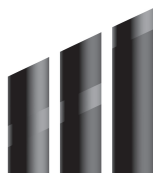

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Hao Tian Development Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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

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.



昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

DISCLOSEABLE AND CONNECTED TRANSACTIONS INVOLVING ACQUISITION OF NOTES AND ISSUE OF BONDS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 13 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 38 of this circular.

A notice convening the extraordinary general meeting of Hao Tian Development Group Limited to be held at Room 2702, 27/F., The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Thursday, 27 September 2018 at 10:30 a.m. is set out on pages 55 to 57 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed. Whether or not you intend to attend and vote at the extraordinary general meeting or any adjourned meeting (as the case may be) in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish.

6 September 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

“Acquisition”	the acquisition of Notes by the Company pursuant to the Agreement;
“Agreement”	the sale and purchase agreement dated 28 June 2018 entered into between the Company and Asia Link in respect of the Acquisition;
“Announcement”	the announcement of the Company dated 28 June 2018 in relation to, among other things, the Acquisition and the Issuance;
“Asia Link”	Asia Link Capital Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities;
“Board”	the board of Directors;
“Bonds”	the US\$27,800,000 4.0% bonds due 2019 to be issued by the Company;
“Bond Certificate”	a certificate to be issued in the name of the holder of one or more Bonds;
“Bond Instrument”	the bond instrument constituting the Bonds to be issued by the Company in favour of Asia Link upon Completion;
“Business Day”	a day on which banks in Hong Kong are open for general banking transactions;
“Company”	Hao Tian Development Group Limited, a company incorporated in the Cayman Islands, the issued Shares of which are listed and traded on the Stock Exchange (stock code: 474);
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Agreement;
“Completion Date”	the third Business Day after the last condition precedent under the Agreement has been fulfilled or waived, or such other date as the Company and Asia Link may agree in writing;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Consideration”	the aggregate amount of US\$27,800,000 (equivalent to approximately HK\$218,230,000) for the Acquisition;

DEFINITIONS

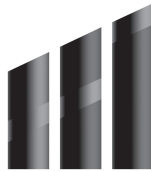
“Directors”	the directors of the Company (including the independent non-executive directors of the Company) and “Director” shall mean any one of them;
“EGM”	the extraordinary general meeting to be convened by the Company to consider, and if thought fit, to approve, among others, the Acquisition and the Issuance;
“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 PRC;
“Imperial Pacific”	Imperial Pacific International Holdings Limited, a company incorporated in the Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01076);
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Lee Chi Hwa, Joshua, formed for the purpose of advising the Independent Shareholders in relation to the Acquisition and Issuance;
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to make recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and Issuance;
“Independent Shareholder(s)”	the Shareholders other than Asia Link and its associates, who are required by the Listing Rules to abstain from voting on the resolutions approving the Acquisition and Issuance;
“Issuance”	the issue of Bonds pursuant to the Bond Instrument;
“Latest Practicable Date”	30 August 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the US\$30,000,000 8.5% notes due 2020 issued by Imperial Pacific;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules; and
“US\$”	United States dollars, the lawful currency of the United States of America.

For illustrative purpose of this circular only, conversion of US\$ into HK\$ is made at a rate of US\$1.00 to HK\$7.85. The conversion rates are for illustrative purpose only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforesaid rates or any other rates at all.

LETTER FROM THE BOARD



昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

Executive Directors:

Mr. Xu Hai Ying

Dr. Zhiliang Ou, *JP (Australia)*

Mr. Fok Chi Tak

Independent Non-executive Directors:

Mr. Chan Ming Sun Jonathan

Mr. Lam Kwan Sing

Mr. Lee Chi Hwa, Joshua

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Rooms 4917–4932, 49th Floor

Sun Hung Kai Centre

30 Harbour Road, Wanchai

Hong Kong

6 September 2018

To the Shareholders:

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
INVOLVING ACQUISITION OF NOTES AND ISSUE OF BONDS
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 28 June 2018 in relation to the Acquisition and Issuance.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition and Issuance; (ii) a letter of recommendation from the Independent Board Committee in relation to the Acquisition and Issuance; (iii) a letter of advice from the Independent Financial Adviser in relation to the Acquisition and Issuance; and (iv) a notice of EGM, and other information as required under the Listing Rules.

(1) ACQUISITION OF NOTES FROM ASIA LINK UNDER THE AGREEMENT

The Board is pleased to announce that on 28 June 2018, the Company, as the purchaser, and Asia Link, as the vendor, entered into the Agreement, pursuant to which, among other things, the Company agreed to acquire, and Asia Link agreed to sell, the Notes at the Consideration, being US\$27,800,000 (equivalent to approximately HK\$218,230,000), which shall be fully satisfied by the Issuance.

As at the date of this Agreement and the Latest Practicable Date, since Asia Link is a substantial Shareholder of the Company, Asia Link is a connected person of the Company under Chapter 14A of the Listing Rules.

Principal terms of the Agreement are set out below:

Date: 28 June 2018 (after trading hours)

Parties: (i) the Company, as the purchaser; and
(ii) Asia Link, as the vendor

Subject matter

Pursuant to the Agreement, the Company has conditionally agreed to acquire, and Asia Link has conditionally agreed to sell, the Notes at the Consideration. Further information of the Notes is set out in the section headed “The terms and conditions of the Notes” below.

Conditions precedent

The Completion of the Acquisition shall be subject to the following conditions precedent:

- (i) the obtaining of the approval of the Independent Shareholders at the EGM on the Agreement and the transactions contemplated thereunder, including, inter alia, the purchase of the Notes and the issue of the Bonds; and
- (ii) the obtaining of all necessary corporate approvals and consents to the Acquisition and the Issuance and the transactions contemplated under the Agreement on or before the Completion Date.

LETTER FROM THE BOARD

The Consideration

The Consideration payable for the Acquisition shall be an aggregate sum of US\$27,800,000 (equivalent to approximately HK\$218,230,000), which shall be settled by way of issue of the Bonds in favor of Asia Link upon Completion.

Based on the valuation conducted by Crowe Horwath, an independent valuer (the “**Independent Valuer**”), the market value of the Notes as at 28 June 2018 is US\$31,000,000, which is assessed by adopting the income approach.

The Independent Valuer used build-up method to develop the discount rate to calculate the previous values of any future cash flows of the Notes by adding credit spread and liquidity premium. The risk-free rate was determined with reference to the yield of United States treasury bonds with the same maturity as that of the Notes as at 28 June 2018.

The Independent Valuer used credit spread to measure the credit risk. The Independent Valuer performed a credit rating analysis on Imperial Pacific, and conducted a comparable bond research with similar credit ratings. There are 17 comparable bonds identified by the Independent Valuer, and the average yield minus the risk-free rate was adopted as the credit spread.

As the Notes lack an active market, the Independent Valuer added the liquidity premium on the risk-free rate to compensate such risk based on a research paper published by Natixis, which is a financial service arm of Group BPCE, one of the largest banking groups in France.

Our Independent Financial Adviser is of the opinion that the chosen valuation methodology, bases and assumptions used by the Independent Valuer are in line with market practice.

The Board has reviewed the valuation conducted by the Independent Valuer and discussed with them the bases and assumptions upon which the valuation has been made and the discounted future cash flows of the valuation is based. The Board confirms that the valuation, which constitutes a profit forecast under the Listing Rules, has been made by the Independent Valuer and accepted by the Board after due and careful enquiry.

An independent third party certified public accountants firm, ZHONGHUI ANDA CPA Limited, engaged by the Company, has issued its opinion in the assurance report that the calculations of the discounted cash flow forecast have been properly complied with the bases and assumptions adopted by the Board.

