost of properties under development comprises land cost, construction costs, professional fees, borrowing costs capitalised according to the Target Group's policy and other directly attributable expenses incurred during the development period. Net realisable value represents the estimated selling price, based on prevailing market conditions, less estimated costs of completion and costs to be incurred in selling the property.

On completion of construction, the properties are transferred to properties held for sale.

Impairment of non-financial assets

When an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Financial instruments

The Target Group classifies its financial instruments into the following categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. Purchases and sales of the financial assets are recognised using trade date accounting.

(a) ***Receivables***

The Target Group's financial assets include an amount due from the immediate holding company and bank balances and are classified and accounted for as receivables.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment allowances.

The Company recognises losses for impaired receivables promptly where there is objective evidence that impairment of a receivable or a portfolio of receivables has occurred. Impairment allowances are assessed either individually for individually significant receivables or collectively for receivable portfolios with similar credit risk characteristics including those individually assessed balances for which no impairment provision is made on an individual basis.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to the statement of profit or loss.

(b) ***Financial liabilities***

The financial liabilities include amounts due to an intermediate holding company and fellow subsidiaries, trade and retention payables, loans from a fellow subsidiary and the immediate holding company and an interest-bearing bank borrowing. Financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method.

A financial asset is primarily derecognised (i.e. removed from the Target Group's statement of financial position) when the rights to receive cash flows from the asset have expired; or where the Target Group has transferred its contractual rights to receive the cash flows of the financial asset and has transferred substantially all the risks and rewards of ownership; or where control is not retained. A financial liability is derecognised when it is extinguished, i.e., when the obligation is discharged or cancelled, or expires.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Target Group and when the revenue can be measured reliably. Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instruments to the net carrying amount of the financial assets.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside the statement of profit or loss is recognised, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Target Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine deferred tax.

Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

4. ADMINISTRATIVE EXPENSES

	Period from 23 November 2015 to 31 December 2016	**Year ended 31 December 2017**
	HK$	*HK$*
Auditor's remuneration	—	80,000
Legal and professional fees	12,012	14,654
Bank charges	—	10,800
Business registration fee	—	2,650
Others	11	7
Total administrative expenses	12,023	108,111

5. LOAN FROM A FELLOW SUBSIDIARY

As at 31 December 2017, the loan from Top Class Properties Limited, a fellow subsidiary of the Target, is unsecured, bears interest at HIBOR plus 1.3% per annum and is originally matured on 14 March 2018 and has been subsequently extended to 14 March 2019.

6. INTEREST-BEARING BANK BORROWING

	Effective interest rate	**Maturity**	**2017**
	(%)		*HK$*
Current:			
Secured bank loan	2.81	2018	2,600,100,000

As at 31 December 2017, the bank borrowing was secured by:

(a) mortgage over properties under development of Top Genius Holdings Limited, a wholly-owned subsidiary of the Target, with an aggregate carrying amount of HK$5,689,608,117;

(b) charge over share of Top Genius Holdings Limited;

(c) floating charge over bank balances of Top Genius Holdings Limited of HK$1,003,681; and

(d) a corporate guarantee given by Hong Kong International Construction Investment Management Group Co., Limited, the Target's intermediate holding company.

As at 31 December 2017, the bank borrowing is denominated in Hong Kong dollars and bears interest at floating interest rate.

7. LOAN FROM THE IMMEDIATE HOLDING COMPANY

The loan from Omnilink Assets Limited, the immediate holding company of the Target, is unsecured, interest-free and not expected to be repaid within one year from the end of the reporting period.

A. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANACE REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountant, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular in respect of the unaudited pro forma financial information of the Remaining Group.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANACE REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

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 unaudited 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 unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2017, and the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2017, and related notes as set out in Appendix III of the circular dated 19 April 2018 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed disposal of the Group's entire interests in Onwards Asia Limited and its subsidiary (the "**Disposal**") on the Group's financial position as at 31 December 2017 and the Group's financial performance and cash flows for the year ended 31 December 2017 as if the Disposal had taken place as at 31 December 2017, 1 January 2017 and 1 January 2017 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2017, on which an annual result announcement has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited 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 Unaudited 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 Unaudited 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 Unaudited 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 Unaudited 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 Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal 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 Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited 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 Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Unaudited 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 Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited 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 Unaudited 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 Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Certified Public Accountants
Hong Kong

19 April 2018

B. INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The accompanying unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group (the "Unaudited Pro Forma Financial Information"), which have been prepared by the directors of the Company 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 on the basis of the notes set out in note 5 to Part C of this appendix below for the purpose of illustrating the effect of the disposal (the "Transaction"), which comprises (1) the disposal of the entire issued share capital of Onwards Asia Limited (the "Target") and its subsidiary, Top Genius Holdings Limited (the "Target Subsidiary") (collectively referred to as the "Target Group") to the purchaser (the "Purchaser"); and (2) the assignment of the loans owing by the Target to Omnilink Assets Limited (the "Vendor") to the Purchaser, on the financial information of the Company.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the audited consolidated statement of financial position of the Company, its subsidiaries and an associate (collectively referred to as the "Group") as at 31 December 2017 which has been extracted from the Group's published annual result announcement for the year ended 31 December 2017 after taking into account the pro forma adjustments relating to the Transaction that are (i) clearly shown and explained; (ii) directly attributable to the Transaction and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Transaction had been completed on 31 December 2017.

The unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2017 which have been extracted from the Group's published annual result announcement for the year ended 31 December 2017 after taking into account the pro forma adjustments relating to the Transaction that are (i) clearly shown and explained; (ii) directly attributable to the Transaction and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Transaction had been completed on 1 January 2017.

The accompanying Unaudited Pro Forma Financial Information of the Remaining Group is prepared by the directors of the Company based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Remaining Group upon completion of the Transaction. As the Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position and results of the Remaining Group following the completion of the Transaction and does not purport to describe the actual results of operations, financial position and cash flows of the Remaining Group that would have been attained had the Transaction been completed on the dates indicated herein. Further, the accompanying Unaudited Pro Forma Financial Information of the Remaining Group does not purport to predict the future financial position, results of operations or cash flows of the Remaining Group after completion of the Transaction.

C. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. Unaudited pro forma consolidated statement of financial position

	Consolidated statement of financial position of the Group at 31 December 2017	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	
NON-CURRENT ASSETS				
Property, plant and equipment	244,120	—	—	244,120
Prepayments, deposits and other receivables	899	—	—	899
Interests in an associate	—	—	—	—
Other assets	1,080	—	—	1,080
Deferred tax assets	1,128	—	—	1,128
Total non-current assets	247,227			247,227
CURRENT ASSETS				
Properties under development	13,214,929	(5,689,608)	30,862	7,556,183
Inventories	28,369	—	—	28,369
Amounts due from customers for contract works	279,411	—	—	279,411
Trade and retention receivables	638,810	66,552	—	705,362
Prepayments, deposits and other receivables	39,448	—	—	39,448
Financial asset at fair value through profit or loss	738,865	—	—	738,865
Due from Target Subsidiary	—	3,708	(3,328)	380
Loan to Target Subsidiary	—	229,000	(229,000)	—
Tax prepaid	29,302	—	—	29,302
Pledged bank balances	41,414	—	—	41,414
Cash and cash equivalents	2,327,460	(1,004)	3,596,259	5,922,715
	17,338,008			15,341,449
Assets of disposal groups classified as held for sale	2,183,957	—	—	2,183,957
Total current assets	19,521,965			17,525,406

	Consolidated statement of financial position of the Group at 31 December 2017	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	
CURRENT LIABILITIES				
Trade and retention payables and accruals	581,468	(3,844)	—	577,624
Other payables, deposits received and receipts in advance	34,395	—	—	34,395
Amounts due to customers for contract works	247,027	—	—	247,027
Interest-bearing bank borrowings	5,809,375	(2,600,100)	—	3,209,275
Tax payable	1,954	—	—	1,954
	6,674,219			4,070,275
Liabilities directly associated with the assets classified as held for sale	416,209	—	—	416,209
Total current liabilities	7,090,428			4,486,484
NET CURRENT ASSETS	12,431,537			13,038,922
TOTAL ASSETS LESS CURRENT LIABILITIES	12,678,764			13,286,149
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	70,642	—	—	70,642
Guaranteed notes	295,343	—	—	295,343
Loans from shareholder of the Target	—	(2,787,500)	2,787,500	—
Deferred tax liabilities	94,778	—	—	94,778
Total non-current liabilities	460,763			460,763
Net assets	12,218,001			12,825,386

	Consolidated statement of financial position of the Group at 31 December 2017	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of financial position of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	
EQUITY				
Equity attributable to ordinary equity holders of the Company				
Issued capital	340,249	—	—	340,249
Reserves	11,877,742	92	607,293	12,485,127
	12,217,991			12,825,376
Non-controlling interests	10	—	—	10
Total equity	12,218,001			12,825,386

2. **Unaudited pro forma consolidated statement of profit or loss**

	Consolidated statement of profit or loss of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of profit or loss of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 4*	*Note 5*	*Note 6*	
REVENUE	3,290,156	—	—	55,990	3,346,146
Cost of sales	(3,090,007)	86	—	(50,918)	(3,140,839)
Gross profit	200,149				205,307
Other income and gains, net	56,847	(28)	707,470	3,328	767,617
Selling expenses	(39,590)	—	—	—	(39,590)
Administrative expenses	(90,946)	11	—	—	(90,935)
Changes in fair value of investment properties	23,175	—	—	—	23,175
Other expenses, net	(35,677)	11	—	—	(35,666)
Finance costs	(18,490)	—	—	(3,328)	(21,818)
PROFIT BEFORE TAX	95,468				808,090
Income tax expense	(90,035)	—	—	—	(90,035)
PROFIT FOR THE YEAR	5,433				718,055
Attributable to:					
Ordinary equity holders of the Company	6,004	80	707,470	5,072	718,626
Non-controlling interests	(571)	—	—	—	(571)
	5,433				718,055

3. **Unaudited pro forma consolidated statement of comprehensive income**

	Consolidated statement of comprehensive income of of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of comprehensive income of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 4*	*Note 5*	*Note 6*	
PROFIT FOR THE YEAR	5,433	80	707,470	5,072	718,055
OTHER COMPREHENSIVE INCOME					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences:					
Exchange difference on translation of foreign operations	118,634	—	—	—	118,634
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	118,634				118,634
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	118,634				118,634
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	124,067				836,689
Attributable to:					
Ordinary equity holders of the Company	124,638	80	707,470	5,072	837,260
Non-controlling interests	(571)	—	—	—	(571)
	124,067				836,689

4. **Unaudited pro form consolidated statement of cash flows**

	Consolidated statement of cash flows of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 6*	*Note 7*	*Note 8*	
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	95,468	5,072	80	707,470	808,090
Adjustments for:					
Finance costs	18,490	3,328	—	—	21,818
Gain on disposal of subsidiaries	—	—	—	(707,470)	(707,470)
Interest income	(15,844)	—	28	—	(15,816)
Gain on disposal of items of property, plant and equipment	(7,308)	—	—	—	(7,308)
Depreciation	61,388	—	—	—	61,388
Fair value gain on a financial asset at fair value through profit or loss	(10,865)	—	—	—	(10,865)
Fair value gain on an investment fund at fair value through profit or loss	(11,163)	—	—	—	(11,163)
Fair value loss on a derivative financial instrument	33,057	—	—	—	33,057
Changes in fair value of investment properties	(23,175)	—	—	—	(23,175)
Impairment of other receivables	1,029	—	—	—	1,029
Impairment of an amount due from an associate	13	—	—	—	13
	141,090				149,598

	Consolidated statement of cash flows of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 6*	*Note 7*	*Note 8*	
Increase in properties under development and properties held for sale, net	(12,570,514)	(30,862)	5,630,091	—	(6,971,285)
Increase in inventories	(11,858)	—	—	—	(11,858)
Decrease in amounts due from customers for contract works	16,482	—	—	—	16,482
Decrease in trade and retention receivables	158,572	(66,552)	—	—	92,020
Decrease in prepayments, deposits and other receivables	21,399	—	—	—	21,399
Decrease in trade and retention payables and accruals	(129,287)	66,552	(69,395)	—	(132,130)
Increase in other payables, deposits received and receipts in advance	28,594	—	—	—	28,594
Decrease in amounts due to customers for contract works	(172,277)	25,790	—	—	(146,487)
Increase in amounts due from Target Group	—	(3,328)	(379)	—	(3,707)
Decrease in deposits received	(43,839)	—	—	—	(43,839)
Cash used in operations	(12,561,638)				(7,001,213)
Taxes paid in the People's Republic of China (the "PRC"):					
Hong Kong	(136,679)	—	—	—	(136,679)
Elsewhere	(268,169)	—	—	—	(268,169)
Taxes refunded in the PRC:					
Hong Kong	1,777	—	—	—	1,777
Elsewhere	2,444	—	—	—	2,444
Effect of foreign exchange rate changes, net	(10,721)	—	—	—	(10,721)
Net cash flows used in operating activities	(12,972,986)				(7,412,561)

	Consolidated statement of cash flows of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 6*	*Note 7*	*Note 8*	
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	15,844	—	(28)	—	15,816
Purchases of items of property, plant and equipment	(11,397)	—	—	—	(11,397)
Deposits paid for acquisition of items of property, plant and equipment	(41)	—	—	—	(41)
Proceeds from disposal of items of property, plant and equipment	8,234	—	—	—	8,234
Acquisition of additional interest in a subsidiary	(104,598)	—	—	—	(104,598)
Proceeds from disposal of subsidiaries	—	—	—	707,470	707,470
Increase in an amount due from an associate	(13)	—	—	—	(13)
Capital injection to a financial asset at fair value through profit or loss	(728,000)	—	—	—	(728,000)
Purchase of an investment fund at fair value through profit or loss	(600,600)	—	—	—	(600,600)
Proceeds from disposal of an investment fund at fair value through profit or loss	611,763	—	—	—	611,763
Increase in a derivative financial instrument	(2,351)	—	—	—	(2,351)
Redemption of a derivative financial instrument	7,767	—	—	—	7,767
Decrease in non-pledged time deposits with original maturity of more than three months when acquired	34,237	—	—	—	34,237
Net cash flows used ininvesting activities	(769,155)				(61,713)

