
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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **HNA Technology Investments Holdings Limited**, you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



HNA Technology Investments Holdings Limited
海航科技投資控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2086)

CONTINUING CONNECTED TRANSACTION
RELATING TO PROVISION OF ADVISORY SERVICES AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

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



A letter from the Independent Board Committee is set out on pages 14 to 15 of this circular.

A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholder is set out on pages 16 to 26 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at 23rd Floor, Siu On Centre, No. 188 Lockhart Road, Wan Chai, Hong Kong on Thursday, 21 December 2017 at 2:30 p.m. is set out on pages 33 to 34 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting at the meeting, or any adjourned meeting, should they so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	14
LETTER FROM GRAM CAPITAL	16
APPENDIX — GENERAL INFORMATION	27
NOTICE OF EXTRAORDINARY GENERAL MEETING	33

DEFINITIONS

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

“Annual Caps”	the annual caps of the Mandate for each of the three years ending 31 December 2019 as set out under the sub-section headed “Annual Caps” in the letter from the Board contained in this circular
“associate(s)”	have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	HNA Technology Investments Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2086)
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 23rd Floor, Siu On Centre, No. 188 Lockhart Road, Wan Chai, Hong Kong on Thursday, 21 December 2017 at 2:30 p.m. to consider and if thought fit, approve the terms of the Mandate and the transactions contemplated thereunder and the Annual Caps, notice of which is set out on pages 33 to 34 of this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HNA Group”	HNA Group Co., Ltd.* (海航集團有限公司), a limited liability company established in the PRC and an indirect controlling shareholder of the Company
“HNA Tech Group”	HNA Technology Group Co., Ltd.* (海航科技集團有限公司), a limited liability company established in the PRC and a subsidiary of HNA Group
“HNA Tech Group Affiliate”	any affiliates of HNA Tech Group as may be designated by HNA Tech Group

* For identification purpose only

DEFINITIONS

“HNA Technology”	HNA Technology Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee” or “IBC”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Guo Dan and Ms. Kaung Cheng Xi Dawn, which has been established to make recommendations to the Independent Shareholders in respect of the Mandate and the transactions contemplated thereunder and the Annual Caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Mandate and the transactions contemplated thereunder and the Annual Caps
“Independent Shareholders”	Shareholders who are not required to abstain under the Listing Rules from voting at the EGM for the resolution approving the Mandate and the transactions contemplated thereunder and the Annual Caps
“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Latest Practicable Date”	30 November 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
“Licences”	the licenses for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandate”	the mandate dated 2 November 2017 entered into between HNA Technology and HNA Tech Group relating to the appointment of HNA Technology as a consultant to HNA Tech Group in connection with the provision of advisory services by HNA Technology

DEFINITIONS

“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



HNA TECH INV
海航科技投資

HNA Technology Investments Holdings Limited **海航科技投資控股有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2086)

Executive Directors:

Mr. Tong Fu (*Chairman*)
Mr. Wang Hao (*Vice Chairman*)
Mr. Peng Fang (*Chief Executive Officer*)
Mr. Zhang Tao
Mr. Wong Chi Ho

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Independent Non-executive Directors:

Mr. Guo Dan
Ms. Kaung Cheng Xi Dawn

*Head Office and Principal Place
of Business:*

Units 505–507, Level 5,
Two Exchange Square,
8 Connaught Place,
Central, Hong Kong

5 December 2017

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION RELATING TO PROVISION OF ADVISORY SERVICES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 2 November 2017 in relation to provision of advisory services. The purpose of this circular is to provide the Shareholders with further details of, among other things, (i) the Mandate; (ii) the letter from the IBC to the Independent Shareholders; (iii) the letter of advice from Gram Capital to the IBC and the Independent Shareholders; and (iv) the notice convening the EGM.

MANDATE

HNA Technology, a wholly owned subsidiary of the Company, entered into the Mandate with HNA Tech Group on 2 November 2017, pursuant to which HNA Technology is conditionally appointed as a consultant to HNA Tech Group in connection with the provision of advisory services by HNA Technology.

LETTER FROM THE BOARD

PRINCIPAL TERMS

The principal terms of the Mandate include:

Date: 2 November 2017

Parties: (1) HNA Technology; and
(2) HNA Tech Group

Nature of transaction: HNA Technology was conditionally appointed as a consultant to HNA Tech Group in connection with the provision of advisory services for a term commencing from 2 November 2017 and ending on 31 December 2019. Either party may terminate the Mandate by giving the other a fifteen days' prior written notice.

Scope of services:

Pursuant to the Mandate, HNA Technology conditionally agreed to provide the following advisory services to HNA Tech Group for the following projects:

- (1) to deliver a consultancy report in relation to the business plan of the HNA Tech Group Affiliate (including introduction of appropriate projects to the HNA Tech Group Affiliate) and identify and help resolve any significant issues in relation to the business plan, to deliver a business due diligence report to HNA Tech Group in relation to appropriate target of the HNA Tech Group Affiliate, to prepare introduction materials for potential target of the HNA Tech Group Affiliate and to discuss and brief the management of HNA Tech Group on the reports as well as HNA Technology's advice and to answer their questions relating thereto; and
- (2) to deliver a consultancy report in relation to the expansion and development of the e-commerce business of HNA Tech Group and identify and help resolve any significant issues in relation to expansion and development of the e-commerce business, to deliver a business due diligence report of potential target under the e-commerce business of HNA Tech Group, to prepare introduction materials in relation to the e-commerce business of HNA Tech Group and to discuss and brief the management of HNA Tech Group on the reports as well as HNA Technology's advice and to answer their questions relating thereto.

Pursuant to the Mandate, in addition to the projects referred to in the above, HNA Technology conditionally agreed to provide other advisory services which HNA Technology and HNA Tech Group consider necessary or in the view of HNA Technology are reasonably requested by HNA Tech Group. HNA Technology will provide a fee quote to HNA Tech Group for its approval before HNA Technology proceeds with the provision of such services.

The advisory services to be provided by HNA Technology may include introduction of, and preparation of consultancy report and/or due diligence report of, appropriate technology-related investment targets, and the regulated activities under the respective Licences after any of such Licences have been obtained by the Group.

