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If you have sold or transferred all your shares in **HAO TIAN INTERNATIONAL CONSTRUCTION INVESTMENT GROUP LIMITED**, you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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

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)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF SALE SHARES IN THE TARGET COMPANY INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from Opus Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 47 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Room 2702, 27/F., The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong, on Monday, 11 February 2019 at 10:30 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the extraordinary general meeting (i.e. not later than 10:30 a.m. on Saturday, 9 February 2019 (Hong Kong Time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

17 January 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the SP Agreement
“Announcement”	the announcement issued by the Company on 17 December 2018 in relation to, among other things, the SP Agreement, the Acquisition and the transactions contemplated thereunder
“Applicable Laws”	any constitutions, enactments, ordinances, regulations, orders, notices, judgments, common law, treaties and any other legislations or laws of any relevant jurisdictions
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Company”	Hao Tian International Construction Investment Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1341)
“Completion”	the completion of the Acquisition in accordance with the terms of the SP Agreement
“Completion Date”	the date on which Completion is to take place, which shall be on or before the fifth (5th) Business Day after the last outstanding condition (other than the conditions which can only be fulfilled upon Completion) shall have been fulfilled or waived, or such other date as agreed by the Purchaser and the Vendor in writing
“Condition(s)”	the condition(s) precedent to Completion set out in the SP Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration Share Price”	HK\$0.36 per Consideration Share

DEFINITIONS

“Consideration Shares”	550,000,000 ordinary shares to be issued at HK\$0.36 per share by the Company to the Vendor or its nominee(s)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company for the purpose of considering, and if thought fit, approving, among other things, the SP Agreement and the transactions contemplated thereunder, including (but not limited to) the allotment and issue of Consideration Shares under the Specific Mandate
“Group”	the Company and its subsidiaries
“Hao Tian Development”	Hao Tian Development Group Limited, an exempted company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 474), which is an indirect controlling shareholder of the Company
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot, both independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the Acquisition
“Independent Shareholder(s)”	Shareholder(s) other than Hao Tian Development, its associates and those required to abstain from voting of the resolution at the EGM under the Listing Rules
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Latest Practicable Date”	15 January 2019

DEFINITIONS

“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	17 June 2019, being the date falling six (6) months after the date of the SP Agreement, or another date as agreed by the Vendor and the Purchaser in writing
“Opus Capital” or “Independent Financial Adviser”	Opus Capital Limited, a corporation licensed by the Securities and Futures Commission 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 by the Board and approved by the Independent Board Committee for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the SP Agreement and the transactions contemplated thereunder, including the Specific Mandate
“PRC”	the People’s Republic of China and for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisition”	the acquisition of the entire issued share capital of Hao Tian International Financial Holdings Limited (昊天國際金融控股有限公司) by Solution Pro Investments Limited (as purchaser) from Hao Tian Development (as vendor), which was completed on 13 December 2018, and the details of which were disclosed in the circular of the Company dated 10 August 2018
“Purchaser”	Glory Century Limited (豪翔有限公司), a company duly incorporated under the laws of Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Sale Shares”	the 990,000,000 ordinary shares in the Target Company held by the Vendor, representing approximately 4.05% of the issued share capital of the Target Company as at the Latest Practicable Date
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholders”	the shareholders of the Company
“SP Agreement”	the sale and purchase agreement dated 17 December 2018 entered into between the Purchaser, the Vendor and the Company in respect of the Acquisition
“Specific Mandate”	the specific mandate for the allotment and issue of the Consideration Shares, which is subject to the approval by the Independent Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	China Shandong Hi-Speed Financial Group Limited (中國山東高速金融集團有限公司), a company duly incorporated under the laws of Bermuda and whose issued shares are listed on the Stock Exchange (stock code: 412)
“Target Company Share”	ordinary shares in the Target Company
“Target Group”	collectively, the Target Company and its subsidiaries
“Total Consideration”	HK\$198,000,000
“Vendor”	Hao Tian Management (Hong Kong) Limited, a company duly incorporated under the laws of Hong Kong with limited liability, and an indirect non-wholly owned subsidiary of Hao Tian Development
“%”	per cent

LETTER FROM THE BOARD

**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)

Executive Directors:

Mr. Fok Chi Tak

Mr. Tang Yiu Chi James

Dr. Zhiliang Ou, *J.P., (Australia)*

Independent Non-executive Directors:

Mr. Lee Chi Hua Joshua

Mr. Mak Yiu Tong

Mr. Li Chi Keung Eliot

Registered office:

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman, KY1-1108

Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Room 4917-4932

49/F, Sun Hung Kai Centre

30 Harbour Road

Wan Chai, Hong Kong

17 January 2019

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF SALE SHARES IN THE TARGET COMPANY
INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

As disclosed in the Announcement, the Purchaser, the Vendor and the Company entered into the SP Agreement in relation to the Acquisition, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares representing approximately 4.05% of the issued share capital of the Target Company, at the Total Consideration, being HK\$198,000,000, which will be satisfied in full by the allotment and issue of the Consideration Shares by the Company to the Vendor at the Consideration Share Price upon Completion.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details on the Acquisition; (ii) the recommendation of the Independent Board Committee in relation to the Acquisition; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) the unaudited pro forma financial information of the Group; and (v) the notice of the EGM to be convened for the purpose of considering and approving the SP Agreement and the transactions contemplated thereunder.

THE SP AGREEMENT

Principal terms of the SP Agreement are set out below:

Date: 17 December 2018 (after trading hours)

Parties: (i) Glory Century Limited, as purchaser;
(ii) Hao Tian Management (Hong Kong) Limited, as vendor; and
(iii) Hao Tian International Construction Investment Group Limited

Subject matter

Pursuant to the SP Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Total Consideration. The Sale Shares represent approximately 4.05% of the issued share capital of the Target Company. There is no restriction which applies to the subsequent sale of the Sale Shares.

Further information of the Target Company and its subsidiaries is set out in the paragraph headed “Information of the Target Group” below.

Consideration

Pursuant to the SP Agreement, the Total Consideration payable to the Vendor for the Acquisition shall be HK\$198,000,000. The consideration per Sale Share is HK\$0.2, which represents:

- (i) a discount of approximately 13.04% to the closing price of HK\$0.23 per Target Company Share as quoted on the Stock Exchange on 14 December 2018, being the last full trading day for the Sale Shares before the date of the SP Agreement;
- (ii) a discount of approximately 14.89% to the average closing price of approximately HK\$0.235 per Target Company Share as quoted on the Stock Exchange for the last five consecutive trading days for the Sale Shares immediately preceding the date of the SP Agreement;

LETTER FROM THE BOARD

- (iii) a discount of approximately 15.86% to the average closing price of approximately HK\$0.2377 per Target Company Share as quoted on the Stock Exchange for the last ten consecutive trading days for the Sale Shares immediately preceding the date of the SP Agreement; and
- (iv) a discount of approximately 33.33% to the closing price of HK\$0.300 per Target Company Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Total Consideration will be satisfied by the allotment and issue of the Consideration Shares (being 550,000,000 Shares) by the Company to the Vendor or its nominee(s) at the Consideration Share Price of HK\$0.36 per Consideration Share upon Completion.

The Total Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, among other things, the closing price per Target Company Share as quoted on the Stock Exchange on the last full trading day for the Target Company Shares before the date of the SP Agreement. The Board (excluding (i) Mr. Fok Chi Tak, Dr. Zhiliang Ou and Mr. Lee Chi Hwa Joshua, who are also directors of Hao Tian Development and therefore abstained from voting in the Board meeting to approve the SP Agreement and the transactions contemplated thereunder; and (ii) the remaining independent non-executive Directors whose view will, after receiving the advice from the Independent Financial Adviser, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) considers that the Total Consideration is fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

Consideration Shares

Number of Shares

As at the Latest Practicable Date, the Company has a total number of 3,600,000,000 Shares. Based on the Total Consideration and the Consideration Share Price, the total number of Consideration Shares represents:

- (i) approximately 15.28% of the total number of issued Shares of the Company as at the Latest Practicable Date; and
- (ii) approximately 13.25% of the total number of issued Shares of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the total number of issued Shares of the Company between the Latest Practicable Date and the allotment and issue of the Consideration Shares).

LETTER FROM THE BOARD

Share price

The Consideration Share Price of HK\$0.36 per Consideration Share represents:

- (i) the equivalence to the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on 14 December 2018, being the last full trading day for the Shares before the date of the SP Agreement;
- (ii) a discount of approximately 1.37% to the average closing price of approximately HK\$0.365 per Share as quoted on the Stock Exchange for the last five consecutive trading days for the Shares immediately preceding the date of the SP Agreement;
- (iii) a premium of approximately 1.12% to the average closing price of approximately HK\$0.356 per Share as quoted on the Stock Exchange for the last ten consecutive trading days for the Shares immediately preceding the date of the SP Agreement; and
- (iv) a discount of approximately 6.49% to the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Consideration Share Price was determined after arm's length negotiations between the Purchaser and the Company on one hand and the Vendor on the other, based on the closing price per Share as quoted on the Stock Exchange on the last full trading day for the Shares immediately preceding the date of the SP Agreement. The Board (excluding (i) Mr. Fok Chi Tak, Dr. Zhiliang Ou and Mr. Lee Chi Hwa Joshua, who are also directors of Hao Tian Development and therefore abstained from voting in the Board meeting to approve the SP Agreement and the transactions contemplated thereunder; and (ii) the remaining independent non-executive Directors whose view will, after receiving the advice from the Independent Financial Adviser, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) consider that the Consideration Share Price is fair and reasonable and on normal commercial terms.

Conditions precedent

Completion of the Acquisition shall be conditional upon the fulfilment of the following Conditions:

- (i) there having been no governmental action, court order, procedure, inquiry or investigation declaring the transactions contemplated under the SP Agreement illegal or prohibiting or restricting such transactions in any other way at any time before Completion;

LETTER FROM THE BOARD

- (ii) the representation, warranties and/or undertakings given by the Vendor under the SP Agreement remaining true, accurate and not misleading throughout the period from the date of the SP Agreement to the Completion Date, and there having been no breach by any party of the SP Agreement;
- (iii) the Sale Shares remaining listed on the Stock Exchange up to the Completion Date;
- (iv) the Independent Shareholders having passed at the EGM resolution approving the entering into, execution, delivery and performance of the SP Agreement and the transactions contemplated thereunder, including without limitation (i) the Acquisition; (ii) the allotment and issue of the Consideration Shares to the Vendor or its nominee(s); (iii) any connected transaction involved, and (iv) giving any other approvals or notifications as may be required under the Listing Rules and other Applicable Laws;
- (v) the Company having obtained an approval from the Stock Exchange for the listing of and permission to deal in the Consideration Shares and such listing and permission not having been subsequently revoked prior to the allotment and issue of the Consideration Shares; and
- (vi) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated by the SP Agreement required to be obtained on the part of the Purchaser or the Company having been obtained.

The Purchaser may waive in writing Condition (ii) set out above at its sole and absolute discretion.

If any of the Conditions set out above are not fulfilled (or waived in accordance with the terms of this Agreement) at or before 12:00 noon (Hong Kong time) on the Long Stop Date, the SP Agreement shall lapse and be of no further effect (except the confidentiality obligations and certain clauses as specified therein), and no party to the SP Agreement shall have any liability and obligation to the other parties, save in respect of any antecedent breaches of the SP Agreement.

As at the Latest Practicable Date:

- (i) Conditions (iv) and (v) have not been fulfilled; and
- (ii) other than the fulfilment of Conditions (iv) and (v) which depends on the result of the polling in the EGM and the grant of listing approval from the Stock Exchange, respectively, the Company is not aware of any circumstances which may lead to non-fulfilment of any of the Conditions as at the Completion Date.

LETTER FROM THE BOARD

Completion

Subject to the fulfillment or waiver (as the case may be) of the Conditions, Completion shall take place on or before the fifth (5th) Business Day after the last outstanding Condition (other than the Conditions which can only be fulfilled upon Completion) having been fulfilled or waived (as the case may be), or on such other date as agreed by the Purchaser and the Vendor in writing.

On the assumption that all the other Conditions shall have been fulfilled on or before the Completion Date, the Company expects Completion to take place within five (5) Business Days after both Conditions (iv) and (v) shall have been fulfilled.

Upon Completion, the Company will indirectly hold approximately 4.05% of the issued share capital of the Target Company.

EFFECT ON THE SHAREHOLDING STRUCTURE

For illustrative purpose only, the following table sets out the effect of the issue of the Consideration Shares on the shareholding structure of the Company based on the total number of issued Shares as at the Latest Practicable Date and assuming (i) the Completion having taken place; and (ii) the Consideration Shares having been issued and allotted, without taking into account any other new Shares, if any, issued after the Latest Practicable Date and prior to the Completion. The allotment and issue of the Consideration Shares upon Completion will not result in a change of control of the Company since Hao Tian Development will remain the controlling Shareholder of the Company.