	Consolidated statement of cash flows of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 6*	*Note 7*	*Note 8*	
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	2,323,624	—	—	—	2,323,624
Share issue expenses	(4,174)	—	—	—	(4,174)
Proceeds from issue of guaranteed notes	305,000	—	—	—	305,000
Guaranteed notes issue expenses	(10,849)	—	—	—	(10,849)
Interest paid	(106,992)	—	55,187	—	(51,805)
New bank borrowings	6,983,434	—	(2,600,100)	—	4,383,334
Repayment of bank borrowings	(1,579,304)	—	—	—	(1,579,304)
Loan from non-controlling interests	2,506	—	—	—	2,506
Loan from an immediate holding company	9,150,000	—	—	—	9,150,000
Loan from an intermediate holding company	460,040	—	—	—	460,040
Loan to Target Subsidiary	—	—	(229,000)	—	(229,000)
Shareholder loans to Target	—	—	(2,787,488)	—	(2,787,488)
Repayment of loan to an immediate holding company	(2,218,830)	—	—	—	(2,218,830)
Repayment of loan to an intermediate holding company	(460,040)	—	—	—	(460,040)
Repayment of loan to non-controlling interests	(2,506)	—	—	—	(2,506)
Dividends paid to non-controlling interests	(3,000)	—	—	—	(3,000)
Dividends paid	(113,416)	—	—	—	(113,416)
Net cash flows from financing activities	14,725,493				9,164,092

	Consolidated statement of cash flows of the Group for the year ended 31 December 2017	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated statement of cash flows of the Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 6*	*Note 7*	*Note 8*	
NET INCREASE IN CASH AND CASH EQUIVALENTS	983,352				1,689,818
Cash and cash equivalents at beginning of year	1,824,211				1,824,211
Effect of foreign exchange rate changes, net	9,648				9,648
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,817,211				3,523,677
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	2,077,460	—	(1,004)	707,470	2,783,926
Non-pledged time deposits	250,000	—	—	—	250,000
Cash and cash equivalents as stated in the consolidated statement of financial position	2,327,460	—	—	—	3,033,926
Add: Pledged bank balances	41,414	—	—	—	41,414
Add: Cash and cash equivalents attributable to the disposal groups	448,337	—	—	—	448,337
Cash and cash equivalents as stated in the consolidated statement of cash flows	2,817,211				3,523,677

5. **Notes to unaudited pro forma financial information**

(1) The consolidated statement of financial position of the Group as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 December 2017 are extracted from the published annual result announcement of the Company for the year ended 31 December 2017.

(2) The adjustment reflects the exclusion of assets and liabilities of the Target Group, as if the Transaction had taken place on 31 December 2017. The assets and liabilities of the Target Group as at 31 December 2017 were extracted from the consolidated statement of financial position of the Target Group as set out in Appendix II to the Circular, except for the following items with reconciliations shown below:

	HK$'000
Trade and retention receivables in Appendix III	66,552
Trade and retention payables and accruals in Appendix III	3,844
Trade and retention payables and accruals in Appendix II	70,396

	HK$'000
Due to an intermediate holding company in Appendix II	7
Due to fellow subsidiaries in Appendix II	3,701
Due from Target Subsidiary in Appendix III	3,708

(3) The adjustment reflects (i) gross proceeds of HK$6,359,155,000; and (ii) estimated gain of HK$607,293,000 on the completion of Transaction, as if the Transaction had taken place on 31 December 2017. The calculation of the estimated gain on the Transaction to be recognised by the Remaining Group in the statement of profit or loss, as if the Transaction had taken place on 31 December 2017, is as follows:

	Notes	*HK$'000*
Gross proceeds	(i)	6,359,155
Add: bank balances	(ii)	1,004
Less: bank indebtedness	(iii)	(2,600,100)
Less: a shareholder loan	(iv)	(2,787,500)
Less: a loan from a fellow subsidiary and interest payable	(v)	(232,328)
Less: estimated development costs	(vi)	(148,340)
Add: unreaslised profit	(vii)	30,862
Less: transaction costs and professional fees	(viii)	(15,460)
Estimated gain of the Transaction as if the Transaction had taken place on 31 December 2017 (assuming no tax effect)		607,293

Notes:

(i) Balance represents the total consideration of the Transaction of HK$6,359,155,000 in accordance with the sale and purchase agreement signed between the Purchaser and the Vendor on 21 March 2018 (the "SPA").

(ii) Pursuant to the SPA, any cash and bank balances as at the date of completion of the Transaction belong to the Vendor. Balance represents bank balances of the Target Group as at 31 December 2017.

(iii) Pursuant to the SPA, the Vendor is responsible for the bank loan outstanding as at the date of completion of the Transaction. Balance represents the aggregate amount of the Target Subsidiary's outstanding bank loan principal of HK$2,600,100,000 as at 31 December 2017.

(iv) Balance represents a loan due to the immediate holding company of HK$2,787,500,000 as at 31 December 2017, to be assigned by the Vendor to the Purchaser upon completion of the Transaction in accordance with the SPA.

(v) Balance represents a loan of principal amount of HK$229,000,000 and interest payable of HK$3,328,000 due to a fellow subsidiary as at 31 December 2017, to be settled by the Purchaser to the Remaining Group, which would be considered as part of the gross proceeds of the same amount is satisfied by the Purchaser, upon completion of the Transaction in accordance with the SPA.

(vi) Pursuant to the SPA, the Vendor is responsible for all development costs incurred on the property development project up to the date of completion of the Transaction. As at 31 December 2017, development costs of HK$156,580,000 is incurred, out of which HK$70,776,000 is not yet settled. Further development costs is HK$77,564,000, based on actual costs incurred from 1 January 2018 to 28 February 2018.

Balance represents the estimated unsettled development costs of HK$148,340,000, comprising the development costs payable as at 31 December 2017 of HK$70,776,000 and further development cost of HK$77,564,000.

(vii) Balance represented unrealised profit of a subsidiary of the Remaining Group performing foundation works for the property development project of the Target Subsidiary up to 31 December 2017 and capitalised as properties under development in the consolidated statement of financial position of the Target Group as at 31 December 2017.

(viii) Balance represents the best estimates of the transaction costs and professional fees in relation to the Transaction amounting to HK$15,460,000 by the directors of the Company.