LETTER FROM THE BOARD

Consideration and payment terms:

Pursuant to the Mandate, HNA Tech Group shall pay HNA Technology a lump sum service fee of HK\$10,000,000 and HK\$6,000,000 for the services provided by HNA Technology under items (1) and (2) in the sub-section headed “Scope of services” above, respectively.

The consideration payable for the advisory services was determined after arm’s length negotiations with reference to the fees of similar advisory services in the market and the amount of work to be performed by HNA Technology under the Mandate, including the operation scale and complexity of the business plan of HNA Tech Group Affiliate and the expansion plan of the e-commerce business of HNA Tech Group as described under items (1) and (2) in the sub-section headed “Scope of services” above, the estimated transaction amount of such plans and the staff costs and other operational costs involved.

The advisory fee shall be paid by HNA Tech Group to HNA Technology in the following manner:

- (1) in relation to the services provided by HNA Technology under item (1) in the sub-section headed “Scope of services” above, 30% of the lump sum service fee of HK\$10,000,000 shall be payable upon the signing of the Mandate and the remaining balance, out-of-pocket expenses, third party disbursements and/or additional fee shall be payable upon delivery and acceptance by HNA Tech Group of the consultancy report in relation to the business plan of the HNA Tech Group Affiliate and the business due diligence report to HNA Tech Group in relation to appropriate target of the HNA Tech Group Affiliate; and
- (2) in relation to the services provided by HNA Technology under item (2) in the sub-section headed “Scope of services” above, 30% of the lump sum service fee of HK\$6,000,000 will be payable upon the signing of the Mandate and the remaining balance, out-of-pocket expenses, third party disbursements and/or additional fee shall be payable upon delivery and acceptance by HNA Tech Group of the consultancy report in relation to the expansion and development of the e-commerce business of HNA Tech Group and the business due diligence report of potential target under the e-commerce business of HNA Tech Group.

HNA Technology will refund the lump sum fees received by it to HNA Tech Group if the conditions under the sub-section headed “Conditions” below are not fulfilled.

Conditions:

The provision of advisory services by HNA Technology under the Mandate will take effect upon the following conditions being fulfilled:

- (1) the passing of resolution(s) by the Shareholders other than those who are required to abstain under the Listing Rules from voting at the EGM for the resolution(s) approving the Mandate and the transactions contemplated hereunder, if applicable; and
- (2) HNA Technology obtaining all necessary written consents, licences and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Mandate, if applicable.

LETTER FROM THE BOARD

Annual Caps

Pursuant to the Mandate, the annual caps for the fees payable by HNA Tech Group to HNA Technology under the Mandate is HK\$18,000,000, HK\$50,000,000 and HK\$50,000,000 for each of three years ending 31 December 2017, 2018 and 2019, respectively.

Basis of determination of such Annual Caps:

The above Annual Caps were determined after considering, including but not limited to, the following:

- (1) the estimated usage of advisory services provided by HNA Technology;
- (2) for the financial year ending 31 December 2017, the estimated time of completion of the services provided for items (1) and (2) in the sub-section headed “Scope of services” above and a buffer of 10% for any possible additional services that may be required by HNA Tech Group; and
- (3) for the financial years ending 31 December 2018 and 2019, the maximum number of 5 projects in the scale similar to item (1) in the sub-section headed “Scope of services” above that the Group can undertake to provide for advisory services based on the existing resources and the estimated service fee of up to HK\$10,000,000 for each of such new projects.

Further information of the services to be provided by the Company under the Mandate

In relation to the consultancy reports and the business due diligence reports under items (1) and (2) in the sub-section headed “Scope of services” above, the Group expects that:

- (1) the consultancy reports will include market analysis such as overall market size, key competitors and future development, project analysis such as potential target analysis, analysis on benefit and synergy with HNA Tech Group and its affiliates, and analysis on business, compliance, regulatory and financial risks and issues involved; and
- (2) the business due diligence reports will include market analysis on market position and competitiveness of the targets, business analysis such as operational, management and financial analysis, and analysis on future development strategy based on current operation and potential synergy with HNA Tech Group, and financial modelling.

In assessing the amount of the fee quotes to be provided by the HNA Technology under the Mandate for future advisory services, HNA Technology will consider the operation scale and complexity of the potential projects, the staff costs and other operational costs involved, the hourly charge-out rates of staff, the estimated time the staff spent on the potential projects and the fees of similar advisory services in the market based on the experience of the qualified staff of the Group. Detailed payment terms will be specified in the fee quotes or individual contracts governing each particular transaction.

LETTER FROM THE BOARD

The Group has an internal pricing policy for the provision of advisory services to all clients (including connected persons and the Independent Third Parties), which requires (i) the responsible staff to submit for internal approval an estimated advisory fees based on the estimated manpower involved and the hourly charge-out rates of the relevant staff, (ii) the fee quotation not to be under 80% of the estimated advisory fees, and (iii) the fee quotation to be reviewed and approved by the Vice Presidents of the Group who are in charge of, among other things, the provision of general advisory and consulting services by the Group. The hourly charge-out rates comprise staff costs of the relevant staff, indirect and administrative costs and the expected profit margin of the projects. Since the pricing policy applies to all clients of HNA Technology, irrespective of whether they are connected persons or Independent Third Parties, the Vice Presidents of the Group will, based on their experience in and understanding of the market, ensure that the transactions contemplated under the Mandate will not be charged at rates more favourable than rates at which HNA Technology would charge Independent Third Parties for similar services.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

On 1 August 2017, the Company announced that the Group would like to develop and engage in the business of investment in and asset management of technology-related business (the “**New Business**”) and the Company believes that the New Business will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance. The Group has been taking steps to expand into the New Business, including recruiting qualified and experienced staff and applying for the Licences, the application for which was submitted to the Securities and Futures Commission at the end of November 2017.

At the initial stage of the development of the New Business, the Group currently plans to focus on asset management for which the Group intends to manage funds that are focused on technology-related businesses, and to offer such funds to the professional investors. The Group plans to conduct the followings activities in its asset management operation: (i) dealing in investments as specified in the fund prospectus; (ii) arranging deals in investments; (iii) making arrangement with a view to transactions in investments; and (iv) managing investments and arranging safeguarding and administration of assets.

The Group also plans to expand to other areas such as consultancy and financial advisory services as part of the New Business, which will be finalized at a later stage.