	As at the Latest Practicable Date		Immediately upon the issuance and allotment of the Consideration Shares	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
Hao Tian Development	2,332,384,688 (Note 2)	64.79	2,882,384,688 (Note 3)	69.46
Public Shareholders	<u>1,267,615,312</u>	<u>35.21</u>	<u>1,267,615,312</u>	<u>30.54</u>
Total	<u>3,600,000,000</u>	<u>100.00</u>	<u>4,150,000,000</u>	<u>100.00</u>

Notes:

1. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. As at the Latest Practicable Date, Hao Tian Development is interested in 2,332,384,688 Shares through its wholly-owned companies Win Team Investments Limited and Hao Tian Management (China) Limited.

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3. Immediately upon the issuance and allotment of the Consideration Shares, Hao Tian Development will be interested in an aggregate of 2,882,384,688 Shares, comprising of (i) the 2,332,384,688 Shares through its wholly-owned companies Win Team Investments Limited and Hao Tian Management (China) Limited; and (ii) the Consideration Shares of 550,000,000 Shares to be allotted and issued to the Vendor or its nominee(s).

INFORMATION REGARDING THE GROUP AND THE PURCHASER

The Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability. The Company is an investment holding company. The Group is principally engaged in:

- (a) the construction machinery business, serving primarily the construction sector in Hong Kong. The principal activities of this business include (i) rental of construction machinery, such as crawler cranes, aerial platforms and foundation equipment; (ii) trading of new or used construction machinery and spare parts; and (iii) provision of machinery transportation services; and
- (b) the provision of financial services, including (i) Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (ii) money lending; and (iii) brokerage of general insurance and long term (including linked long term) insurance.

As at the Latest Practicable Date and other than the Sale Shares, the Group has no intention or plan to further acquire the equity interest in the Target Company.

The Purchaser

The Purchaser is a company duly incorporated under the laws of Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company. It is an investment holdings company.

INFORMATION REGARDING THE VENDOR

The Vendor is a company duly incorporated under the laws of Hong Kong with limited liability. It is an investment holdings company. Its issued shares are held as to approximately 92.41% by Hao Tian Development and as to approximately 7.59% by Independent Third Party(ies).

Hao Tian Development is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 474). It is an investment holding company. As at the Latest Practicable Date, Hao

LETTER FROM THE BOARD

Tian Development indirectly owns approximately 64.79% of equity interest in the Company and approximately 18.09% of equity interest in the Target Company. As at the Latest Practicable Date, the Company is not aware that Hao Tian Development has an intention or plan to further acquire the equity interest in the Target Company.

Since the Vendor is an indirect non-wholly owned subsidiary of Hao Tian Development, which is in turn an indirect controlling shareholder of the Company, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules.

INFORMATION OF THE TARGET GROUP

The Target Company is a company duly incorporated under the laws of Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 412).

As disclosed in the interim results announcement of the Company for the six months ended 30 September 2018, the Target Company is an investment holding company. The Target Group is principally engaged in the provision of financial services, including financial leasing, provision of finance, asset management, operation of an asset trading platform, financial investments, financial technology and related financial services. As at the Latest Practicable Date, the Target Company indirectly owns approximately 7.86% of equity interest in Hao Tian Development.

Financial information of the Target Group

Set out below is the summary of the key financial information of the Target Group based on the audited financial statements of the Target Group for the two years ended 31 March 2017 and 31 March 2018:

	For the year ended 31 March 2017 (audited) HKD'000 (approximately)	For the year ended 31 March 2018 (audited) HKD'000 (approximately)	For the six months ended 30 September 2017 (unaudited) HKD'000 (approximately)	For the six months ended 30 September 2018 (unaudited) HKD'000 (approximately)
Net profit/(loss) before taxation and extraordinary items	190,798	726,252	(281,002)	(543,130)
Net profit/(loss) after taxation and extraordinary items	159,356	670,725	(240,073)	(458,625)
Total assets	4,735,830	14,414,673	4,778,959	13,882,591
Net assets	3,186,669	5,844,824	2,993,431	5,237,683

LETTER FROM THE BOARD

The total original acquisition cost of all the Sale Shares by the Vendor was approximately HK\$211,860,000.

Upon Completion, the Company will indirectly hold approximately 4.05% of the issued share capital of the Target Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Group is principally engaged in the provision of financial services, including financial leasing, provision of finance, asset management, operation of an asset trading platform, financial investments, financial technology and related financial services. Following the “One belt One Road” initiative of the PRC, over time the Target Group has made sizeable investments in the fast-growing economies in the Greater China region. The Board considers equity interest in the Target Company has good capital growth potential and is therefore an attractive investment opportunity to the Group. The Acquisition also allows the Group to acquire the Sale Shares at a discount of its current market price, and is not expected to have a negative effect on the cash position of the Group since no payment of any cash consideration is involved in the Acquisition.

The Group will regard its investment in the Sale Shares as financial assets at fair value through profit or loss, in accordance with the Group’s accounting principles. The Group intends to hold the Sale Shares for the purpose of future capital gain, as well as additional cash inflow to the Group upon eventual disposal of the Sale Shares.

Having considered the above reasons, the Board (excluding (i) Mr. Fok Chi Tak, Dr. Zhiliang Ou and Mr. Lee Chi Hwa Joshua, who are also directors of Hao Tian Development and therefore abstained from voting in the Board meeting to approve the SP Agreement and the transactions contemplated thereunder; and (ii) the remaining independent non-executive Directors whose view will, after receiving the advice from the Independent Financial Advisers, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) considers that although the Acquisition is not in the ordinary course of business of the Group, yet given the nature of the transaction, the terms and conditions of the SP Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Group will acquire approximately 4.05% of the issued shares in the Target Company. The Target Company will not become a subsidiary or associate of the Company, and the financial results of the Target Company will not be consolidated in the financial statements of the Group nor be equity accounted for in the Group’s consolidated financial statements as an associate. The unaudited pro forma financial information of the Group illustrating the financial impact of the Acquisition on the results, assets and liabilities of the Group is set out in Appendix II to this circular.

Assets and liabilities

The Acquisition would result in an increase in total assets and net assets of the Group by the fair value of the Sale Shares at HK\$246,510,000 and the total liabilities of the Group will remain unchanged.

LETTER FROM THE BOARD

Earnings

Since the Group will only be interested in 4.05% of the shareholding in the Target Company after Completion, the financial results and financial position of the Target Company will not be consolidated with those of the Group. The Group's interest in the Target Company would only be accounted for as investment at fair value through profit or loss which would be recorded at its fair value. Save for the dividends that may be declared and distributed by the Target Company (if any) to the Group and any changes in fair value of the shares of the Target Company, the Acquisition is not expected to have any significant impact on the earnings of the Group.

Further details are set out in "Appendix II — Unaudited pro forma financial information of the Group" to this circular.

MANDATE TO ISSUE THE CONSIDERATION SHARES AND APPLICATION FOR LISTING

The Consideration Shares will be issued and allotted pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

The Consideration Shares, when issued, allotted and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Consideration Shares save as regards any right to (i) dividend which may be declared or paid by the Company; or (ii) any other form of shareholder's rights or benefits against the Company, in either case by reference to a record date which is prior to the date of allotment and issue.

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 Consideration Shares.

LISTING RULES IMPLICATIONS

References are made to the announcements of the Company dated 28 March 2018, 25 June 2018, 24 July 2018 and 13 December 2018 respectively and the circular of the Company dated 10 August 2018 in relation to the Previous Acquisition. The Previous Acquisition and the Acquisition shall be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules. As one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregation of the Previous Acquisition and the Acquisition exceed 25% but are all less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 13.36(1) of the Listing Rules, the Consideration Shares will be issued under the Specific Mandate subject to the approval by the Independent Shareholders.

Since the Vendor is an indirect non-wholly owned subsidiary of Hao Tian Development, which is an indirect controlling shareholder of the Company, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also

LETTER FROM THE BOARD

constitutes a connected transaction of the Company under the Listing Rules which is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Hao Tian Development and its associates shall abstain from voting on the ordinary resolution to approve, among others, (i) the SP Agreement and the transactions contemplated thereunder; and (ii) the granting of the Specific Mandate to allot and issue the Consideration Shares.

As Mr. Lee Chi Hwa Joshua, an independent non-executive Director, is also an independent non-executive director of Hao Tian Development (being the parent company of the Vendor), he is not considered sufficiently independent to give advice or recommendation to the Independent Shareholders in relation to the SP Agreement and the transactions contemplated thereunder. Accordingly, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot, the remaining independent non-executive Directors, have been appointed to form the Independent Board Committee and to advise the Independent Shareholders. Opus Capital has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the SP Agreement and the transactions contemplated thereunder, including the Specific Mandate.

Save as disclosed above and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholders has any material interest in the Acquisition and is required to abstain from voting on the proposed resolution to approve the SP Agreement and the transactions contemplated thereunder at the EGM.

GENERAL

An EGM will be convened and held for, among other things, the Independent Shareholders to consider and, if thought fit, to approve, among other things, (i) the SP Agreement and the transactions contemplated thereunder; and (ii) the granting of the Specific Mandate to allot and issue the Consideration Shares.

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the SP Agreement and the transactions contemplated thereunder are entered in the ordinary and usual course of business of the Group, on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Opus Capital has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the SP Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched by the Company to the Shareholders on or before 10 January 2019.

LETTER FROM THE BOARD

EGM

A notice of EGM to be held at Room 2702, 27/F., The Sun's Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong on Monday, 11 February 2019 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of considering and, if thought fit, approving, among other things, the Acquisition.

The form of proxy for use in the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are required to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of EGM (i.e. not later than 10:30 a.m. on Saturday, 9 February 2019 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

The Independent Board Committee comprising Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot has been formed to advise the Independent Shareholders as to whether the terms of the SP Agreement and the transactions contemplated thereunder are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) in the interests of the Company and the Independent Shareholders as a whole; and (iv) on how to vote. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, the Vendor held 2,332,384,688 Shares (representing 64.79% of the total issued share capital of the Company) and had control over the voting right in respect of these Shares. Since the Vendor is an indirect non-wholly owned subsidiary of Hao Tian Development, Hao Tian Development and its associates shall abstain from voting on the resolution in relation to the Acquisition at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the Acquisition and shall be required to abstain from voting at the EGM in respect of the relevant resolution.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll. Therefore, the resolution to be proposed at the EGM will be voted by poll.

RECOMMENDATION

The Independent Board Committee, having considered the advice from the Independent Financial Adviser, is of the opinion that although the Acquisition is not in the ordinary course of business of the Group, yet given the nature of the transaction, the terms and conditions of the SP Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the SP Agreement, the Acquisition and the transactions contemplated thereunder. You are advised to read carefully the letter from the Independent Board Committee set out on pages 18 to

LETTER FROM THE BOARD

19 of this circular. You are also advised to read carefully the letter from the Independent Financial Adviser on pages 20 to 47 of this circular which contains its advice to the Independent Board Committee.

Having considered the above-mentioned benefits to the Group and the advice of the Independent Financial Adviser, the Board (excluding (i) Mr. Fok Chi Tak, Dr. Zhiliang Ou and Mr. Lee Chi Hwa, Joshua, who are also directors of the Hao Tian Development and therefore abstained from voting in the Board meeting to approve the SP Agreement and the transactions contemplated thereunder); and (ii) the remaining independent non-executive directors whose view is set out in the letter from the Independent Board Committee set out on pages 18 to 19 of this circular) considers that although the Acquisition is not in the ordinary course of business of the group, yet given the nature of the transaction, the terms and conditions of the SP Agreement are fair and reasonable and the entering into of the SP Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (excluding (i) Mr. Fok Chi Tak, Dr. Zhiliang Ou and Mr. Lee Chi Hwa, Joshua, who are also directors of the Vendor and therefore abstained from voting in the Board meeting to approve the SP Agreement and the transactions contemplated thereunder); and (ii) the remaining independent non-executive directors whose view is set out in the letter from the Independent Board Committee set out on pages 18 to 19 of this circular) recommends the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the SP Agreement, the Acquisition and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Hao Tian International Construction Investment Group Limited
Tang Yiu Chi James
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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)

17 January 2019

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 17 January 2019 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall bear the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to consider whether the terms of the SP Agreement and the Acquisition are fair and reasonable, whether the Acquisition is on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 17 of the Circular, and the letter from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of whether the terms of the SP Agreement and the Acquisition are fair and reasonable, whether the SP Agreement and the Acquisition are on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and the Independent Shareholders as a whole, and the Independent Shareholders on how to vote as set out on pages 20 to 47 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the reasons relating to the Acquisition and the terms of the SP Agreement and the advice of the Independent Financial Adviser, although the Acquisition is not in the ordinary course of business of the group, yet given the nature of the transaction, the terms and conditions of the SP Agreement are fair and reasonable and is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the SP Agreement, the Acquisition and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Mak Yiu Tong

Independent non-executive Director

Mr. Li Chi Keung Eliot

Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition for the purpose of inclusion in this circular.