As disclosed in the annual report 2017/18, the Group has current assets of more than approximately HK\$2.8 billion and net current assets of more than approximately HK\$1.6 billion as at 31 March 2018, and the Group, from time to time, keeps looking for the

LETTER FROM THE BOARD

possibilities of debt financing and equity financing. Thus, the Company is confident that it will have sufficient funding from internal resources or through debt financing or equity financing to redeem the outstanding principal amount together with the interest accrued on the Bonds on the maturity date of the Bonds.

The terms and conditions of the Notes

Issuer:	Imperial Pacific
Principal amount:	US\$30,000,000
Date of the Notes:	25 January 2017
Interest rate:	The Notes bear interest at the rate of 8.5 per cent. (8.5%) per annum and is payable annually in arrears with the first interest payment to be made on the first anniversary date of the Notes and thereafter on the last day of each successive annual period.
Rank:	The Notes are: • the direct, general, unsubordinated, unconditional and unsecured obligations of Imperial Pacific; • at all times pari passu and without any preference or priority among themselves; and • at least pari passu with all other present and future unsecured and unsubordinated obligations of Imperial Pacific, other than those preferred by applicable law.
Maturity date:	24 January 2020
Redemption:	Redemption at maturity date: Unless previously purchased or cancelled, the Notes will be redeemed at the whole of the outstanding principal amount together with interest accrued thereon at par on maturity date. Redemption before maturity date: The Notes may be redeemed at the option of Imperial Pacific at any time prior to the maturity date at a redemption amount equal to 100% of the principal amount of the outstanding Notes together with interest accrued thereon.
Transferability:	The Notes are transferable by execution of the form of transfer on each certificate endorsed under the hand of the transferor or where the transferor is a corporation, under its common seal or under the hand of a director or a duly authorised officer in writing.

LETTER FROM THE BOARD

Events of default: The Notes contain customary events of default provisions, such as failure to pay any principal, breach of other obligations under the Notes, insolvency, winding up, receiver, seizure, expropriation and suspension of listing etc. Upon the occurrence of any event of default, the Notes shall immediately become due and repayable at their principal amount.

Completion

Subject to the fulfillment or waiver (as the case may be) of the above conditions precedent, Completion shall take place on the Completion Date.

Upon Completion, (i) Asia Link shall deliver to the Company the originals of the transfer form in respect of the Notes duly executed by Asia Link in favour of the Company; and (ii) the Company shall deliver to Asia Link the Bond Certificate duly issued and executed by the Company in favour of Asia Link; and a certified copy of the register of bondholders of the Company.

(2) ISSUE OF BONDS TO ASIA LINK

For settlement of the Consideration, the Company agreed to issue the Bonds to Asia Link upon Completion.

The major terms of the Bond Instrument

Issuer:	The Company
Principal amount:	US\$27,800,000 (equivalent to approximately HK\$218,230,000)
Interest rate:	4.0 per cent (4.0%) per annum
Issue price:	The Bonds will be issued at 100.0 per cent (100%) of their principal amount.
Rank:	The Bonds are: • the direct, general, unsubordinated, unconditional and unsecured obligations of the Company; • at all times pari passu and without any preference or priority among themselves; and • at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company, other than those preferred by applicable law.

LETTER FROM THE BOARD

Maturity date:	One year following the date of issue of the Bonds
Redemption:	Redemption at maturity date: Unless previously redeemed, purchased or cancelled, the Company will redeem each Bond at the redemption amount on the maturity date. Redemption before maturity date: the Company may at its option, at any time after the date of Bond Instrument, by giving not less than fifteen (15) Business Days' irrevocable prior written notice to the bondholder(s), redeem the outstanding Bonds in whole or in part, at early redemption amount.
Transferability:	The bondholder may transfer any of the Bonds in whole or in part. The Bonds may be transferred in whole or in part (in integral multiples of US\$200,000) of outstanding principal amount to any third party so long as all applicable laws and regulations are complied with.
Events of default:	The Bonds contain customary events of default provisions, such as failure to pay any principal, breach of other obligations under the Bonds, insolvency, winding up, receiver, seizure, expropriation and suspension of listing etc. Upon the occurrence of any event of default, the Bonds shall immediately become due and repayable at their principal amount.
Listing:	No application will be made for the listing of, or permission to deal in, the Bonds on the Stock Exchange or any other stock exchange.

REASONS FOR THE ACQUISITION OF NOTES AND THE ISSUANCE

The terms of the Agreement and Bond Instrument were negotiated on an arm's length basis between the Company and Asia Link with reference to the valuation of the Notes as assessed by the independent valuer, the interest rate of the Notes and the prevailing market rate. The Directors are of the view that the terms of the Agreement and Bond Instrument were entered into on normal commercial terms. Taking into account that (i) the Consideration for the Acquisition represents a discount of approximately 10% on the market value of the Notes; (ii) the aggregate amount of interest to be generated from the Notes exceeds the aggregate amount of interest to be paid for the Bonds, which as a result will create a revenue for the Company; and (iii) as compared to other financing alternatives, the Issuance is considered to be a more appropriate means for the settlement of the Consideration, the Directors consider that the terms of the Acquisition and the Issuance are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The Acquisition of Notes is in the ordinary and usual course of the Company's existing securities investment businesses. The reason for the Group entering into the Agreement is to create revenue for the Company and diversify the sources of income for the Group. The Acquisition of Notes is consistent with the Group's recent adopted business strategy, which is to proactively seek potential investment opportunities from time to time to diversify its businesses.

The Board considers that the Consideration to be settled by the Issuance of Bonds would allow the Company to enjoy the interest rate spread between interest income from the Notes (e.g. 8.5% per annum) and interest expenses for the Bonds (e.g. 4% per annum). Compared to cash settlement, as the alternative financing method, the Issuance of Bonds would allow the Company to flexibly react to the market as the Company has discretion to redeem the Bonds before the maturity date with excess cash to lower the interest expenses should the opportunity arise.

The Company performed due diligence work on publicly available information regarding Imperial Pacific, which includes but not limited to reviewing the annual reports of Imperial Pacific for the two years ended 31 December 2016 and 2017 respectively for the purpose of assessing its financial position, profitability and business development, and evaluating the credit rating and repayment capabilities of Imperial Pacific.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors has a material interest in the transactions contemplated under the Acquisition and the Issuance. Therefore, no Director has abstained from voting on the relevant board resolutions of the Company approving the Acquisition and Issuance.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of the Agreement and the Latest Practicable Date, Asia Link is a substantial Shareholder of the Company, holding a total of 3,011,748,773 Shares, representing approximately 61.49% of the total issued shares of the Company. Therefore, Asia Link is a connected person of the Company under Chapter 14A of the Listing Rules and each of the Acquisition and the Issuance will constitute a connected transaction for the Company, and is subject to the announcement, reporting, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise and give recommendation to the Independent Shareholders on the Acquisition and the Issuance.

Opus Capital, the Independent Financial Adviser, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Issuance.

INFORMATION ON THE COMPANY, ASIA LINK AND IMPERIAL PACIFIC

Information on the Company

The Company is incorporated under the laws of the Cayman Islands with limited liability. The Company is an investment holding company. The Group is principally engaged in the business of money lending, securities investment, trading of futures, securities brokerage, leasing and trading of construction machinery and retailing of apparels.

Information on Asia Link

Asia Link is a company incorporated in the British Virgin Islands and is an investment holding company. It is wholly-owned by Ms. Li Shao Yu, who is a director of various subsidiaries of the Company and the former chief executive officer of the Company.