The Group, based on the current budget and depending on when the respective Licences will be granted, currently plans to expand the existing team for the New Business from 9 staff to up to 30 staff by the end of 2018. The Company expects that all such employees will utilise their relevant experiences and connections in the industry to assist the Group to explore and attract new independent customers and to develop the New Business.

The qualified and experienced staff who are recruited by the Group include people holding professional accounting and/or Chartered Financial Analyst qualifications, having work experience in auditing, general advisory and consulting, financing and merger and acquisition in accounting firm, global investment banks, investment funds or listed companies. There are two Vice Presidents of the Group who are currently in charge of, among other things, the provision of general advisory and consulting services under the supervision of Mr. Peng Fang, an executive Director and Chief Executive Officer of the Group. There are currently 7 staff under the

LETTER FROM THE BOARD

supervision of the two Vice Presidents, of which 3 are at senior level having an average of over 7 years of experience in the financial industry and the remaining 4 having an average of over 3 years of experience in the financial industry. A majority of these 7 staff hold professional qualifications such as Chartered Financial Analyst or have passed the securities qualification examination (證券從業資格考試) in the PRC. All of them obtained a master degree in various subjects from the universities in the PRC and overseas.

The biographical details of the two Vice Presidents of the Group are set out as follows:

Vice President A

Vice President A has over 14 years of experience in the financial industry.

Prior to join our Group, Vice President A was an investment director of Intermediate Capital Asia Pacific Limited, the Asia Pacific arm of London-listed alternative asset manager Intermediate Capital Group, from 2014 to 2016, where he was responsible for alternative investment in Asia Pacific, with a focus on the Greater China Region, leading domestic and cross-border transactions with complicated deal structuring and execution. He worked in Hony Capital during 2013 to 2014 as a vice president in the private equity management department, managing domestic and cross-board investment transactions from investment execution to portfolio management and to investment exit, and closed multiple transactions which required in-depth business and industry due diligence. He also served as the vice president of Morgan Stanley investment banking division in China from 2008 to 2013, and closed a significant number of multi-billion capital market and cross-border acquisition transactions. Vice President A also worked for Interfax News Agency and BOCI Securities Limited in his earlier years of career, accumulating technology industry knowledge and finance expertise.

Vice President A obtained a master of business administration degree from the University of California, Los Angeles and a double bachelor degree of Economics and English from Peking University in the PRC.

Before joining the Group, Vice President A had acted as a licensed person registered with the Securities and Futures Commission and was a responsible officer who was licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

Vice President B

Vice President B has approximately 6 years of experience in auditing and over 14 years of experience in the financial industry and in project investment.

Prior to joining our Group, Vice President B has been the deputy managing director (副總經理) of Zhongji Investment Co., Ltd. (中冀投資股份有限公司) since November 2016, where he was responsible for funds on-shore and off-shore investment projects.

LETTER FROM THE BOARD

He was the managing director (董事總經理) of the Beijing, Chongqing and Hong Kong branches of USUM Investment Group Co., Ltd. (渝商投資集團股份有限公司) from July 2015 to June 2016 where he was involved in various investment projects.

He was the executive director of Standard Charter Enterprises Consulting (Beijing) Co., Ltd from June 2011 to June 2015 where he was responsible for managing a client portfolio formed by more than 30 state-owned enterprises, handling relations with the regulatory authorities and execution of various financing and merger and acquisition deals.

He was the executive director of UBS Investment Bank (瑞銀投資銀行) from October 2007 to June 2011 and was responsible for, among other things, liaising with the regulatory authorities in projects execution, acting as sponsors and underwriters of initial public offering and bond offering, and advising on cross-border merger and acquisition projects. Prior to joining UBS Investment Bank, he worked for DBS Asia Capital Limited (星展亞洲融資) and CITIC CLSA (里昂證券).

Vice President B obtained double degrees in English language and literature and diplomacy from China Foreign Affairs University in the PRC.

Vice President B has been a non-practicing member of the Chinese Institute of Certified Public Accountants since 2003. He was a licensed person registered with the Securities and Futures Commission and was a responsible officer who was licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO from May 2006 to July 2007. He obtained the Securities Qualification Certificate (證券從業資格證書) issued by the Securities Association of China (中國證券業協會) in 2007.

The Directors believe that the Group can leverage the know-how and expertise of HNA Tech Group in the technology-related business to expand the New Business and the provision of general advisory service to technology companies (i.e. HNA Tech Group and its affiliates) can enable the Group to optimize the utilisation of its human resources, build up its customer portfolio and keep abreast with the market trend for technology related business before the Licences are granted. After discussion with its auditor, the Company expects that the New Business will be a separate business segment of the Group, and the service fee to be obtained under the Mandate will be recorded as revenue of the Group.

Since the Group intends to expand its business to the New Business, the Group is identifying and considering targets of technology-related business, and conducting due diligence in the target businesses. The scope of services that is to be provided by HNA Technology to HNA Tech Group under the Mandate is in the ordinary course of business that the Group has expertise and is conducting for the New Business and is therefore part of the New Business. Besides, since the qualified staff has been recruited for the New Business to, among other things, identify and evaluate targets and business opportunities for the Group, the Directors considers that it is beneficial to the Group to utilise such resources to provide similar services to HNA Tech Group, in particular for the targets and business opportunities that not suitable for the Group. In assessing whether the investment target is suitable for the Group, the Group will consider, among other things, the investment amount of the potential transaction, the synergy that the investment targets could bring to the Group and whether the investment targets are in line with the Group's business plan. The Group is looking for opportunities to provide similar advisory services to Independent Third Parties but has not identified such opportunity as at the Latest Practicable Date.

LETTER FROM THE BOARD

As such, the entering into the Mandate enables the Group to expand into the business of advisory services, prepare the Group for further expansion into investment and asset management business and enable the Group to broaden its business portfolio and diversify its income source. As at the Latest Practicable Date, the Company has no current intention, and is not under negotiation, to dispose of any existing business of the Group.

The Directors (including independent non-executive Directors) are of the view that the Mandate was entered into in the ordinary and usual course of business of the Group and the terms contained therein (including the Annual Caps) are normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE GROUP AND HNA TECH GROUP

The Group

The Group is principally engaged in development, sales and distribution of smart card products, both hardware and software, provision of smart card related services and investment in and asset management of technology-related business.

