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IN CONSTRUCTION HOLDINGS LIMITED
現恆建築控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1500)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus of In Constructions Holdings Limited (the “**Company**”) dated 31 March 2015 (the “**Prospectus**”) relating to the public offering (the “**Public Offering**”) and the listing of the Company’s shares on the main board of The Stock Exchange of Hong Kong Limited (the “**Listing**”) and the announcement of the Company dated 7 August 2015 (“**Announcement**”) in relation to the use of net proceeds of approximately HK\$99.5 million from the Listing. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those defined in the Prospectus and the Announcement.

The Board would like to announce that it has resolved to change the use of net proceeds from the Listing.

USE OF PROCEEDS

As set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus and as resolved by the Board on 7 August 2015 in changing the proposed use of the net proceeds, it was intended that the net proceeds would be used for the following purposes:

- approximately 15.0% of the net proceeds for hiring of additional staff in the next three years in order to increase our capacity to cope with expected business growth;
- approximately 30.0% of the net proceeds to finance the acquisition of additional machinery and equipment for our foundation works;

- approximately 45.0% of the net proceeds will be used as financing for the issue of surety bonds for future projects; and
- approximately 10.0% of the net proceeds will be used as general working capital of the Group.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the Company has utilized net proceeds from the Listing of up to approximately HK\$87.5 million. On 28 March 2018, the Board resolved to change the proposed use of net proceeds from the Listing. Details of the original allocation of the net proceeds, the revised allocation of the net proceeds, and the utilised net proceeds as at the date of this announcement are set out as follows:

<i>Uses</i>	Original allocation <i>HK\$ million</i>	Revised allocation <i>HK\$ million</i>	Utilisation as at the date of this announcement <i>HK\$ million</i>	Remaining balance after revised allocation <i>HK\$ million</i>
Hiring of additional staff	14.9	2.9	2.9	–
Acquisition of additional machinery and equipment	29.9	29.9	29.9	–
Financing for the issue of surety bonds for future projects	44.7	56.7	44.7	12.0
General working capital	10.0	10.0	10.0	–
	99.5	99.5	87.5	12.0
	99.5	99.5	87.5	12.0

Save for the aforesaid changes, there is no other change of the use of the IPO Proceeds.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

To increase the Group's flexibility in its financial and treasury management and to cope with the continuing expansion of the Group's business, the Board has resolved to change the original use of the IPO Proceeds and re-allocate approximately HK\$12.0 million of the IPO Proceeds from the hiring of additional staff to the financing for issue of surety bonds for future projects.

The Directors confirm that there are no material changes in the nature of business of the Group as set out in the Prospectus and the Announcement. The Directors (including the independent non-executive Directors) consider the above change in the use of the net proceeds from the Listing is fair and reasonable as this would allow the Company to deploy its financial resources more effectively to enhance operational and financial efficiency of the Group and is therefore in the interests of the Group and the Shareholders as a whole.

By order of the Board
In Construction Holdings Limited
Lau Pak Man
Chairman

Hong Kong, 28 March 2018

As at the date of this announcement, the Board comprises Mr. Lau Pak Man, Mr. Cheng Wing Cheong and Ms. Kwan Kit Sum Kit as executive Directors; Mr. Leung Chi Kin, Mr. Lam Chi Hung Louis and Mr. Yau Chi Man Norman (also known as Iao Chi Meng) as independent non-executive Directors.