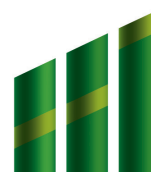


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in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

This joint announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of HTI Construction.



**HAO TIAN INTERNATIONAL
CONSTRUCTION INVESTMENT
GROUP LIMITED**

昊天國際建設投資集團有限公司

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

(Stock Code: 1341)

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)

JOINT ANNOUNCEMENT

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF ONE RIGHTS
SHARE FOR EVERY TWO SHARES
HELD ON THE RECORD DATE**

**POSSIBLE DISCLOSEABLE
TRANSACTION IN RELATION
TO THE SUBSCRIPTION OF RIGHTS
SHARES COMPRISING THE FULL
ACCEPTANCE OF PROVISIONAL
ENTITLEMENT FOR RIGHTS SHARES
UNDER THE IRREVOCABLE
UNDERTAKING AND
THE UNDERWRITING OF THE
PROPOSED RIGHTS ISSUE**

Underwriter to the Rights Issue

Hao Tian Management (China) Limited

PROPOSED RIGHTS ISSUE

The board of HTI Construction proposes to implement the Rights Issue on the basis of one Rights Share for every two Shares held on the Record Date at the Subscription Price of HK\$0.15 per Rights Share. HTI Construction will provisionally allot to the Qualifying Shareholders one Rights Share in nil-paid form for every two Shares in issue and held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

HTI Construction will raise proceeds of approximately HK\$180 million before expenses (assuming that there is no change in the number of issued Shares on or before the Record Date) by way of the issue of 1,200,000,000 Rights Shares.

Irrevocable Undertaking

As at the date of this joint announcement, HTM (China), an indirect wholly-owned subsidiary of HTD, is interested in an aggregate of 1,500,000,000 Shares, representing 62.50% of the existing issued Shares. Pursuant to the Irrevocable Undertaking, HTM (China) has irrevocably undertaken to HTI Construction, among other things, that it will remain as the beneficial owner of such Shares until and including the Record Date and will take up a total of 750,000,000 Rights Shares, representing its full entitlement to the new Shares under the Rights Issue.

Underwriting Agreement

The Rights Issue is fully underwritten by HTM (China). Pursuant to the Underwriting Agreement, HTM (China) has conditionally agreed to fully underwrite all the Rights Shares (other than those agreed to be taken up by HTM (China) pursuant to the Irrevocable Undertaking) and subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfilment of the conditions precedent contained therein. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in this joint announcement.

IMPLICATIONS UNDER THE LISTING RULES

HTI Construction

As the Rights Issue will not increase the issued share capital of HTI Construction nor the market capitalisation of HTI Construction by more than 50%, the Rights Issue is not required to be conditional on approval by the Shareholders under Rule 7.09(6) of the Listing Rules.

HTM (China) is the controlling shareholder of HTI Construction and is therefore a connected person of HTI Construction under Chapter 14A of the Listing Rules. Accordingly, the Underwriting Agreement and the transactions contemplated thereunder constitute a connected transaction of HTI Construction under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of entitlement to the Rights Issue by HTM (China) as Qualifying Shareholder and subscription for the Rights Shares in excess of its entitlement under the Rights Issue (if applicable) are exempt from the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, the underwriting of the Rights Issue by HTM (China) as the underwriter contemplated under the Underwriting Agreement is exempt from the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules provided that there is an arrangement for the Qualifying Shareholders to apply for the excess Rights Shares in compliance with Rule 7.21(1) of the Listing rules.

HTD

As described in the paragraph headed “Proposed Rights Issue — Irrevocable Undertaking” above, HTM (China), an indirect wholly-owned subsidiary of HTD, has irrevocably undertaken to HTI Construction, among other things, that it will remain as the beneficial owner of such Shares until and including the Record Date and will take up a total of 750,000,000 Rights Shares, representing its full entitlement to the new Shares under the Rights Issue.

