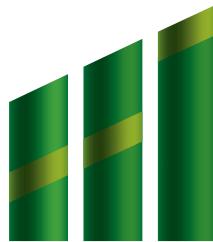


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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



# 昊天發展集團有限公司

## Hao Tian Development Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00474)**

### **(1) DISCLOSEABLE TRANSACTION: DEEMED DISPOSAL OF SHAREHOLDING INTEREST IN A SUBSIDIARY; (2) GRANT OF CALL OPTION; (3) DISCLOSEABLE TRANSACTION: RIGHT OF THE OPTION HOLDER ATTACHED TO THE CALL OPTION TO TRANSFER THE SHAREHOLDING INTEREST IN A SUBSIDIARY TO THE COMPANY**

#### **DEEMED DISPOSAL OF SHAREHOLDING INTEREST IN A SUBSIDIARY**

On 22 May 2016, Hao Tian Management, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Investor, pursuant to which the Investor agrees to subscribe for, and Hao Tian Management agrees to issue, the New Shares at the consideration of USD40 million. Upon Completion, Hao Tian Management will become an indirect non wholly-owned subsidiary of the Company and will be owned as to approximately 92.41% and approximately 7.59% by the Company and the Investor respectively.

## **GRANT OF CALL OPTION**

Upon satisfaction of the conditions precedent under the Subscription Agreement and Completion, the Company, Hao Tian Management and the Investor shall enter into a Call Option Deed, pursuant to which the Company, without additional consideration, grants to the Investor a Call Option to, require the Company to allot and issue the Option Shares to the Investor at the Option Price. The Option Price may be satisfied by way of, inter alia, transfer to the Company of the relevant number of the HTM Shares.

## **LISTING RULES IMPLICATIONS**

The Call Option Deed and the grant of Call Option are part of the transactions contemplated under the Subscription Agreement. The Company will seek the approval of the Shareholders for the Subscription Agreement, the Call Option Deed, the grant of Call Option and the Special Mandate.

Upon Completion, the shareholding interests of the Company in Hao Tian Management will be diluted to approximately 92.41%. As such, the entering into of the Subscription Agreement and the transactions contemplated thereunder will constitute a deemed disposal under Chapter 14 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules), are more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements under the Listing Rules.

For the Call Option Deed, assuming the Investor elects to settle the consideration by way of transfer of HTM Shares to the Company upon exercise of the Call Option, it will constitute an acquisition and that the transaction will be classified as if the option had been exercised under Chapter 14 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements under the Listing Rules.

## **INTRODUCTION**

On 22 May 2016, the Investor and Hao Tian Management entered into the Subscription Agreement, pursuant to which the Investor agrees to subscribe for, and Hao Tian Management agrees to issue, the New Shares at the consideration of USD40 million.

Upon satisfaction of the conditions precedent under the Subscription Agreement and Completion, the Investor, Hao Tian Management and the Company shall enter into the Call Option Deed entitling the Investor to subscribe for the Option Shares at the Option Price.

## **SUBSCRIPTION AGREEMENT DATED 22 MAY 2016**

### **Parties**

Investor: Vandi Investments Limited, a wholly-owned subsidiary of CCB International Asset Management Ltd.

Issuer: Hao Tian Management (Hong Kong) Limited, being an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Investor and its ultimate beneficial owner(s) are Independent Third Parties.

### **Nature of the transaction and assets deemed to be disposed of**

Pursuant to the Subscription Agreement, the Investor agrees to subscribe for, and Hao Tian Management agrees to issue, the New Shares, representing approximately 7.59% of the enlarged entire issued share capital of Hao Tian Management after the Completion.

There is no restriction on any subsequent sale of the New Shares.

### **Consideration**

The agreed consideration for the subscription of the New Shares is USD40 million, which shall be paid in cash upon Completion.