18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

17 January 2019

To: The Independent Board Committee and the Independent Shareholders of Hao Tian International Construction Investment Group Limited

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF SALE SHARES
IN THE TARGET COMPANY INVOLVING ISSUE OF NEW SHARES
UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 17 January 2019 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 17 December 2018, Glory Century Limited (an indirect wholly-owned subsidiary of the Company) as the purchaser, Hao Tian Management (Hong Kong) Limited (an indirect non-wholly owned subsidiary of Hao Tian Development) as the vendor and the Company entered into the SP Agreement in relation to the Acquisition, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares representing approximately 4.05% of the issued share capital of the Target Company, at the Total Consideration, being HK\$198 million, which shall be fully satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendor or its nominee(s) at the Consideration Share Price upon Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As one or more than one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregation of the Previous Acquisition and the Acquisition exceed 25% but are all less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Since the Vendor is an indirect non-wholly owned subsidiary of Hao Tian Development, which is an indirect controlling shareholder of the Company, the Vendor is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction of the Company under the Listing Rules which is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As such, Hao Tian Development, which has material interests in the Acquisition and the Specific Mandate, and its associates will be required to abstain from voting on the resolution approving: (i) the SP Agreement and the transactions contemplated thereunder; and (ii) the granting of the Specific Mandate to allot and issue the Consideration Shares at the EGM.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the SP Agreement and the transactions contemplated thereunder (including the Specific Mandate) and is required to abstain from voting at the EGM.

Mr. Fok Chi Tak, Dr. Zhiliang Ou and Mr. Lee Chi Hwa Joshua, who are also directors of Hao Tian Development, are considered to have material interests in the Acquisition and the Specific Mandate and therefore have abstained from voting in the Board meeting to approve the SP Agreement and the transactions contemplated thereunder (including the Specific Mandate).

THE INDEPENDENT BOARD COMMITTEE

As Mr. Lee Chi Hwa Joshua, an independent non-executive Director (“INED”), is also an independent non-executive director of Hao Tian Development (being the parent company of the Vendor), he is not considered sufficiently independent to give advice or recommendation to the Independent Shareholders in relation to the SP Agreement and the transactions contemplated thereunder. Accordingly, the Independent Board Committee comprising of Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot, the remaining INEDs, has been formed to advise and make recommendations to the Independent Shareholders in respect of the SP Agreement and the transactions contemplated thereunder, including the Specific Mandate. Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders as to: (i) whether the terms of the SP Agreement and the transactions contemplated thereunder (including the Specific Mandate) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) whether the Acquisition was entered in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote on the resolution in relation to the SP Agreement and the transactions contemplated thereunder (including the Specific Mandate) at the EGM.

OUR INDEPENDENCE

We were appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of Hao Tian Development in respect of a connected transaction in relation to an acquisition of notes and issue of bonds announced on 28 June 2018 (the “**Past Appointment**”). Details of the relevant transaction are set out in the circular of Hao Tian Development dated 6 September 2018.

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, Hao Tian Development, the Target Group or other parties that could reasonably be regarded as relevant to our independence. Apart from normal independent financial advisory fees paid or payable to us in connection with the Past Appointment and this appointment, no arrangements existed whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the Company’s interim report for the six months ended 30 September 2018 (the “**2019 Interim Report**”);
- (ii) the Company’s annual report for the financial year ended 31 March 2018 (the “**2018 Annual Report**”);
- (iii) the Target Company’s interim report for the six months ended 30 September 2018 (the “**Target Co Interim Report**”);
- (iv) the Target Company’s annual report for the financial year ended 31 March 2018 (the “**Target Co Annual Report**”);
- (v) the SP Agreement; and
- (vi) other information as set out in the Circular.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information have been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the SP Agreement and the transactions contemplated thereunder (including the Specific Mandate), and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the SP Agreement and the transactions contemplated thereunder, including the Specific Mandate, we have taken into consideration the following principal factors and reasons:

1. Information of the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Company is an investment holding company and the Group is engaged in the following principal activities:

- (a) the construction machinery business, serving primarily the construction sector in Hong Kong. The business include: (i) rental of construction machinery; (ii) trading of construction machinery and, spare parts; and (iii) provision of machinery transportation services; and
- (b) the provision of financial services, conducting: (i) Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO; (ii) money lending activities; and (iii) brokerage of general insurance and long term (including linked long term) insurance.

The Company completed the acquisition of Hao Tian International Financial Holdings Limited on 13 December 2018. The acquisition allows the Group to develop a new line of businesses in the financial service and money lending sectors and diversify the businesses of the Group. The Board was of the view that the Previous Acquisition would broaden the Group's range of business and source of income, which will potentially increase the Group's revenue and enhance the Group's financial performance.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated financial results of the Group for the financial years ended 31 March 2017 (“FY2017”) and 2018 (“FY2018”), six months ended 30 September 2017 (“1H2018”) and 2018 (“1H2019”) respectively, as extracted from the 2019 Interim Report and the 2018 Annual Report:

Table 1: Highlights of the financial results of the Group

	Audited		Unaudited	
	FY2018	FY2017	1H2019	1H2018
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	165,869	194,364	79,325	70,582
<i>(i) trading of construction</i>				
<i>machinery and spare parts</i>	46,762	69,689	28,460	6,472
<i>(ii) rental of construction</i>				
<i>machinery</i>	117,870	123,463	50,177	63,174
<i>(iii) provision of transportation</i>				
<i>services</i>	1,237	1,212	688	936
Gross profit	13,473	32,497	7,479	391
Profit/(loss) attributable to owners				
of the Company	(12,528)	300	(4,652)	(3,481)

Source: 2019 Interim Report and 2018 Annual Report

Note: As the Previous Acquisition was only completed on 13 December 2018, the revenue from the financial service sector was not reflected in the above financial results.

The Group’s revenue decreased by approximately 14.7% from approximately HK\$194.4 million for FY2017 to approximately HK\$165.9 million for FY2018. Such decrease was mainly attributable to the drop in revenue generated from the trading of construction machinery, parts and construction materials. As disclosed in the 2018 Annual Report, owing to a number of factors such as the filibustering in the Legislative Council of Hong Kong, approval of new infrastructure projects in Hong Kong had been granted much slower than expected. Contractors became more prudent with new purchases of construction machinery, and thus negatively affected the Group’s construction machinery trading business during FY2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The gross profit of the Group amounted to approximately HK\$32.5 million in FY2017, which decreased to approximately HK\$13.5 million in FY2018, representing a decrease of approximately 58.5%, whilst the gross profit margin decreased from approximately 16.7% for FY2017 to approximately 8.1% for FY2018. The decrease in gross profit and gross profit margin were primarily due to: (i) decrease in revenue generated from trading of construction and machinery and spare parts; and (ii) certain fixed costs such as staff costs remained at a similar level as the previous year despite the decrease in revenue in order to maintain operation capacity. The Group recorded a net loss of approximately HK\$12.5 million for FY2018 as compared to a profit of approximately HK\$0.3 million for FY2017, which was mainly attributable to the abovementioned factors which contributed to the significant drop in gross profit by approximately HK\$19.0 million.

In terms of half-year performance, the Group recorded an increase in revenue by approximately HK\$8.7 million from HK\$70.6 million for 1H2018 to approximately HK\$79.3 million for 1H2019, representing a growth of approximately 12.4%. Such increase was mainly attributable to the rebound of the Group's construction machinery trading business. Revenue generated from the trading of construction machinery, spare parts and construction materials increased from approximately HK\$6.5 million in 1H2018 to approximately HK\$28.5 million in 1H2019, representing a three-fold increase. According to the 2019 Interim Report, the increase in trading revenue was mainly driven by the increased demand for replacing old equipment and spare parts with brand new and environmentally friendly construction machinery.

The gross profit for 1H2019 increased significantly by approximately HK\$7.1 million from approximately HK\$0.4 million for 1H2018 to approximately HK\$7.5 million, representing a significant growth of 17 times. The increase was mainly attributable to: (i) the abovementioned revenue increase while fixed costs remained constant; and (ii) improved gross margin in construction machinery rental business from approximately 5.5% for 1H2018 to approximately 14.0% for 1H2019, resulted from the decrease in sub-contracting fee and other related costs during the period. The net loss of the Group for 1H2019 deteriorated from approximately HK\$3.5 million to approximately HK\$4.7 million. The worsened position was primarily attributable to the one-off reversal of allowance for bad and doubtful debt by the Group in 1H2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the financial positions of the Group as at 31 March 2018 and 30 September 2018, which were extracted from the 2019 Interim Report:

Table 2: Highlights of the financial position of the Group

	Unaudited	Audited	
	As at	As at	As at
	30 September	31 March	31 March
	2018	2018	2017
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Non-current assets	438,825	405,290	304,923
Current assets	370,106	228,996	157,114
Non-current liabilities	101,986	128,409	67,283
Current liabilities	183,476	152,885	150,606
Net current assets	186,630	76,111	6,508
Net assets	523,469	352,992	244,148

Source: 2019 Interim Report and 2018 Annual Report

As at 30 September 2018, total assets amounted to approximately HK\$808.9 million and total liabilities totalled approximately HK\$285.5 million. Total assets and liabilities surged by approximately 27.5% and approximately 1.5% respectively as compared to those as at 31 March 2018. According to the 2019 Interim Report, the significant increase in total assets of the Group was primarily due to the increase in short-term loan receivables of approximately HK\$95.8 million and the net increase in cash and cash equivalents of approximately HK\$78.5 million, derived mainly from net proceeds of approximately HK\$178.0 million from a rights issue exercise that was completed on 2 August 2018. The increase in total liabilities of the Group was mainly due to the increase in loan from a director and amount due to a director of approximately HK\$40.0 million and HK\$15.4 million respectively. As a result, the Group recorded net current assets of approximately HK\$186.6 million as at 30 September 2018, representing an increase of approximately 145.2% from HK\$76.1 million as at 31 March 2018.

As at 31 March 2018, total assets amounted to approximately HK\$634.3 million and total liabilities totalled approximately HK\$281.3 million. Total assets and liabilities surged by approximately 37.3% and approximately 3.5% respectively as compared to those as at 31 March 2017. According to the 2018 Annual Report, the increase in total assets of the Group was primarily due to the increase in deposits for acquisition of subsidiaries of approximately HK\$100.0 million and the net increase in cash and cash equivalents of approximately HK\$48.4 million, derived mainly from the proceeds of a new share placement of approximately HK\$124.0 million. The increase in total liabilities of the Group was mainly due to the increase in trade payables of approximately HK\$14.0 million. As a result, the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group recorded net current assets of approximately HK\$76.1 million as at 30 March 2018, representing a significant 10 times increase from approximately HK\$6.5 million as at 31 March 2017.

With the completion of the Previous Acquisition, the Group now has experienced personnel in the financial services sector to make sound investment decisions and the Acquisition, in which the Target Group is also engaged in the financial services industry, presents a good investment opportunity for the Group for potential capital growth.

As at the Latest Practicable Date and other than the Sale Shares, the Group has no intention or plan to further acquire the equity interest in the Target Company.

2. Information of the Vendor and Hao Tian Development

The Vendor is an investment holding company incorporated in Hong Kong with limited liability. Its issued shares are held as to approximately 92.41% by Hao Tian Development and as to approximately 7.59% by Independent Third Party(ies).

Hao Tian Development is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 474). Hao Tian Development is an investment holding company and is engaged in the following principal activities: (i) money lending; (ii) securities investment; (iii) trading of futures; (iv) provision of commodities, futures and securities brokerage (established during the financial year ended 31 March 2017); (v) rental and trading of construction machinery (established during the financial year ended 31 March 2017); (vi) retailing of men's and women's apparels; and (vii) property leasing.

As at the Latest Practicable Date, Hao Tian Development indirectly owns approximately 64.79% equity interest in the Company and approximately 18.09% equity interest in the Target Company. As at the Latest Practicable Date, the Company is not aware that Hao Tian Development has an intention or plan to further acquire the equity interest in the Target Company.

3. Information of the Target Group

The Target Company is an investment holding company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 412). The Target Group is principally engaged in: (i) financial leasing; (ii) investment in securities; (iii) money lending; (iv) securities trading; (v) asset management; (vi) asset trading platform businesses; and (vii) the provision of finance, financial technology and related financial services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Its controlling shareholder, Shandong Hi-Speed Group Co., Ltd, which currently owns approximately 42.8% equity interest in the Target Company, is a large state-owned comprehensive enterprise group mainly engaged in investment, construction, operation and management of expressways, bridges, railways, ports and shipping, airports and logistics. As stated in the Target Co Interim Report, by capitalising on the industrial resources and business advantages of its controlling shareholder, the Target Group intends to maximise its position as a licensed institution and focus on the markets in the Greater China and “One Belt, One Road” regions. It is committed to establish a first class investment and financing and financial holding platform with diversified business structure and distinctive business features, delivering higher profitability and excellent asset quality through organic and inorganic development approaches. With the support from its controlling shareholder, the Target Group will constantly explore and seek investment opportunities in the countries along the “One Belt, One Road” regions and in the Guangdong — Hong Kong — Macao Greater Bay Area.

As at the Latest Practicable Date, Hao Tian Development indirectly owns approximately 18.09% equity interest in the Target Company whilst the Target Company indirectly owns approximately 7.86% equity interest in Hao Tian Development.

