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Wang Tai Holdings Limited
宏太控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1400)

UPDATE ON
(I) VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION;
(II) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION;
(III) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE;
(IV) PROPOSED APPOINTMENT OF ADDITIONAL DIRECTORS;
(V) POSSIBLE PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
(VI) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(VII) APPLICATION FOR WHITEWASH WAIVER

Reference is made to the announcement of Wang Tai Holdings Limited (the “**Company**”) dated 13 March 2017 in relation to, among other things, a proposed very substantial acquisition and connected transaction and a proposed reverse takeover involving a new listing application and a whitewash waiver application (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The purpose of this announcement is to keep the Shareholders and potential investors of the Company informed of the latest development of the Transactions.

As at 20 March 2017 (being the last day on which the Other Sale and Purchase Agreements were expected to be entered into, unless otherwise agreed by the Purchaser and Vendor A), the Purchaser has entered into the Other Sale and Purchase Agreement with each of the Remaining Shareholders (other than China Life Insurance (Overseas) Company Limited) pursuant to which such Remaining

Shareholders conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, their shares in the Target Company which will be satisfied by the allotment and issue of Consideration Shares at the issue price of HK\$0.13 per Share, which in aggregate represent approximately 43.7% of the issued share capital of the Target Company. Taking into account the approximately 53.0% of the issued share capital of the Target Company to be acquired by the Purchaser under the Sale and Purchase Agreements and the approximately 43.7% of the issued share capital of the Target Company to be acquired by the Purchaser under the Other Sale and Purchase Agreements, the Purchaser will own approximately 96.7% of the issued share capital of the Target Company upon Completion and the completion of Other Sale and Purchase Agreements.

As set out in the Announcement, the acquisition under the Other Sale and Purchase Agreements, when entered into, will be aggregated with the Acquisition pursuant to Rule 14.22 of the Listing Rules. The acquisition of approximately 43.7% of the issued share capital of the Target Company under the Other Sale and Purchase Agreements, when aggregated with the Acquisition, constitutes a very substantial acquisition for the Company pursuant to Chapter 14 of the Listing Rules.

The aggregate consideration for 43.7% of the issued share capital of the Target Company is HK\$5.24 billion and such consideration will be satisfied by the allotment and issue of 40,307,723,079 Consideration Shares on the Completion Date at the issue price of HK\$0.13 per Consideration Share.

The aggregate consideration for approximately 96.7% of the issued share capital of the Target Company is HK\$11.6 billion and such consideration will be satisfied by the allotment and issue of 89,230,800,001 Consideration Shares on the Completion Date at the issue price of HK\$0.13 per Consideration Share. The basis on which the consideration payable by the Purchaser and the issue price of the Consideration Shares were determined is set out in the Announcement.

As set out in the Announcement, the Consideration Shares will rank equally among themselves and *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the Consideration Shares. The Consideration Shares will be allotted and issued on the Completion Date under the Specific Mandate proposed to be obtained at the EGM. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares to be allotted and issued pursuant to the terms of the Sale and Purchase Agreements and the Other Sale and Purchase Agreements.

As set out in the Announcement, completion of the Other Sale and Purchase Agreements is conditional on completion of the Sale and Purchase Agreements. Completion of the Other Sale and Purchase Agreements is also subject to, among

other things, the approval of the Shareholders or the Independent Shareholders (as applicable) at the EGM of the Other Sale and Purchase Agreements and the transactions contemplated thereunder, including without limitation, the Specific Mandate in relation to the allotment and issue of the Consideration Shares having been obtained, all other necessary consents, approval, authorisation, permit, waiver, order, concession and notices from the creditors and shareholders of the Purchaser or any third parties or any relevant governmental or regulatory authorities or any other third parties for the entering into or the implementation or completion of the transactions contemplated under the Other Sale and Purchase Agreements having been obtained and not having been revoked or withdrawn before Completion, and the Listing Committee having granted (either unconditionally or subject only to conventional conditions) the listing of, and permission to deal in, the Consideration Shares on the Main Board of the Stock Exchange and such permission not subsequently being revoked or withdrawn.

Subject to Completion, completion of the Other Sale and Purchase Agreements will take place on the date of completion of the Sale and Purchase Agreements.