Information on Imperial Pacific

Imperial Pacific is an investment holding company. Imperial Pacific and its subsidiaries are principally engaged in the gaming and resort business including the development and operation of integrated resort on the Island of Saipan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Asia Link and its associates are third parties independent of Imperial Pacific and its associates.

EGM

The EGM will be convened at which resolutions will be proposed for the Independent Shareholders to consider and, if deemed appropriate, to approve, among other things, the Acquisition and the Issuance.

Asia Link and its associates, which have a material interest in the transactions contemplated under the Agreement and the Bond Instrument, will be required to abstain from voting on the resolutions approving the Acquisition and the Issuance.

LETTER FROM THE BOARD

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 Acquisition and the Issuance and is required to abstain from voting at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (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 adjournment thereof) should you so wish.

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Agreement and Bond Instrument. The Independent Financial Adviser, Opus Capital, has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

RECOMMENDATIONS

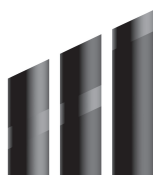
The Directors consider that the terms of the Agreement and the Bond Instrument are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Acquisition and the Issuance.

ADDITIONAL INFORMATION

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

6 September 2018

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS INVOLVING ACQUISITION OF NOTES AND ISSUE OF BONDS

We refer to the circular (the “**Circular**”) dated 6 September 2018 issued by the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been formed to advise the Independent Shareholders in relation to the terms of the Agreement and the Bond Instrument. Opus Capital has been appointed by the Company as the Independent Financial Adviser to advise us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are contained in its letter set out on pages 14 to 38 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendix to the Circular.

After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we concur with its views and consider that the terms of the Agreement and the Bond Instrument are 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. We are also of the view that the Agreement and the Bond Instrument are on normal commercial terms. The Acquisition and Issuance are in the ordinary and usual course of the Company’s existing businesses. Accordingly, we recommend that the Independent Shareholders should vote in favour of the resolutions to be proposed at the EGM to approve, among other things, the Acquisition and Issuance.

Yours faithfully
For and on behalf of the
Independent Board Committee

Mr. Chan Ming Sun Jonathan

Mr. Lam Kwan Sing

Mr. Lee Chi Hwa, Joshua

Independent non-executive Directors

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 and Issuance for the purpose of inclusion in this circular.



18TH Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong
6 September 2018

To: The Independent Board Committee and the Independent Shareholders of Hao Tian Development Group Limited

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS INVOLVING ACQUISITION OF NOTES AND ISSUE OF BONDS

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 and Issuance, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 6 September 2018 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 28 June 2018, the Company, as the purchaser, and Asia Link, as the vendor, entered into the Agreement, pursuant to which, among other things, the Company agreed to acquire, and Asia Link agreed to sell, the Notes at the Consideration, being US\$27.8 million (equivalent to approximately HK\$218.2 million), which shall be fully satisfied by the Issuance.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Asia Link is a substantial shareholder of the Company, holding approximately 61.49% of the total issued Shares. Therefore, Asia Link is a connected person of the Company, and each of the Acquisition and the Issuance will constitute a connected transaction for the Company, and is subject to the announcement, reporting, circular and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. As such, Asia Link, which has a material

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

interest in the Agreement and the Bond Instrument, and its associates will be required to abstain from voting on the resolutions approving, among other things, the Acquisition and the Issuance 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 Acquisition and the Issuance and is required to abstain from voting at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors has a material interest in the transactions contemplated under the Acquisition and the Issuance. Therefore, no Director has abstained from voting on the relevant board resolutions of the Company approving the Acquisition and the Issuance.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee of the Company comprising Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing, and Mr. Lee Chi Hwa, Joshua, being all the independent non-executive Directors, has been formed to advise and make recommendations to the Independent Shareholders in respect of the terms of the Agreement and the Bond Instrument. 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.

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 Agreement and the Bond Instrument are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Agreement and the Bond Instrument are on normal commercial terms or better and in the ordinary and usual course of business of the Company; and (iii) how the Independent Shareholders should vote on the resolutions in relation to the Acquisition and the Issuance at the EGM.

OUR INDEPENDENCE

We do not have any relationship with, or interest in the Company, Asia Link or any other parties that could reasonably be regarded as relevant to our independence as at the Latest Practicable Date. We also have not acted as independent financial adviser to the Company's other transactions in the past two years. Apart from normal independent financial advisory fees payable to us in connection with this appointment, no arrangements exist 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 annual report for the financial year ended 31 March 2018 (the "**2018 Hao Tian Annual Report**");
- (ii) Imperial Pacific's annual report for the financial year ended 31 December 2017 (the "**2017 Imperial Pacific Annual Report**");
- (iii) a valuation report in relation to the valuation of the Notes issued by Crowe Horwath, an independent valuer (the "**Independent Valuer**") on 28 June 2018 (the "**Valuation Report**");
- (iv) the Agreement;
- (v) the draft Bond Instrument; and
- (vi) other information as set out in the Circular.

We have also discussed the valuation methodologies, bases and assumptions adopted for the valuation of the Notes with the Independent Valuer.

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.

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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 prospect.

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 with their consideration of the terms of the Agreement and the Bond Instrument, 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

Background information of the Group

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

- (i) money lending;
- (ii) securities investment;
- (iii) trading of futures;
- (iv) commodities, futures and securities brokerage (established during the financial year ended 31 March 2017);
- (v) leasing and trading of construction machinery (established during the financial year ended 31 March 2017); and
- (vi) apparels retailing (established during the financial year ended 31 March 2017).

As advised by the Management, it has been the business strategy of the Group to proactively seek potential investment opportunities from time to time in order to diversify its businesses and enhance the long-term growth potential of the Group and the value to the Shareholders. Throughout the two financial years ended 31 March 2017 and 2018, in addition to the

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abovementioned principal activities, the Group had undertaken or is in the process of undertaking a series of investments and acquisitions to diversify its revenue to other business sectors including: (i) healthcare products; (ii) real estate; and (iii) media and entertainment. The Acquisition and the Issuance, which involves the acquisition of the Notes, are in the ordinary and usual course of the Group's existing principal business of securities investment.

Background information of Asia Link

Asia Link is a company incorporated in the British Virgin Islands and is an investment holding company. It is wholly-owned by Ms. Li Shao Yu, who is a director of various subsidiaries of the Company, a senior consultant and the former chief executive officer of the Company (between February 2012 and September 2015).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Asia Link and its associates are third parties independent of Imperial Pacific and its associates.

Reasons for the Acquisition and the Issuance

As stated in the Letter from the Board, the terms of the Agreement and Bond Instrument were negotiated on an arm's length basis between the Company and Asia Link with reference to the valuation of the Notes as assessed by the Independent Valuer, the interest rate of the Notes and the prevailing market rate. The Directors are of the view that the terms of the Agreement and Bond Instrument were entered into on normal commercial terms. Taking into account that: (i) the Consideration for the Acquisition represents a discount of approximately 10% to the market value of the Notes; (ii) the aggregate amount of interest to be generated from the Notes exceeds the aggregate amount of interest to be paid for the Bonds, which as a result will create revenue for the Company; and (iii) as compared to other financing alternatives, the Issuance is considered to be a more appropriate means for the settlement of the Consideration, the Directors consider that the terms of the Acquisition and the Issuance are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Against the aforesaid reasons considered by the Directors, we have conducted analyses under the sections headed "Valuation of the Notes" and "Evaluation of the Notes and the Bonds" below.