An analysis of the net proceeds in respect of the Transaction, as if the Transaction had taken place on 31 December 2017, is as follows:

	HK$'000
Gross proceeds	6,359,155
Add: bank balances	1,004
Less: bank indebtedness	(2,600,100)
Less: estimated development costs	(148,340)
Less: transaction costs and professional fees	(15,460)
Estimated net proceeds from the Transaction as if the Transaction had taken place on 31 December 2017 (assuming no tax effect)	3,596,259

Actual gain and net proceeds arising from the Transaction depend on final adjustment to the consideration, actual amount of net assets of the Target Group, actual bank balances, bank indebtedness, loans due to the immediate holding company and a fellow subsidiary (including loan interest), development costs, transaction costs and professional fees incurred up to the date of completion of the Transaction. Therefore, the actual gain and net proceeds shall be different from the amounts calculated in the above tables.

(4) The adjustment reflects the exclusion of the results of the Target Group for the year ended 31 December 2017, which was extracted from the unaudited consolidated statement of profit of loss and the unaudited statement of comprehensive income of the Target Group as set out in Appendix II of the Circular, as if the Transaction had taken place on 1 January 2017. The adjustment is not expected to have a continuing effect of the Remaining Group.

	Year ended 31 December 2017 in Appendix II	**Reclassification adjustment**	**Year ended 31 December 2017 in Appendix III**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	—	—	—
Cost of sales	—	(86)	(86)
Gross loss	—		(86)
Other income	28	—	28
Administrative expenses	(108)	97	(11)
Other expenses, net	—	(11)	(11)
Loss before tax	(80)		(80)
Income tax expenses	—	—	—
Loss for the year	(80)		(80)

(5) The adjustment reflects the estimated gain of HK$707,470,000 on the completion of Transaction, as if the Transaction had taken place on 1 January 2017. The adjustments are not expected to have a continuing effect on the Remaining Group. The calculation of the estimated gain on the Transaction to be recognised in the consolidated statement of profit or loss, as if the Transaction had taken place on 1 January 2017, is as follows.

	Notes	*HK$'000*
Gross proceeds	(i)	6,359,155
Add: net liabilities of the Target Group as at 1 January 2017	(ii)	12
Less: a shareholder loan	(iii)	(12)
Less: land acquisition cost and estimated development costs	(iv)	(5,636,225)
Less: transaction costs and professional fees	(v)	(15,460)
Estimated gain and gross proceeds of the Transaction as if the Transaction had taken place on 1 January 2017 (assuming no tax effect)		707,470

Notes:

(i) Balance represents the total consideration of the Transaction of HK$6,359,155,000 in accordance with the SPA.

(ii) The amount of net liabilities of the Target Group was extracted from the unaudited consolidated financial position of the Target Group as at 31 December 2016, as set out in Appendix II to the Circular.

(iii) Balance represents a loan due to the immediate holding company of HK$12,000 as at 31 January 2017, to be assigned by the Vendor to the Purchaser upon completion of the Transaction in accordance with the SPA, as if the Transaction had taken place on 1 January 2017.

(iv) Balance represents the land acquisition cost of HK$5,529,700,000 and estimated development costs of HK$106,525,000.

(v) Balance represents the best estimates of the transaction costs and professional fees in relation to the Transaction amounting to HK$15,460,000 by directors of the Company.

Actual gain and net proceeds arising from the Transaction depend on final adjustment to the consideration, actual amount of net assets of the Target Group, actual bank balances, bank indebtedness, loans due to the immediate holding company and a fellow subsidiary (including loan interest), development costs, transaction costs and professional fees incurred up to the date of completion of the Transaction. Therefore, the actual gain and net proceeds shall be different from the amounts calculated in the above tables.

(6) The adjustment reflects the exclusion of (i) intercompany revenue of HK$55,990,000 and cost of sales of HK$50,918,000 pertaining to a subsidiary of the Remaining Group for performing foundation works on a property development project owned by the Target Subsidiary during the year ended 31 December 2017; and (ii) interest income generated by a subsidiary of the Remaining Group from the Target Subsidiary of HK$3,328,000 for the year ended 31 December 2017. The adjustment is not expected to have a continuing effect on the Remaining Group.

(7) The adjustment reflects the exclusion of the cash flows of the Target Group for the year ended 31 December 2017, which were extracted from the unaudited consolidated cash flow of the Target Group for the year ended 31 December 2017 as set of in Appendix II, as if the Transaction had taken place on 1 January 2017, except for the following items with a reconciliation shown below:

	HK$'000
Increase in due to fellow subsidiaries in Appendix II	372
Increase in due to an intermediate holding company in Appendix II	7
Increase in amounts due from Target Group in Appendix III	379

The adjustment is not expected to have a continuing effect on the Remaining Group.

(8) The adjustment reflects the cash proceeds to be recognised by the Remaining Group, as if the Transaction had taken place on 1 January 2017 according to the basis set out in note (5). The adjustment is not expected to have a continuing effect on the Remaining Group.

The following is the valuation report prepared for the purpose of incorporation in this circular received from Knight Frank Petty Limited, an independent valuer, in connection with its valuation of 6564 Land Parcel as at 25 January 2018.

Knight Frank Petty Limited
4th Floor, Shui On Centre
6-8 Harbour Road
Wan Chai, Hong Kong

19 April 2018

The Board of Directors
Hong Kong International Construction Investment Management Group Co., Limited
20/F One Island South
No 2 Heung Yip Road
Wong Chuk Hang
Hong Kong

Dear Sirs

Valuation in Respect of New Kowloon Inland Lot No 6564, Kai Tak Area 1L Site 1, Kai Tak, Kowloon (the "Property Interest")

In accordance with the instructions to us from Hong Kong International Construction Investment Management Group Co., Limited (hereinafter referred to as the "Company") as an independent valuer to value the Property Interest held by its wholly-owned subsidiary (hereinafter together referred to as the "Group"), we confirm that we have made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property Interest in its existing state as a development site as at 25 January 2018 (the "Valuation Date") for public disclosure purposes.

Basis of Valuation

In arriving at our opinion of a market value, we followed "The HKIS Valuation Standards 2017" issued by The Hong Kong Institute of Surveyors ("HKIS") and "The RICS Valuation — Global Standards 2017" issued by The Royal Institution of Chartered Surveyors ("RICS"). Under the said standards, market value is defined as:

"the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction), and without offset for any associated taxes or potential taxes.

Market value is also the best price reasonably obtainable in the market on the valuation date by the seller and the most advantageous price reasonably obtainable in the market on the valuation date by the buyer. This estimate specially excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards 2017” issued by HKIS and “The RICS Valuation — Global Standards 2017” issued by RICS.

Valuation Methodology

In forming our opinion of value of the Property Interest, we have adopted the Market Approach by making reference to comparable land sale transactions as available in the relevant market. We have made our assessment on the basis of a collation and analysis of appropriate comparable sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the subject property, taking into account, location, time, terms, covenant and other material factors.