Pursuant to the Underwriting Agreement, HTM (China) has conditionally agreed to fully underwrite the Underwritten Shares. Assuming that no Qualifying Shareholders (other than HTM (China)) applies for their provisional allotments of the Rights Shares and excess Rights Shares, HTM (China) will be called upon to take up the Underwritten Shares in full pursuant to its obligations under the Underwriting Agreement and the aggregate shareholding interest of HTM (China) and parties acting in concert with it would increase from 62.50% (i.e. the shareholding interest as at the date of this joint announcement) to 75% of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately after Completion (assuming that there is no other change in the number of issued Shares on or before the Record Date).

If this occurs, the applicable percentage ratios (as defined under the Listing Rules) for HTD in respect of HTM (China) subscribing for the Underwritten Shares (i.e. not more than 450,000,000 Rights Shares under the Underwriting Agreement) and the commitment of HTM (China) to subscribe for 750,000,000 Rights Shares pursuant to the Irrevocable Undertaking exceed 5% but are less than 25%. The transactions contemplated under the Irrevocable Undertaking and the Underwriting Agreement constitute a possible discloseable transaction of HTD under the Listing Rules, and would therefore be subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfilment of the conditions set out under the paragraph headed “The Underwriting Agreement — Conditions of the Rights Issue” of this joint announcement. Accordingly, the Rights Issue may or may not proceed.

The last day for dealing in the Shares on a cum-rights basis is expected to be Thursday, 5 July 2018. The Shares are expected to be dealt in on an ex-rights basis from Friday, 6 July 2018. The Rights Shares are expected to be dealt in their nil-paid form from Thursday, 19 July 2018 to Friday, 27 July 2018 (both days inclusive).

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Thursday, 19 July 2018 to Friday, 27 July 2018 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of HTI Construction.

PROPOSED RIGHTS ISSUE

The board of HTI Construction proposes to implement the Rights Issue. Details of the Rights Issue are summarised below:

Issue Statistics

Basis of the Rights Issue	:	One Rights Share for every two Shares held on the Record Date
Subscription Price	:	HK\$0.15 per Rights Share
Number of Shares in issue as at the date of this joint announcement	:	2,400,000,000 Shares
Number of Rights Shares	:	1,200,000,000 Rights Shares (assuming that there is no change in the number of issued Shares on or before the Record Date)
Number of the enlarged Shares in issue upon Completion	:	3,600,000,000 Shares (assuming that no new Shares (other than the Rights Shares) are allotted and issued on or before Completion)
Amount to be raised	:	Approximately HK\$180 million before expenses
Right of excess application	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment
Underwriter	:	HTM (China)

HTI Construction has no outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the date of this joint announcement.

Assuming that there is no change in the number of issued Shares on or before the Record Date, the 1,200,000,000 Rights Shares to be issued pursuant to the Rights Issue represent:

- (a) 50.00% of the existing issued Shares; and
- (b) approximately 33.33% of the enlarged issued Shares immediately after Completion.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be:

1. registered as a member of HTI Construction at the close of business on the Record Date; and
2. a Qualifying Shareholder.

The last day of dealings in the Shares on a cum-rights basis is expected to be on Thursday, 5 July 2018. The Shares are expected to be dealt in on an ex-rights basis from Friday, 6 July 2018.

HTI Construction expects to send the Prospectus Documents to the Qualifying Shareholders on or before Tuesday, 17 July 2018.

The latest time for acceptance is expected to be 4:00 p.m. on the Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in HTI Construction (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his entitlement in full under the Rights Issue, his proportionate shareholding in HTI Construction will be diluted.

Closure of register of members

The register of members of HTI Construction will be closed from Tuesday, 10 July 2018 to Monday, 16 July 2018, both days inclusive for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Rights of Non-Qualifying Shareholders

Overseas Shareholders on the Record Date may not be eligible to take part in the Rights Issue as explained below.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the Listing Rules, HTI Construction will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the HTI Construction Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders

on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or the stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders pursuant to Rule 13.36(2)(a) of the Listing Rules. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable.