Set out below is a summary of the consolidated financial results of the Target Group for FY2017, FY2018, 1H2018 and 1H2019 respectively, as extracted from the Target Co Annual Report and Target Co Interim Report:

Table 3: Highlights of the financial results of the Target Group

	Audited		Unaudited	
	FY2018	FY2017	1H2019	1H2018
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	458,440	193,511	281,900	74,299
<i>(i) Consultancy services income</i>	318,702	54,098	34,804	6,256
<i>(ii) Financial leasing income</i>	55,986	105,484	68,104	44,364
<i>(iii) Interest income from money lending</i>	55,476	19,121	82,568	5,455
<i>(iv) Handling fee income</i>	2,450	6,889	52,336	15,224
<i>(v) Distribution from investments</i>	14,075	—	27,499	—
<i>(vi) Dividend, other interest income and online services income</i>	11,751	7,919	16,589	3,000
Net profit/(loss) attributable to owners of the company	671,330	159,356	(455,161)	(240,073)

Source: Target Co Interim Report and Target Co Annual Report

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Target Group experienced revenue growth from approximately HK\$193.5 million for FY2017 to approximately HK\$458.4 million for FY2018, representing an increase of approximately 136.9%. Such growth was mainly attributable to the significant increase in consultancy services income by approximately HK\$264.7 million, representing a significant growth of approximately 489.1%. During FY2018, the Target Group recorded a net profit of approximately HK\$671.3 million as compared to that of approximately HK\$159.4 million for FY2017. The major contributor to the net profit was the net fair value gain of approximately HK\$561.6 million arising from investments at fair value through profit or loss.

The revenue for 1H2019 was approximately HK\$281.9 million, which almost quadrupled the revenue of 1H2018. The sharp increase in revenue resulted from: (i) aggregate income of approximately HK\$44.1 million generated from new revenue streams including distribution income from investments, interest income from financial assets and online services income; and (ii) revenue increase generated from consultancy services, financial leasing services, money lending services and handling fees, respectively. Despite the revenue improvement, the Target Group recorded net loss of approximately HK\$455.2 million for 1H2019 as compared to that of approximately HK\$240.1 million for 1H2018. The loss was mainly due to the increase in impairment losses in respect of financial assets, comprising goodwill, finance lease receivables, loan receivables and trade and other receivables of approximately HK\$435.0 million. As discussed with the Management, it should be noted that the Target Group recognised an encouraging operating profit of approximately HK\$201.1 million, an increase of approximately 402.8% compared to approximately HK\$40.0 million in 1H2018.

Set out below is a summary of the financial positions of the Target Group as at 31 March 2018 and 30 September 2018, which were extracted from the Target Co Interim Report:

Table 4: Highlights of the financial position of the Target Group

	Unaudited	Audited	
	As at	As at	As at
	30 September	31 March	31 March
	2018	2018	2017
	<i>(HK\$'M)</i>	<i>(HK\$'M)</i>	<i>(HK\$'M)</i>
Non-current assets	7,535	7,381	2,442
Current assets	6,348	7,033	2,294
Non-current liabilities	2,105	2,517	1,248
Current liabilities	6,540	6,053	301
Net current assets/(liabilities)	(193)	980	1,993
Net assets	5,238	5,845	3,187

Source: Target Co Interim Report and Target Co Annual Report

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The Target Group recorded total assets and total liabilities of approximately HK\$13.9 billion and HK\$8.6 billion as at 30 September 2018, respectively, which was largely consistent with the balance recorded by the Target Group as at 31 March 2018. The Target Group recorded net current liabilities of approximately HK\$192.6 million as at 30 September 2018. This was primarily due to the increase in convertible bonds and other borrowings of approximately HK\$229.8 million and HK\$254.2 million respectively.

The Target Group recorded total assets and total liabilities of approximately HK\$14.4 billion and HK\$8.6 billion as at 31 March 2018, respectively. Total assets and liabilities represented significant increases of approximately 204.4% and approximately 453.2% respectively as compared to the total assets of approximately HK\$4.7 billion and total liabilities of approximately HK\$1.5 billion as at 31 March 2017. According to the Target Co Annual Report, the increase in total assets of the Group was primarily due to the increase in: (i) the finance lease receivables of approximately HK\$2.3 billion; (ii) the investments of approximately HK\$2.0 billion; (iii) the trade and other receivables of approximately HK\$996.7 million; and (iv) cash and cash equivalents of approximately HK\$1.3 billion. The increase in total liabilities of the Group was mainly due to the increase in the borrowings of approximately HK\$6.7 billion.

4. Reasons for and benefits of the Acquisition

As stated in the Letter from the Board, the terms of the SP Agreement were negotiated on an arm's length basis with reference to the closing price per Target Company Share and the closing price per Share as quoted on the Stock Exchange on the last full trading day for the Target Company Shares and the Shares respectively immediately preceding the date of the SP Agreement.

Taking into account that: (i) the consideration per Sale Share is HK\$0.20, which is at a discount to its current market price; (ii) the Total Consideration which will be satisfied in full by the allotment and issue of the Consideration Shares by the Company will have no impact on the cashflow of the Group since no cash payment is involved in the Acquisition; and (iii) following the "One Belt One Road" initiative of the PRC, the Target Group has over time made sizeable investments in the Greater China region, the Board considers that the Target Company has good capital growth potential and will generate attractive returns to the Group.

We note that the Group will regard its investment in the Sale Shares as financial assets at fair value through profit or loss, in accordance with the Group's accounting principles. It is the intention of the Group to hold the Sale Shares for the purpose of future capital gain, as well as additional cash inflow to the Group upon eventual disposal of the Sale Shares. Accordingly, although the Acquisition is not in the ordinary course of business of the Group, given the nature of the transaction, the Board considers the terms and conditions of the SP Agreement and the allotment and issue of Consideration Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. We concur with the Board on the rationale of the Acquisition.

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Against the aforesaid reasons considered by the Directors, we have conducted analyses under the sections headed “Market Overview”, “Evaluation of the Total Consideration and Consideration Share Price” and “Other Financing Alternatives” below.

PRINCIPAL TERMS OF THE SP AGREEMENT

- Date: 17 December 2018 (after trading hours)
- Parties: (i) Glory Century Limited, as the purchaser;
- (ii) Hao Tian Management (Hong Kong) Limited, as the vendor; and
- (iii) the Company.

Subject matter

Pursuant to the SP Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares at the Total Consideration. The Sale Shares represent approximately 4.05% of the issued share capital of the Target Company. There is no restriction which applies to the subsequent sale of the Sale Shares.

Consideration

Pursuant to the SP Agreement, the Total Consideration payable to the Vendor for the Acquisition shall be HK\$198 million. The Total Consideration will be satisfied by the allotment and issue of the Consideration Shares (being 550,000,000 Shares) by the Company to the Vendor or its nominee(s) at the Consideration Share Price of HK\$0.36 per Consideration Share upon Completion.

Conditions precedent

Completion of the Acquisition shall be conditional upon the fulfilment of the following Conditions:

- (i) there having been no governmental action, court order, procedure, inquiry or investigation declaring the transactions contemplated under the SP Agreement illegal or prohibiting or restricting such transactions in any other way at any time before Completion;
- (ii) the representation, warranties and/or undertakings given by the Vendor under the SP Agreement remaining true, accurate and not misleading throughout the period from the date of the SP Agreement to the Completion Date, and there having been no breach by any party of the SP Agreement;
- (iii) the Sale Shares remaining listed on the Stock Exchange up to the Completion Date;

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- (iv) the Independent Shareholders having passed at the EGM resolution approving the entering into, execution, delivery and performance of the SP Agreement and the transactions contemplated thereunder, including without limitation: (a) the Acquisition; (b) the allotment and issue of the Consideration Shares to the Vendor or its nominee(s); (c) any connected transaction involved, and (d) giving any other approvals or notifications as may be required under the Listing Rules and other Applicable Laws;
- (v) the Company having obtained an approval from the Stock Exchange for the listing of and permission to deal in the Consideration Shares and such listing and permission not having been subsequently revoked prior to the allotment and issue of the Consideration Shares; and
- (vi) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated by the SP Agreement required to be obtained on the part of the Purchaser or the Company having been obtained.

The Purchaser may waive in writing Condition (ii) set out above at its sole and absolute discretion.

If any of the Conditions set out above are not fulfilled (or waived in accordance with the terms of this Agreement) at or before 12:00 noon (Hong Kong time) on the Long Stop Date, the SP Agreement shall lapse and be of no further effect (except the confidentiality obligations and certain clauses as specified therein), and no party to the SP Agreement shall have any liability and obligation to the other parties, save in respect of any antecedent breaches of the SP Agreement.

As at the Latest Practicable Date:

- (i) Conditions (iv) and (v) have not been fulfilled; and
- (ii) other than the fulfilment of Conditions (iv) and (v) which depends on the result of the polling in the EGM and the grant of listing approval from the Stock Exchange, respectively, the Company is not aware of any circumstances which may lead to non-fulfillment of any of the Conditions as at the Completion Date.

Completion

Subject to the fulfillment or waiver (as the case may be) of the Conditions, Completion shall take place on or before the fifth (5th) Business Day after the last outstanding Condition (other than the Conditions which can only be fulfilled upon Completion) having been fulfilled or waived (as the case may be), or on such other date as agreed by the Purchaser and the Vendor in writing.

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On the assumption that all the other Conditions shall have been fulfilled on or before the Completion Date, the Company expects Completion to take place within five (5) Business Days after both Conditions (iv) and (v) shall have been fulfilled.

Upon Completion, the Company will indirectly hold approximately 4.05% of the issued share capital of the Target Company.

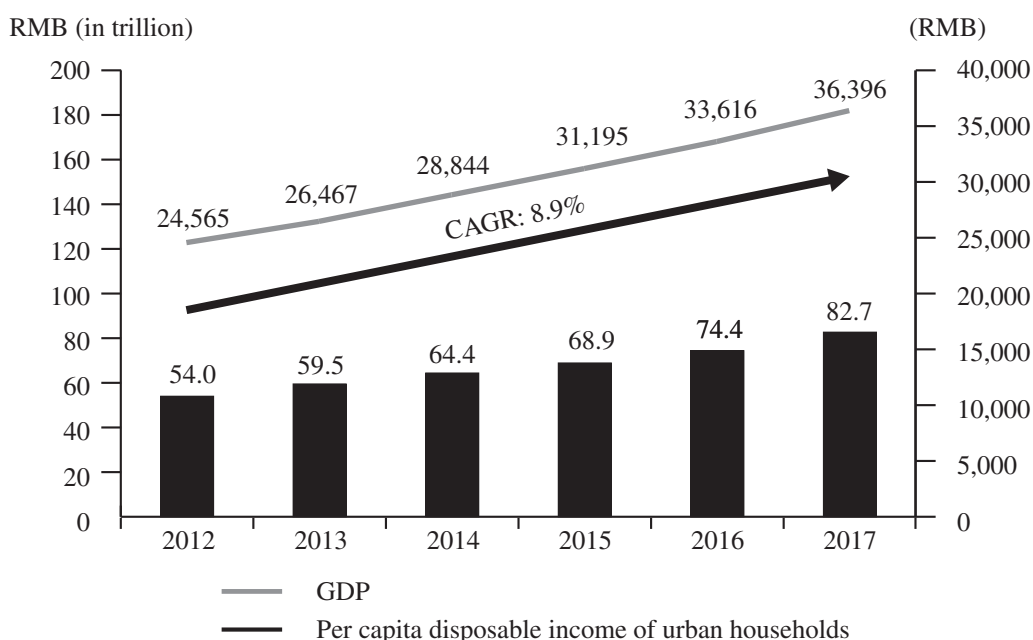
MARKET OVERVIEW

According to the Target Co Annual Report, over 70% of the revenue of the Target Group were generated from the PRC. As such, we have conducted our industry research on China's economy and financial service sector, the money lending market and financial market in Hong Kong.

Overview of China's Economy

As a result of over three decades of rapid growth, China is currently the world's second largest economy in terms of nominal Gross Domestic Product ("GDP"). According to the National Bureau of Statistics, China's nominal GDP increased from approximately RMB54.0 trillion in 2012 to RMB82.7 trillion in 2017, representing a compounded annual growth rate ("CAGR") of approximately 8.9%. From 2012 to 2017, the per capita disposable income of urban households increased from RMB24,565 to RMB36,396, representing a CAGR of approximately 8.2%.

Chart 1: GDP and per capita disposable income of urban households



Source: the National Bureau of Statistics

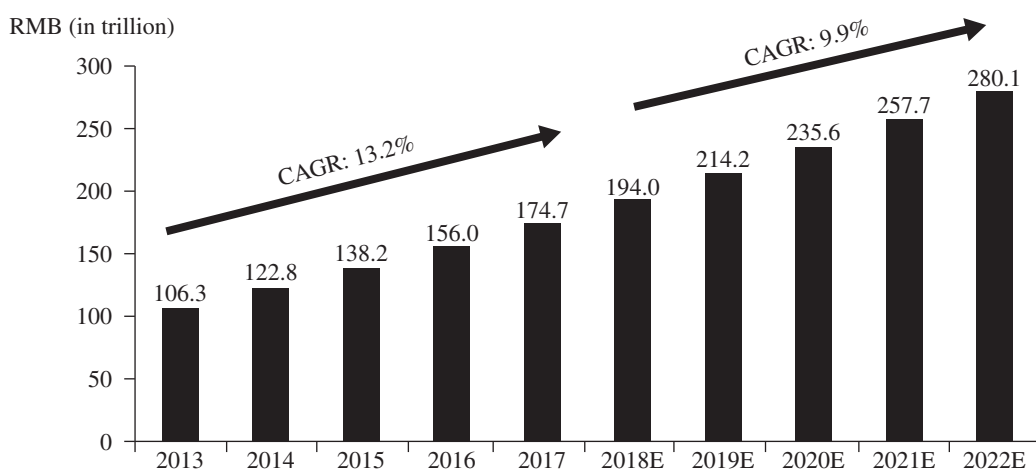
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As the PRC government has been driving China's economic restructuring and industry upgrade, the science and technology industry and domestic consumption are expected to be the primary drivers of future economic growth. The implementation of the "One Belt One Road" strategy will further open up the China markets, further promote trade liberalisation, enhance the internationalisation of RMB and the marketisation of exchange rates and facilitate the globalization of the China capital markets.