Each of the Remaining Shareholders has confirmed in the Other Sale and Purchase Agreements that it has not conducted any dealings in the relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) in the six-month period prior to and including the date of the Announcement and has undertaken in the Other Sale and Purchase Agreements not to carry out any dealing in the relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) from the date of the Announcement to the Completion Date. In addition, each of the Remaining Shareholders has undertaken to the Purchaser that, unless with the prior written consent of the Purchaser or the Company, for a period of six months from the Completion Date, it will not, and will procure that none of its associates or parties acting in concert with it will (whether directly or indirectly) (i) offer to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, encumber, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Consideration Shares or any interests therein beneficially owned or held by the relevant Remaining Shareholder or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Consideration Shares or interests, whether any such transaction is to be settled by delivery of Consideration Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

As set out in the Announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Remaining Shareholders is independent of the Company and connected persons (as defined in the Listing Rules) of the Company. Please refer to the Announcement regarding the details of the Remaining Shareholders, the Target Group, reasons for and benefits of the entering into of the Sale and Purchase Agreements and the Other Sale and Purchase Agreements and the other terms and information relating to the very substantial acquisition and the transactions contemplated thereunder.

As at the date of this announcement, the Purchaser and China Life Insurance (Overseas) Company Limited, which holds approximately 3.3% of the issued share capital of the Target Company, are in the process of negotiating the Other Share and Purchase Agreement. While the condition precedent to Completion in relation to the entering into of the Other Sale and Purchase Agreements pursuant to which the Purchaser will acquire not less than 90% of the issued share capital of the Target Company (taking into account the approximately 53.0% of the issued share capital of the Target Company to be acquired by the Purchaser under the Sale and Purchase Agreements) has already been satisfied, the Purchaser remains open to negotiate the Other Sale and Purchase Agreement with China Life Insurance (Overseas) Company Limited.

EFFECT OF THE TRANSACTIONS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the 89,230,800,001 Consideration Shares to the Vendors and the Remaining Shareholders (other than China Life Insurance (Overseas) Company Limited) (on the basis that approximately 96.7% of the issued share capital of the Target Company will be acquired by the Purchaser) and the Placing Shares (assuming the Placing is completed in full); and (iii) immediately after the allotment and issue of the 92,307,692,307 Consideration Shares to the Vendors and their respective concert parties and the Independent Remaining Shareholders under the Sale and Purchase Agreements and the Other Sale and Purchase Agreements respectively (assuming 100% of the issued share capital of the Target Company will be acquired by the Purchaser) and the Placing Shares (assuming the Placing is completed in full) is as follows:

Shareholders	(i) As at the date of this announcement		(ii) Upon allotment and issue of the 89,230,800,001 Consideration Shares to the Vendors and the Remaining Shareholders (other than China Life Insurance (Overseas) Company Limited) (on the basis that approximately 96.7% of the issued share capital of the Target Company will be acquired by the Purchaser) and the Placing Shares (assuming the Placing is completed in full)		(iii) Upon allotment and issue of the 92,307,692,307 Consideration Shares to the Vendors and their respective concert parties and the Independent Remaining Shareholders under the Sale and Purchase Agreements and the Other Sale and Purchase Agreements respectively (assuming 100% of the issued share capital of the Target Company will be acquired by the Purchaser) and the Placing Shares (assuming the Placing is completed in full)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
The Concert Group						
Vendor A and Vendor B	—	—	39,692,307,692	40.18	39,692,307,692	38.97
City Ford Limited and Hong Kong Qinlong Group Limited	—	—	13,021,107,692	13.18	13,021,107,692	12.78
Sub-total			52,713,415,384	53.36	52,713,415,384	51.75
Yu Rui Holdings Limited and Eastern Ocean Finance Ltd ^(Note 1)			8,641,107,691	8.75	8,641,107,691	8.49
Vendor C	—	—	9,230,769,230	9.34	9,230,769,230	9.06
Kanbell Global Ventures Limited	—	—	7,102,800,000	7.19	7,102,800,000	6.97
Sub-total of the Concert Group			77,688,092,305	78.64	77,688,092,305	76.27
Sub-total of the Concert Group (other than Yu Rui Holdings Limited and Eastern Ocean Finance Ltd)			69,046,984,614**	69.89**	69,046,984,614**	67.78**
Directors						
Mr. Lin Qingxiong ^(Note 2)	300,340,000	19.38	300,340,000	0.30	300,340,000	0.29
Mr. Qiu Zhiqiang ^(Note 3)	140,000,000	9.03	140,000,000	0.14	140,000,000	0.14
Public Shareholders						
Yu Rui Holdings Limited and Eastern Ocean Finance Ltd ^(Note 1)			8,641,107,691	8.75	8,641,107,691	8.49
The Independent Remaining Shareholders and their respective concert parties	—	—	11,542,707,696	11.69	14,619,600,003	14.36
Places and their respective concert parties	—	—	8,000,000,000	8.10	8,000,000,000	7.85
Other public Shareholders	1,109,660,000	71.59	1,109,660,000	1.13	1,109,660,000	1.09
Sub-total of the public Shareholders	1,109,660,000	71.59	29,293,475,387	29.67^(Note 4)	32,370,367,694	31.79
Total	<u>1,550,000,000</u>	<u>100</u>	<u>98,780,800,001</u>	<u>100</u>	<u>101,857,692,308</u>	<u>100</u>