HTI Construction will, subject to the advice given in the legal opinions provided by HTI Construction's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but HTI Construction will not send any PAL and EAF to the Non-Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the Acceptance Date, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, if more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. HTI Construction will retain individual amounts of HK\$100 or less for the benefit of HTI Construction.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the HTI Construction Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. HTI Construction reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.15 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 29.6% to the closing price of HK\$0.213 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 9.9% to the theoretical ex-rights price of approximately HK\$0.192 per Share, based on the closing price of HK\$0.213 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 32.4% to the average closing price of HK\$0.222 per Share for the five consecutive trading days ended on the Last Trading Day;

- (d) a discount of approximately 33.9% to the average closing price of HK\$0.227 per Share for the ten consecutive trading days ended on the Last Trading Day; and
- (e) a premium of approximately 2.0% over the unaudited net asset value per Share of approximately HK\$0.147 based on the audited net asset value of HTI Construction attributable to equity holders of HTI Construction and the then number of issued Shares in issue as at 31 March 2018.

The Subscription Price was arrived at with reference to the then market environment and the prevailing Share prices. After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and use of proceeds” below, the HTI Construction Directors consider the terms of the Rights Issue, including the Subscription Price and in the context of HTI Construction’s long-term business strategy, to be fair and reasonable and in the interests of HTI Construction and the Shareholders as a whole. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.148.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every two Shares in issue and held on the Record Date, being 1,200,000,000 Rights Shares (assuming that there is no change in the number of issued Shares on or before the Record Date), at the Subscription Price of HK\$0.15 per Rights Share.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker’s cashier order for the Rights Shares being applied for with the Registrar by 4:00 p.m. on the Acceptance Date.

Fractional Entitlements to Rights Shares

HTI Construction will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. No odd lot matching services will be provided. Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the HTI Construction Directors in their absolute discretion deem appropriate and for the benefits and interests of HTI Construction and more particularly described in the paragraph headed “Proposed Rights Issue — Application for excess Rights Shares” below.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for:

- (a) any Rights Shares representing fractional entitlements;
- (b) any Rights Shares provisionally allotted but not accepted; and
- (c) any Rights Shares representing any unsold entitlements of the Non-Qualifying Shareholders.

Applications for excess Rights Shares may be made by completing the EAFs and lodging the same with a separate cheque or banker's cashier order for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar by 4:00 p.m. on Wednesday, 1 August 2018, or such later time and/or date as may be agreed between HTI Construction and the Underwriter.

The HTI Construction Directors will allocate the excess Rights Shares at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No preference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders. No preference will be given to applications to topping up odd lot holdings to whole lot holdings. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter.

Shareholders with Shares held by a nominee company (or which are held in CCASS) should note that the HTI Construction Directors will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of HTI Construction. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are therefore advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date for the purpose of the Rights Issue.

Shareholders whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of HTI Construction, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Monday, 9 July 2018.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue as set out in the paragraph headed "The Underwriting Agreement — Conditions of the Rights Issue" below, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Thursday, 9 August 2018. Refund cheques in

respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Thursday, 9 August 2018 by ordinary post to the applicants at their own risk.

Application for Listing

HTI Construction will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be allotted and issued pursuant to the Rights Issue. The nil-paid Rights Shares shall have the board lot size of 8,000 nil-paid Rights Shares in one board lot, same as the existing board lot size of the Shares, namely 8,000 Shares in one board lot.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of HTI Construction in Hong Kong will be subject to the payment of stamp duty and other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

IRREVOCABLE UNDERTAKING FROM HTM (CHINA)

As at the date of this joint announcement, HTM (China), an indirect wholly-owned subsidiary of HTD, is interested in an aggregate of 1,500,000,000 Shares, representing approximately 62.50% of the existing issued Shares. Pursuant to the Irrevocable Undertaking, HTM (China) has irrevocably undertaken to HTI Construction, among other

things, that it will remain as the beneficial owner of such Shares until and including the Record Date and will take up a total of 750,000,000 Rights Shares, representing its full entitlement to the new Shares under the Rights Issue.