HNA Tech Group

To the best of the knowledge of the Board, based on the publicly available information, the business scope of HNA Tech Group is the development, transfer, consulting and provision of service of the technology for computer technology, information technology and electronic technology, integration of computer system and software development, website design and production, sales of computer hardware and software and daily consumables, import and export of goods and technology, business information consulting, logistics agency for goods, storage and loading services (excluding dangerous goods).

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Company is held as to 75% by HNA EcoTech Pioneer Acquisition, which is an indirect subsidiary of HNA Group, and HNA Tech Group is a subsidiary of HNA Group.

Accordingly, HNA Tech Group is a connected person of the Company and the entering into of the Mandate constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the annual caps in relation to the advisory services provided by HNA Technology under the Mandate for the three years ending 31 December 2019 exceed 5%, the Mandate and the transactions contemplated thereunder and the Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

GENERAL

Since HNA Tech Group is a connected person of the Company and is interested in the Mandate, Mr. Tong Fu, Mr. Wang Hao and Mr. Zhang Tao, due to their roles and positions in HNA Tech Group and/or its holding companies, did not form part of the quorum of the Board meeting and did not vote on the Board resolution(s) in relation to the Mandate and the transactions contemplated thereunder and the Annual Caps. Save for the above, no other Director has a material interest in the Mandate which requires any of them to abstain from voting on the Board resolution(s) in relation to the Mandate and the transactions contemplated thereunder and the Annual Caps.

As at the Latest Practicable Date, HNA EcoTech Pioneer Acquisition and its associates were interested in 239,673,669 Shares, representing approximately 75.00% of the issued share capital of the Company. HNA EcoTech Pioneer Acquisition and its associates will abstain from voting at the EGM in respect of the resolution approving the Mandate and the transactions contemplated thereunder and the Annual Caps.

Save for the above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder is required to abstain from voting at the EGM in respect of the resolution approving the Mandate and the transactions contemplated thereunder and the Annual Caps.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Guo Dan and Ms. Kaung Cheng Xi Dawn, has been established to advise the Independent Shareholders in relation to the Mandate and the transactions contemplated thereunder and the Annual Caps. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, to pass an ordinary resolution to approve by poll the Mandate and the transactions contemplated thereunder and the Annual Caps. A notice convening the EGM to be held at 23rd Floor, Siu On Centre, No. 188 Lockhart Road, Wan Chai, Hong Kong on Thursday, 21 December 2017 at 2:30 p.m. is set out on pages 33 to 34 of this circular.

In order to qualify for attending and voting at the EGM, duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 15 December 2017. The Register of Members of the Company will be closed from Monday, 18 December 2017 to Thursday, 21 December 2017 (both dates inclusive), during which period no transfer of Shares will be registered.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

ACTION TO BE TAKEN

A proxy form for use at the EGM is enclosed herein. Whether or not you intend to attend the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the EGM, or any adjourned meeting, should they so wish.

RECOMMENDATION

The Independent Board Committee, having taken into account the advice of Gram Capital, considers that the entering into of the Mandate is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole, and the terms (including the Annual Caps) of the Mandate are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

The Independent Board Committee therefore recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Mandate and the transactions contemplated thereunder and the Annual Caps.

ADDITIONAL INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and from Gram Capital which are respectively set out on pages 14 to 15 and 16 to 26 of this circular. Additional information is also set out in the Appendix of this circular for your information.

By order of the Board
HNA Technology Investments Holdings Limited
Peng Fang
Executive Director



HNA Technology Investments Holdings Limited
海航科技投資控股有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2086)

**CONTINUING CONNECTED TRANSACTION
RELATING TO PROVISION OF ADVISORY SERVICES AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

5 December 2017

To the Independent Shareholders

INTRODUCTION

We refer to the circular of the Company dated 5 December 2017 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the members of the Independent Board Committee to consider the Mandate, the transactions contemplated thereunder and the Annual Caps and to advise the Independent Shareholders as to whether the terms of the Mandate are fair and reasonable, whether they are on normal commercial terms or better and in the ordinary and usual course of business of the Group and whether they are in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board set out on pages 4 to 13 of the Circular, and the letter from Gram Capital which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Mandate and the Annual Caps set out on pages 16 to 26 of the Circular.

RECOMMENDATION

Having considered, among other matters, the principal factors and reasons considered by, and the opinions of Gram Capital as set out in its letter of advice, we consider that the terms of the Mandate (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. We further consider that the entering into of the Mandate is in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to approve the Mandate and the transactions contemplated thereunder and the Annual Caps.

Yours faithfully,

For and on behalf of

HNA Technology Investments Holdings Limited

Independent Board Committee

Mr. Guo Dan

Independent non-executive Director

Ms. Kaung Cheng Xi Dawn

Independent non-executive Director

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Mandate and the transactions contemplated thereunder for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

5 December 2017

*To: The independent board committee and the independent shareholders
of HNA Technology Investments Holdings Limited*

Dear Sir/ Madam,

CONTINUING CONNECTED TRANSACTION RELATING TO PROVISION OF ADVISORY SERVICES

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the provision of advisory services by HNA Technology to HNA Tech Group as contemplated under the Mandate (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 5 December 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 2 November 2017, HNA Technology, a wholly owned subsidiary of the Company, entered into the Mandate with HNA Tech Group, pursuant to which HNA Technology is conditionally appointed as a consultant to HNA Tech Group in connection with the provision of advisory services by HNA Technology.

With reference to the Board Letter, the Transaction constitutes continuing connected transaction of the Company and is subject to the reporting, announcement, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Guo Dan and Ms. Kaung Cheng Xi Dawn (both being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Transaction is in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM GRAM CAPITAL

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Hong Kong Listing Rules.

The 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 the 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 contained herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, HNA Technology, HNA Tech Group or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

1. **Background of and reasons for the Transaction**

Information on the Group

With reference to the Board Letter, the Group is principally engaged in development, sales and distribution of smart card products, both hardware and software, provision of smart card related services and investment in and asset management of technology related business.

Information on HNA Tech Group

With reference to the Board Letter, to the best of the knowledge of the Board and based on the publicly available information, the business scope of HNA Tech Group is the development, transfer, consulting and provision of service of the technology for computer technology, information technology and electronic technology, integration of computer system and software development, website design and production, sales of computer hardware and software and daily consumables, import and export of goods and technology, business information consulting, logistics agency for goods, storage and loading services (excluding dangerous goods).