We have also taken into account the development potential of the Property Interest. We have cross-checked the assessed value on the basis that it will be developed and completed in accordance with the latest development proposal given by the Group. We have assumed that all consents, approvals, licences from relevant government authorities for the development proposals have been or will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the development is in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. We adopted the Market Approach by making reference to sales evidence as available in the market and have also taken into account the given expended construction costs as well as the costs which will be expended to complete the developments. The value of Property Interest assuming completion as at the Valuation Date in accordance with the given development proposals represents our opinion of the aggregate selling prices of the assumed completed development.

Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions:-

Title Documents and Encumbrances

In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Property Interest is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property Interest nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information

We have relied to a very considerable extent on information given by the Group. We have accepted advice given to us on such matters as planning approval, statutory notice, easement, tenure, site area, floor areas, number of carparking spaces and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Property Interest, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property Interest or contained on the register of title. We assume that this information is complete and correct.

Inspection

The external inspection of the Property Interest was undertaken by Ms Natalie Wong, a qualified surveyor, on 25 January 2018.

Identity of the Property Interest to be Valued

We have exercised reasonable care and skill to ensure that the Property Interest is the Property Interest inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property interest to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Property Interest on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Site Boundary

We were not able to delineate the exact boundary of the Property Interest nor were we able to carry out detailed site measurements to verify the correctness of the site area of the Property Interest. Nevertheless, we have based on the site area of the Property Interest as obtained from the Government records in preparing our valuation.

Areas and Age

In our valuations, we have relied upon areas provided to us. We have also assumed that the site areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only.

Structural and Services Condition

We have not undertaken any structural surveys, tested the services or arranged for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Property Interest. Our valuation has therefore been undertaken on the basis that the services, including but not limited to the drain, waterway or watercourse, water main, sewer, cable, wire and pipe and other utility services, etc to the Property Interest was approved and connected and the services functioned satisfactorily.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property Interest are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property Interest is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed that the Property Interest was constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property Interest upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

Land Premium

We have assumed that the land premium of the Property Interest was completely settled as at the Valuation Date.

Limitations on Liability

The valuers on behalf of Knight Frank Petty Limited, with the responsibility for this report is Mr Thomas Lam FRICS FHKIS RPS(GP) RICS Registered Valuer, a qualified valuer who has 17 years of extensive experiences in market research, valuation and consultancy in the PRC, Hong Kong, Macao and Asia Pacific region and Ms Natalie Wong MRICS MHKIS RICS Registered Valuer, a qualified valuer who has about 12 years of experience in valuation of properties in Hong Kong. We confirm that the valuers meet the requirements of The HKIS Valuation Standards and The RICS Valuation — Global Standards, having sufficient current knowledge of the particular market and the skills under understanding to undertake the valuation competently.

Our valuation is undertaken by the qualified valuer with relevant experiences as an independent valuer. Our valuation is prepared in unbiased and professional manner.

In accordance with our standard practice, we must state that this valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this valuation.

Knight Frank has prepared the valuation based on information and data available to us as at the Valuation Date. It must be recognised that the real estate market is subject to market fluctuations, while changes in policy direction and social environment could be immediate and have sweeping impact on the real estate market. It should therefore be noted that any market violation, policy and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property Interest.

Currency

Unless otherwise stated, all monetary figures in this valuation report will be in Hong Kong Dollars (HK$).

Area Conversion

The area conversion factors in this report are taken as follows:

1 sq m = 10.764 sq ft

We enclose herewith our valuation report.

Thomas Lam
FRICS FHKIS RPS(GP) RICS Registered Valuer
Senior Director, Head of Valuation & Advisory
For and on behalf of Knight Frank Petty Limited

Natalie Wong
MRICS MHKIS RICS Registered Valuer
Director, Valuation & Advisory
For and on behalf of Knight Frank Petty Limited

VALUATION

The Property Interest held by the Group for Development

	Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as a development site as at 25 January 2018
1.	Kai Tak Area 1L Site 1 Kai Tak Kowloon New Kowloon Inland Lot No 6564 ("NKIL 6564")	The Property Interest comprises a parcel of land with a site area of 7,318 sq m (78,771 sq ft) or thereabouts. The Property Interest is a development site located on the southwestern side of Kai Tak River and in the southeastern side of the Kai Tak City Centre. Kai Tak City Centre is undergoing transformation into a comprehensive development area for residential, commercial and leisure purposes. The Property Interest is planned to be developed into a high-end residential development with carparking facilities. The total Gross Floor Area is 39,517 sq m (425,361 sq ft) or thereabouts. NKIL 6564 is held under the Conditions of Sale No 20295 for a term of 50 years from 24 February 2017 at an annual rent equivalent to 3% of the rateable value from time to time of the Property Interest subject to a minimum rent of HK$1 per annum (if demanded).	Upon our inspection, the Property Interest was a construction site undergoing foundation works.	HK$5,790,000,000 Hong Kong Dollars Five Billion Seven Hundred and Ninety Million

Notes:

(1) Pursuant to the Conditions of Sale No 20295, the Property Interest was awarded in a tender at a premium of HK$5,529,700,000 on 25 January 2017.

(2) According to the record obtained from the land registry, the registered owner of the Property Interest was Top Genius Holdings Limited, a wholly subsidiary of the Company.

(3) As at the Valuation Date, the Property Interest was subject to the Building Mortgage in favour of Shanghai Commercial Bank Limited vide a memorial no 17031702670504 dated 24 February 2017.

(4) Pursuant to the latest Outline Zoning Plan, the Property Interest lay within an area zoned for "Residential (Group B) 2" uses under the Draft Kai Tak Outline Zoning Plan No S/K22/5 exhibited on 17 February 2017.

A planning permission by the Town Planning Board under section 16 of the Town Planning Ordinance (Application No A/K22/16) for the minor relaxation of plot ratio and building height restrictions for the Property Interest and other sites in Kai Tak was granted on 17 April 2015. The planning permission is subject to certain conditions and shall be valid until 17 April 2021.

(5) Uses and development of the Property Interest were governed by the Conditions of Sale No 20295. While the entire Conditions of Sale shall be noted, the salient conditions for the restrictions on the use and development are summarized below:

I. Any part thereof or any building(s) erected or to be erected thereon shall not be used for any purpose other than for private residential purposes.

II. The total gross floor area of any building(s) erected or to be erected on the Property Interest shall not be less than 23,711 sq m (255,225 sq ft) and shall not exceed 39,517 sq m (425,361 sq ft).

III. The total site coverage of any building(s) erected or to be erected shall not exceed 40% of the area of the lot.

(6) As per the latest cost estimation prepared provided by the Group as prepared by a quantity surveying firm, the total estimated construction cost was approximately HK$2,178,000,000. As advised by the Group, the cost incurred was minimal as at the Valuation Date. The development was expected to complete in 2022.

(7) In our opinion, the gross development value of the development to be developed on the Property Interest, assuming it was completed as at the Valuation Date, was approximately HK$10,220,000,000.