Save for the Irrevocable Undertaking which provides for irrevocable commitments to accept its entitlement of the Rights Shares under the Rights Issue, HTI Construction has not received any irrevocable commitments from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

THE UNDERWRITING AGREEMENT

On 25 June 2018 (after trading hours), HTI Construction and HTM (China) entered into the Underwriting Agreement in respect of the underwriting arrangement for the proposed Rights Issue.

The principal terms of the Underwriting Agreement are set out as follows:

Date : 25 June 2018

Parties : (i) HTI Construction (as the issuer); and
(ii) HTM (China) (as the Underwriter).

HTM (China) is a company incorporated in Hong Kong and is an investment holding company, being an indirect wholly-owned subsidiary of HTD. As at the date of this joint announcement, HTM (China) is interested in an aggregate of 1,500,000,000 Shares, representing 62.50% of the Shares in issue. HTM (China) does not underwrite securities in its ordinary course of business.

Number of Underwritten Shares : 450,000,000 Rights Shares, being the difference between the total number of Rights Shares and the aggregate of 750,000,000 Rights Shares undertaken to be subscribed by HTM (China) pursuant to the Irrevocable Undertaking, subject to the terms and conditions of the Underwriting Agreement.

Underwriter's commission : no commission will be paid to the Underwriter under the Underwriting Agreement.

The Underwriter has conditionally agreed to fully underwrite the difference between the total number of Rights Shares and the aggregate of 750,000,000 Rights Shares undertaken to be subscribed by HTM (China) pursuant to the Irrevocable Undertaking. The number of Rights Shares to be underwritten by the Underwriter will be 450,000,000 Rights Shares, representing approximately 12.50% of the issued share capital of HTI Construction as enlarged by the issue of the said Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, the fulfillment (or waiver, if permitted by the terms of the Underwriting Agreement) of the following conditions:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong, respectively one copy of each of the Prospectus Documents duly signed by two HTI Construction Directors (or their agents duly authorised in writing) in accordance with Section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the HTI Construction Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance and the Companies (WUMP) Ordinance not later than the Posting Date;
- (b) following registration with the Registrar of Companies in Hong Kong, the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purposes only and the publication of the Prospectus Documents on the website of the Stock Exchange, on or before the Posting Date;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and the permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;
- (d) compliance with and performance of all the obligations of the Underwriter under the Irrevocable Undertaking; and
- (e) the Underwriting Agreement not having terminated in accordance with its terms.

The conditions above are incapable of being waived. If the conditions are not satisfied in whole by the Latest Time for Termination (or such other time and date as stipulated above) or such other time and/or date as HTI Construction and the Underwriter may agree in writing, the Underwriting Agreement will terminate and cease to be of further effect and no party may claim against the other party for costs, damages, compensation or otherwise, save for any antecedent breaches.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the HTI Construction Group as a whole or is materially adverse in the context of the Rights Issue; or

- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the HTI Construction Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) any change in the circumstances of HTI Construction or any member of the HTI Construction Group occurs which in the absolute opinion of the Underwriter will adversely affect the prospects of HTI Construction, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the HTI Construction Group or the destruction of any material asset of the HTI Construction Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lockout which, in the absolute opinion of the Underwriter, is likely to materially and adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the HTI Construction Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing; or
- (vi) any matter occurs which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or HTI Construction's securities on the Stock Exchange for a period of more than 15 consecutive business days occurs, excluding any halt or suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue; or
- (viii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to HTI Construction, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement. The Underwriter will also be entitled by notice in writing to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

If prior to the Latest Time for Termination, any such notice as referred to above is given by the Underwriter, the obligations of the parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

IMPLICATIONS UNDER THE LISTING RULES

HTI Construction

As the Rights Issue will not increase the issued share capital of HTI Construction nor the market capitalisation of HTI Construction by more than 50%, the Rights Issue is not required to be conditional on approval by the Shareholders under Rule 7.09(6) of the Listing Rules.