The consideration for the subscription of the New Shares was arrived at after arm's length negotiations and with reference to the assets, liabilities and financial position of Hao Tian Management in the past. In the event that there is a shortfall between the relevant financial data of Hao Tian Management as set out in the audited accounts of Hao Tian Management (which is still outstanding) and the relevant financial data as set out in the unaudited management accounts (the "**Audit Difference**"), upward adjustment will be made to the number of New Shares to be allotted and issued to the Subscriber. No downward adjustment will be made.

### **Conditions precedent**

Completion shall be conditional upon, inter alia:

- (a) approval by the shareholders of the Company of an ordinary resolution approving the Specific Mandate being obtained;
- (b) all the relevant approvals in connection with the Subscription (whether statutory, regulatory or internal) having been obtained, if necessary;
- (c) all the warranties in the Subscription Agreement being true, correct, accurate, complete and not misleading in all material aspect when made and upon Completion Date;
- (d) no change to the condition (financial or otherwise), results of operations, assets, regulatory status, business and prospect of the Company and the Group that has had a material adverse effect on the Group, the Company or Hao Tian Management;
- (e) the Investor having received a legal opinion from a Cayman Islands legal counsel and a legal opinion from a Hong Kong legal counsel; and
- (f) the Investor having satisfied with the results of its commercial, financial and legal due diligence on the Company, Hao Tian Management and the Group.

If the aforesaid conditions precedent is not fulfilled on or before 31 August 2016 (or such other date as agreed by Hao Tian Management and the Investor in writing), the Subscription Agreement shall lapse and become null and void, save for any liability arising out of any antecedent breaches thereof.

### **Completion**

Completion shall take place on the third business day upon the satisfaction of the conditions precedent (or such other date as agreed by Hao Tian Management and the Investor in writing).

Upon Completion, Hao Tian Management will be held by Company (through its wholly-owned subsidiary) and the Investor as to 92.41% and 7.59% respectively (subject to adjustment due to Audit Difference). Hao Tian Management will cease to be a wholly-owned subsidiary of the Company and become a non wholly-owned subsidiary of the Company.

### **CALL OPTION DEED**

Upon satisfaction of the conditions precedent under the Subscription Agreement and Completion, the Company, Hao Tian Management and the Investor shall enter into a Call Option Deed, pursuant to which the Company, at no additional consideration, grants to the Investor a Call Option to, require the Company to allot and issue the Option Shares to the Investor at the Option Price. The Investor may exercise the Option in whole or in part, on one or more occasions at any time within the Option Period (being the period commencing from the date of the Call Option Deed and ending on the date that falls on the fifth anniversary thereof). The rights and obligations of the Call Option Deed shall be assignable by the Investor.

## **Call Option**

Completion of the subscription of the Option Shares shall take place on the third business day after the service of an option notice.

The Investor may exercise the Call Option in whole or in part, on one or more occasions at any time during the Option Period. There is no minimum period which the Call Option must be held before it can be exercised. There is no performance target on the part of the Investor before the Investor can exercise the Call Option. The aggregate Option Price payable for any exercise of the Option may be satisfied by:

- (a) payment in cash;
- (b) transfer to the Company (or such other entity as the Company may direct) of the relevant number of the HTM Shares at the same price per share at which the Investor acquired the HTM Shares pursuant to the Subscription Agreement;
- (c) a combination of payment of cash and the transfer of HTM Shares as described in the abovementioned (a) and (b); or
- (d) such other method of payment as the Company, Hao Tian Management and the Investor may agree in writing.

Upon exercise in full of the Call Option at the initial Option Price, a maximum of 389,940,000 Option Shares shall be allotted and issued, representing (i) approximately 9.33% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 8.53% of the issued share capital of the Company as enlarged by the allotment and issue of the Option Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the completion of the allotment and issue of the Option Shares save for the Option Shares). As at the date of this announcement, 22,857,805 share options which were issued under the existing share option scheme of the Company, representing approximately 0.55% of the existing issued share capital of the Company as at the date of this announcement, remain outstanding. Save for the aforesaid, the Company has no other outstanding options, warrants or other convertible securities. The Directors confirm that the Company will not violate the restriction as set out under Rule 15.02(1) of the Listing Rules.