(8) As advised by the Group, as at the Valuation Date, a set of general building plans was approved by the Building Authority on 11 January 2018 and the foundation works of the Property Interest was in progress.

The following shows a reconciliation of the value of the Property as disclosed in Appendix IV to this Circular to the net book value of the Property as reflected in the consolidated statement of financial position of the Target Group as at 31 December 2017.

	HK$'000
Net book value of the Property as at 31 December 2017	5,689,608
Fair value changes	100,392
Valuation as at 25 January 2018	5,790,000

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial shareholders' interests in the Shares or underlying Shares

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 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:

Name	Capacity	Number of shares held (Long positions ("L")/ Short positions ("S"))	Percentage of the Company's issued share capital
Hainan Cihang Charity Foundation, Inc.[1]	Interest of controlled corporation	2,540,222,144(L)	74.66
	Other interests	1,394,214,012(S)	40.98

Name	Capacity	Number of shares held (Long positions ("L")/ Short positions ("S"))	Percentage of the Company's issued share capital
Hainan Province Cihang Foundation[1]	Interest of controlled corporation	2,540,222,144(L)	74.66
	Other interests	1,394,214,012(S)	40.98
Tang Dynasty Development Co. Ltd.[1]	Interest of controlled corporation	2,540,222,144(L)	74.66
	Other interests	1,394,214,012(S)	40.98
Sheng Tang Development (Yangpu) Co. Ltd.[1]	Interest of controlled corporation	2,540,222,144(L)	74.66
	Other interests	1,394,214,012(S)	40.98
Hainan Traffic Administration Holding Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144(L)	74.66
	Other interests	1,394,214,012(S)	40.98
HNA Group Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144(L)	74.66
	Other interests	1,394,214,012(S)	40.98

Name	Capacity	Number of shares held (Long positions ("L")/ Short positions ("S"))	Percentage of the Company's issued share capital
HNA Holding Group Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
Hainan HNA Holding Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
Pan-American Aviation Holding Company[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
HNA Investment Holding Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
Beijing HNA Financial Holdings Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
HNA Financial Holdings International Co., Ltd.[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
Hong Kong HNA Holding Group Co. Limited[1]	Interest of controlled corporation	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
HNA Finance I Co., Ltd.	Beneficial owner	2,540,222,144 (L)	74.66
	Other interests	1,394,214,012 (S)	40.98
PAG Holdings Limited[2]	Security interest in shares	1,394,359,960 (L)	40.98
	Other interests	1,394,214,012 (L)	40.98

Name	Capacity	Number of shares held (Long positions ("L")/ Short positions ("S"))	Percentage of the Company's issued share capital
Pacific Alliance Group Limited(2)	Security interest in shares	1,394,359,960 (L)	40.98
	Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Investment Management Limited(2)	Security interest in shares	1,394,359,960 (L)	40.98
	Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Group Asset Management Limited(2)	Security interest in shares	1,394,359,960 (L)	40.98
	Other interests	1,394,214,012 (L)	40.98
Pacific Alliance Asia Opportunity Fund L.P. (2)	Security interest in shares	1,394,359,960 (L)	40.98
	Other interests	1,394,214,012 (L)	40.98
PA Glamorous Opportunity X Limited	Security interest in shares	1,394,359,960 (L)	40.98
	Other interests	1,394,214,012 (L)	40.98
Central Huijin Investment Limited(3)	Security interest in shares	662,000,000 (L)	19.46
China Construction Bank Corporation	Security interest in shares	662,000,000 (L)	19.46
中國交通建設股份有限公司 (China Communications Construction Company Limited*)	Beneficial owner	171,000,000 (L)	5.03

L: Long position
S: Short position

Notes:

1. These parties were deemed to have interests in the Shares by virtue of their equity interests in HNA Finance I.

2. These parties were deemed to have interests in the Shares by virtue of their equity interests in PA Glamorous Opportunity X Limited.

3. These parties were deemed to have interests in the Shares by virtue of its equity interests in CCB International Overseas Limited.

Save as disclosed above, as at the Latest Practicable Date, no person (other than a Director or chief executive of the Company) had any interests or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, the following Directors were a director or employee of a company which had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Director	**Company**	**Position**
Mr. Huang Qijun	HNA Group Co., Ltd.	Director
	HNA Holding Group Co., Ltd.	Director and chairman of the board
Mr. Mu Xianyi	HNA Holding Group Co., Ltd.	Director

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS AND COMPETING INTERESTS

Save for the interest of the master agreement dated 6 July 2017 entered into between the Company (for itself and for and on behalf of other members of the Group) and Mr. Fung (for himself and on behalf of companies owned or controlled by him) in respect of the subcontracting of certain categories of works, since 31 December 2017, 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 was significant in relation to the business of the Group, and no Director or expert (as named in this circular) was interested in any assets which had 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.

Each of the Directors is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interests of the Company and avoids any conflicts between his duties as a Director and his personal interest.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and his respective close associates (as defined in the Listing Rules) 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.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no litigation or claim of material importance was pending or threatened against any member of the Group.

5. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date:

(a) the sale and purchase agreement 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 such agreement for an aggregate consideration of HK$836,790,400 (the "Foundation SPA");

(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 Hwabao Trust Co., Ltd.* (華寶信託有限責任公司) (as trustee and for and on behalf of and for the benefit of Shenzhen Terart Decoration Design Engineering Co., Ltd.* (深圳市特藝達裝飾設計工程有限公司) 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 Hwabao Trust Co., Ltd.* (華寶信託有限責任公司) (as trustee and for and on behalf of and for the benefit of Suzhou Gold Mantis Corporation (Group) Co., Ltd.* (蘇州金螳螂企業(集團)有限公司) 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$2,750,000,000 for financing of the acquisition of the 6564 Land Parcel by Target Subsidiary;

(j) 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 the Company and CCB International Capital Limited and HNA Finance I (as underwriters) in relation to the Rights Issue;

(k) an irrevocable undertaking dated 28 March 2017 given by HNA Finance I in favour of the Company and CCB International Capital Limited in relation to the Rights Issue;

(l) the shareholder's loan agreement dated 5 April 2017 entered into between 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 acquisition of the 6563 Land Parcel by Milway;

(m) the shareholder's loan agreement dated 7 April 2017 entered into between 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 acquisition of the 6563 Land Parcel by Milway;

(n) the programme agreement dated 7 April 2017 entered into between Silverbell (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 MTN Programme unconditionally and irrevocably guaranteed by the Company;

(o) the trust deed dated 7 April 2017 entered into 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 MTN Programme and by which any notes to be issued under the MTN Programme shall be constituted;

(p) the agency agreement dated 7 April 2017 entered into 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 MTN 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), pursuant to which Shenzhen Terart Decoration Design Engineering Co., Ltd.* (深圳市特藝

達裝飾設計工程有限公司) 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), pursuant to which Hainan Shengda Industrial Co., Ltd.* (海南生達實業有限公司) 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, pursuant to which Hong Kong Marine Construction Limited 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;