HTM (China) is the controlling shareholder of HTI Construction and is therefore a connected person of HTI Construction under Chapter 14A of the Listing Rules. Accordingly, the Underwriting Agreement and the transactions contemplated thereunder constitute a connected transaction of HTI Construction under Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, the taking up of entitlement to the Rights Issue by HTM (China) as Qualifying Shareholder and subscription for the Rights Shares in excess of its entitlement under the Rights Issue (if applicable) are exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, the underwriting of the Rights Issue by HTM (China) as the underwriter contemplated under the Underwriting Agreement is exempt from the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules provided that there is an arrangement for the Qualifying Shareholders to apply for the excess Rights Shares in compliance with Rule 7.21(1) of the Listing rules.

HTD

As described in the paragraph headed "Proposed Rights Issue — Irrevocable Undertaking" above, HTM (China), an indirect wholly-owned subsidiary of HTD, has irrevocably undertaken to HTI Construction, among other things, that it will remain as the beneficial owner of such Shares until and including the Record Date and will take up a total of 750,000,000 Rights Shares, representing its full entitlement to the new Shares under the Rights Issue.

Pursuant to the Underwriting Agreement, HTM (China) has conditionally agreed to fully underwrite the Underwritten Shares. Assuming that no Qualifying Shareholders (other than HTM (China)) applies for their provisional allotments of the Rights Shares and excess Rights Shares, HTM (China) will be called upon to take up the Underwritten Shares in full pursuant to its obligations under the Underwriting Agreement and the aggregate shareholding interest of HTM (China) and parties acting in concert with it would increase from 62.50% (i.e. the shareholding interest as at the date of this joint announcement) to 75% of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately after Completion (assuming that there is no other change in the number of issued Shares on or before the Record Date).

If this occurs, the applicable percentage ratios (as defined under the Listing Rules) for HTD in respect of HTM (China) subscribing for the Underwritten Shares (i.e. not more than 450,000,000 Rights Shares under the Underwriting Agreement) and the commitment of HTM (China) to subscribe for 750,000,000 Rights Shares pursuant to the Irrevocable Undertaking exceed 5% but are less than 25%. The transactions contemplated under the Irrevocable Undertaking and the Underwriting Agreement constitute a possible discloseable transaction of HTD under the Listing Rules, and are therefore subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

(a) Reasons for and benefits of the Irrevocable Undertaking and the Underwriting Agreement

In addition to the reasons set out in the section headed “Reasons for the Rights Issue and Use of Proceeds” in this joint announcement, the underwriting of the proposed Rights Issue together with the provision of the Irrevocable Undertaking is expected to provide HTD Group with a valuable opportunity to enjoy future investment returns from its shareholding in HTI Construction, and ensure that the Rights Shares are fully subscribed for. HTD Group will finance the subscription of the Rights Shares by its internal resources.

Taking into consideration the above reasons, the HTD Directors consider that the terms and conditions of the Irrevocable Undertaking and the Underwriting Agreement (including the subscription price of the Rights Shares) are fair and reasonable, and are in the best interests of HTD Group and the shareholders of HTD Group as a whole.

(b) Financial information of HTI Construction

The following information is extracted from the audited financial statements of HTI Construction for the two financial years ended 31 March 2017 and 31 March 2018:

	For the year ended 31 March 2017 HK\$'000 (audited)	For the year ended 31 March 2018 HK\$'000 (audited)
Profit (loss) before income tax	920	(15,925)
Profit (loss) for the year	307	(12,526)

As at 31 March 2018, the audited net asset value of HTI Construction attributable to equity holders of HTI Construction is approximately HK\$352,740,000, and the unaudited net asset value per Share attributable to equity holders of HTI Construction is approximately HK\$0.147.

