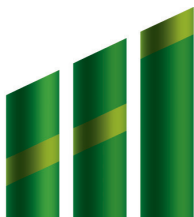


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昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF MINORITY INTEREST IN A SUBSIDIARY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

On 8 July 2019, the Vendor, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Company, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares in Hao Tian Finance at a consideration of HK\$200,000,000, which shall be satisfied by way of issue and allotment of 800,000,000 Consideration Shares by the Company to the Vendor at the Issue Price of HK\$0.25 per Consideration Share under Specific Mandate upon completion.

The Consideration Shares represent approximately 15.1% of the total issued share capital of the Company as at the date of this announcement; and approximately 13.1% of the total issued share capital of the Company as enlarged by the Consideration Shares, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion date of the Acquisition (save for the allotment and issue of the Consideration Shares).

As at the date of this announcement, Hao Tian Finance is held by the Purchaser and the Vendor as to approximately 83.47% and 16.53% respectively. Upon completion of the Acquisition, Hao Tian Finance will become an indirect wholly-owned subsidiary of the Company.

As at the date of the Sale and Purchase Agreement, the Vendor is a Substantial Shareholder of a subsidiary of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company. As the highest applicable percentage ratio (as defined under the Listing Rules) of the Acquisition exceeds 5% but is less than 25%, the Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules. The Acquisition also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

SALE AND PURCHASE AGREEMENT

On 8 July 2019, the Vendor, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Company, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares at a consideration of HK\$200,000,000, which shall be satisfied by way of issue and allotment of 800,000,000 Consideration Shares by the Company to the Vendor at the Issue Price of HK\$0.25 per Consideration Share under Specific Mandate upon completion.

Immediately before completion of the Acquisition, Hao Tian Finance is held by the Purchaser and the Vendor as to approximately 83.47% and 16.53% respectively. Upon completion, Hao Tian Finance will become an indirect wholly-owned subsidiary of the Company.

CONDITIONS PRECEDENT

Completion of the Sale and Purchase Agreement shall be subject to the following conditions precedent:

- (a) the Independent Shareholders having passed at the extraordinary general meeting the resolutions or written approval of the Independent Shareholders having been obtained (in lieu of holding a general meeting) approving the entering into, execution, delivery and performance of the Sale and Purchase Agreement and the transactions contemplated thereunder, including without limitation the acquisition of the Sale Shares and authorisation to the Directors to allot and issue the Consideration Shares, credited as fully paid, to the Vendor (or its nominee);
- (b) the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange; and
- (c) the warranties set out in the Sale and Purchase Agreement remaining true and correct as at the completion date and as if repeated at all time between the date of the Sale and Purchase Agreement and the completion date.

The Vendor and the Purchaser shall use their best endeavour to procure the fulfilment of the conditions precedent. In the event that any of the conditions precedent is not fulfilled by 15 October 2019, the Sale and Purchase Agreement shall automatically lapse and none of the parties shall be liable to the other (save for any antecedent breach) unless both parties agree to defer the long-stop date.

CONSIDERATION

The consideration payable by the Purchaser shall be HK\$200,000,000, which shall be satisfied by way of issue and allotment of 800,000,000 Consideration Shares by the Company to the Vendor at the Issue Price under Specific Mandate upon completion.

The Consideration Shares

The Consideration Shares represent: (i) approximately 15.1% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 13.1% of the total issued share capital of the Company as enlarged by the Consideration Shares, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion date of the Acquisition (save for the allotment and issue of the Consideration Shares).

Pursuant to Rule 13.36(2) of the Listing Rules, the Consideration Shares will be allotted and issued pursuant to the Specific Mandate proposed to be approved by the Independent Shareholders.

The Consideration Shares will rank pari passu in all respects with each other and with the other Shares of the Company then in issue.