Background information of Imperial Pacific

Imperial Pacific, being the issuer of the Notes, is an investment holding company. Imperial Pacific and its subsidiaries (the "**Imperial Pacific Group**") are principally engaged in the gaming and resort business including the development and operation of an integrated resort on the Island of Saipan.

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Set out below are the summarised audited consolidated financial results of the Imperial Pacific Group for the financial years ended 31 December 2016 (“FY2016”) and 2017 (“FY2017”) respectively, as extracted from the 2017 Imperial Pacific Annual Report:

Table 1: Summarised financial results of the Imperial Pacific Group

	FY2016 <i>(HK\$ million)</i>	FY2017 <i>(HK\$ million)</i>
Revenue	7,489.0	13,155.6
Profit before taxation	1,096.8	871.0
Profit after taxation	935.9	637.5

Source: 2017 Imperial Pacific Annual Report

The entire revenue for FY2016 and FY2017 of the Imperial Pacific Group was generated from its gaming and resort business. The Imperial Pacific Group disposed of its other business segment — processing and trading of food products in May 2016.

The Imperial Pacific Group experienced revenue growth from approximately HK\$7,489.0 million for FY2016 to HK\$13,155.6 million for FY2017, representing an increase of approximately 75.7%. Such increase was mainly attributable to the significant increase in the VIP baccarat gaming, VIP rolling chips and premium mass gaming (collectively, the “**VIP gaming operations**”), from approximately HK\$7,130.2 million for FY2016 to approximately HK\$12,728.9 million for FY2017, representing a significant increase of approximately 78.5%.

The profit after taxation, on the other hand, decreased from approximately HK\$937.9 million for FY2016 to HK\$637.5 million for FY2017, representing a decrease of approximately 31.9%. This was mainly attributable to the impairment loss on trade receivables due from customers of approximately HK\$4,185 million.

As stated in the 2017 Imperial Pacific Annual Report, the board of directors of Imperial Pacific considered that its customers’ aging of the trade receivables are comparable and in line with global industry standards for customers sourced through its own marketing channels instead of junket operators. After prudently benchmarked against its industry peers on provision of bad debt on trade receivables, they considered that the impairment of trade receivables as estimated by Imperial Pacific for FY2017 was in line with the market comparables.

In order to manage the collectability of the trade receivables, the Imperial Pacific Group has a credit department to monitor the outstanding receivable balances and overdue repayments on a monthly basis. Once the overdue period exceeds 6 months, the department will issue demand letters and may take further legal actions against the customers and guarantors in order to collect the outstanding debts. In addition, it has collected deposits from customers as guarantee of trade

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receivables repayments. As at 31 December 2017, such deposits received amounted to approximately HK\$4,136.2 million, representing an approximate 43.4% increase from the previous year amount of approximately HK\$2,884.8 million.

Set out below are the summarised financial positions of the Imperial Pacific Group as at 31 December 2016 and 2017, which were extracted from the 2017 Imperial Pacific Annual Report:

Table 2: Summarised financial position of Imperial Pacific Group

	As at 31 December 2016 (HK\$ million)	As at 31 December 2017 (HK\$ million)
Cash and bank balances	93.9	284.5
Current assets	5,621.2	9,050.9
Current liabilities	6,752.2	9,063.2
Net current liabilities	(1,131.0)	(12.3)
Net assets	2,860.9	3,853.0

Source: 2017 Imperial Pacific Annual Report

The Imperial Pacific Group's accumulated cash and bank balances of approximately HK\$190.6 million throughout FY2017, which was mainly attributable to the net cash inflow from financing activities. The Imperial Pacific Group significantly reduced its net current liabilities position by approximately HK\$1,118.7 million (or approximately 98.9%), and increased its net assets value by approximately HK\$992.1 million (or approximately 34.5%) as at 31 December 2017 compared to the previous year. The significant increase in current assets of approximately HK\$3,429.7 million (or approximately 61.0%) was mainly due to the rising trade receivables (after impairment) of approximately HK\$3,200 million as at 31 December 2017 compared to the previous year, as a result of a significant increase in revenue during FY2017.

Although the Imperial Pacific Group experienced a material impairment loss in FY2017, its increase in trade receivables (after impairment) and cash balances boosted its current assets and almost eliminated its net current liability position. The financial position of the Imperial Pacific Group had strengthened overall significantly as at 31 December 2017.

Gaming Industry Outlook

Saipan, located in the east of the Philippines in the Pacific Ocean, is the largest and most visited island among the Commonwealth of Northern Mariana Islands ("CNMI"). Historically it has been one of the most attractive island getaways for Japanese tourists; it is now experiencing stable tourism growth by gaining popularity among Chinese and Korean visitors.

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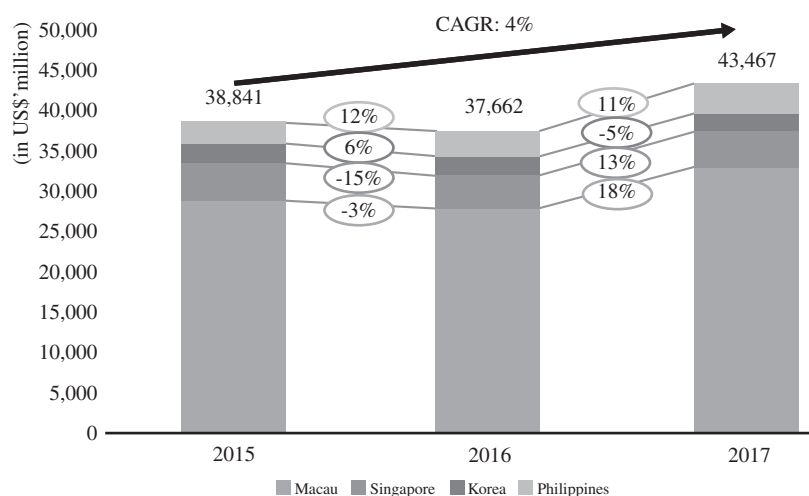
Gross gaming revenue in the Asian destinations of gaming

Bloomberg collected quarterly gross gaming revenue (“GGR”) of four (4) Asian destinations of gaming, namely Macau, Singapore, Korea and Philippines, among which Macau is the largest contributor, representing more than 70% of the total GGR of the four (4) destinations.

As a result of the anti-graft crackdown in China, the VIP market in Macau had taken a significant hit in late 2014. By measuring GGR generated by baccarat card games favoured by high-stakes gamblers, GGR in Macau declined sharply by approximately 36% from 2014 to 2015 and has remained stable since then. As the GGR in Macau has a significant impact on the regional GGR, the overall Asian gaming market underwent a contraction from 2014 to mid-2016.

As shown in the chart below, the gaming industry showed signs of recovery in 2017. The overall GGR for 2017 reached approximately US\$43,467 million, representing a year-on-year growth of approximately 15% and a compound annual growth rate (“CAGR”) of approximately 4%.

Chart 1: GGR of the four Asian destinations of gaming



Source: Bloomberg

Saipan tourism visits trend

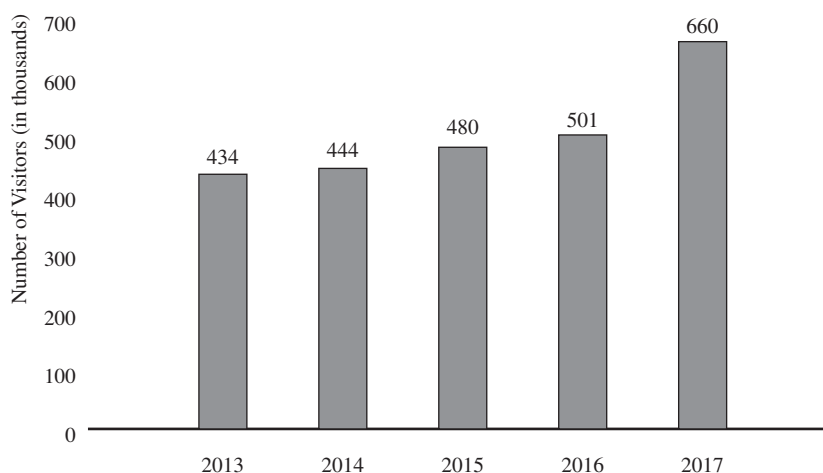
The United States Government has been active in putting resources in developing Saipan into an international tourist destination and has introduced policies to stimulate visits.