Reasons for and benefits of the Transaction

With reference to the announcement of the Company dated 1 August 2017, the Group would like to develop and engage in the New Business and the Company expected that the New Business would enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance. With reference to the Board Letter, the Group has been taking steps to expand into the New Business, including recruiting qualified and experienced staff and applying for the Licences, the applications for which was submitted to the Securities and Futures Commission at the end of November 2017. For details of the Group's plan to develop and engage in the New Business, please refer to the section headed "Reasons for and benefits of the continuing connected transactions" of the Board Letter.

The qualified and experienced staff recruited by the Group include persons holding professional accounting and/or chartered financial analysis qualifications, having work experience in auditing, general advisory and consulting, financing and merger and acquisition in accounting firm, global investment banks, investment funds or listed companies. The Directors believe that the provision of general advisory service to technology companies (i.e. HNA Tech Group and its affiliates) can enable the Group to optimize the utilisation of human resources, build up customer portfolio and keep abreast with the market trend for technology related business before the Licences are granted. With reference to the Board Letter, the Company (after

LETTER FROM GRAM CAPITAL

discussion with its auditor) expects that the New Business will be a separate business segment of the Group and the service fee to be obtained under the Mandate will be recorded as revenue of the Group.

As further mentioned in the Board Letter, since the Group intends to expand its business to the New Business, the Group is identifying and considering targets of technology related business, and conducting due diligence in the target businesses. The scope of services to be provided by HNA Technology to HNA Tech Group under the Mandate is in the ordinary course of business that the Group has expertise and is conducting for the New Business; and is therefore part of the New Business. Besides, since the qualified staff has been recruited for the New Business to, among other things, identify and evaluate targets and business opportunities for the Group, the Directors consider that it is beneficial to the Group to utilise such resources to provide similar services to HNA Tech Group, in particular for the targets and business opportunities that not suitable for the Group. In assessing whether investment target is suitable for the Group, the Group will consider, among other things, the investment amount of potential transaction, synergy that the investment target may bring to the Group and whether the investment target is in line with the Group's business plan. The Group is looking for opportunities to provide similar advisory services to Independent Third Parties but has not identified such opportunity as at the Latest Practicable Date. As advised by the Directors, any service fees to be obtained for provision of advisory services to Independent Third Parties will also be recorded as revenue of the Group.

Having considered (i) the Group's plan to develop and engage in the New Business; (ii) the services to be provided under the Transaction is similar to the business being conducted by the Company in the course of developing the New Business (i.e. identifying and considering targets of technology related business, and conducting due diligence in the target businesses); (iii) service fees to be obtained from the provision of advisory services will be recorded as revenue of the Group; and (iv) that the Transaction enable the Group to utilise its resources (i.e. the qualified and experienced personnel who are applying for the Licences and the targets and business opportunities that are not suitable for the Group), we concur with the Directors that the Transaction is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

2. Principal terms of the Transaction

Date:	2 November 2017
Parties:	HNA Technology and HNA Tech Group
Nature of transaction:	HNA Technology was appointed as a consultant to HNA Tech Group in connection with the provision of advisory services for a term commencing from 2 November 2017 and ending on 31 December 2019. Either party may terminate the Mandate by giving the other a fifteen days' prior written notice.

LETTER FROM GRAM CAPITAL

Scope of services:

Pursuant to the Mandate, HNA Technology conditionally agreed to provide the following advisory services to HNA Tech Group for following projects:

- (1) (a) to deliver a consultancy report in relation to the business plan of the HNA Tech Group Affiliate (including introduction of appropriate projects to the HNA Tech Group Affiliate) and identify and help resolve any significant issues in relation to the business plan, (b) to deliver a business due diligence report to HNA Tech Group in relation to appropriate target of the HNA Tech Group Affiliate, (c) to prepare introduction materials for potential target of the HNA Tech Group Affiliate, and (d) to discuss and brief the management of HNA Tech Group on the reports as well as HNA Technology's advice and to answer their questions relating thereto; and
- (2) (a) to deliver a consultancy report in relation to the expansion and development of the e-commerce business of HNA Tech Group and identify and help resolve any significant issues in relation to expansion and development of the e-commerce business, (b) to deliver a business due diligence report of potential target under the e-commerce business of HNA Tech Group, (c) to prepare introduction materials in relation to the e-commerce business of HNA Tech Group, and (d) to discuss and brief the management of HNA Tech Group on the reports as well as HNA Technology's advice and to answer their questions relating thereto.

Pursuant to the Mandate, in addition to the projects referred to in the above, HNA Technology conditionally agreed to provide other advisory services which HNA Technology and HNA Tech Group consider necessary or in the view of HNA Technology are reasonably requested by HNA Tech Group. HNA Technology will provide a fee quote to HNA Tech Group for its approval before HNA Technology proceeds with the provision of such services.

With reference to the Board Letter, the advisory services to be provided by HNA Technology may include introduction of, and preparation of consultancy report and/or due diligence report of, appropriate technology related investment targets, and the regulated activities under the respective Licences after any of such Licences have been obtained by relevant members of the Group.

As further mentioned in the Board Letter, the Company expects that (1) the consultancy reports will include market analysis such as overall market size, key competitors and future development, project analysis such as potential target analysis, analysis on benefit and synergy with HNA Tech Group and its affiliates, and analysis on business, compliance, regulatory and financial risks and issue involved; and (2) the business due diligence reports will include market analysis on market position and competitiveness of the targets, business analysis such as operational, management and financial analysis, and analysis on future development strategy based on current operation and potential synergy with HNA Tech Group, and financial modelling.

LETTER FROM GRAM CAPITAL

Consideration and payment terms:

Pursuant to the Mandate, HNA Tech Group shall pay HNA Technology a lump sum service fee of HK\$10,000,000 (“**Service Fee 1**”) and HK\$6,000,000 (“**Service Fee 2**”) for the services provided by HNA Technology under items (1) and (2) in the subsection headed “Scope of Services” above, respectively.

The consideration payable for the advisory services was determined after arm’s length negotiations with reference to the fees of similar advisory services in the market and the amount of work to be performed by HNA Technology under the Mandate, including the operation scale and complexity of the business plan of HNA Tech Group Affiliate and the expansion plan of e-commerce of HNA Tech Group as described under items (1) and (2) in the sub-section headed “Scope of Services” above, the estimated transaction amount of such plans and the staff costs and other operational costs involved.