EXPECTED TIMETABLE

The expected timetable of the Rights Issue is as follows:

Event	Date 2018
Publication of the rights issue announcement	Monday, 25 June
Last day of dealings in Shares on a cum-rights basis	Thursday, 5 July
First day of dealings in the Shares on an ex-rights basis.....	Friday, 6 July
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue.....	4:30 p.m. on Monday, 9 July
Register of members closes (both dates inclusive)	Tuesday, 10 July to Monday, 16 July
Record Date	Monday, 16 July
Register of members re-opens	Tuesday, 17 July
Prospectus Documents expected to be despatched.....	Tuesday, 17 July
First day of dealings in nil-paid Rights Shares.....	Thursday, 19 July
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Tuesday, 24 July
Last day of dealings in nil-paid Rights Shares	Friday, 27 July
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares.....	4:00 p.m. on Wednesday, 1 August
Latest time for termination of the Underwriting Agreement.....	4:00 p.m. on Thursday, 2 August
Publication of the announcement of allotment results	Wednesday, 8 August
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before	Thursday, 9 August

Event	Date 2018
--------------	----------------------

Certificates for fully-paid Rights Shares expected to be
despatched on or before Thursday, 9 August

Expected first day of dealings in fully-paid Rights Shares 9:00 a.m. on Friday,
10 August

All dates and times in this joint announcement refer to Hong Kong dates and times.

HTI Construction will make further announcement(s) if there is any change to the above timetable. Dates or deadlines specified in this joint announcement for events in the above timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by HTI Construction. Any changes to the anticipated timetable for the Rights Issue, if required, will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF HTI CONSTRUCTION

For illustration purpose only, set out below is the shareholding structure of HTI Construction as at the date of this joint announcement, and the effect on the shareholding structure of HTI Construction upon Completion in the manner contemplated under the Underwriting Agreement as set out below:

	As at the date of this joint announcement		Immediately after completion of the Rights Issue			
			All Rights Shares are subscribed by the Qualifying Shareholders		None of the Rights Shares are subscribed by the Qualifying Shareholders (except for the Underwriter) (Notes 1 & 2)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Shareholders:						
HTM (China) and parties acting in concert with it (Note 3)	1,500,000,000	62.50	2,250,000,000	62.50	2,700,000,000	75.00
Other public Shareholders	<u>900,000,000</u>	<u>37.50</u>	<u>1,350,000,000</u>	<u>37.50</u>	<u>900,000,000</u>	<u>25.00</u>
Total	<u>2,400,000,000</u>	<u>100.00</u>	<u>3,600,000,000</u>	<u>100.00</u>	<u>3,600,000,000</u>	<u>100.00</u>

Notes:

1. **The above scenario is for illustrative purpose only and will unlikely occur.**
2. The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.
3. The 1,500,000,000 Shares are held by HTM (China), which is directly wholly owned by Win Team Investments Limited which is directly wholly owned by HTD, which is owned as to 61.49% by Asia Link Capital Investment Holdings Limited, which is directly wholly owned by Li Shao Yu.

REASONS FOR THE RIGHTS ISSUE AND PROPOSED USE OF PROCEEDS

HTI Construction Group is principally engaged in rental of construction machinery, trading of construction machinery and spare parts, and provision of machinery transportation services mainly in Hong Kong.

The gross proceeds from the Rights Issue will be approximately HK\$180 million (assuming that there is no change in the number of issued Shares on or before the Record Date). The estimated net proceeds from the Rights Issue will be approximately HK\$178 million (assuming that there is no change in the number of issued Shares on or before the Record Date), which are intended to be used in the following manner:

- (i) approximately HK\$142.4 million (representing 80% of the estimated net proceeds from the Rights Issue) will be applied for money lending business or relevant acquisition(s);
- (ii) approximately HK\$17.8 million (representing 10% of the estimated net proceeds from the Rights Issue) will be applied for financial services and securities business; and
- (iii) the remaining proceeds (representing 10% of the estimated net proceeds from the Rights Issue) will be applied for general working capital.

The estimated expenses of the Rights Issue (including professional fees and other related expenses) amount to approximately HK\$2 million and will be borne by HTI Construction.