In 2017, visitor arrivals to CNMI recorded a new high, representing a 5-year CAGR of approximately 9%. According to the Mariana’s Visitors Authority (the “MVA”), for the year of 2017, total visitor arrivals to CNMI grew by approximately 24.3% to 659,741. Korean visitors have become the dominating force with a market share of approximately 50.48% and strong growth of approximately 65.81% for the year. Though market share slid to second place, visitor

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arrivals from Mainland China still grew steadily by approximately 11.06% and arrivals from Hong Kong almost trebled with a growth of approximately 177.54%. Benefiting from Saipan's favorable weather, location proximity and flexible visa policies, the tourism visits trend to Saipan has a great upward potential.

Chart 2: Visitor arrivals to CNMI in 2013–2017



Source: The MVA and the 2017 Imperial Pacific Annual Report

Having taken into account: (i) the recovering of GGR in the major Asia destinations of gaming; (ii) the supportive United States Government initiatives to promote tourism in Saipan; and (iii) the encouraging growth in the number of visitors to Saipan, we are of the view that the gaming and resort business in Saipan is expected to be beneficial to the Imperial Pacific Group in the foreseeable future.

Evaluation of Imperial Pacific's repayment capability

As stated in the Letter from the Board, in order to evaluate the credit worthiness and repayment capabilities of Imperial Pacific, the Company has performed due diligence work on publicly available information regarding Imperial Pacific, which includes reviewing its annual reports for the two years ended 31 December 2016 and 2017 respectively.

As discussed with the Management, the Company has evaluated the following aspects of Imperial Pacific: (i) its business development; and (ii) its financial position and profitability (including its credit rating and interest payment capability), in assessing its repayment capability.

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Based on the 2017 Imperial Pacific Annual Report, Imperial Pacific successfully transferred its gaming and resort business from a temporary casino to its current hotel location in July 2017. Its gaming capacity was increased from 48 tables and 141 slot machines to 77 tables and 243 slot machines at present, with a maximum capacity of up to 193 tables and 365 slot machines upon completion of all casino floors area. The board of directors of Imperial Pacific planned to commence collaboration with gaming promoters after Imperial Pacific is granted junket operator licenses, which would broaden its customer bases. Although the hotel development plan was postponed, Imperial Pacific would still complete its initial gaming facility no later than 31 August 2018, with a minimum of 329-room four or five star luxury hotel, 14,140 square meters of gaming areas and other elements and associated supporting components. As such, the Management considered that the business development of Imperial Pacific is promising.

The 2017 Imperial Pacific Annual Report also quoted from the Hotel Association of the Northern Mariana Islands that for FY2017, the average hotel rate reached a new high of US\$145.93 per night with average hotel occupancy rate of 90.89%, representing a growth of 4.15% and 3.36% respectively compared to FY2016. It also quoted from the MVA that the total visitor arrival to CNMI grew by approximately 24.3% in FY2017, which is in line with the positive outlook of the gaming and resort business in Saipan stated in the section headed “Saipan tourism visits trend” above.

Apart from the positive business development and outlook of Imperial Pacific, the Management have also evaluated Imperial Pacific’s financial position and profitability. As at 31 December 2017, the Imperial Pacific Group has significantly reduced its net current liabilities position by approximately HK\$1,118.7 million (or approximately 98.9%), and increased its net assets value by approximately HK\$992.1 million (or approximately 34.5%) as compared to the previous year. The strengthened financial position reinforces Imperial Pacific’s ability to repay the principal amount of the Notes. Although the material impairment loss has led to a decrease in profit after taxation by approximately 31.9% in FY2017, under a significant revenue improvement of approximately 78.5%, the Imperial Pacific Group could maintain an interest coverage of approximately 3.7 times for FY2017, i.e. its earnings before interest and taxes represent approximately 3.7 times of its interest payments (including capitalised interest). This indicates that the Imperial Pacific Group has a strong ability to meet its interest payment obligation.

In view of the above, we are of the view that the Company’s due diligence work done on repayment capability of Imperial Pacific are sufficient.

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PRINCIPAL TERMS OF THE AGREEMENT

Date: 28 June 2018 (after trading hours)

Parties: (i) the Company, as the purchaser; and
(ii) Asia Link, as the vendor

Subject matter

Pursuant to the Agreement, the Company has conditionally agreed to acquire, and Asia Link has conditionally agreed to sell, the Notes at the Consideration.

Conditions precedent

The Completion of the Acquisition shall be subject to the following conditions precedent:

- (i) the obtaining of the approval of the Independent Shareholders at the EGM on the Agreement and the transactions contemplated thereunder, including, inter alia, the purchase of the Notes and the issue of the Bonds; and
- (ii) the obtaining of all necessary corporate approvals and consents to the Acquisition and the Issuance and the transactions contemplated under the Agreement on or before the Completion Date.

The Consideration

The Consideration payable for the Acquisition shall be an aggregate sum of US\$27.8 million (equivalent to approximately HK\$218.2 million), which shall be settled by way of issue of the Bonds in favour of Asia Link upon Completion.

Based on the valuation conducted by the Independent Valuer, the market value of the Notes as at 28 June 2018 was US\$31 million (equivalent to approximately HK\$243.3 million), which was assessed based on market value basis by adopting the income approach. The income approach provides an indication of value by converting future cash flow to a single current value. Our review of the Valuation Report is set out in the section headed “Valuation of the Notes” below.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The principal terms and conditions of the Notes

Issuer:	Imperial Pacific
Principal amount:	US\$30,000,000
Date of the Notes:	25 January 2017
Interest rate:	The Notes bear interest at the rate of 8.5 per cent. (8.5%) per annum and is payable annually in arrears with the first interest payment to be made on the first anniversary date of the Notes and thereafter on the last day of each successive annual period.
Rank:	The Notes are: • the direct, general, unsubordinated, unconditional and unsecured obligations of Imperial Pacific; • at all times <i>pari passu</i> and without any preference or priority among themselves; and • at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of Imperial Pacific, other than those preferred by applicable law.
Maturity date:	24 January 2020
Redemption:	Redemption at maturity date: Unless previously purchased or cancelled, the Notes will be redeemed at the whole of the outstanding principal amount together with interest accrued thereon at par on maturity date. Redemption before maturity date: The Notes may be redeemed at the option of Imperial Pacific at any time prior to the maturity date at a redemption amount equal to 100% of the principal amount of the outstanding Notes together with interest accrued thereon.
Transferability:	The Notes are transferable by execution of the form of transfer on each certificate endorsed under the hand of the transferor or where the transferor is a corporation, under its common seal or under the hand of a director or a duly authorised officer in writing.

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Events of default: The Notes contain customary events of default provisions, such as failure to pay any principal, breach of other obligations under the Notes, insolvency, winding up, receiver, seizure, expropriation and suspension of listing etc. Upon the occurrence of any event of default, the Notes shall immediately become due and repayable at their principal amount.