The advisory fee shall be paid by HNA Tech Group to HNA Technology in the following manner:

- (1) in relation to the services provided by HNA Technology under item (1) in the subsection headed “Scope of Services” above, 30% of the lump sum service fee of HK\$10,000,000 shall be payable upon the signing of the Mandate and the remaining balance, out-of-pocket expenses, third party disbursements and/or additional fee shall be payable upon delivery and acceptance by HNA Tech Group of the consultancy report in relation to the business plan of the HNA Tech Group Affiliate and the business due diligence report to HNA Tech Group in relation to appropriate target of the HNA Tech Group Affiliate; and
- (2) in relation to the services provided by HNA Technology under item (2) in the subsection headed “Scope of Services” above, 30% of the lump sum service fee of HK\$6,000,000 will be payable upon the signing of the Mandate and the remaining balance, out-of-pocket expenses, third party disbursements and/or additional fee shall be payable upon delivery and acceptance by HNA Tech Group of the consultancy report in relation to the expansion and development of the e-commerce business of HNA Tech Group and the business due diligence report of potential target under the e-commerce business of HNA Tech Group.

HNA Technology will refund the lump sum fees received by it to HNA Tech Group if the conditions under the sub-section headed “Conditions” below are not fulfilled.

LETTER FROM GRAM CAPITAL

Conditions:

The provision of advisory services by HNA Technology under the Mandate will take effect upon the following conditions are fulfilled:

- (1) the passing of resolution(s) by the Shareholders other than those who are required to abstain under the Listing Rules from voting at the EGM for the resolution(s) approving the Mandate and the transactions contemplated hereunder, if applicable; and
- (2) HNA Technology obtaining all necessary written consents, licences and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Mandate, if applicable.

With reference to the Board Letter, in assessing the amount of the fee quotes to be provided by the HNA Technology under the Mandate for future advisory services, HNA Technology will consider the operation scale and complexity of the potential projects, the estimated transaction amount of such projects, the staff costs and other operational costs involved, the hourly charge-out rate of staff, the estimated time the staff spent on the potential projects and the fees of similar advisory services in the market based on the experience of the qualified staff in the Group. Detailed payment terms will be specified in the individual contracts governing each particular transaction.

As further mentioned in the Board Letter, the Group has an internal pricing policy (the “**IC Policy**”) for the provision of advisory services to all clients (including connected persons and the Independent Third Parties) which requires (i) the responsible staff to submit for internal approval an estimated advising fees based on the estimated manpower involved and the hourly charge-out rates of the relevant staff; (ii) the fee quotation not to be under 80% of the estimated advisory fees; and (iii) the fee quotation to be reviewed and approved by the vice presidents of the Group who are in charge of, among other things, the provision of general advisory and consulting services by the Group. For our due diligence purpose, we obtained a copy of the IC Policy and noted that the policy is in line with the aforementioned. With reference to the Board Letter, the hourly charge-out rates comprise staff costs of the relevant staff involved, indirect and administrative costs and the expected profit margin of the projects. As advised by the Directors, the same hourly charge-out rates (for different ranks of staff) will be apply to both connected persons and Independent Third Parties, and the hourly charge-out rates will be reviewed by the Company annually. Since the pricing policy applies to all clients of HNA Technology, irrespective of whether they are connected persons or Independent Third Parties, the vice presidents of the Group will, based on their experience in and understanding of the market, ensure that the transactions contemplated under the Mandate will not be charged at rates more favourable to HNA Tech Group as compared to the rates that HNA Technology would charge Independent Third Parties for similar services.

LETTER FROM GRAM CAPITAL

As advised by the Directors, the Group has a team (the “**Team**”) of 9 persons as at the Latest Practicable Date for the development of the New Business. The Team is led by the chief executive officer of the Group (who is also an executive Director) and two vice presidents. For details of the Team’s qualification and industry experience; and biographies of the two vice presidents, please refer to the section headed “Reasons for and benefits of the continuing connected transactions” of the Board Letter. For our due diligence, we obtained the curriculum vitae of the aforesaid vice presidents and noted that both vice presidents have over 10 years of experience in the financial industry and have relevant experience in merger and acquisition, financing and investment. We also, for our due diligence purpose, interviewed one of the vice presidents (the “**Interviewed VP**”) in order to understand the determination of fee quotation under the Transaction. As confirmed by the Interviewed VP and the Company, the Interviewed VP does not hold any position at HNA Group and HNA Tech Group as at the Latest Practicable Date. During our discussion, we further understood (i) the Interviewed VP’s qualification and experience in the industry; (ii) the Interviewed VP’s previous experience in merger and acquisition, performing due diligence, investment management and related fields; and (iii) the pricing basis for the Transaction.

As advised by the Interviewed VP, when determining the service price of the Transaction, the two vice presidents will take into account (i) the estimated advisory fees of the projects; and (ii) the scale and complexity of the projects based on their experience to arrive at a target service price. The final service price will be determined through negotiation with the clients. In light of (i) the qualification and experience of the two vice presidents; (ii) that the pricing basis and IC Policy of the Transaction take into account the time and operation cost of the Group; and (iii) our interview with the Interviewed VP as mentioned above, we consider that the effective implementation of the IC Policy would help to ensure fair pricing of the Transaction.

In order to assess the fairness and reasonableness of the Service Fee 1 and Service Fee 2, we performed the following due diligence work (“**Our Due Diligence of the Service Fee 1 and Service Fee 2**”). Firstly, we obtained a summary of estimated advising fees of the relevant projects (the “**Relevant Project(s)**”) in relation to the items (1) and (2) as described under the sub-section headed “Scope of services” above. We noted from the summary the number of estimated hours required for different ranks of Team members for different work function and the hourly charge-out rates. Based on the Team size as at the Latest Practicable Date, we do not doubt the Company’s ability to fulfil the estimated hours required for the Relevant Projects. We also noted from the summary that the Service Fee 1 and Service Fee 2 are higher than the estimated advising fees associated with the Relevant Projects. Besides, we also inquired into the Interviewed VP in relation to the details of the projects (such as the background of the projects, works to be performed by the Group, complexity, resources required) and the pricing basis of the Relevant Projects. During our discussion, we did not identify any major factor which caused us to doubt the reasonableness of the pricing of the Service Fee 1 and Service Fee 2.