The Issue Price

The Issue Price of HK\$0.25 per Consideration Share was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account, among others, the net asset value of HK\$1,126,218,000 based on the unaudited management accounts of Hao Tian Finance as of 31 March 2019, the prevailing market price of the Shares, the factors as stated in the paragraph headed "Reasons for and benefits of the Acquisition" and other market conditions.

The Issue Price represents:

- (a) a premium of approximately 11.6% over the closing price of HK\$0.224 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and
- (b) a premium of approximately 11.1% over the average of the closing price of HK\$0.225 per Share as quoted on the Stock Exchange for the last five consecutive trading days for the Shares immediately preceding the date of the Sale and Purchase Agreement.

The Consideration Shares will be issued pursuant to the Specific Mandate to be granted by the approval of the Shareholders.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

COMPLETION

Completion of the Acquisition shall take place within five business days after all the conditions precedent have been satisfied (or such other dates as the Vendor and the Purchaser may agree).

INFORMATION ON HAO TIAN FINANCE

Hao Tian Finance is a licensed money lender under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and is principally engaged in money lending.

According to the unaudited financial statements prepared in accordance with the generally accepted accounting standards of Hong Kong, the net asset value of Hao Tian Finance as at 31 March 2019 is approximately HK\$1,126,218,000. The audited financial information of Hao Tian Finance for the year ended 31 March 2018 and the unaudited financial information of Hao Tian Finance for the year ended 31 March 2019, which were prepared in accordance with the generally accepted accounting standards of Hong Kong is set out below:

	For the year ended 31 March 2018	For the year ended 31 March 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Audited)	(Unaudited)
Net profit before tax and extraordinary items	112,756	69,598
Net profit after tax and extraordinary items	98,325	63,250

The original acquisition cost paid by the Vendor for the acquisition of 16.53% equity interest in Hao Tian Finance was HK\$200,000,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As at the date of this announcement, the principal activities of the Group include: (i) money lending; (ii) securities investment; (iii) provision of commodities and securities brokerage service; (iv) rental and trading of construction machinery; (v) property leasing; and (vi) asset management. The Company expects that the recent tighter credit control imposed by commercial banks would increase the demand for money lending business. Hence, the Acquisition allows the Company to maximize the share of earnings in Hao Tian Finance. Furthermore, the consideration of the Acquisition to be satisfied by way of issue and allotment of the Consideration Shares would increase both the total assets and shareholders' equity of the Company, without actual cash outflow.

FINANCIAL EFFECT OF THE ACQUISITION

Hao Tian Finance is an indirect non wholly-owned subsidiary of the Company before the Acquisition of the Sale Shares. As at the date of this announcement, the Company indirectly owns approximately 83.47% of the entire issued share capital of Hao Tian Finance.

Immediately following completion of the Acquisition, Hao Tian Finance will become an indirect wholly-owned subsidiary of the Company and the financial results of Hao Tian Finance will continue to be consolidated into the financial statements of the Group.

INFORMATION ABOUT THE VENDOR AND THE PURCHASER

The Vendor is a company incorporated under the laws of the British Virgin Islands and is principally engaged in investment holding.

The Purchaser, a direct wholly-owned subsidiary of the Company, is a company incorporated under the laws of the British Virgin Islands and is principally engaged in investment holding.

VIEWS OF THE DIRECTORS

The Directors consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the Acquisition, no Director is required to abstain from voting on the relevant resolution of the Board approving the Acquisition.

EFFECT ON THE ISSUE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For reference and illustration purposes only, assuming 800,000,000 Consideration Shares will be allotted and issued pursuant to the Sale and Purchase Agreement and there is no other change in the shareholding structure of the Company, the following table illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Consideration Shares:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares (assuming that there is no other change in the existing shareholding of the Company)	
	No. of Shares	Approximate	No. of Shares	Approximate
		% (note 2)		% (note 3)
Li Shao Yu (note 1)	3,067,161,815	58.04%	3,067,161,815	50.41%
Directors	57,452,022	1.09%	57,452,022	0.94%
Public:	2,160,185,078	40.87%	2,160,185,078	35.50%
— China Animation Holding (BVI) Limited	372,585,332	7.05%	372,585,332	6.12%
— Others	1,787,599,746	33.82%	1,787,599,746	29.38%
Vendor	—	—	800,000,000	13.15%
Total	5,284,798,915	100%	6,084,798,915	100%

