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**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)

**DISCLOSEABLE TRANSACTION REGARDING DISPOSAL OF
A PROPERTY HOLDING COMPANY**

THE SP AGREEMENT

The Board wishes to announce that after trading hours on 1 March 2019, the Vendor, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, (i) the Sale Shares, representing the entire issued share capital of the Target, which shall be free from encumbrances and third party rights; and (ii) the Shareholder's Loan, representing the entire amount due and owing by the Target to the Vendor as at the Completion Date, at an aggregate cash consideration of HK\$100,000,000.

The Target is a property holding company and its principal asset is the Property, which is a parcel of land situated in Tai Tong, Yuen Long.

Upon Completion, the Target will cease to be a subsidiary of the Company and the Company will cease to have any interest in the Target.

IMPLICATIONS UNDER THE LISTING RULES

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party.

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a disclosable transaction of the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board wishes to announce that after trading hours on 1 March 2019, the Vendor, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser in respect of the Disposal.

The principal terms of the SP Agreement are set out below:

THE SP AGREEMENT

Date

1 March 2019

Parties

Vendor: Crawler Crane Business Limited, a wholly-owned subsidiary of the Company

Purchaser: Bravo Rich Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party. The Purchaser is a company incorporated in Hong Kong with limited liability. It is an investment holding company.

Subject Matter

The Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, (i) the Sale Shares, which shall be free from encumbrances and third party rights; and (ii) the Shareholder's Loan, representing the entire amount due and owing by the Target to the Vendor as at the Completion Date, at the aggregate Consideration of HK\$100,000,000.

The Sale Shares represent the entire issued share capital of the Target and is legally and beneficially owned by the Vendor. The amount due and owing by the Target to the Vendor as at the date of the SP Agreement was approximately HK\$76,076,000.

Consideration and Payment Term

The Consideration for the Disposal payable by the Purchaser to the Vendor is HK\$100,000,000 and shall be payable by the Purchaser to the Vendor in the following manner:

- (1) HK\$10,000,000, representing ten per cent. (10%) of the Consideration, was paid by the Purchaser to the Vendor upon signing of the SP Agreement as a deposit; and
- (2) HK\$90,000,000, representing the remaining balance of the Consideration, upon Completion.

The Consideration shall be settled by the Purchaser in cash.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the unaudited total asset value of the Target of approximately HK\$68,501,000 as at 31 January 2019 and the amount due and owing by the Target to the Vendor as at the date of SP Agreement of approximately HK\$76,076,000.

Conditions Precedent

Completion shall be conditional upon the following Conditions Precedent:

- (1) the Purchaser having completed its due diligence investigation on the legal, financial, tax, assets and liabilities of the Target and reasonably satisfied with results thereof;
- (2) the Vendor being the legal and beneficial owner of the Sale Shares free from all encumbrances;
- (3) the Vendor being able to procure the Target to, and the Target being able to show and give a good title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (4) the Vendor being able to procure the Target to, and the Target being able to deliver vacant possession of the Property to the Purchaser; and
- (5) all compliance requirements as may be required under the Listing Rules relating to the transactions contemplated under the SP Agreement having been duly complied with by the Company.

The Purchaser may in its discretion waive any of the Conditions (1) to (4).

In the event that any of the Conditions Precedent is not fulfilled (or waived by the Purchaser, as the case may be) on or before 24 April 2019 (or such other date as the Vendor and the Purchaser may agree in writing), the Vendor shall arrange to return the paid deposit (without interest) to the Purchaser within three (3) Business Days in which event none of the parties shall have any further claim against any other party.

Completion

Subject to the fulfilment or waiver (as the case may be) of all the above Conditions Precedents, Completion shall take place on the Completion Date.

INFORMATION ON THE TARGET

The Target is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The principal business of the Target is investment holding and its principal asset is the Property, which is a parcel of land situated in Tai Tong, Yuen Long.

The unaudited total asset value and net liability of the Target as at 31 January 2019 were approximately HK\$68,501,000 and HK\$7,614,000 respectively.

The Property had been used by the Target mainly for the storage of construction machinery. For the financial years ended 31 March 2017 and 31 March 2018, the audited net loss (before taxation) and the audited net loss (after taxation) were as follows:

	For the year ended 31 March 2017	For the year ended 31 March 2018
	<i>Approximate HK\$'000</i>	<i>Approximate HK\$'000</i>
Net loss before taxation	(1,132)	(4,389)
Net loss after taxation	(1,132)	(4,389)

Upon Completion, the Target will cease to be a subsidiary of the Company and the Company will cease to have any interest in the Target. The financial results of the Target will no longer be consolidated into the Group's financial statements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability. The Company is an investment holding company. As at the date of this announcement, 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.

It is expected that the Group will record a net book gain of approximately HK\$31,121,000 from the Disposal, which is calculated with reference to the difference between (a) the Consideration and (b) the aggregate of (i) the estimated unaudited net book value of the Target as at 31 January 2019; (ii) the amount of the Shareholders' Loan; and (iii) the estimated expenses in connection with the Disposal. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company. It is expected that the net proceeds from the Disposal will be used for general working capital of the Group.

In light of the estimated gain that may be recorded by the Company from the Disposal, the Directors consider the Disposal, if materialises, represents an opportunity for the Group to realise its investment in the Target and in substance, the Property, so as to enable the Group to re-allocate more financial resources on its principal businesses.

The terms of the SP Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a disclosable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any date on which a tropical cyclone warning No. 8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for 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”	completion of the Disposal in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the third (3rd) Business Day immediately following the date on which all of the Conditions Precedent shall have been fulfilled, performed or waived in the manner described in the SP Agreement, or such other date as may be agreed in writing between the Vendor and the Purchaser

“Condition(s) Precedent”	the condition(s) precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The SP Agreement” in this announcement
“Consideration”	the sum of HK\$100,000,000, being the aggregate purchase price payable to the Vendor for the Sale Shares and the Shareholder’s Loan under the SP Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Shareholder’s Loan pursuant to the terms and conditions of the SP Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	a parcel of land situated in Tai Tong, Yuen Long with a total area of approximately 61,600 square feet
“Purchaser”	Bravo Rich Limited, a company incorporated in Hong Kong with limited liability
“Sale Shares”	100 issued shares, representing all the issued shares, in the Target
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder’s Loan”	all amounts owing by the Target to the Vendor as at the Completion Date
“SP Agreement”	the sale and purchase agreement dated 1 March 2019 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Chim Kee Crane Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of the SP Agreement
“Vendor”	Crawler Krane Business Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 1 March 2019

As at the date of this announcement, the Board 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.