LETTER FROM GRAM CAPITAL

Pursuant to the Mandate, 30% of the lump sum service fee of HK\$10,000,000 and HK\$6,000,000 for the two Relevant Projects respectively will be payable upon the signing of the Mandate and the remaining balance, out-of-pocket expenses, third party disbursements and/or additional fee shall be payable upon delivery and acceptance by HNA Tech Group of the relevant reports.

For our due diligence purpose, we inquired Interviewed VP in respect of the payment terms of projects under the Transaction. As advised by the Interviewed VP, the payment terms for advisory services projects (including those under the Transaction and those potentially with Independent Third Parties) are determined by negotiation. The Interviewed VP also considers that (i) it is common in the market that payment terms of advisory projects are arrived at based on negotiation; and (ii) the payment terms of the Relevant Projects under the Transaction (i.e. payable by installments) are in line with market practice. In light of that (i) the payment terms of the Transaction were arrived based on negotiation, which is consistent with market practice; (ii) the payment terms of the Relevant Projects under the Transaction (i.e. payable by installments) are in line with market practice, and (iii) a part of service fee payable upon the signing of the Mandate will allow the Group to cover part of the service costs, we concur with the Interviewed VP's view that the payment terms of the Relevant Projects to be fair and reasonable and in the interest of the Company and Shareholders as a whole.

In light of the above, we are of the view that the terms of the Transaction are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. The Annual Caps

Pursuant to the Mandate, the Annual Caps are HK\$18,000,000, HK\$50,000,000 and HK\$50,000,000 for each of three years ending 31 December 2017, 2018 and 2019 respectively.

With reference the Board Letter, the Annual Caps were determined after considering, including but not limited to:

- (1) the estimated usage of advisory services provided by HNA Technology;
- (2) for the financial year ending 31 December 2017, (a) the estimated time of completion of the services provided for items (1) and (2) in the sub-section headed "Scope of Services" above, and (b) a buffer of around 10% for any possible additional services that may be required by HNA Tech Group; and

LETTER FROM GRAM CAPITAL

- (3) for the financial years ending 31 December 2018 and 2019, (a) the maximum number of 5 projects in the scale similar to item (1) in the sub-section headed “Scope of Services” above that the Group can undertake to provide for advisory services based on the existing resources; and (b) the estimated service fee of up to HK\$10,000,000 for each of such new projects.

For our due diligence purpose, we enquired into the Directors and obtained a calculation of the Annual Caps (the “**Calculation**”). We noted from the Calculation that the Annual Cap for the financial year ending 31 December 2017 is based on the Service Fee 1 and Service Fee 2, taking into account of a buffer of approximately 10%. As advised by the Directors, the aforesaid buffer covers any possible additional services that may be required by HNA Tech Group. We consider the buffer of approximately 10% to be reasonable. Having considered Our Due Diligence on the Service Fee 1 and Service Fee 2 and the buffer being reasonable, we consider the Annual Cap for the financial year ending 31 December 2017 to be fair and reasonable so far as the Independent Shareholders are concerned.

As for the two financial years ending 31 December 2018 and 2019, we note from the Calculation that the Annual Caps for each of the two years were set based on a maximum of 5 projects to be conducted each year and the estimated service fees for such projects.

Upon our enquiry, the Directors advised us that the estimated number of projects and the estimated service fees for each projects are based on the understanding with HNA Tech Group taking into account their expected demand and proposed project sizes. As advised by the Directors, the Company has been discussing with HNA Tech Group certain potential projects during 2018 and 2019. However, the projects details are not finalized yet. Based on the scope of work, manpower, service fees for the Relevant Projects, the Directors expect that the Company can undertake 5 projects in scale similar to item (1) of the Relevant Projects, (service fee of which is HK\$10,000,000). We also noted from the correspondences between HNA Tech Group and the Group that the Group intends to provide services for a maximum of five HNA Tech Group’s projects, and the service fee for each project amounts to approximately HK\$5 million to HK\$10 million.

The Directors advised us that the Group applied a maximum number of projects and a maximum service fee for the project in the Calculation for prudence sake. Taking into account that (i) the estimated Annual Caps represent the maximum possible amount under the Transaction based on the understanding between the Group and the HNA Tech Group for each of the financial year ending 31 December 2018 and 2019; and (ii) the application of the maximum service fee amount can prudently cover all the costs associated with relevant projects, we consider the Annual Caps for the two financial years ending 31 December 2018 and 2019 to be fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM GRAM CAPITAL

4. Listing Rules implication regarding the Transaction

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transaction must be restricted by the Annual Caps for the period concerned under the Mandate; (ii) the terms of the Transaction (including the Annual Caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transaction must be included in the Company's subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction (i) has not been approved by the Board; (ii) was not, in all material respects, in accordance with the pricing policies of the Group; (iii) was not entered into, in all material respects, in accordance with the relevant agreement governing the Transaction; and (iv) has exceeded the Annual Caps. In the event that the total amounts of the Transaction are anticipated to exceed the respective Annual Caps, or that there is any proposed material amendment to the terms of the Transaction, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION ON THE TRANSACTION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transaction is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Transaction and the Annual Caps and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

1. RESPONSIBILITY

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 contained herein or this circular misleading.

2. INTERESTS OF DIRECTORS

(a) Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests or short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) 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 interests and short positions which he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

(i) *Interests/short positions in the share capital or debentures of the associated corporations of the Company*

Name of Director or chief executive of the Company	Name of associated corporation of the Company	Capacity and nature of interest	Number of shares in the corporation	Approximate percentage of interest in the corporation
Mr. Tong Fu (童甫)	上海柔鋒投資 管理中心 (有限合夥)	Beneficial Owner ^(Note)	N/A	1.01%

Note: Mr. Tong Fu has 1.01% interests in 上海柔鋒投資管理中心(有限合夥), a limited liability partnership established in the PRC, which is managed and operated by its general partner, Hainan Hai Chuang Bai Chuan Equity Investment Fund Management Co., Ltd.* (海南海創百川股權投資基金管理有限公司), a company incorporated in the PRC which is indirect wholly owned by HNA EcoTech Group Co., Ltd.* (海航生態科技集團有限公司), which in turn is an indirect controlling shareholder of the Company.