Completion

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

Upon Completion, (i) Asia Link shall deliver to the Company the originals of the transfer form in respect of the Notes duly executed by Asia Link in favour of the Company; and (ii) the Company shall deliver to Asia Link the Bond Certificate duly issued and executed by the Company in favour of Asia Link; and a certified copy of the register of bondholders of the Company.

PRINCIPAL TERMS OF THE BOND INSTRUMENT

Issuer: The Company

Principal amount: US\$27,800,000 (equivalent to approximately HK\$218,230,000)

Interest rate: 4.0 per cent (4.0%) per annum

Issue price: The Bonds will be issued at 100.0 per cent (100%) of their principal amount.

Rank: The Bonds are:

- the direct, general, unsubordinated, unconditional and unsecured obligations of the Company;
- at all times *pari passu* and without any preference or priority among themselves; and
- at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, other than those preferred by applicable law.

Maturity date: One year following the date of issue of the Bonds

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- Redemption: Redemption at maturity date: Unless previously redeemed, purchased or cancelled, the Company will redeem each Bond at the redemption amount on the maturity date.
- Redemption before maturity date: the Company may at its option, at any time after the date of Bond Instrument, by giving not less than fifteen (15) Business Days' irrevocable prior written notice to the bondholder(s), redeem the outstanding Bonds in whole or in part, at early redemption amount.
- Transferability: The bondholder may transfer any of the Bonds in whole or in part. The Bonds may be transferred in whole or in part (in integral multiples of US\$200,000) of outstanding principal amount to any third party so long as all applicable laws and regulations are complied with.
- Events of default: The Bonds contain customary events of default provisions, such as failure to pay any principal, breach of other obligations under the Bonds, insolvency, winding up, receiver, seizure, expropriation and suspension of listing etc. Upon the occurrence of any event of default, the Bonds shall immediately become due and repayable at their principal amount.
- Listing: No application will be made for the listing of, or permission to deal in, the Bonds on the Stock Exchange or any other stock exchange.

VALUATION OF THE NOTES

The Company has appointed the Independent Valuer to perform a valuation on the market value of the Notes.

Evaluation of the expertise and independence of the Independent Valuer

We have interviewed the Independent Valuer and conducted an enquiry into the qualifications, experience and independence of the Independent Valuer.

We have discussed with the Independent Valuer in relation to their experiences and understand that Ms. Stella Law is a member of Royal Institute of Chartered Surveyors, an Accredited Senior Appraiser of the American Society of Appraisers and an approved Registered Business Valuer of the Hong Kong Business Valuation Forum. Ms. Law has over 10 years of valuation experience across Hong Kong, Macau, Taiwan and the PRC. We are of the view that she is qualified to provide a reliable valuation for the valuation of the Notes.

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The Independent Valuer confirmed that except for its engagements in respect of two other independent business valuations on the Group's other projects in 2018, it has no current or prior relationships with the Company and the Company's connected person. The Independent Valuer confirmed that the professional fees received by it in respect of the two independent business valuations for the Group are standard professional fees charged at market rates.

Although the Independent Valuer was appointed by the Company for previous engagements, given that the Independent Valuer has acted as an independent valuer in each of the previous engagements and received market comparable professional fees, we consider that the previous engagements would not affect the independence of the Independent Valuer in performing the valuation to the Notes.

We confirmed with the Independent Valuer that it is not the Company's subsidiary or holding company or a subsidiary of the Company's holding company or any of its partners, directors or officers is an officer or servant or proposed director of the Company or the Company's subsidiary or holding company or of a subsidiary of the Company's holding company or any associated company.

With respect to the steps and due diligence measures taken by the Independent Valuer in performing the valuation, we note that the Independent Valuer mainly carried out its due diligence through internal background check and conducted its own research on the key parameters adopted in the valuation.

We have also reviewed the terms of engagement of Independent Valuer for the valuation of the Notes in particular to the appropriateness of the scope of work. We noted the scope of work performed by the Independent Valuer is consistent with the market practice and appropriate to give the opinion. Based on our review, we are not aware of any limitations on the scope of work which might have a negative impact on the degree of assurance given by the Valuation Report.

In light of the above, we are not aware of any matters that would cause us to question the Independent Valuer's expertise and independence and we consider that the Independent Valuer has sufficient expertise and is independent to perform the valuation of the Notes.

Evaluation of the market value of the Notes

According to the Valuation Report, the market value of the Notes as at 28 June 2018 (being the valuation date) is US\$31 million (equivalent to approximately HK\$243.3 million). The Consideration of US\$27.8 million (equivalent to approximately HK\$218.2 million) represents a discount of approximately 10.3% to the market value of the Notes as at 28 June 2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the valuation of the Notes conducted by the Independent Valuer and held discussion with the Independent Valuer regarding the methodology adopted and the bases and assumptions used in arriving at the valuation of the Notes as stated in the Valuation Report. In the course of our discussion with the Independent Valuer, we understand that the common valuation approaches are cost based approach, market approach and income approach.

Evaluation on the selection of valuation methodology

Cost approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

Market approach provides an indication of value by comparing the asset with identical or comparable assets for which price information is available. When reliable, verifiable and relevant market information is available, the market approach is the preferred valuation approach.

Income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. It is commonly used for a valuation when: (i) the income-producing ability of the asset is the critical element affecting value from a market participant perspective; and (ii) reliable projections of the amount and timing of future income are available for the subject asset, but there are few, if any, relevant market comparables.

Income approach was adopted for the valuation of the Notes given: (i) the cost approach is not appropriate since it cannot reflect income generation and the value change due to the volatile interest rate and is not commonly used in the valuation of financial instruments; and (ii) the market approach is not appropriate since the Notes do not have an active market and it is difficult to identify comparable assets. We therefore concur with the Independent Valuer on the selection of income approach as the valuation methodology.

Evaluation on the discount rate

As discussed with the Independent Valuer, we have also obtained an understanding on the key bases and assumptions adopted in the valuation. We understand that the Independent Valuer used build-up method to develop the discount rate to calculate the present values of any future cash flows of the Notes by adding up risk-free rate, credit spread and liquidity premium. As advised by the Independent Valuer, the build-up method is one of the important tools for business valuation and is widely used under the income approach to evaluate the market value of assets. Furthermore, the build-up method is the most prevailing and commonly used method to assess the discount rate in bond valuation.

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The Independent Valuer applied a risk-free rate based on the United States treasury yield of approximately 1.6 years of maturity period. We have searched the website of the United States Department of the Treasury and identified the treasury yield range of a similar maturity period of the Notes (i.e. approximately 1.6 years) as at the valuation date. The risk-free rate applied matched our research findings.

The Independent Valuer used credit spread to measure the credit risk. The Independent Valuer performed a credit rating analysis on the Notes based on the latest published financial information of Imperial Pacific, and conducted a comparable bond research with similar credit ratings. There are 17 comparable bonds identified by the Independent Valuer using FactSet database, and the average of their yield minus the risk-free rate was adopted as the credit spread. The selection criteria of comparable bonds applied by the Independent Valuer are as follows:

- (i) issued by corporates;
- (ii) no embedded option instrument;
- (iii) denominated in US\$;
- (iv) issued within 2 years from the valuation date;
- (v) with maturity dates close to that of the Notes (i.e., range from February 2019 to January 2021); and
- (vi) whose credit rating is between Ba3 and Baa3 of Moody's Investors Service, Inc. ("**Moody's**") credit rating.