(t) the deed of release dated 27 April 2017 entered into between the Company, TFHK (a wholly-owned subsidiary of the Company) and Fortunate Pool 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;

(u) the master agreement dated 6 July 2017 entered into between the Company and Mr. Fung in respect of the subcontracting of foundation works, building and construction works, electrical and mechanical engineering works and/or rental of tower cranes and provision of engineering services;

(v) the pricing supplemental agreement dated 21 July 2017 entered into between Silverbell (as issuer) and the Company (as guarantor) in relation to the pricing details of certain guaranteed notes due 2020 with a nominal value of HK$130,000,000 and a coupon of 7.0% under the MTN Programme;

(w) the confirmation letter dated 21 July 2017 entered into between Silverbell (as issuer) and the Company (as guarantor) in relation to the confirmation of the appointment of Guotai Junan Securities (Hong Kong) Limited as a dealer for the guaranteed notes referred to in item (v);

(x) the pricing supplement agreement dated 10 August 2017 entered into between Silverbell (as issuer) and the Company (as guarantor) in relation to the pricing details of certain guaranteed notes due 2020 with a nominal value of HK$90,000,000 under the MTN Programme (to be consolidated and form a single series with the guaranteed notes referred to in item (v));

(y) the confirmation letter dated 10 August 2017 entered into between Silverbell (as issuer) and the Company (as guarantor) in relation to the confirmation of the appointment of Guotai Junan Securities (Hong Kong) Limited as a dealer for the guaranteed notes referred to in item (x);

(z) the subscription agreement dated 4 September 2017 entered into between Uni-Genius Investments Limited (as subscriber) and Right Time Global Investment SPC (as issuer) in relation to the subscription of shares of Right Time Global Investment SPC in an aggregate amount of US$200 million;

(aa) the master agreement dated 22 September 2017 entered into between TFHK with Denco Properties Limited and Hongkong Island Construction Properties Co., Limited in relation to the provision of foundation works by members of the Group to members of HNA Group Co., Ltd.;

(bb) the master agreement dated 22 September 2017 entered into between the Company and Hainan Marine Construction Project Management Contracting Company Limited* (海南海建工程管理總承包有限公司), in relation to the provision of BIM (building information modelling) modelling services and BIM platform by members of HNA Group Co., Ltd. to members of the Group;

(cc) the amended and restated exempted limited partnership agreement dated 13 October 2017 entered into between Benefit Developments Limited ("BDL", a wholly-owned subsidiary of the Company) and Hisea International Co., Ltd. (as limited partners) and HKICIM (GP) II Limited (as general partner, a wholly-owned subsidiary of the Company), in relation to the transactions contemplated under the subscription agreement referred to in item (dd);

(dd) the subscription agreement dated 13 October 2017 entered into by BDL pursuant to which BDL has agreed to commit a cash contribution of approximately HK$667.7 million to HKICIM Fund II, L.P., an exempted limited partnership established in the Cayman Islands ("Fund II");

(ee) the conditional sale and purchase agreement (the "Best Feast SPA") entered into among the Company, Forestar Assets Limited (a wholly-owned subsidiary of the Company) ("Forestar Assets"), Best Feast Limited, Mr. Cheung Wai Suen and Ms. Wang Heng dated 18 October 2017 for the sale and purchase of approximately 10.63% of the issued share capital of Sapphire Corporation Limited, a company incorporated in Singapore with limited liability and the issued shares of which are listed on the Main Board of Singapore Exchange Securities Trading Limited, to be settled by the issue and allotment of a maximum of 24,871,074 consideration Shares at an issue price of HK$4.08 per Share by the Company to Best Feast Limited;

(ff) the conditional sale and purchase agreement (the "Ou Rui SPA") entered into among the Company, Forestar Assets and Ou Rui Limited dated 18 October 2017 for the sale and purchase of approximately 17.33% of the issued share capital of Sapphire Corporation Limited, to be settled by the issue and allotment of a maximum of 40,547,103 consideration Shares at an issue price of HK$4.08 per Share by the Company to On Rui Limited;

(gg) the (i) termination agreement entered into among the Company, Forestar Assets, Best Feast Limited, Mr. Cheung Wai Suen and Ms. Wang Heng dated 29 January 2018 for the termination of the Best Feast SPA and; (ii) the termination agreement entered into among the Company, Forestar Assets and Ou Rui Limited dated 29 January 2018 for the termination of the Ou Rui SPA;

(hh) the equity transfer agreement dated 13 November 2017 entered into between Great Regent Investments Limited, Shanghai Changning Duncan Property Consulting Co., Ltd.* (上海長寧頓肯房地產經紀有限公司), Red Shine Investment Limited and Carriway Limited (the "Shanghai Sellers"), Hainan HNA Shou Fu Investment Co., Ltd.* (海南海航首府投資有限公司) ("HNA Shou Fu Investment") and Tysan Land (Shanghai) Limited* (泰昇房地產(上海)有限公司) ("Tysan Shanghai") in relation to the disposal of the entire equity interest in Tysan Shanghai by the Shanghai Sellers to HNA Shou Fu Investment at a cash consideration of RMB585.8 million;

(ii) the equity transfer agreement dated 13 November 2017 entered into between Sparkle Key Limited ("Sparkle Key"), Hainan HNA Infrastructure Investment Group Co., Ltd.* (海南海航基礎設施投資集團股份有限公司) ("HNA Infrastructure Investment", now known as HNA Infrastructure Investment Group Co., Ltd. (海航基礎設施投資集團股份有限公司)) and Tysan Land (Shenyang) Limited* (泰昇房地產(瀋陽)有限公司) ("Tysan Shenyang") in relation to the disposal of the entire equity interest in Tysan Shenyang by the Sparkle Key to HNA Infrastructure Investment at a cash consideration of RMB762 million;

(jj) the equity transfer agreement dated 13 November 2017 entered into between Great Prosper Limited ("Great Prosper"), HNA Shou Fu Investment and Tysan Property Development (Tianjin) Co. Ltd.* (泰昇房地產開發(天津)有限公司) ("Tysan Tianjin") in relation to the disposal of the entire equity interest in Tysan Tianjin by Great Prosper to HNA Shou Fu Investment at a cash consideration of RMB435.8 million;

(kk) the amended and restated exempted limited partnership agreement dated 30 November 2017 entered into between Benefit Developments III Limited ("BDL III", a wholly-owned subsidiary of the Company) and Hisea International Co., Ltd. (as limited partners) and HKICIM (GP) III Limited (as general partner, a wholly-owned subsidiary of the Company) in relation to the transactions contemplated under the subscription agreement referred to in item (ll);

(ll) the subscription agreement dated 30 November 2017 entered into by BDL III pursuant to which BDL III has agreed to commit a cash contribution of approximately HK$594.95 million to HKICIM Fund III L.P., an exempted limited partnership established in the Cayman Islands ("Fund III");

(mm) the pricing supplement agreement dated 1 December 2017 entered into between Silverbell (as issuer) and the Company (as guarantor) in relation to the pricing details of certain guaranteed notes due 2020 with a nominal value of HK$85,000,000 and a coupon of 7.0% under the MTN Programme;

