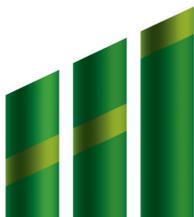


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昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

DISCLOSEABLE TRANSACTION: ACQUISITION OF SALE SHARES

ACQUISITION

The Board is pleased to announce that on 13 February 2019 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the Acquisition, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 13 February 2019 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor in relation to the Acquisition, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares for an aggregate consideration of HK\$80,776,500.

The principal terms of the Agreement are summarized below.

THE AGREEMENT

Date: 13 February 2019 (after trading hours of the Stock Exchange)

Parties: (1) Purchaser: Hao Tian Media & Culture Company Limited 昊天媒體文化有限公司, a wholly-owned subsidiary of the Company

(2) Vendor: China Animation Holding (BVI) Limited, a wholly-owned subsidiary of China Animation Characters Company Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its holding companies are Independent Third Parties.

Subject of the Acquisition

Pursuant to the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, representing 49% of the entire issued share capital of the Target Company upon Completion. Immediately before Completion, the Vendor is the legal and beneficial owner of the Sale Shares.

There is no restriction on the subsequent sale of the Sale Shares.

Consideration

The Consideration payable for the sale and purchase of the Sale Shares shall be HK\$80,776,500, which shall be satisfied by way of issue and allotment of the Consideration Shares under the General Mandate upon Completion.

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 of HK\$0.2168 per Consideration Share was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account, the net asset value of HK\$165,385,000 based on the unaudited management accounts as of 10 February 2019 and prospects of the Target Company, the prevailing market price of the Shares and the market circumstances.

The issue price represents:

- (a) a discount of approximately 1.45% over the closing price of HK\$0.22 per Share as quoted on the Stock Exchange on the date of the Agreement; and
- (b) a discount of approximately 2.69% over the average of the closing price of HK\$0.2228 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to the date immediately before the date of the Agreement.

The Consideration Shares will be issued pursuant to the General Mandate. As at the date of this announcement, the General Mandate has not been utilized.

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

Conditions Precedent

Completion of the Agreement is conditional upon the fulfilment of the following conditions:

- (a) the Purchaser having completed due diligence on the legal, financial, business and operation of the Target Company and its assets, and being and remaining satisfied with the same in all respects;
- (b) the warranties given by the Vendor under the Agreement remaining true and accurate in all respects;
- (c) the Purchaser and the Company having complied with all the requirements under the Listing Rules and applicable laws in connection with the entering into and performance of the Agreement;
- (d) the Stock Exchange having granted the listing of, and the permission to deal in, the Consideration Shares; and
- (e) no material adverse change having occurred since the execution of the Agreement.

In the event that the above conditions are not fulfilled (or waived as the case may be) on or before 15 March 2019 (or such later date as may be agreed between the Vendor and the Purchaser), the Agreement will be terminated without prejudice to the rights and remedies of a party in respect of antecedent breaches.

Completion

Completion shall take place within 3 Business Days after the fulfilment (or waiver as the case may be) of all the conditions precedent under the Agreement or such later date as the Purchaser and the Vendor may agree in writing.

INFORMATION OF THE TARGET COMPANY

As at the date of this announcement, the Target Company is a company newly incorporated on 22 November 2018 and is principally engaged in multimedia animation entertainment business, with primary focus on the development of licencing business. It holds the intellectual property rights of certain cartoon figures.

According to the unaudited management accounts of the Target Company prepared based on generally accepted accounting principles in Hong Kong, the profits before and after taxation of the Target Company from the date of its incorporation to 10 February 2019 and the net assets as at 10 February 2019 are summarized below:

	Period ended 10 February 2019 (unaudited) (HK\$)
Net profit before and after taxation	535,000
Net assets	165,385,000

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) retailing of men's and women's apparels. The Company intends to expand its business into the media, entertainment and culture industry through acquisitions and has been endeavouring in identifying and locating acquisition targets. It aims to acquire or create its own intellectual property rights in order to diversify its source of income. Given that the indirect majority shareholder of the Target Company, China Animation Characters Company Limited (which is also a company listed on the main board of the Stock Exchange), has established an extensive business network in this industry, the Directors consider that it is a precious opportunity for the Group to expand its business into the media, entertainment and culture industry.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

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

As at the date of this announcement, the Company had 4,898,037,804 Shares in issue. For reference and illustration purposes only, assuming 372,585,332 Consideration Shares will be allotted and issued pursuant to the 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 %
Li Shao Yu (<i>Note</i>)	3,017,325,815	61.60	3,017,325,815	57.25
All Directors	43,276,243	0.89	43,276,243	0.82
Vendor	—	—	372,585,332	7.07
Public	1,837,435,746	37.51	1,837,435,746	34.86
Total	4,898,037,804	100.00	5,270,623,136	100.00

Note:

Those Shares were held directly by Asia Link Capital Investment Holdings Limited (a company beneficially wholly-owned by Ms. Li Shao Yu) as to 3,011,748,773 Shares and by Ms. Li Shao Yu as to 5,577,042 Shares.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as calculated under Rule 14.06 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

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.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 13 February 2019 entered into among the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) in Hong Kong on which banks are open for general banking transactions in Hong Kong
“Company”	Hao Tian Development Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 474)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	a day within 3 Business Days after fulfilment of the conditions precedent, and in any event no later than 15 March 2019 or such later date as the Vendor and the Purchaser may agree in writing
“Consideration”	the aggregate consideration payable by the Purchaser to the Vendor for the Sale Shares, being HK\$80,776,500

“Consideration Shares”	the ordinary shares in the capital of the Company to be issued and allotted by the Company in accordance with the terms and conditions of the Agreement, each having the same rights and benefits as the other ordinary shares in the capital of the Company
“Directors”	the directors of the Company
“General Mandate”	the general mandate to issue shares granted by the Shareholders during the annual general meeting of the Company held on 18 September 2018
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Hao Tian Media & Culture Company Limited 昊天媒體文化有限公司, a limited company incorporated in the British Virgin Islands and the wholly-owned subsidiary of the Company
“Sale Shares”	10,290,000 shares of the Target Company, representing 49% of the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Grand Peaceful Global Limited 康盛環球有限公司, a limited company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by the Vendor as at the date of this announcement

“Vendor”

China Animation Holding (BVI) Limited, a limited company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by China Animation Characters Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1566)

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

Hong Kong, 13 February 2019

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