Notes:

1. Among the Shares held by Ms. Li Shao Yu, 3,061,584,773 Shares were held directly by Asia Link Capital Investment Holdings Limited (a company beneficially wholly-owned by Ms. Li Shao Yu and 5,577,042 Shares were held directly by Ms. Li Shao Yu.
2. The percentage figures are based on the number of Shares in issue as at the date of this announcement (i.e. 5,284,798,915 Shares) and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.
3. The percentage figures are based on the enlarged number of Shares in issue as a result of the allotment and issue of the Consideration Shares (i.e. 6,084,798,915 Shares) and is rounded to the nearest 2 decimal places. Numbers may not add up to 100% due to rounding.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is a Substantial Shareholder of a subsidiary of the Company and thus a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company. As the highest applicable percentage ratio (as defined under the Listing Rules) of the Acquisition exceeds 5% but is less than 25%, the Acquisition is subject to the reporting,

announcement, circular and Independent Shareholders' approval requirements under the Listing Rules. The Acquisition as contemplated under the Sale and Purchase Agreement also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

So far as the Company is aware, none of the Shareholders is materially interested in the Sale and Purchase Agreement and the transactions contemplated thereunder, and as such, no Shareholder is required to abstain from voting if a general meeting of the Company is convened to approve the Sale and Purchase Agreement and the allotment and issue of the Consideration Shares.

Written approval by Asia Link Capital Investment Holdings Limited ("**Asia Link**"), which holds 3,061,584,773 Shares (representing approximately 57.93% of the issued Shares) as at the date of this announcement, has been obtained by the Company for the purposes of approving the Sale and Purchase Agreement and the allotment and issue of the Consideration Shares, in lieu of an approval of the Shareholders at a general meeting. Pursuant to Rule 14A.37 of the Listing Rules, an application will be made by the Company to the Stock Exchange for a waiver from the requirements for the Company to convene a general meeting, on the basis that the Sale and Purchase Agreement and the allotment and issue of the Consideration Shares has been approved by the written approval of a Shareholder (i.e. Asia Link).

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. The Company has appointed Opus Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee to the Independent Shareholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder together with a notice convening the extraordinary general meeting (if any) is expected to be despatched to the Shareholders by no later than 29 July 2019. Further announcement will be published if there is delay in the despatch of the circular.

Details of the connected transactions of the Company will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 (stock code: 474)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	the ordinary shares in the capital of the Company proposed to be issued and allotted by the Company in accordance with the terms of the Sale and Purchase Agreement
“Directors”	the directors of the Company
“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 as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company whose members comprise all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder

“Independent Shareholders”	Shareholders other than the Vendor or its associates which are not required to abstain from voting at the extraordinary general meeting
“Issue Price”	the issue price of HK\$0.25 per Consideration Share
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Guo Guang Limited, a direct wholly-owned subsidiary of the Company and holding approximately 83.47% of the total issued share capital of Hao Tian Finance
“Sale and Purchase Agreement”	the sale and purchase agreement in respect of the Sale Shares dated 8 July 2019 entered into between the Vendor, the Purchaser and the Company
“Sale Shares”	200,000,000 ordinary shares in Hao Tian Finance, representing approximately 16.53% of the total issued share capital of Hao Tian Finance
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Specific Mandate”	the specific mandate for the allotment and issue of the Consideration Shares, which is subject to the approval by the Independent Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	has the meaning ascribed to it under the Listing Rules

“Vendor” Century Golden Resources Investment Co., Ltd., holding approximately 16.53% of the total issued share capital of Hao Tian Finance

“%” per cent

By order of the Board
Hao Tian Development Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 8 July 2019

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.