After careful consideration, the HTI Construction Directors consider that the Rights Issue is in the interests of HTI Construction and the Shareholders as a whole. The Rights Issue will provide a good opportunity for HTI Construction to raise funds to strengthen its capital base and improve its financial position, so that HTI Construction will be in a better position to capture more business and investment opportunities.

On 28 March 2018, HTI Construction entered into a share and purchase agreement with HTD, pursuant to which the HTI Construction Group has conditionally agreed to acquire and HTD has conditionally agreed to sell all the issued shares in Hao Tian International Financial Holdings Limited (昊天國際金融控股有限公司) which, through its subsidiaries, carries out SFC licensed businesses including Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 9 (asset management), as well as general insurance business and long term (including linked long term) insurance with the membership of the Hong Kong Confederation of Insurance Brokers and a money lenders licensed business at the total consideration of HK\$200,000,000 (the “**Acquisition**”). The HTI Construction Directors consider that the Acquisition, if materialises, would allow the HTI Construction Group to

develop a new line of business in the financial service sector and diversify the business of the Group, which would broaden the HTI Construction Group's range of business and source of income and would potentially increase its revenue and enhance its financial performance. Details of the Acquisition have been disclosed in the announcement of HTI Construction dated 28 March 2018.

The HTI Construction Directors believe that the completion of the Rights Issue would equip the HTI Construction Group with strengthened financial resources to further develop the aforesaid new business lines and explore further potential acquisitions, and this will be conducive to the future development and expansion of the HTI Construction Group, thereby increasing the shareholders' value. In view of the aforesaid, the HTI Construction Directors consider that the terms and conditions of the Rights Issue to be fair and reasonable and are in the best interests of HTI Construction and its Shareholders as a whole.

Comparison of different fund raising methods

HTI Construction has considered various fund raising alternatives including but not limited to borrowing, issuance of debt securities and equity financing such as placing of new Shares when compared to the Rights Issue. The HTI Construction Directors are of the view that additional debt financing would incur additional interest expenses to be borne by the HTI Construction Group and further increase the HTI Construction Group's gearing ratio.

With respect to placing of new Shares, it is a common market practice to conduct such activity on a best-effort basis and accordingly the amount to be raised would be uncertain and subject to the then market conditions. In addition, placing of new Shares would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlargement of the capital base of HTI Construction, whereas the Rights Issue is advantageous in the sense that it provides all Qualifying Shareholders with opportunities to maintain their respective pro-rata shareholdings in HTI Construction and participate in the future development of the HTI Construction Group.

Having considered the above factors, the HTI Construction Directors are of the view that the Rights Issue is the most viable method for fund raising. Further, the Rights Issue is fully underwritten by HTM (China), the controlling shareholder of HTI Construction, which demonstrates its strong support of and confidence in the future business development of HTI Construction.

EQUITY FUND RAISING EXERCISE OF HTI CONSTRUCTION IN THE PAST 12 MONTHS

HTI Construction has not conducted any other equity fund raising exercise in the past twelve months immediately prior to the date of this announcement.

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional, inter alia, upon the fulfilment of the conditions set out under the paragraph headed “The Underwriting Agreement — Conditions of the Rights Issue” of this joint announcement. Accordingly, the Rights Issue may or may not proceed.

The last day for dealing in the Shares on a cum-rights basis is expected to be Thursday, 5 July 2018. The Shares are expected to be dealt in on an ex-rights basis from Friday, 6 July 2018. The Rights Shares are expected to be dealt in their nil-paid form from Thursday, 19 July 2018 to Friday, 27 July 2018 (both days inclusive).

Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Thursday, 19 July 2018 to Friday, 27 July 2018 will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of HTI Construction.