Overview of China's Financial Service Market

According to China Insights Industry Consultancy Limited, an independent market research and consulting firm with industry expertise in the new economy and the capital markets in China, China's financial service market has grown substantially over the past two decades. Such growth is largely driven by significant economic development, rapid growth in corporate earnings and a steady increase in financing demand which is met by the growing investment demands from various types of investors. According to an industry report from Frost & Sullivan, China's aggregate financing value has experienced a prominent growth from approximately RMB106.3 trillion in 2013 to approximately RMB174.7 trillion in 2017, representing a CAGR of approximately 13.2%. Benefiting from the soaring financing demand from the real economy, along with the optimisation of the financing structure in the real economy, China's aggregate financing value is expected to maintain the growth momentum, rising from approximately RMB194.0 trillion to approximately RMB280.1 trillion in 2022 with a CAGR of approximately 9.9%.

Chart 2: Growing financing demand in China



Source: Frost & Sullivan

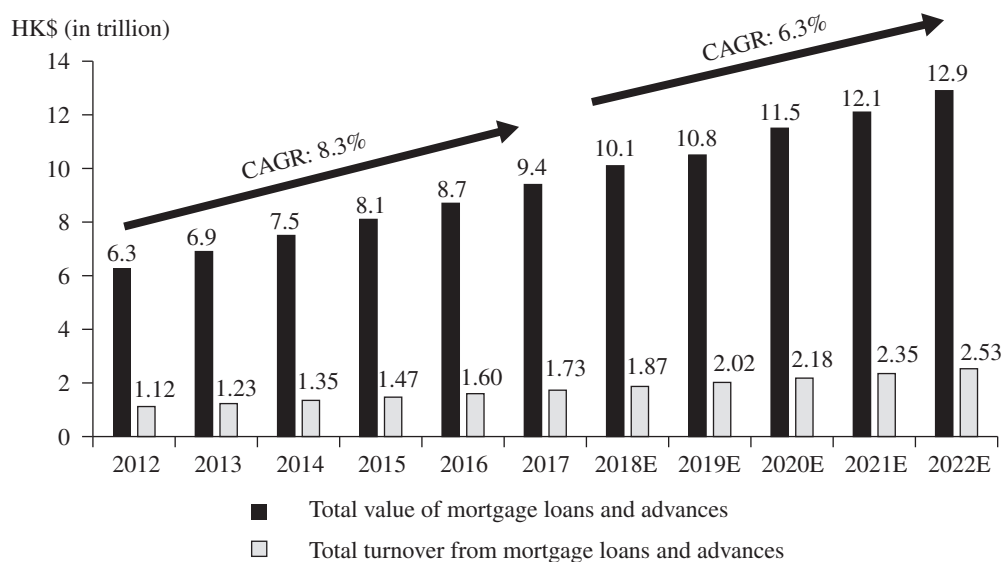
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As the financial services market continues to evolve, companies' financing needs and investors' investment needs are becoming more diversified and sophisticated, which leads to a growing demand for professional financial services. This trend suggests that the financial service market in China has significant growth potential.

Overview of the Hong Kong Money Lending Industry

According to an industry report from Frost & Sullivan, due to the fluctuation of economy development, the demand for extra fund has increased considerably in the market in the past five years. The total value of mortgage loans and advances granted by licensed money lenders has experienced a steady growth in the past five years, increasing from approximately HK\$6.3 billion in 2012 to approximately HK\$9.4 billion in 2017, at a CAGR of approximately 8.3%. The figure is projected to reach approximately HK\$12.9 billion in 2022, demonstrating a CAGR of approximately 6.3% from 2018 to 2022.

Chart 3: Total value and turnover of mortgage loans and advances granted by licensed money lenders



Source: Frost & Sullivan

Overview of the Financial Market in Hong Kong

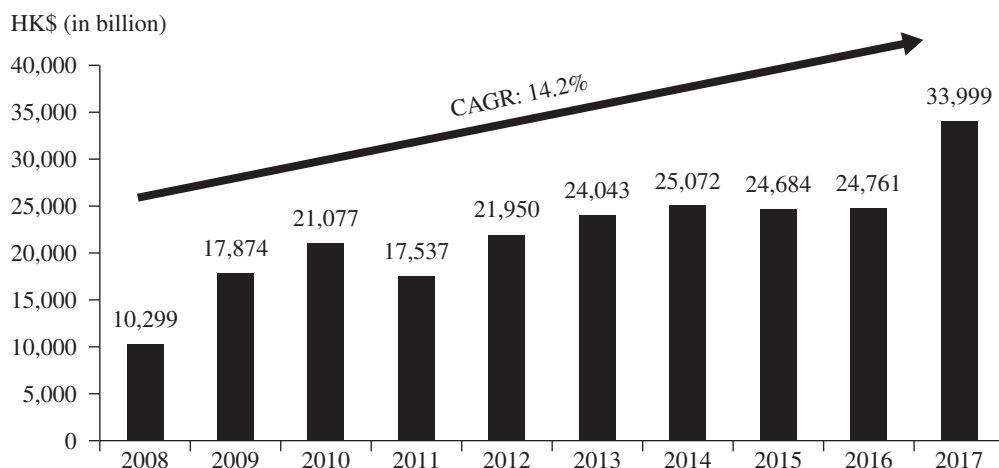
With Hong Kong being an international financial centre, its financial services sector accounts for approximately 17.7% of the city's GDP. Hong Kong has one of the world's most active and liquid securities markets.

Referring to the industry statistics published by the Stock Exchange on 14 December 2018, the Stock Exchange ranked 1st in terms of IPO funds raised worldwide in 2018 with total funds raised of approximately HK\$277.9 billion. The market capitalisation of listed companies on the

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Stock Exchange increased from approximately HK\$10.3 trillion as at 31 December 2008 to approximately HK\$34.0 trillion as at 31 December 2017, a record high and representing a CAGR of approximately 14.2%. The average daily turnover in 2017 was approximately HK\$88.2 billion and total funds raised in 2017 was approximately HK\$579.9 billion.

Chart 4: Total market capitalisation of companies listed on the Stock Exchange



Source: the Stock Exchange

During the year of 2018, the Stock Exchange has launched Shanghai-Hong Kong Stock Connect scheme, Shenzhen-Hong Kong scheme and new listing rules. All the reforms helped to build Hong Kong's financial market an integrated one-stop platform for equity, fixed income, and derivative products, for both mainland and international investors. According to the Private Wealth Report 2017 by Bain & Company and China Merchants Bank, Hong Kong is still the top destination for Chinese high net-wealth individuals, meaning significant wealth management business opportunities for Hong Kong securities companies. In relation to the Stock Exchange's strategic plan and the long-term trend of overseas asset allocation, Hong Kong financial market is well positioned to play a gateway role linking PRC investors.

Taking into account: (i) the fast-growing economies in China; (ii) the "One Belt One Road" strategy will further stimulate China's market; and (iii) the encouraging growth in the money lending business and financial service market in both China and Hong Kong, we are of the view that the business outlook of the Target Group is encouraging.

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EVALUATION OF THE TOTAL CONSIDERATION AND CONSIDERATION SHARE PRICE

5. Evaluation of the Total Consideration

The consideration per Sale Share is HK\$0.20, which represents:

- (i) a discount of approximately 13.0% to the closing price of HK\$0.23 per Target Company Share as quoted on the Stock Exchange on 14 December 2018 (the “**Last Trading Day**”) before the date of the SP Agreement;
- (ii) a discount of approximately 14.9% to the average closing price of approximately HK\$0.235 per Target Company Share as quoted on the Stock Exchange for the last five consecutive trading days for the Sale Shares immediately preceding the date of the SP Agreement;
- (iii) a discount of approximately 15.9% to the average closing price of approximately HK\$0.2377 per Target Company Share as quoted on the Stock Exchange for the last ten consecutive trading days for the Sale Shares immediately preceding the date of the SP Agreement;
- (iv) a discount of approximately 33.3% to the closing price of HK\$0.30 per Target Company Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a discount of approximately 4.8% to the net asset value (“**NAV**”) per Target Company Share attributable to the owners of the Target Company as at 30 September 2018 of approximately HK\$0.21, calculated based on the net assets attributable to the owners of the Target Company of approximately HK\$5,179.3 million and the 24,452,450,002 Target Company Shares in issue as at 30 September 2018.

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5.1. Historical Target Company Share price performance

The following chart sets out the daily closing prices of the Target Company Shares on the Stock Exchange for the period from 15 December 2017 up to and including the Last Trading Day (the “**Review Period**”):

Chart 5: Historical daily closing prices of the Target Company Shares during the Review Period



Source: the Stock Exchange

During the Review Period, the closing price per share of the Target Company decreased from HK\$0.32 per share on 15 December 2017 to HK\$0.23 per share on 14 December 2018, representing a drop of approximately 28.1%. The lowest closing share price was HK\$0.18 recorded on 14 August 2018, and the highest closing share price was HK\$0.35 recorded on 2 January 2018, 3 January 2018 and 10 January 2018 respectively. The average share price of the Target Company was approximately HK\$0.28 during the Review Period. There are a total of 246 trading days during the Review Period, except for 3 trading days where the Target Company Shares closed at a price below HK\$0.20, the closing price of the Target Company Shares was at a price higher than or equal to HK\$0.20 for the remaining trading days.

Based on the Target Company’s historical share price performance, we noted that the consideration per Sale Share: (i) is within the range of the highest and lowest closing prices of the Target Company Shares during the Review Period; (ii) represents a discount of

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approximately 28.6% to the average closing price of approximately HK\$0.28 during the Review Period; and (iii) is lower than the closing prices for majority of the trading days during the Review Period.

Together with the discount to the NAV per Target Company Share, we concur with the Management that the consideration per Sale Share, and therefore, the Total Consideration of the Acquisition are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole.

6. Evaluation of the Consideration Share Price

The Consideration Share Price of HK\$0.36 per Consideration Share represents:

- (i) the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Trading Day for the Shares before the date of the SP Agreement;
- (ii) a discount of approximately 1.4% to the average closing price of approximately HK\$0.365 per Share as quoted on the Stock Exchange for the last five consecutive trading days for the Shares immediately preceding the date of the SP Agreement;
- (iii) a premium of approximately 1.1% over the average closing price of approximately HK\$0.356 per Share as quoted on the Stock Exchange for the last ten consecutive trading days for the Shares immediately preceding the date of the SP Agreement;
- (iv) a discount of approximately 6.5% to the closing price of HK\$0.385 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of 140.0% over the NAV per Share attributable to the owners of the Company as at 30 September 2018 of approximately HK\$0.15 per Share, calculated based on the net assets attributable to the owners of the Company of approximately HK\$523.2 million and the 3,600,000,000 Shares in issue as at 30 September 2018.

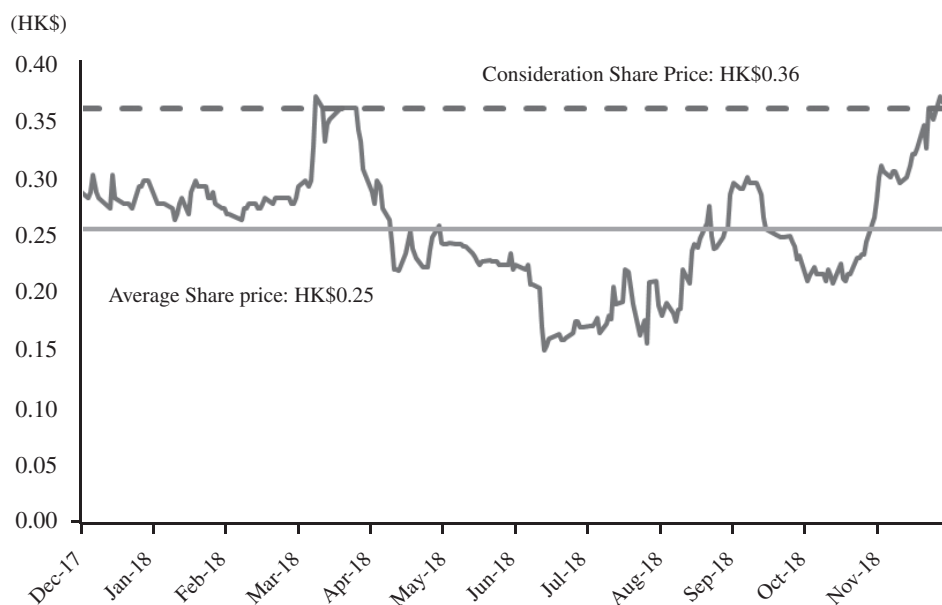
In assessing the fairness and reasonableness of the Consideration Share Price, we have performed the analyses set out below.