According to our research, the provider of FactSet database, FactSet Research System Inc., is a financial data and software company listed on the New York Stock Exchange. It is also one of the S&P MidCap 400 Index companies. Its website reveals that it has more than 60 offices in 23 countries, with approximately 9,200 employees all over the world. With respect to its global presence and its listing on the New York Stock Exchange, we are of the view that FactSet database is a reliable financial information provider.

The Independent Valuer represented that the list of comparables was exhaustive. We agree with the selection criteria (i) to (v) that the Independent Valuer has applied since they match the features of the Notes. We noted that the Independent Valuer has conducted a credit analysis on the Notes according to the guidance of Standard & Poor's Corporate Rating Criteria and concluded an expected range of credit rating of BB- to BBB- (equivalent to Ba3 to Baa3 by Moody's). The inputs were based on the latest published financial information of Imperial Pacific and we have checked that they matched the respective FY2017 figures as shown in the 2017 Imperial Pacific Annual Report. Accordingly the selection criterion (vi) matches the credit rating of the Notes. We further queried the reason for not including "issuer in casino and gaming industry" as a selection criteria, to which they replied that this would result in a very small sample size which would not be representative for valuation purpose, and we concur with their rationale. We also concur with the Independent Valuer that the selection criteria applied to the comparable bonds are fair and reasonable.

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According to the Independent Valuer, as the Notes lack an active market, a liquidity premium was added on the risk-free rate to compensate such risk based on a research paper published by Natixis (the “**Natixis Research**”). We have performed a background search on Natixis, and noted that it is a financial services arm of Groupe BPCE, one of the largest banking groups in France. The Natixis Research stated the liquidity risk premium for investment grade bonds and speculative bonds. The Independent Valuer concluded that the Notes’ credit rating was between the investment grade and speculative grade based on their credit analysis. With reference to the market practice and their past experience, they concluded that the adopted liquidity risk premium was an appropriate estimate.

Based on our work done in reviewing the key bases and assumptions used by the Independent Valuer as mentioned above, we concluded that the parameters adopted in developing the discount rate are fair and reasonable.

As advised by the Independent Valuer, they have also performed a sensitivity analysis on the credit spread (within $\pm 1\%$) and liquidity premium (within $\pm 2\%$). The market values of the Notes fluctuate from approximately HK\$29.6 million to HK\$32.2 million. With the sensitivity analysis, the Consideration of HK\$27.8 million is still at an approximately 6.1% discount to the low end of the range, being HK\$29.6 million.

Having discussed the above income approach adopted by the Independent Valuer and reviewed the reasons for adopting such methodology and the bases and assumptions used for valuing the Notes, we are of the opinion that the chosen valuation methodology, bases and assumptions used are in line with market practices.

EVALUATION OF THE NOTES AND THE BONDS

(a) Comparison of coupon rates and yields with other notes/bonds

To further evaluate the fairness and reasonableness of the terms of the Notes, we have, on a best effort basis, conducted a search of all comparable notes/bonds (the “**Notes Comparables**”) with the following selection criteria as at 28 June 2018:

- (i) denominated in US\$;
- (ii) will mature in 1 to 2 years;
- (iii) whose issuer is engaged in casino and gaming sector; and
- (iv) which are not distressed bonds, i.e. securities which has either defaulted, is under bankruptcy protection, or is under distress and is heading towards the aforementioned situations in the near future.

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As a result, we have identified six Notes Comparables. The details are set out below:

Table 3: Terms of the Notes Comparables

No.	Issuer	Maturity date	Maturity type (Note 1)	Coupon rate (%) (approx.)	Yield to maturity (%) (approx.)
1	Chukchansi Economic Development Authority	30 May 2020	Callable	10.25	37.90
2	Chukchansi Economic Development Authority	30 May 2020	Callable	9.75	36.98
3	Studio City Company Limited	30 November 2019	At maturity	5.88	5.13
4	International Game Technology PLC	15 February 2020	Callable	5.63	4.43
5	International Game Technology PLC	15 June 2020	At maturity	5.50	4.07
6	MGM Resorts International	31 March 2020	At maturity	5.25	4.04
Maximum				10.25	37.90
Minimum				5.25	4.04
Average				6.82	14.62
The Notes		24 January 2020	At maturity	8.50	16.78 (Note 2)

Source: Bloomberg, as at 28 June 2018

Notes:

1. A callable bond is a bond that can be redeemed by the issuer prior to its maturity.
2. The yield to maturity of the Notes is calculated based on same set of parameters of the Notes except for its current price, being the Consideration. Thus, the yield to maturity of the Acquisition equals its internal rate of return.

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We noted from the above table that: (i) the coupon rates of the Notes Comparables range from approximately 5.3% to 10.3%, with an average of approximately 6.8%; and (ii) the yield to maturity of the Notes Comparables range from approximately 4.0% to 37.9%, with an average of approximately 14.6%.

The coupon rate of the Notes of 8.5% is within the market range and is higher than the average coupon rate of the Notes Comparables. The yield to maturity of the Acquisition is approximately 16.8% and is within the market range of the Notes Comparables and is higher than the average yield to maturity of the Notes Comparables.

Independent Shareholders should note that the above Notes Comparables include notes/bonds that have embedded option (i.e. callable bonds) and has a credit rating better than distressed bonds. As the embedded options and credit ratings of notes/bonds may have material effect on yield to maturity, we further fine-tuned our research with notes/bonds with: (i) no embedded options; and (ii) credit rating ranging between Ba3 and Baa3 by Moody's. Three Notes Comparables were shortlisted (the “**Non-callable Comparables**”), details of which are set out below:

Table 4: Terms of the Non-callable Comparables

No.	Issuer	Maturity date	Maturity type	Coupon rate (%) (approx.)	Yield to maturity (%) (approx.)	Credit rating
1	Studio City Company Limited	30 November 2019	At maturity	5.88	5.13	Ba3
2	International Game Technology PLC	15 June 2020	At maturity	5.50	4.07	Ba2
3	MGM Resorts International	31 March 2020	At maturity	5.25	4.04	Ba3
	Maximum			5.88	5.13	
	Minimum			5.25	4.04	
	Average			5.54	4.41	
	The Notes	24 January 2020	At maturity	8.50	16.78	Ba3–Baa3 (note)

Source: Bloomberg, as at 28 June 2018

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Note: The Independent Valuer concluded an expected range of credit rating of the Notes of BB- to BBB- by Standard & Poor's (equivalent to Ba3 to Baa3 by Moody's). We have checked that the inputs adopted match the respective FY2017 figures as shown in the FY2017 Imperial Pacific Annual Report and therefore agree with such conclusion.

We noted from the above table that: (i) the coupon rates of the Non-callable Comparables ranged from approximately 5.3% to 5.9%, with an average of approximately 5.5%; and (ii) the yields to maturity of the Non-callable Comparables ranged from approximately 4.0% to 5.1%, with an average of approximately 4.4%.

The coupon rate of the Notes is 8.5% and is significantly higher than the maximum coupon rate of the Non-callable Comparables of approximately 5.9%. The yield to maturity of the Acquisition is approximately 16.8% and is also significantly higher than the maximum yield to maturity of the Non-Callable Comparables of approximately 5.1%.

(b) Comparative IRR analysis of both the Notes and the Bonds

To evaluate the fairness and reasonableness of the terms of the Acquisition and the Issuance, we have undertaken an analysis on the internal rate of return (“**IRR**”) of the Notes and the Bonds.

IRR is a metric used to estimate the profitability of potential investments. The higher the investment's IRR, the more desirable it is to undertake the potential investment. IRR is a discount rate that makes the net present value of all cash flows from a particular investment equal to zero.

We have performed the IRR analysis and noted that the IRR of the Notes is approximately 16.8% and the IRR of the Bonds is 4.0%.