** the shareholding of Yu Rui Holdings Limited and Eastern Ocean Finance Ltd shall be classified as public Shareholders in this scenario.

Notes:-

1. *Each of Yu Rui Holdings Limited and Eastern Ocean Finance Ltd is wholly owned by Ms. Li, who is the daughter of Mr. Li over the age of 18. As such, pursuant to the Listing Rules, Ms. Li is not an associate of Mr. Li and her interests in the Shares through Yu Rui Holdings Limited or Eastern Ocean Finance Ltd are counted towards the public float. Ms. Li's acquisition of the Shares has not been financed directly or indirectly by a core connected person (as defined in the Listing Rules) of the Company. Ms. Li is not accustomed to take instructions from Mr. Li or a core connected person (as defined in the Listing Rules) in relation to the acquisition, disposal, voting or other disposition of Shares registered in her name or otherwise held by her. Mr. Li is not a close associate (as defined in the Listing Rules) of Mr. Li or the core connected person (as defined in the Listing Rules) of the Company. For the avoidance of doubt, Ms. Li is a party acting in concert with Mr. Li and is a member of the Concert Group.*
2. *Mr. Lin Qingxiong is an executive Director as at the date of this announcement. Amongst the 300,340,000 Shares, 20,340,000 Shares are held by Mr. Lin Qingxiong directly as the legal and beneficial owner. The remaining 280,000,000 Shares are held by Mr. Lin Qingxiong through Merit Lead Investments Limited, a company incorporated in the BVI and wholly-owned by him. Accordingly, Mr. Lin Qingxiong is deemed to be interested in all Shares held by Merit Lead Investments Limited for the purpose of the SFO.*
3. *Mr. Qiu Zhiqiang is an executive Director as at the date of this announcement.*
4. *Based on the above, upon Completion, it is expected that the Company would be able to satisfy the minimum public float requirement under the Listing Rules upon allotment and issue of 89,230,800,001 Consideration Shares (on the basis that approximately 96.7% of the issued share capital of the Target Company will be acquired by the Purchaser) and the Placing Shares (assuming the Placing is completed in full).*

The Company will keep the Shareholders and potential investors of the Company informed of the Transactions by making further announcements as and when appropriate.

It should be noted that each of the acquisition contemplated under the Sale and Purchase Agreements and the Other Sale and Purchase Agreements and the Placing is subject to a number of conditions, which may or may not be fulfilled. In addition, the approval of the new listing application to be made by the Company and the Whitewash Waiver may or may not be granted. The Shareholders and potential investors should exercise caution when they deal or contemplate dealing in the Shares or other securities of the Company.

By order of the Board
Wang Tai Holdings Limited
Lin Qingxiong
Chairman and Executive Director

Hong Kong, 21 March 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Lin Qingxiong, Mr. Qiu Zhiqiang, and Mr. Deng Qinghui; and three independent non-executive Directors, namely Ms. Chan Sui Wa, Mr. Ma Chongqi and Mr. Yu Yubin.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Vendors) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Vendors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of each of Vendor A and Vendor B is Mr. Li. The sole director of Vendor A and Vendor B accepts full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Company and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.

As at the date of this announcement, the sole director of Vendor C is Mr. Delgersaikhan Borkhuu.

The sole director of Vendor C accepts full responsibility for the accuracy of the information contained in this announcement (other than those in relation to the Company and the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any such statement contained in this announcement misleading.