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6.1. Historical Share price performance

The following chart sets out the daily closing prices of the Shares on the Stock Exchange for the Review Period:

Chart 6: Historical daily closing prices of the Shares during the Review Period



Source: the Stock Exchange

During the Review Period, the closing Share price of the Company increased from HK\$0.29 on 15 December 2017 to HK\$0.36 on 14 December 2018, representing an increase of approximately 24.1%. The lowest closing Share price was HK\$0.15 recorded on 27 June 2018, and the highest closing Share price was HK\$0.37 recorded on both 23 March 2018 and 10 December 2018. The average Share price was approximately HK\$0.25 during the Review Period. There are a total of 246 trading days during the Review Period, except for 5 trading days where the Shares closed at a price above the Consideration Share Price, the Shares closed at a price lower than or equal to the Consideration Share Price for the remaining trading days.

Based on the Company's historical Share price performance, we noted that the Consideration Share Price: (i) is within the range of the highest and the lowest closing prices of the Shares during the Review Period; (ii) represents a premium of approximately 44.0% over the average closing price of approximately HK\$0.25 during the Review Period; (iii) is higher than the closing prices for majority of the trading days during the Review Period; and (iv) represents a significant premium of 140.0% over NAV per Share attributable to the owners of the Company as at 30 September 2018.

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6.2. Comparison with comparable companies for issue of consideration shares

To assess the fairness and reasonableness of the Consideration Share Price, we have, on a best effort basis, conducted a search against notifiable transactions conducted by companies listed on the Stock Exchange involving the issue of shares under specific mandate to satisfy all or part of the consideration of an acquisition announced from 14 September 2018 up to and including the Last Trading Day (the “**Comparison Period**”) to understand the trend of the recent market practice. Based on our research, we have identified a total of 11 comparable issues (the “**Comparable Issues**”) during the Comparison Period. We consider that the Comparison Period is appropriate to provide a general reference for the recent market practice in relation to the setting of share issue prices under similar market conditions. Nevertheless, Shareholders should note that the principal businesses, market capitalisations, profitability and financial positions of the Comparable Issues may not be the same as those of the Company, and we have not conducted any in-depth investigation into their businesses and operations. As the Comparable Issues can provide a general understanding of the pricing for this type of transaction in Hong Kong under the current market conditions, we consider, to the best of our knowledge and ability, that the Comparable Issues are exhaustive, fair and indicative in assessing the fairness and reasonableness of the Consideration Share Price.

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Table 5: Comparable Issues

Date of announcement	Company name	Stock code	issue price (HK\$)	Premium/(discount) of issue price		
				as at the last trading day prior to/on announcement date	over/(to) the closing price for the last five (5) trading days	over/(to) the closing price for the last ten (10) trading days
6/12/2018	Huajun International Group Limited	377	10.5	(2.71%)	0.0%	(1.7%)
4/12/2018	Winto Group (Holdings) Limited	8238	0.1	87.5%	87.5%	86.3%
29/11/2018	OneForce Holdings Limited	1933	0.7	21.4%	21.9%	21.9%
13/11/2018	EFT Solutions Holdings Limited	8062	0.4	(0.5%)	0.0%	4.5%
7/11/2018	Differ Group Holding Company Limited	6878	0.6	3.8%	5.8%	5.6%
26/10/2018	Thiz Technology Group Limited	8119	1.0	159.7% (Note)	155.1% (Note)	146.3% (Note)
25/10/2018	Sheng yuan Holdings Ltd	851	0.3	45.6%	45.5%	46.3%
19/10/2018	CIMC-TianDa Holdings Company Limited	445	0.3	20.5%	21.9%	16.9%
21/9/2018	China Sandi Holdings Limited	910	0.4	(9.5%)	(9.8%)	(9.7%)
19/9/2018	Jiayuan International Group Limited	2768	13.7	(5.3%)	(4.3%)	(5.3%)
14/9/2018	eForce Holdings Limited	943	0.2	(6.1%)	(4.2%)	(5.8%)
Maximum premium				159.7%	155.1%	146.3%
Maximum discount				(9.5%)	(9.8%)	(9.7%)
Average premium				15.5%	16.4%	15.9%
Consideration Shares			0.36	0.0%	(1.37%)	1.12%

Source: the Stock Exchange

Note: The issue was identified with a premium of over 100% of the issue price over the closing share price on the last trading day prior to/on the announcement date, for the last five trading days and for the last ten trading days. Given the majority of the premium/(discount) of the Comparable Issues are less than 100%, the issue is considered as an outlier and has been excluded from the calculation of the average premium/(discount).

As illustrated in the table above, the issue prices of the Comparable Issues ranged: (i) from a discount of approximately 9.5% to a premium of approximately 159.7% to/over the closing price of the last trading day prior to/on the announcement date with an average premium of approximately 15.5%; (ii) from a discount of approximately 9.8% to a premium of approximately 155.1% to/over the closing price of the last five trading days prior to/on the announcement date with an average premium of approximately 16.4%; and (iii) from a

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discount of approximately 9.7% to a premium of approximately 146.3% to/over the closing price of the last ten trading days prior to/on the announcement date with an average premium of approximately 15.9%.

We note that the Consideration Share Price of HK\$0.36 equals to the closing price of the Last Trading Day and represents: (i) a discount of approximately 1.37% to the closing price of the last five trading days prior to/on the announcement date; and (ii) a premium of approximately 1.12% over the closing price of the last ten trading days prior to/on the announcement date. Each of the premium/discount falls within the range of that of the Comparable Issues.

Having considered our above analyses, we are of the view that the Consideration Share Price is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

OTHER FINANCING ALTERNATIVES

The Company intends to finance the payment of the Total Consideration by way of the allotment and issue of Consideration Shares in favour of the Vendor or its nominee(s). The Company had also considered various alternatives to finance the Acquisition, including but not limited to bank borrowings and various forms of equity financing such as rights issue and open offer, and placing of Shares after taking into consideration the financial position, capital structure and cost of fundraising of the Group as well as prevailing market condition.

(i) Bank borrowings

As discussed in the subsection headed “Information of the Group”, the Group recorded net losses of approximately HK\$4.7 million, HK\$12.5 million and HK\$3.5 million in 1H2019, FY2018 and 1H2018, respectively. Given the Group’s loss position in the past two years, the Management considered that bank borrowings may be subject to stringent due diligence and financing terms that may not be favourable to the Group. Accordingly, the Management consider that debt financing is not a viable option.

(ii) Equity financing

Equity financing, such as placing, open offer and rights issue, would otherwise allow the Group to finance the Acquisition without any interest cost burden. However, given the current market condition and the Group’s loss making position, it may be difficult to procure placing agent(s) to seek independent placees with a reasonable placing commission fee. Although rights issue and open offer would allow the Shareholders to maintain their respective pro-rata shareholding in the Company, the time required to execute a rights issue or an open offer is relatively longer as compared to the allotment and issue of Consideration Shares and involve additional costs. Considering that placing agents would only conduct the Share placement on a

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best effort basis and the payment of placing commission with similar dilution effect as compared to the allotment and issue of Consideration Shares, the Management is of the view that the equity financing is therefore not an appropriate financing option.

Having considered the above, in particular the Group is not subject to any immediate financial burden or cash outflow from the Specific Mandate, we consider the allotment and issue of Consideration Shares under the Specific Mandate is more appropriate for the settlement of the Total Consideration as compared to other financing alternatives.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Company will acquire approximately 4.05% of the issued shares in the Target Company. The Target Company will not become a subsidiary or an associate company of the Company, and the financial results of the Target Company will not be consolidated in the financial statements of the Group nor be equity accounted for in the Group's consolidated financial statements as an associate. As the Total Consideration will be satisfied by the allotment and issue of the Consideration Shares, there will be no adverse effect on the cash position of the Group immediately upon the Completion. Therefore, the Acquisition would have a positive impact on the net assets value of the Group.

Assets and liabilities

The Acquisition would result in an increase in total assets and net assets of the Group by the fair value of the Sale Shares at HK\$246,510,000 and the total liabilities of the Group will remain unchanged.

Earnings

Since the Group will only be interested in 4.05% of the shareholding in the Target Company after Completion, the financial results and financial position of the Target Company will not be consolidated with those of the Group. The Group's interest in the Target Company would only be accounted for as investment at fair value through profit or loss which would be recorded at its fair value. Save for the dividends that may be declared and distributed by the Target Company (if any) to the Group and any changes in fair value of the shares of the Target Company, the Acquisition is not expected to have any significant impact on the earnings of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE

The Consideration Shares represent approximately 15.28% of the total number of issued Shares of the Company as at the Latest Practicable Date and approximately 13.25% of the total number of issued Shares of the Company as enlarged by the issue of the Consideration Shares (assuming there will be no change in the total number of issued Shares of the Company between the Latest Practicable Date and the allotment and issue of the Consideration Shares).

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The table below illustrates the shareholding structure of the Company: (i) as at the Latest Practicable Date; and (ii) immediately after the completion of the issuance and allotment of the Consideration Shares (assuming: (a) the Completion having taken place; and (b) the Consideration Shares having been issued and allotted, without taking into account any other new Shares, if any, issued between the Latest Practicable Date and the Completion). The allotment and issue of the Consideration Shares upon Completion will not result in a change of control of the Company since Hao Tian Development will remain the controlling Shareholder of the Company.

Table 7: Shareholding structure of the Company

	As at the Latest Practicable Date		Immediately upon the issuance and allotment of the Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Hao Tian Development	2,332,384,688	64.79	2,882,384,688	69.46
Public Shareholders	<u>1,267,615,312</u>	<u>35.21</u>	<u>1,267,615,312</u>	<u>30.54</u>
	<u>3,600,000,000</u>	<u>100.00</u>	<u>4,150,000,000</u>	<u>100.00</u>

As shown in the above table, the existing public Shareholders' shareholdings will be slightly diluted from approximately 35.21% as at the Latest Practicable Date to approximately 30.54% immediately after the Completion. In view of the fact that the Acquisition enhances the total assets and net assets of the Group, we are of the view that the shareholding dilution resulting from the allotment and issue of the Consideration Shares is acceptable.

RECOMMENDATION

In light of the above and having considered in particular that:

- (a) the investment in the Target Company has good capital growth potential and will generate attractive returns to the Group;
- (b) the outlook in the financial service sector is encouraging, and the business of the Target Group has been on a growing trend;
- (c) the consideration per Sale Share represents a discount to its current market price and the average closing share price over the Review Period;
- (d) the Consideration Share Price is higher than the average closing price and the closing prices for majority of the trading days during the Review Period;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (e) the Total Consideration will be satisfied in full by the allotment and issue of the Consideration Shares by the Company without having any negative effect on the cash position of the Group; and
- (f) as compared to other financing alternatives, the Specific Mandate is considered to be a more appropriate option for the settlement of the Total Consideration,

we are of the opinion that although the Acquisition is not in the ordinary and usual course of business of the Group, the terms of the SP Agreement and the transactions contemplated thereunder, including the Specific Mandate, are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise: (i) the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution approving the SP Agreement and the transactions contemplated thereunder, including the Specific Mandate at the EGM.

Yours faithfully,

For and on behalf of

Opus Capital Limited

Koh Kwai Yim Zhang Wenwen

Executive Director Director

Ms. Koh Kwai Yim is the Executive Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 17 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

Ms. Zhang Wenwen is the Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Zhang has participated in and completed various financial advisory and independent financial advisory transactions.

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the year ended 31 March 2016, 31 March 2017 and 31 March 2018 and for the six months ended 30 September 2018 are disclosed in the following documents which have been published on the website of the Stock Exchange at www.hkexnews.hk:

- Annual report of the Company for the year ended 31 March 2016 published on 29 July 2016 (pages 37 to 99)

(hyperlink: <http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0729/LTN20160729240.pdf>)
- Annual report of the Company for the year ended 31 March 2017 published on 25 July 2017 (pages 63 to 134)

(hyperlink: <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0725/LTN20170725424.pdf>)
- Annual report of the Company for the year ended 31 March 2018 published on 19 July 2018 (pages 72 to 172)

(hyperlink: <http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0719/LTN20180719344.pdf>)
- Interim report of the Company for the six months ended 30 September 2018 (pages 30 to 84)

(hyperlink: <http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1227/LTN20181227457.pdf>)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 November 2018, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group are as follows:

Borrowings

The Group had outstanding unsecured interest-bearing bank loans from financial institutions with principal amount of approximately HK\$47,129,000 which bear interest between 2.82% to 4.75% per annum. These loans were guaranteed by the Company.

HK\$'000

Bank loans are repayable as follows:

— Within one year	11,925
— More than one year but less than two years	9,915
— More than two years but less than five years	19,639
— More than five years	<u>5,650</u>
	<u><u>47,129</u></u>

Contingent liabilities

As at 30 November 2018, the Group provided performance guarantee amounting to approximately HK\$11,200,000 to the banks in respect of obligations under finance leases and the Group's obligations under contracts with certain third party customers. Under the guarantees, the Group would be liable to make payments to the banks if the bank is unable to recover the amounts under these finance leases from these customers or the Group failed to perform the relevant obligations to these customers.