The Call Option shall lapse after expiry of the Option Period.

## **Option Price**

The Option Price is HK\$0.80 per Option Share. The Option Price represents:

- (a) a premium of approximately 86.05% to the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on the date of the Call Option Deed; and
- (b) a premium of approximately 86.92% to the average closing prices of HK\$0.428 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date immediately prior to the date of the Call Option Deed.

## **Anti-dilution adjustments**

Subject to certain exceptions, the Option Price shall be subject to adjustment in the event that, at any time during the Option Period, the Company (i) consolidates and sub-divides its Shares, (ii) issues Shares by way of capitalization of profits or reserves, (iii) makes any capital distribution to Shareholders, (iv) offer to Shareholders new Shares for subscription by way of rights, options or warrants at a price which is less than 90% of the market price at the date of the announcement of the terms of such issue (being the average of the closing prices of each Share on the Stock Exchange for each of the last five consecutive trading days), (v) issues wholly for cash any securities which are convertible into or exchangeable for new Shares and the relevant consideration is less than 90% of the market price at the date of the announcement of the terms of issue of such securities, (vi) issues wholly for cash any Shares at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue or (vii) issues Shares for the acquisition of asset at relevant consideration per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue.

## **Ranking of the Option Shares**

The Option Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the issued Shares as at the date of allotment of the Option Shares.

## **Rights of Investor**

The Investor shall not be entitled to attend or vote at any general meetings of the Company by reason only it being the holder of the Call Option.

Unless and until the Investor exercises the Call Option and becomes a Shareholder, it shall not be entitled to participate in any distributions and/or offer of further securities made by the Company.

## **Maximum amount of fund raised**

Assuming the Investor exercises the Call Option in full and elect to pay the Option Price in cash, the maximum amount of fund which may be raised from the allotment of the Option Shares shall be approximately HK\$311.9 million. The net issue price of each Option Share (after deducting all costs and expenses in connection with the Call Option Deed and the transactions contemplated thereunder) shall be approximately HK\$0.799.

## **Effects on shareholding of the Company**

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after the exercise of the Call Option, assuming no changes to the issued share capital of the Company and the shareholding of parties named below between the date of this announcement and the full exercise of the Call Option:

	<b>As at the date of this announcement</b>		<b>Immediately after the full exercise of the Call Option</b>	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Li Shao Yu ( <i>Note 1</i> )	2,566,983,271	61.41	2,566,983,271	56.17
Investor	–	–	389,940,000	8.53
Public Shareholders	<u>1,613,108,845</u>	<u>38.59</u>	<u>1,613,108,845</u>	<u>35.30</u>
Total	<u><u>4,180,092,116</u></u>	<u><u>100.0</u></u>	<u><u>4,570,032,116</u></u>	<u><u>100.0</u></u>

*Notes:*

1. Ms. Li Shao Yu holds (i) 4,780,322 Shares directly and (ii) 2,562,202,949 Shares through Asia Link Capital Investment Holdings Limited.

## **Specific mandate to issue the Option Shares**

The issue of the Option Shares will be subject to the approval by the Shareholders and the Option Shares will be issued under the Specific Mandate to be sought and approved by the Shareholders at the EGM.

## **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Option Shares.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Event</b>	<b>Approximate net proceeds</b>	<b>Intended use of net proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
16 July 2015	Issue of warrants by Hao Tian Finance up to the maximum amount of US\$15 million ( <i>Note</i> )	Approximately HK\$117 million upon full exercise of the subscription rights attached to the warrants	Business development	Not applicable. The warrants have not been exercised as at the date of this announcement.
21 July 2015	Placing and top-up subscription	Approximately HK\$213.6 million	Future business development and general working capital of the Group	Use as intended and was mainly utilized for the money lending business of the Group and as general working capital of the Group