* For identification purpose only

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective close associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of Directors in the assets of the Company

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had, since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up, been 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) Interests of Directors in contracts

Save as for the following contracts, there is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant to the business of the Group.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, Shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was, directly or indirectly interested in 5% or more of the issued share capital of the Company:

Name of substantial Shareholders	Capacity	Total number of ordinary Shares	Approximate percentage of issued ordinary share capital of the Company
HNA EcoTech Pioneer Acquisition	Beneficial owner	239,673,669	75.00%
HNA Technology Group (HK) Co., Limited	Interest in controlled corporation	239,673,669	75.00%
HNA EcoTech Group Co., Ltd.* (海航生態科技集團有限公司)	Interest in controlled corporation	239,673,669	75.00%

* For identification purpose only

Name of substantial Shareholders	Capacity	Total number of ordinary Shares	Approximate percentage of issued ordinary share capital of the Company
HNA Group Co., Ltd.* (海航集團有限公司)	Interest in controlled corporation	239,673,669	75.00%
Hainan Traffic Administration Holding Co., Ltd.* (海南交管控股有限公司)	Interest in controlled corporation	239,673,669	75.00%
Tang Dynasty Development (Yangpu) Company Limited* (盛唐發展(洋浦)有限公司)	Interest in controlled corporation	239,673,669	75.00%
Hainan Province Cihang Foundation* (海南省慈航公益基金會)	Interest in controlled corporation	239,673,669	75.00%

Note:

HNA EcoTech Pioneer Acquisition is held as to 100% by HNA Technology Group (HK) Co., Limited which in turn is held as to 100% by 海航生態科技集團有限公司 (HNA EcoTech Group Co., Ltd.*). 海航生態科技集團有限公司 (HNA EcoTech Group Co., Ltd.*) is held as to more than one-third by HNA Group, which in turn is owned as to 70% by 海南交管控股有限公司 (Hainan Traffic Administration Holding Co. Ltd.*). 海南交管控股有限公司 (Hainan Traffic Administration Holding Co. Ltd.*) is held as to 50% by 盛唐發展(洋浦)有限公司 (Tang Dynasty Development (Yangpu) Company Limited*) which in turn is held as to 65% by 海南省慈航公益基金會 (Hainan Province Cihang Foundation*). HNA Technology Group (HK) Co., Limited, 海航生態科技集團有限公司 (HNA EcoTech Group Co., Ltd.*), HNA Group, 海南交管控股有限公司 (Hainan Traffic Administration Holding Co. Ltd.*), 盛唐發展(洋浦)有限公司 (Tang Dynasty Development (Yangpu) Company Limited*) and 海南省慈航公益基金會 (Hainan Province Cihang Foundation*) are therefore deemed to be interested in Shares held by HNA EcoTech Pioneer Acquisition under the SFO.

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

* For identification purpose only

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 Divisions 2 and 3 of Part XV of the SFO:

Director	Company	Position
Mr. Tong Fu (童甫)	HNA Group	Director
	HNA EcoTech Group Co., Ltd. * (海航生態科技集團有限公司)	Director
	HNA Technology Group (HK) Co., Limited	Director
Mr. Peng Fang (彭放)	HNA EcoTech Pioneer Acquisition	Director

Save as disclosed above, as at the Latest Practicable Date, none of the 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 Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

None of the Directors had a service contract or a proposed service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors and their respective close associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. MATERIAL ADVERSE CHANGE

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

* For identification purpose only

7. EXPERT'S QUALIFICATIONS AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Gram Capital:

- (a) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, being the date up to which the latest published audited consolidated financial statements of the Group were made up; and
- (c) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and references to its name and letter in the form and context in which they respectively appear.

The letter of advice given by Gram Capital to the Independent Board Committee and the Independent Shareholders was made on 5 December 2017 for incorporation in this circular.

8. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the following documents are available for inspection at the head office of the Company at Units 505–507, Level 5, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, during normal business hours from the date of this circular up to and including the date of EGM:

- (i) the Mandate;
- (ii) letter from the Independent Board Committee dated 5 December 2017, the text of which is set out on pages 14 to 15 of this circular;

- (iii) letter from Gram Capital to the Independent Board Committee and the Independent Shareholders dated 5 December 2017, the text of which is set out on pages 16 to 26 of this circular;
- (iv) the consent letter issued by Gram Capital referred to in the paragraph headed “Expert’s qualifications and consent” in this appendix; and
- (v) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



HNA Technology Investments Holdings Limited 海航科技投資控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2086)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of HNA Technology Investments Holdings Limited (the “**Company**”) will be held at 23rd Floor, Siu On Centre, No. 188 Lockhart Road, Wan Chai, Hong Kong on Thursday, 21 December 2017 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (i) the mandate dated 2 November 2017 (the “**Mandate**”) entered into between HNA Technology Investments Limited (“**HNA Technology**”) and HNA Technology Group Co., Ltd.* (海航科技集團有限公司) (“**HNA Tech Group**”) relating to the appointment of HNA Technology as a consultant to HNA Tech Group in connection with the provision of advisory services by HNA Technology, a copy of the Mandate marked “**A**” being tabled before the meeting and initialled by the chairman of the meeting for identification purpose, the transactions contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified;
- (ii) the Annual Caps (as defined in the circular of the Company dated 5 December 2017) for each of the three financial years ending 31 December 2019 as contemplated under the Mandate be and are hereby approved; and
- (iii) the directors of the Company be and are hereby authorised to do all such further acts and things and sign, seal, execute, perfect and deliver all such documents on behalf of the Company as they may in their absolute discretion consider necessary, desirable or expedient for the purposes of and in connection with the implementation and/or give full effect to any matters relating to the Mandate and the transactions contemplated thereunder.”

By order of the Board
HNA Technology Investments Holdings Limited
Peng Fang
Executive Director

Hong Kong, 5 December 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal place of business in Hong Kong:

Units 505–507,
Level 5, Two Exchange Square,
8 Connaught Place,
Central, Hong Kong

* *For identification purpose only*

Notes:

1. The register of members will be closed from Monday, 18 December 2017 to Thursday, 21 December 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the EGM, all 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, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 15 December 2017.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
3. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or the adjourned meeting (as the case may be).
4. Completion and return of the proxy form will not preclude shareholders of the Company from attending and voting in person at the EGM, or any adjourned meeting, should they so wish.
5. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), all votes of shareholders at the EGM will be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the matter prescribed under Rule 13.39(5) of the Listing Rules.