(nn) the confirmation letter dated 1 December 2017 entered into between Silverbell (as issuer) and the Company (as guarantor) in relation to the confirmation of the appointment of Guotai Junan Securities (Hong Kong) Limited as a dealer for the guaranteed notes referred to in item (mm);

(oo) the term sheet dated 19 January 2018 entered into between the Company and Shinhan Creative Finance 3rd Co. with respect to the issue of convertible bonds in the principal amount of not less than US$50,000,000 (equivalent to approximately HK$390,000,000) and not more than US$85,000,000 (equivalent to approximately HK$663,000,000) by the Company to Shinhan Creative Finance 3rd Co. (a special purpose company established in the Republic of Korea solely for the purpose of such issue of convertible bonds);

(pp) the sale and purchase agreements dated 12 February 2018 entered into among (among others) (i) Fund II and Shibo Investment Limited and (ii) Fund III and Easco Investment Limited in relation to the disposal of Fund II and Fund III's interest in Total Thrive Holdings Limited and Sky Hero Developments Limited;

(qq) the amended and restated exempted limited partnership agreement dated 6 March 2018 entered into between HKICIM (GP) V Limited (as general partner, a wholly-owned subsidiary of the Company) and Mr. MU Xianyi and Hong Kong International Investment Group Co., Limited ("HKIIG") (as limited partners) in relation to the formation of HKICIM Fund V, L.P.;

(rr) the subscription agreement dated 6 March 2018 entered into by HKIIG pursuant to which HKIIG has agreed, in the capacity as a limited partner of HKICIM Fund V, L.P., to commit a non-cash contribution of HK$1.5 billion to HKICIM Fund V, L.P.;

(ss) the Binding Offer; and

(tt) the SPA.

6. QUALIFICATIONS AND CONSENT OF EXPERTS

The qualifications of the experts who have been named in this circular or have given opinions or advice which are contained herein are set out below:

Name	Qualification
Ernst & Young	Certified Public Accountants
Knight Frank Petty Limited	Professional valuer

(a) As at the Latest Practicable Date, neither Ernst & Young nor Knight Frank Petty Limited had any interest, direct or indirect, in any member of the Group or any right (whether legally enforceable or not), to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(b) As at the Latest Practicable Date, neither Ernst & Young nor Knight Frank Petty Limited had any interest, direct or indirect, in any assets which have been since 31 December 2017, the date up to which the latest published audited financial statements of Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Each of Ernst & Young and Knight Frank Petty Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion in this circular of its report and/or references to its name in the form and context in which it appears.

7. MISCELLANEOUS

(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 circular shall prevail over its Chinese text in the case of inconsistency.

8. 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 on any Business Days from the Latest Practicable Date up to and including the date of the SGM:

(a) the memorandum of association and Bye-laws of the Company;

(b) the material contracts referred to in paragraph headed "Material Contracts" of this Appendix VI;

(c) the written consent from each of Ernst & Young and Knight Frank Petty Limited referred to in paragraph headed "Qualifications and Consent of Experts" of this Appendix VI;

(d) the financial information of the Target Group, the text of which is set out in Appendix II to this circular;

(e) the report from Ernst & Young on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;

(f) the valuation report, the text of which is set out in Appendix IV to this circular;

(g) the annual report of the Company for the year ended 31 March 2015;

(h) the annual report of the Company for the year ended 31 March 2016;

(i) the annual report of the Company for the 9 months period ended 31 December 2016;

(j) the annual results announcement of the Company for the year ended 31 December 2017;

(k) the circular of the Company dated 21 December 2017;

(l) the circular of the Company dated 7 December 2017;

(m) the circular of the Company dated 4 November 2017;

(n) the circular of the Company dated 26 October 2017;

(o) the circular of the Company dated 15 August 2017;

(p) the prospectus of the Company dated 29 May 2017;

(q) the circular of the Company dated 29 April 2017;

(r) the circular of the Company dated 28 April 2017;

(s) the circular of the Company dated 13 March 2017; and

(t) this circular.

HONG KONG INTERNATIONAL CONSTRUCTION INVESTMENT MANAGEMENT GROUP CO., LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 687)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting ("**SGM**") of Hong Kong International Construction Investment Management Group Co., Limited (the "**Company**") will be held at 10:00 a.m. on Friday, 11 May 2018 at 20th Floor, One Island South, No. 2 Heung Yip Road, Wong Chuk Hang, Hong Kong or any adjournment of such meeting for the purposes of considering and, if thought fit, passing the following resolution, with or without modifications, as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement (the "**SPA**", a copy of which marked "**A**" has been tabled before the meeting and initialled by the chairman of the meeting for the purpose of identification) entered into between the Company, Omnilink Assets Limited, Fabulous New Limited and Wheelock Properties Limited on 21 March 2018 in relation to the disposal of the entire equity interest of Onwards Asia Limited and the shareholder loans owing by Onwards Asia Limited to Omnilink Assets Limited and all other transactions contemplated in connection therewith and any other ancillary documents be and are hereby approved, confirmed and ratified; and

(b) any executive director or any officer of the Company as authorised by the board of directors of the Company be and is hereby authorised to do all acts, deeds and things and to sign and execute all documents as he may, at his absolute discretion, deem incidental to, ancillary to or in connection with the SPA and the transactions contemplated thereunder."

By Order of the Board
Hong Kong International Construction Investment Management Group Co., Limited
Huang Qijun
Chairman

Hong Kong, 19 April 2018

Headquarters and principal place of business in Hong Kong:
20th Floor,
One Island South,
No. 2 Heung Yip Road,
Wong Chuk Hang, Hong Kong

Notes:

1. Any shareholder of the Company (the "**Shareholders**") entitled to attend and vote at the above SGM shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder. A Shareholder may appoint a proxy in respect of only part of his/her/its holding of ordinary shares of the Company (the "**Shares**").

2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting thereof.

3. For the purpose of the SGM, in order to qualify for attending and voting at the SGM, duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 4 May 2018. The register of members of the Company will be closed from Monday, 7 May 2018 to Friday, 11 May 2018 (both dates inclusive), during which period no transfer of Shares will be registered.

4. The ordinary resolution set out above will be determined by way of a poll.

As at the date of this notice, the executive directors of the Company are Mr. Huang Qijun, Mr. Mung Kin Keung, Mr. Fung Chiu Chak, Victor, Mr. Liu Junchun, Mr. Mu Xianyi, Mr. Li Xiaoming, Mr. Wong Tai Lun Kenneth and Mr. Mung Hon Ting Jackie; the non-executive directors of the Company are Mr. Tang King Shing and Mr. Tang Kit; and the independent non-executive directors of the Company are Mr. Fan Chor Ho, Mr. Tse Man Bun, Mr. Lung Chee Ming, George, Mr. Li Kit Chee and Mr. Leung Kai Cheung.