*Note:*

The issue of warrants by Hao Tian Finance is a part of the transaction in connected with the issue of 9 percent secured notes of US\$30 million (the “**Notes**”) by the Company to Sea Venture Investment Limited (“**Sea Venture**”), details of which have been disclosed in the announcement of the Company dated 7 July 2015. Pursuant to the agreed structure of the transaction, the Company has issued the Notes in the principal amount of US\$30 million to Sea Venture. As a package of the deal, Hao Tian Finance has issued the warrants to Sea Venture. Upon exercise of the warrants, the subscription price may be used to set off a portion of the outstanding amount under the Notes. Completion of the issue of the Notes has taken place on 16 July 2015. As of the date of this announcement, the net proceeds received from the Notes had been utilized as intended.

## **INFORMATION ABOUT HAO TIAN MANAGEMENT**

According to the audited financial statements of Hao Tian Management for the year ended 31 March 2014 and 2015, which were prepared in accordance with the accounting principle generally accepted in Hong Kong, are set out below:

	<b>For the year ended 31 March 2014</b>	<b>For the year ended 31 March 2015</b>
	HK\$	HK\$
Revenue	446,710	1,252,980
(Loss)/profit before taxation	(53,050,594)	1,819,610,124
(Loss)/profit after taxation	(53,050,594)	1,548,189,076
Total assets	1,325,259,366	4,384,146,815
(Net liabilities)/net assets	(11,860,297)	1,907,660,800

The audited financial information of Hao Tian Management for the year ended 31 March 2016 is not yet available as at the date of this announcement.

## **FINANCIAL EFFECT OF THE DEEMED DISPOSAL OF THE GROUP**

Upon Completion, the Company will indirectly hold approximately 92.41% shareholding interest in Hao Tian Management. The financial results of Hao Tian Management will continue to be consolidated by the Group. There will be no material financial effect resulting from the Deemed Disposal.

## **APPLICATION OF THE PROCEEDS FROM THE ISSUE OF THE NEW SHARES**

The Group intends to utilize the proceeds from the issue of the New Shares and Option Shares (if any) for investment in listed securities, its general working capital requirements and other potential investment opportunities.

## **REASONS FOR ENTERING INTO THE SUBSCRIPTION AGREEMENT AND THE CALL OPTION DEED**

The Company believes that the Subscription would provide an additional source of capital for Hao Tian Management to develop its business and the Group could benefit from the future growth and success of Hao Tian Management.

The Company believes that the Call Option would enable the Group to broaden its shareholder base and it would also be beneficial to the Group for having well-positioned and reputable investor in the financial services industry.

The terms of the Subscription Agreement and the Call Option Deed (including the Option Price) were negotiated at arm's length basis with reference to the financial position and the prospect of the Group.

## **VIEWS OF THE DIRECTORS**

Taking into account the facts that (i) the HTM Shares are unlisted securities and only represents a minority shareholding in Hao Tian Management, (ii) the Subscription Agreement together with the Call Option Deed is a package of transactions which should be considered as a whole, (iii) the Call Option provides a feasible way for the Investor to realize its investment in Hao Tian Management, (iv) the Call Option can provide a flexible way for the Investor to, in addition to Hao Tian Management, invest in the Company and (v) the Investor does not have any control nor management role in the Company nor Hao Tian Management and (vi) the Investor is a sophisticated player in the financial market, the Board (including the independent non-executive Directors) considers that the terms of the Subscription Agreement and the Call Option Deed are on normal commercial terms and are fair and reasonable and it is in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE INVESTOR**

The Investor is a limited liability company incorporated under the laws of the British Virgin Islands. It is principally engaged in investment holding.

## **INFORMATION ABOUT THE GROUP AND HAO TIAN MANAGEMENT**

The Company is an investment holding company. The principal businesses of the Group comprise financial services, securities investment, trading of futures, and logistics and warehousing. Hao Tian Management is principally engaged in securities investment, investment holding and provision of management services.