DEFINITIONS

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

“Acceptance Date”	the last business day on which acceptance of, and payment for, the Rights Shares can be made under the Rights Issue, which shall be Wednesday, 1 August 2018 or such later date as may be agreed in writing between HTI Construction and HTM (China);
“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“business day(s)”	means: (i) for the purposes of the Underwriting Agreement, any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours; and (ii) for all other purposes, a day on which the Stock Exchange is open for the transaction of business;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);
“Completion”	completion of the Rights Issue;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for excess Rights Shares, being in such usual form as may be agreed between HTI Construction and the Underwriter;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HTD”	Hao Tian Development Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 474);
“HTD Directors”	the directors of HTD;
“HTD Group”	HTD and its subsidiaries;
“HTI Construction”	Hao Tian International Construction Investment Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1341);
“HTI Construction Directors”	the directors of HTI Construction;
“HTI Construction Group”	HTI Construction and its subsidiaries;
“HTM (China)” or “Underwriter”	Hao Tian Management (China) Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of HTD;

“Independent Shareholder(s)”	Shareholders other than (i) HTM (China) and parties acting in concert with it ; and (ii) those who are involved or interested in the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
“Irrevocable Undertaking”	an irrevocable undertaking dated 25 June 2018 granted by HTM (China) in favour of HTI Construction;
“Last Trading Day”	Friday, 22 June 2018, being the date of the Underwriting Agreement and the last trading day for the Shares on the Stock Exchange prior to the release of this joint announcement;
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 1 August 2018, or such later time or date as may be agreed between the Underwriter and HTI Construction in writing, being the latest time for acceptance of, and payment for, the Rights Shares;
“Latest Time for Termination”	4:00 p.m. on Thursday, 2 August 2018 or such later time or date as may be agreed between the Underwriter and HTI Construction in writing, being the latest time that the Underwriter can terminate the Underwriting Agreement;
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) to whom the HTI Construction Directors, based on legal opinions provided by HTI Construction’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of HTI Construction at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong;
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue;
“Posting Date”	Tuesday, 17 July 2018 or such other date as the Underwriter may agree in writing with HTI Construction, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders;

“PRC”	the People’s Republic of China;
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue;
“Prospectus Documents”	the Prospectus, PAL(s) and EAF(s);
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of HTI Construction on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	Monday, 16 July 2018 (or such other date as the Underwriter may agree in writing with HTI Construction), as the date by reference to which entitlements to the Rights Issue are expected to be determined;
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one Rights Share for every two Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents;
“Rights Share(s)”	new Share(s) to be issued and allotted under the Rights Issue, being 1,200,000,000 new Shares;
“Registrar”	the branch share registrar of HTI Construction in Hong Kong, being Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of HTI Construction;
“Shareholder(s)”	holder(s) of Share(s);
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	HK\$0.15 per Rights Share;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;

“Underwriting Agreement”	the underwriting agreement dated 25 June 2018 entered into between HTI Construction and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue;
“Underwritten Shares”	450,000,000 Rights Shares, being the difference between the total number of Rights Shares and the aggregate of 750,000,000 Rights Shares undertaken to be subscribed by HTM (China) pursuant to the Irrevocable Undertaking;
“%” or “per cent.”	percentage or per centum

By order of the board of directors of
**Hao Tian International Construction
Investment Group Limited**
Fok Chi Tak
Executive Director

By order of the board of directors of
Hao Tian Development Group Limited
Xu Hai Ying
Executive Director

Hong Kong, 25 June 2018

As at the date of this joint announcement, Mr. Fok Chi Tak, Mr. Tang Yiu Chi James and Dr. Zhiliang Ou, J.P. (Australia) are the executive HTI Construction Directors; and Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot are the independent non-executive HTI Construction Directors.

The HTI Construction Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to HTI Construction and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the HTD Directors) have been arrived at upon due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, Mr. Xu Hai Ying, Dr. Zhiliang Ou, J.P. (Australia) and Mr. Fok Chi Tak are the executive HTD Directors; and Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Lee Chi Hwa, Joshua are the independent non-executive HTD Directors.

The HTD jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to HTI Construction) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the HTI Construction Directors) have been arrived at upon due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.