Obligation under finance leases

The Group had outstanding obligations under finance leases of approximately HK\$95,807,000 which bear interest between 1.4% to 4.9% per annum, secured by charges over property, plant and equipment and partially guaranteed by Company.

Amount due to immediate holding company

The Group had outstanding interest-free and unsecured amount due to immediate holding company of HK\$5,000.

Director loan

The Group had outstanding unsecured director loan of HK\$70,000,000 which bears interest at 2% per annum.

Amount due to a director

The Group had outstanding interest-free and unsecured amount due to a director of approximately HK\$15,364,000.

Amount due to a fellow subsidiary

The Group had outstanding interest-free and unsecured amount due to a fellow subsidiary of approximately HK\$284,000.

Commitment

The Group had capital commitment in relation to purchase of property, plant and equipment of approximately HK\$25,545,000.

Disclaimer

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30 November 2018 any other borrowings, debt securities, issued and outstanding or authorised or otherwise created but unissued, loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitment, guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and carefully enquiry, are of the opinion that following Completion, after taking into account the financial resources available to the Group, including internally generated funds and the available banking facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

4. PREVIOUS ACQUISITION

Since 31 March 2018, being the date to which the latest published audited financial statements of the Group were made up to, the Group on 13 December 2018 completed the acquisition of the entire issued shares in the Hao Tian International Financial Holdings Limited (昊天國際金融控股有限公司), a BVI business company duly incorporated under the laws of the British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands (“HTIFH”) at a total consideration of HK\$180,000,000, which was wholly satisfied by cash at completion of the Previous Acquisition. The Previous Acquisition and the transactions contemplated thereunder, as aggregated in accordance with the Listing Rules, constitute a major and connected transaction of

the Company. Details of the Previous Acquisition can be found in the announcements of the Company dated 28 March 2018, 25 June 2018, 24 July 2018 and 13 December 2018 respectively and the circular of the Company dated 10 August 2018.

HTIFH holds the entire equity interest in Hao Tian International Financial Holdings Limited (昊天國際金融控股有限公司) (“**HTI Financial (Hong Kong)**”). HTI Financial (Hong Kong) holds the entire equity interest in each of (i) Hao Tian International Bullion Limited (昊天國際金業有限公司); (ii) Hao Tian International Futures Limited (昊天國際期貨有限公司) (“**HTI Futures**”); (iii) Hao Tian Asset Management Limited (昊天資產管理有限公司) (“**HT Asset Management**”); (iv) HT International Wealth Management Limited (昊天國際財富管理有限公司) (“**HTI Wealth Management**”); (v) King International Securities Limited (天王國際證券有限公司) (“**KIS**”); (vi) Hao Tian International Finance Company Limited (昊天國際財務有限公司) (“**HTI Finance**”); (vii) Hao Tian International Securities Limited (昊天國際證券有限公司) (“**HTI Securities**”); and (viii) Hao Tian Investment Management Limited, the general partner of Hao Tian Development Fund L.P. (“**HTD Fund**”). HTI Financial (Hong Kong) is also the only limited partner of HTD Fund, with a total capital commitment of US\$1.00.

HTI Securities is licenced by the SFC to conduct Type 1 (dealing in securities) regulated activity under the SFO.

HTI Futures is licenced by the SFC to conduct Type 2 (dealing in futures contracts) regulated activity under the SFO.

HT Asset Management is licenced by the SFC to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activity under the SFO.

HTI Wealth Management is a member of the Hong Kong Confederation of Insurance Brokers and is permitted to carry on the business of general insurance business and long term (including linked long term) insurance.

HTI Finance holds a money lender licence granted by the licensing court (as defined in the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)) pursuant to the aforesaid ordinance.

The aggregate of the remuneration payable to and benefits in kind receivable by the directors of HTIFH will not be varied in consequence of the Previous Acquisition.

5. FINANCIAL INFORMATION OF HTIFH

The financial information of HTIFH and its subsidiaries for the last three financial years are disclosed in Appendices IIA and IIB of the circular of the Company dated 10 August 2018 which has been published on the website of the Stock Exchange at <http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0810/LTN20180810159.pdf>.

6. MATERIAL ADVERSE CHANGE

Save as disclosed in this circular, up to and including the Latest Practicable Date, the Directors have not been aware of any material adverse change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published audited financial statements of the Group were made up to.

7. FINANCIAL AND TRADING PROSPECTS

The Group continues to engage in three business segments, namely rental of construction machinery, trading of construction machinery and spare parts, and provision of machinery transportation services. In addition, the Group intends to explore prospective expansion opportunities in respect of the rental of construction machinery business in the PRC, Singapore, Vietnam and the United Kingdom.

On the other hand, the Group is striving to look for new businesses to diversify and strengthen its financial position.

As stated previously, the Previous Acquisition has been completed on 13 December 2018. After completion of the Previous Acquisition, the Group will commit more resources to further developing these new business lines.

As of the Latest Practicable Date and other than the Sale Shares, the Group has not currently identified any specific potential investment target.

The Board considers equity interest in the Target Company has good capital growth potential and is therefore an attractive investment opportunity to the Group. The Acquisition also allows the Group to acquire the Sale Shares at a discount of its current market price, and is not expected to have a negative effect on the cash position of the Group since no payment of any cash consideration is involved in the Acquisition. The Group will continue to seek investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability, and maximize return for its shareholders.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**(1) Introduction to the unaudited pro forma financial information**

The accompanying unaudited pro forma statement of assets and liabilities of the Group (the “Statement”) has been prepared to illustrate the effect of acquisition of sale shares in China Shandong Hi-Speed Financial Group Limited (the “Acquisition”), assuming the transaction had been completed as at 30 September 2018, might have affected the financial position of the Group.

The Statement is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 September 2018 as extracted from the interim report of the Group for the six months ended 30 September 2018 after making certain pro forma adjustments resulting from the Acquisition.

The Statement is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Statement, it may not give a true picture of the actual financial position of the Group that would have been attained had the Acquisition actually occurred on 30 September 2018. Furthermore, the Statement does not purport to predict the Group’s future financial position.

The Statement should be read in conjunction with the financial information of the Group as set out in Appendix I of the Circular and other financial information included elsewhere in the Circular.

(2) Unaudited pro forma consolidated statement of assets and liabilities of the group

	The Group at 30 September 2018	Pro forma adjustments	The Group at 30 September 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	
Non-current assets			
Property, plant and equipment	307,751		307,751
Finance lease receivables	10,341		10,341
Loan receivables	10,245		10,245
Investments at fair value through profit or loss	—	246,510	246,510
Deferred tax assets	4,847		4,847
Pledged bank deposits	4,639		4,639
Deposit for acquisition of subsidiaries	100,000		100,000
Deposit for acquisition of property, plant and equipment	<u>1,002</u>		<u>1,002</u>
	<u>438,825</u>		<u>685,335</u>
Current assets			
Inventories	12,015		12,015
Trade receivables	48,124		48,124
Other receivables, deposits and prepayments	6,777		6,777
Finance lease receivables	8,278		8,278
Loan receivables	95,797		95,797
Tax recoverable	955		955
Bank balances and cash	<u>198,160</u>		<u>198,160</u>
	<u>370,106</u>		<u>370,106</u>

APPENDIX II

UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP

	The Group at 30 September 2018 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>HK\$'000</i> <i>(Note 2)</i>	The Group at 30 September 2018 <i>HK\$'000</i>
Current liability			
Trade payables	5,414		5,414
Accruals, deposits received and other payables	10,691		10,691
Amount due to a director	15,357		15,357
Amounts due to related companies	305		305
Loan from a director	40,000		40,000
Borrowings	107,218		107,218
Obligation under finance leases	4,194		4,194
Tax payable	<u>297</u>		<u>297</u>
	<u>183,476</u>		<u>183,476</u>
Net current assets	<u>186,630</u>		<u>186,630</u>
Total assets less current liabilities	<u>625,455</u>		<u>871,965</u>
Non-current liabilities			
Borrowings	37,520		37,520
Obligation under finance leases	6,378		6,378
Loan from a director	30,000		30,000
Deferred tax liabilities	<u>28,088</u>		<u>28,088</u>
	<u>101,986</u>		<u>101,986</u>
NET ASSETS	<u><u>523,469</u></u>		<u><u>769,979</u></u>

	The Group at 30 September 2018	Pro forma adjustments	The Group at 30 September 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	
EQUITY			
Capital and reserve			
Share capital	36,000	5,500	41,500
Reserves	<u>487,219</u>	241,010	<u>728,229</u>
Equity attributable to owners of the Company	523,219		769,729
Non-controlling interests	<u>250</u>		<u>250</u>
Total equity	<u><u>523,469</u></u>		<u><u>769,979</u></u>

(3) Notes to the unaudited pro forma financial information of the group

- (1) The financial information have been extracted from the unaudited consolidated statement of financial position of the Group as at 30 September 2018 as set out in the interim report of the Company for the six months ended 30 September 2018.
- (2) The adjustments represent the proposed Acquisition of the sale shares in China Shandong Hi-Speed Financial Group Limited (the "Sale Shares") held by the vendor by issuing 550,000,000 ordinary shares of the Company at HK\$0.36 per consideration share (the "Total Consideration Shares"). Assuming that the Acquisition had taken place on 30 September 2018, the fair value of the transaction consideration is allocated as follows:

	<i>HK\$'000</i>
Fair value of Total Consideration Sales	140,250
Less: fair value of the Sale Shares	<u>(246,510)</u>
Other reserve	<u><u>(106,260)</u></u>

As 30 September 2018, the Company's share price was HK\$0.255 per share. Fair value of the Consideration Shares was HK\$140,250,000. The issued share capital was increased by HK\$5,500,000 and its share premium account was increased by HK\$134,750,000.

As 30 September 2018, the quoted share price of China Shandong Hi-Speed Financial Group Limited (stock code #412) was HK\$0.249 per share. Therefore, the Group recorded investments at fair value through profit or loss of HK\$246,510,000. The difference of HK\$106,260,000 was recorded in the other reserve.

- (3) Save as set out above, the Unaudited Pro Forma Financial Information does not take into account any trading results or other transactions of the Group subsequent to the date of the financial information as included in the Unaudited Pro Forma Financial Information.

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



17 January 2019

The Board of Directors**Hao Tian International Construction Investment Group Limited**

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Hao Tian International Construction Investment Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma statement of assets and liabilities as at 30 September 2018 (the “Statement”) as set out on pages II-1 to II-5 of the investment circular (the “Circular”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the Statement are described on pages II-4 to II-5 of the Circular.

The Statement has been compiled by the directors to illustrate the impact of the proposed acquisition of the 990,000,000 ordinary shares in the China Shandong Hi-Speed Financial Group Limited held by Hao Tian Management (Hong Kong) Limited by issuing 550,000,000 ordinary shares of the Company on the Group’s financial position as at 30 September 2018 as if the transaction had been taken place at 30 September 2018. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s condensed consolidated financial statements as included in the interim report for the six months ended 30 September 2018, on which no audit or review report has been published.

Directors’ Responsibilities for the Pro Forma Financial Information

The directors are responsible for compiling the Statement in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Statement in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Statement, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Statement.

The purpose of the Statement included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2018 would have been as presented.