## **LISTING RULES IMPLICATIONS**

The Call Options Deed and the grant of Call Option are part of the transactions contemplated under the Subscription Agreement. The Company will seek the approval of the Shareholders for the Subscription Agreement, the Call Option Deed, the grant of Call Option and the Special Mandate.

Upon Completion, the shareholding interests of the Company in Hao Tian Management will be diluted to approximately 92.41%. As such, the entering into of the Subscription Agreement and the transactions contemplated thereunder will constitute a deemed disposal under Chapter 14 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements under the Listing Rules.

For the Call Option Deed, assuming the Investor elects to settle the consideration by way of transfer of HTM Shares to the Company upon exercise of the Call Option, it will constitute an acquisition and that the transaction will be classified as if the option had been exercised under Chapter 14 of the Listing Rules. As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements under the Listing Rules.

## **EGM**

An EGM will be convened and held to consider and, if thought fit, to approve the Subscription Agreement, the Call Option Deed, the grant of the Call Option and the grant of the Specific Mandate for issue of the Option Shares upon exercise of the subscription rights attached to the Call Option.

A circular containing, among other things, (a) further details of the Subscription Agreement and the Call Option Deed and (b) a notice to convene the EGM and a proxy form, will be despatched to the Shareholders in accordance with the Listing Rules on or around 20 June 2016.

## TERMS USED IN THIS ANNOUNCEMENT

“Acquisition”	the potential acquisition of the HTM Shares by the Company from the Investor upon exercise of the Call Option
“Board”	the board of Directors
“Call Option”	the option granted by the Company to the Investor pursuant to the Call Option Deed
“Call Option Deed”	the call option deed to be entered into between the Company, Hao Tian Management and the Investor in relation to the Call Option upon Completion
“Company”	Hao Tian Development Group Limited (昊天發展集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the issue of the New Shares pursuant to the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Deemed Disposal”	the reduction of the Group’s shareholding interests in Hao Tian Management from 100% to 92.41% upon Completion
“Directors”	the directors of the Company (including the independent non-executive directors of the Company) and “Director” shall mean any one of them

“EGM”	the extraordinary general meeting of the Company to be held and convened to approve the Subscription Agreement and the Call Option Deed, the grant of the Call Option and the Specific Mandate
“Group”	the Company and its subsidiaries
“Hao Tian Finance”	Hao Tian Finance Company Limited (昊天財務有限公司), a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of the Company
“Hao Tian Management”	Hao Tian Management (Hong Kong) Limited (昊天管理(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HTM Shares”	the shares in Hao Tian Management being held by the Investor
“Independent Third Party”	a party who is not connected person of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and the connected persons of the Company
“Investor”	Vandi Investments Limited, a wholly-owned subsidiary of CCB International Asset Management Ltd. (建銀國際資產管理有限公司), a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	821 new ordinary shares in Hao Tian Management to be issued to the Investor pursuant to the Subscription Agreement (subject to adjustments due to Audit Difference)
“Option Period”	the period commencing from the date of the Call Option Deed and ending on the date that falls on the fifth anniversary thereof
“Option Price”	HK\$0.80 per Option Share
“Option Shares”	new shares to be allotted and issued by the Company upon exercise of the Call Option
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Specific Mandate”	the specific mandate to be granted to the Directors for the issue of the Option Shares upon exercise of subscription rights attached to the Call Option
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the New Shares by the Investor pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 22 May 2016 entered into between Hao Tian Management and the Investor, pursuant to which the Investor agrees to subscribe for, and Hao Tian Management agrees to issue, the New Shares

“USD” United States dollars, the lawful currency of the United States of America

“%” per cent

By order of the Board

**Hao Tian Development Group Limited**

**Fok Chi Tak**

*Executive Director*

Hong Kong, 22 May 2016

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Hai Ying, Dr. Zhiliang Ou JP (Australia) and Mr. Fok Chi Tak and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Lee Chi Hwa, Joshua.*