A reasonable assurance engagement to report on whether the Statement has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Statement provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Statement reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Statement has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Statement has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Statement as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong, 17 January 2019

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL**Share capital of the Company**

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon Completion (assuming there will be no other change in the number of issued Shares between the Latest Practicable Date and the date of the Completion) as follows:

(a) Share capital as at the Latest Practicable Date

	Par Value per Share	Number of Shares	Amount
	<i>HK\$</i>		<i>HK\$</i>
<i>Authorised:</i>			
As at the Latest Practicable Date	0.01	20,000,000,000	200,000,000
<i>Issued and fully paid:</i>			
As at the Latest Practicable Date	0.01	3,600,000,000	36,000,000

(b) *Share capital immediately upon Completion (assuming there will be no other change in the number of issued Shares between the Latest Practicable Date and the date of the Completion save for the Consideration Shares to be issued pursuant to the Specific Mandate)*

	Par Value per Share HK\$	Number of Shares	Amount HK\$
<i>Authorised:</i>			
As at the Latest Practicable Date	0.01	20,000,000,000	200,000,000
<i>Issued and fully paid:</i>			
Immediately before the date of Completion	0.01	3,600,000,000	36,000,000
Consideration Shares to be issued pursuant to the Specific Mandate	0.01	550,000,000	5,500,000
Shares in issue upon Completion	0.01	4,150,000,000	41,500,000

All issued Shares rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

The Consideration Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Consideration Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had registered in an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO); (ii) recorded in the register kept by the Company,

pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Substantial Shareholders

So far as it is known to the Directors of the Company, as at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name of substantial Shareholder	Capacity/nature of interests	Number of Shares held <i>(Note 1)</i>	Approximate % of the issued share capital in the Company <i>(Note 8)</i>
Hao Tian Management (Hong Kong) Limited <i>(Note 2)</i>	Beneficial owner	550,000,000	15.28%
Hao Tian Management (China) Limited <i>(Note 3)</i>	Beneficial owner	2,332,384,688	64.79%
Win Team Investments Limited <i>(Note 4)</i>	Interests of controlled corporation	2,882,384,688	80.07%
Hao Tian Development Group Limited <i>(Note 5)</i>	Interests of controlled corporation	2,882,384,688	80.07%
Asia Link Capital Investment Holdings Limited <i>(Note 6)</i>	Interests of controlled corporation	2,882,384,688	80.07%
Li Shao Yu <i>(Note 6)</i>	Interests of controlled corporation	2,882,384,688	80.07%
Cheer Hope Holdings Limited <i>(Note 7)</i>	Security interest	2,332,384,688	64.79%

Name of substantial Shareholder	Capacity/nature of interests	Number of Shares held (Note 1)	Approximate % of the issued share capital in the Company (Note 8)
CCBI Investments Limited (Note 7)	Security interest	2,332,384,688	64.79%
CCB International (Holdings) Limited (Note 7)	Security interest	2,332,384,688	64.79%
CCB Financial Holdings Limited (Note 7)	Security interest	2,332,384,688	64.79%
CCB International Group Holdings Limited (Note 7)	Security interest	2,332,384,688	64.79%
China Construction Bank Corporation (Note 7)	Security interest	2,332,384,688	64.79%
Central Huijin Investment Ltd. (Note 7)	Security interest	2,332,384,688	64.79%

Notes:

1. All interests stated are long positions.
2. According to the information available to the Company, Hao Tian Management (Hong Kong) Limited is a company incorporated in Hong Kong with limited liability and is directly owned as to approximately 92.41% by Win Team Investments Limited.
3. According to the information available to the Company, HTM (China) is a company incorporated in Hong Kong with limited liability and is directly wholly owned by Win Team Investments Limited.
4. According to the information available to the Company, Win Team Investments Limited is a company incorporated in the British Virgin Islands and is directly wholly owned by Hao Tian Development.
5. According to the information available to the Company, Hao Tian Development is a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (stock code: 474). These Shares comprise the 2,332,384,688 Shares which the Vendor is indirectly interested in through its subsidiaries.
6. According to the information available to the Company, Asia Link Capital Investment Holdings Limited beneficially owns 61.49% of the entire issued share capital of the Hao Tian Development and is in turn directly wholly owned by Li Shao Yu.

7. Such shares represent the shares charged to Cheer Hope Holdings Limited by Hao Tian Management (China) Limited on 12 October 2018. According to the information available to the Company, Cheer Hope Holdings Limited is wholly-owned by CCBI Investments Limited, which in turn is wholly-owned by CCB International (Holdings) Limited, which in turn is wholly-owned by CCB Financial Holdings Limited, which in turn is wholly-owned by CCB International Group Holdings Limited, which in turn is wholly-owned by China Construction Bank Corporation, which in turn is 57.11% owned by Central Huijin Investment Ltd.
8. The percentage figures are based on the number of Shares in issue as at the Latest Practicable Date (i.e. 3,600,000,000 Shares).

Save as disclosed above, the Directors of the Company were not aware, as at the Latest Practicable Date, of any person (not being a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Company or any member of the Group within one year without payment of compensation (other than statutory compensation)).

6. INTERESTS IN CONTRACTS OR ARRANGEMENT

Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which, since 31 March 2018 (the date to which the latest published audited financial statements of the Group were made up), had been or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

Interest in contracts

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2018 (being the date to which the latest published audited financial statements of the Group were made up).

8. LITIGATION

In 2012, a customer commenced litigation against Chim Kee Machinery Co., Ltd. (“**Chim Kee**”), one of the subsidiaries of the Group for alleged breach of a rental contract (the “**Legal Proceedings**”). The customer claimed for overall damages of more than HK\$100 million while the disputed sum claimed by Chim Kee against the customer was approximately HK\$17.5 million together with other unascertained damages. On 24 March 2016, the Court of First Instance handed down a judgment and ruled in favour of Chim Kee and ordered the customer to pay the Subsidiary unpaid rental plus interest and costs. On 26 April 2016, the customer lodged an appeal to the Court of Appeal (the “**Appeal**”) against the judgment of the Court of First Instance.

On 11 July 2017 and 30 November 2017, the Court of Appeal handed down the decisions on the Legal Proceedings and the Appeal. The decisions were in favour of Chim Kee and the Court of Appeal ordered the customer to settle the unpaid hire of HK\$8.9 million plus interest and part of the costs of the Legal Proceedings and the Appeal. Up to the date of this report, Chim Kee has received in an aggregated amount of HK\$14.4 million representing the unpaid hire plus interest of HK\$12.0 million and part of the costs of the Legal Proceedings and the Appeal of HK\$2.4 million. For details of the Legal Proceedings, please refer to the prospectus issued by the Company dated 30 November 2015.

On 11 July 2017, the customer commenced another proceedings against Chim Kee claiming for loss and damage of more than HK\$27 million. After considering the evidence and the background facts in relation to this proceedings and the advice from the legal adviser of Chim Kee in relation to this proceedings, the Directors are of the view it is a weak claim with remote prospect of success against Chim Kee and an application to strike out the said customer’s statement of claim was filed on 22 January 2018. The case was subsequently settled on 27 April 2018 with the customer discontinuing its claims. Up to the Latest Practicable Date, Chim Kee has received from the customer an aggregated amount of HK\$150,000 of the costs incurred by Chim Kee.

As at the Latest Practicable Date, save as disclosed above, no member of the Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. QUALIFICATION AND CONSENT OF EXPERTS

The following sets out the qualification of the experts who have given opinions, letter or advice included in this circular (collectively, the “**Experts**”):

Name	Qualifications
Opus Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
ZHONGHUI ANDA CPA Limited	Certified public accountants

Each of the letter or report of the Experts is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, none of the Experts (i) had any direct or indirect shareholding in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; or (ii) had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2018, the date to which the latest published consolidated audited accounts of the Group were made up.

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the Company or any members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the placing agreement (the “**Placing Agreement**”) dated 10 May 2017 entered into among the Company as issuer and HTI Securities and Kingston Securities Limited (“**Kingston Securities**” and, together with HTI Securities, the “**Placing Agents**”) as placing agents, under which the Company shall issue and the Placing Agents shall procure persons independent of the Company, its connected persons and their respective associates to subscribe for a total of 200,000,000 ordinary shares (each a “**Placing Share**”) in the Company, at the placing price of HK\$0.62 per Placing Share. Pursuant to the terms of the Placing Agreement, each of HTI Securities and Kingston Securities received a commission of HK\$545,600 and HK\$1,934,000 respectively. As HTI Securities was an indirect wholly-owned subsidiary of Hao Tian Development,

which was in turn a controlling shareholder of the Company, the engagement of HTI Securities as a placing agent by the Company under the Placing Agreement and the payment of commission therefor to HTI Securities constituted a connected transaction of the Company. The placing of all 200,000,000 Placing Shares was completed on 26 May 2017;

- (b) the sale and purchase agreement dated 28 March 2018 entered into between the Solution Pro Investments Limited as the purchaser, Hao Tian Development as the vendor and the Company in respect of the acquisition of the entire issued shares in Hao Tian International Financial Holdings Limited by the purchaser from the vendor for a total consideration of HK\$180,000,000 pursuant to the terms and conditions of the agreement, as amended and supplemented by the supplemental agreement dated 25 June 2018 and the second supplemental agreement dated 24 July 2018;
- (c) the sales and purchase agreement dated 14 May 2018 entered into between Kai Wing Machinery Trading Co. Ltd. as seller and K B Machinery Co. Ltd. (an indirect wholly-owned subsidiary of the Company) as buyer, in relation to the purchase of a used crawler crane for a total consideration of EUR4,200,000;
- (d) the loan agreement dated 14 May 2018 entered into between Tang Yiu Chi, James (an executive Director) as lender and K B Machinery Co. Limited (an indirect wholly-owned subsidiary of the Company) as borrower, in relation to a loan facility in the principal amount of not exceeding HK\$30,000,000 for a term of twenty-four (24) months and at an interest rate of 2% per annum (details are set out in the Company's announcement dated 14 May 2018);
- (e) the loan agreement dated 8 June 2018 entered into between the Purchaser as lender and Oriental Day International Limited as borrower, in relation to a term loan facility in the principal amount of up to HK\$20,000,000 for a term commencing from the relevant drawdown date and ended on 7 July 2018 and at an interest rate of 13% per annum (details are set out in the Company's announcement dated 8 June 2018); and
- (f) the underwriting agreement dated 25 June 2018 entered into between the Company and Hao Tian Management (China) Limited in relation to the rights issue on the basis and terms and subject to the conditions set out in the prospectus published by the Company dated 17 July 2018; and
- (g) the SP Agreement.

11. GENERAL

- (a) The secretary of the Company is Mr. Siu Kai Yin Edward who is admitted as a solicitor of the High Court of Hong Kong.
- (b) The registered office of the Company is situated at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company's principal place of business in Hong Kong is Rooms 4917–4932, 49/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.
- (c) The Company's share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of any inconsistency, the English texts of the circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Rooms 4917–4932, 49/F., Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 31 March 2016, 31 March 2017 and 31 March 2018 respectively and the interim report of the Company for the six months ended 30 September 2018;
- (c) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 20 to 47 of this circular;
- (d) the report on the unaudited pro forma financial information on the Group, the text of which is set out in Appendix II to this circular;
- (e) the written consents referred to in paragraph headed "9. Qualification and Consent of Experts" of this appendix;
- (f) the material contracts referred to in the paragraph headed "10. Material Contracts" in this appendix;
- (g) the SP Agreement;
- (h) this circular; and

- (i) a copy of each circular issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Hao Tian International Construction Investment Group Limited (the “**Company**”) will be held at Room 2702, 27/F., The Sun’s Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong on Monday, 11 February 2019 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the conditional sale and purchase agreement dated 17 December 2018 (the “**SP Agreement**”, details of which are disclosed in the circular of the Company dated 17 January 2019) entered into between (i) Glory Century Limited, an indirect wholly-owned subsidiary of the Company, as purchaser; (ii) Hao Tian Management (Hong Kong) Limited, an indirect non-wholly owned subsidiary of Hao Tian Development Group Limited (an indirect controlling shareholder of the Company), as vendor; and (iii) the Company, in relation to, among other matters, the sale and purchase of 990,000,000 issued shares in China Shandong Hi-Speed Financial Group Limited (中國山東高速金融集團有限公司) (the “**Target Company**”), representing approximately 4.05% of the issued share capital of the Target Company as at 15 January 2019, for a total consideration of HK\$198,000,000 which will be satisfied in full by the allotment and issue of 550,000,000 ordinary shares in the Company at the issue price of HK\$0.36 per share (the “**Consideration Shares**”) (a copy of the SP Agreement is marked “A” and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;
- (b) subject to fulfilment of the conditions precedent set out in the SP Agreement, the allotment and issue of the Consideration Shares in accordance with the terms and conditions of the SP Agreement be and is hereby approved;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the directors of the Company (the “**Directors**” and each a “**Director**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to exercise the powers of the Company to allot and issue the Consideration Shares pursuant to the terms and conditions of the SP Agreement, whereby such Consideration Shares shall rank equally in all respects among themselves and with all fully paid ordinary shares in the Company in issue as at the date of allotment and issue; the Specific Mandate is in addition to, and shall not prejudice nor revoke, any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors prior to the passing of this resolution; and
- (d) any Director be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as he may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the SP Agreement and the transactions contemplated thereunder.”

By Order of the board of Directors

Hao Tian International Construction Investment Group Limited

Tang Yiu Chi James

Executive Director

Hong Kong, 17 January 2019

As at the date of this notice, the board of Directors comprises three executive Directors, namely Mr. Fok Chi Tak, Mr. Tang Yiu Chi James and Dr. Zhiliang Ou, J.P., (Australia); and three independent non-executive Directors, namely Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong and Mr. Li Chi Keung Eliot.

Notes:

- (a) Each shareholder entitled to attend and vote at the EGM is entitled to appoint one proxy to attend and to vote at the EGM on his/her behalf. The proxy need not be a shareholder of the Company but must attend the EGM in person to represent the appointor. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote at the EGM on his/her behalf.
- (b) Where there are joint registered holders of any shares in the Company, any one of such joint holders may vote at the EGM or at any adjournment thereof, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the EGM personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (c) To be valid, the proxy form duly completed and signed in accordance with the instructions printed thereon and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointor, a notorially certified copy of that power of attorney or other authority (if applicable), must be deposited at the office

NOTICE OF EXTRAORDINARY GENERAL MEETING

of the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

- (d) For the purpose of ascertaining shareholders who are entitled to attend and vote at the EGM to be held on 11 February 2019 (or any adjournment thereof), the register of members of the Company will be closed from Friday, 1 February 2019 to Monday, 11 February 2019 (both days inclusive). In order to qualify for the right to attend and vote at the EGM (or any adjournment thereof), all transfers documents accompanied by the relevant share certificates should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 31 January 2019.
- (e) Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof should he so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
- (f) Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any voting on the resolutions at the EGM will be taken by poll.
- (g) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.