(c) Estimated cumulative cash flows

The Acquisition entitles the Company to receive two coupon payments in the aggregate sum of US\$5.1 million and a principal payment of US\$30 million, totalling US\$35.1 million, by 24 January 2020. Under the Issuance, the Company is obliged to pay one coupon payment of approximately US\$1.1 million and a principal repayment of US\$27.8 million, totalling US\$28.9 million, in one year following the date of issue. As a result, the Company is expected to receive a net cash inflow of US\$6.2 million.

Having collectively considered our above analyses, we are of the view that the terms of the Acquisition and Issuance are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OTHER FINANCING ALTERNATIVES

The Company intended to facilitate the payment of the Consideration by way of the Issuance in favour of Asia Link. 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.

(i) Bank borrowings

As discussed in the paragraph headed “Reasons for the Acquisition and the Issuance”, the reasons of entering into of the Agreement is to create revenue for the Company and diversify the source of income of the Group.

The Group recorded a net loss of approximately HK\$526 million and HK\$3.2 billion in the financial years ended 31 March 2018 and 2017, respectively. The losses were mainly attributable to fair value loss on investments held for trading and financial assets/liabilities at fair value through profit or loss, and impairment loss on goodwill. The Group has approximately HK\$816.4 million of cash and cash equivalents as at 31 March 2017 and approximately HK\$781.4 million as at 31 March 2018. Given the Group’s consecutive loss making trend in the past two financial years, the Management considered that bank borrowings may be subject to stringent due diligence and negotiations with banks or financial institutions.

(ii) Equity financing

Equity financing, such as placing, open offer and rights issue, would allow the Group to finance the Acquisition without interest costs. However, given the current market volatility, price fluctuation of the Shares and the Group’s loss making position, it may be difficult to procure placing agent(s) to seek for independent placees with a reasonable placing commission fee. In addition, the time required to execute a rights issue or an open offer is relatively longer as compared to the Issuance and involves additional costs and work such as: (i) identifying underwriter(s) with favourable terms; and (ii) administrative work for preparation and issue of related documents, including but not limited to prospectus and application forms for acceptance, as well as unaudited pro forma financial information to be included in the prospectus.

It is worthwhile noting that the abovementioned financing alternatives would involve an immediate cash outflow of the Company to settle the Consideration, whereas the Issuance essentially delays payment of the Consideration, by way of the repayment of the principal and accrued interests of the Bonds until the maturity date of the Bonds, being one year following the date of issue of the Bonds. The Management considered such delayed cash outflow of the Company would conserve important cash resources for other productive use of the Group prior to the maturity of the Bonds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Nevertheless, the Company has discretion to redeem the Bonds before the maturity date with excess cash to lower the interest expenses incurred, and the Company, from time to time, continues to look for and evaluate other debt financing and equity financing opportunities.

Having considered the above, in particular the benefit of delaying cash outflow of the Company, we consider the Issuance is a more appropriate mean for the settlement of the Consideration as compared to other financing alternatives.

FINANCIAL EFFECTS OF THE ACQUISITION AND THE ISSUANCE

Net assets value

Under the Acquisition and the Issuance, the Company will recognise the Notes as financial assets and the Bonds as financial liabilities.

As advised by the Management, since there is a readily available market value of the Notes, the Company shall recognise a financial asset at US\$31 million (approximately HK\$243 million). Assuming the market interest rate of the Bonds is similar to the coupon rate, the Company shall recognise the Bonds as a financial liability at US\$27.8 million (approximately HK\$218 million). As such, upon the completion of the Acquisition and the Issuance, the net asset value of the Company shall be increased by approximately HK\$25 million.

Earnings and working capital

As mentioned under “Evaluation of the Notes and the Bonds” of this letter, the Acquisition and the Issuance shall entitle the Company to receive an additional interest income which would resulted in a net cash inflow of approximately HK\$25 million, from the coupon and principal payments received from the Notes minus the coupon and principal payments paid for the Bonds. Therefore, it will have a positive impact on the earnings and working capital of the Group upon completion of the Acquisition and the Issuance.

The issue of the Bonds in lieu of cash as the Consideration will not result in immediate cash outflow of the Company, saved for certain immaterial administrative and professional expenses.

Gearing

The Acquisition and the Issuance shall result in an increase of total asset of approximately HK\$243 million and total liability by approximately HK\$218 million. Based on the financial information in the 2018 Hao Tian Annual Report, the gearing ratio upon completion of the Acquisition and the Issuance is estimated to be approximately 30.2%, higher than that of approximately 27.3% for the financial year ended 31 March 2018.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

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

- (a) the Acquisition and the Issuance, which involve the acquisition of the Notes, are in the ordinary and usual course of the Group's existing principal business of securities investment;
- (b) Imperial Pacific, being the issuer of the Notes, has a strong capital base;
- (c) the outlook in the Asia destinations of gaming are encouraging, and the number of tourist visits to Saipan has been growing;
- (d) the Consideration of the Notes represents approximately 10.3% discount to the market value of the Notes;
- (e) the coupon rate and yields of maturity of the Notes and the Acquisition are within the range of the Notes Comparables and significantly higher than that of the Non-callable Comparables;
- (f) the IRR of the Notes is significantly higher than that of the Bonds;
- (g) the cumulative cash flow generated from the Notes exceeds that paid for the Bonds;
- (h) as compared to other financing alternatives, the Issuance is considered to be a more appropriate mean for the settlement of the Consideration; and
- (i) the net asset value, earnings and working capital of the Group are expected to be enhanced,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

we are of the opinion that both the terms of the Agreement and the Bond Instrument are on normal commercial terms, are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. The Acquisition and the Issuance are in the ordinary and usual course of the Company's existing securities investment business. Accordingly, we advise: (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders to vote in favour of the resolutions in relation to the Acquisition and the Issuance at the EGM.

Yours faithfully,
For and on behalf of
Opus Capital Limited

Koh Kwai Yim
Executive Director

Zhang Wenwen
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.

LETTER FROM ZHONGHUI ANDA CPA LIMITED RELATING TO THE PROFIT FORECAST



6 September 2018

The Board of Directors
Hao Tian Development Group Limited

Dear Sirs,

We have examined the calculations of the discounted cash flow forecast (the “**Forecast**”) underlying the valuation (the “**Valuation**”) of notes (the “**Asset**”) performed by Crowe Horwath First Trust Appraisal Pte Limited (the “**Valuer**”) in respect of the appraisal of the fair value of the Asset as at the reference date of 28 June 2018 in connection with the circular of Hao Tian Development Group Limited (the “**Company**”) dated 6 September 2018 (the “**Circular**”). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Directors’ Responsibilities

The directors of the Company are solely responsible for the preparation of the Forecast and the reasonableness and validity of the assumptions based on which the Forecast is prepared (the “**Assumptions**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (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 Accountants’ Responsibilities

Our responsibility is to express an opinion on the calculations of the Forecast based on our procedures and to report our opinion solely to you, as a body, for the sole purpose in connection with the Circular and for no other purpose. We accept no responsibility to any other person in respect of, arising out of, or in connection with our work.

LETTER FROM ZHONGHUI ANDA CPA LIMITED RELATING TO THE PROFIT FORECAST

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the directors of the Company have properly compiled the Forecast in accordance with the Assumptions adopted by them and as to whether the Forecast is presented on a basis consistent in all material respects normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

The Assumptions include hypothetical assumptions about future events and management actions that may or may not necessarily be expected to occur. Even if the events and management actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Accordingly we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express opinion whatsoever thereon.

The Valuer has adopted the income approach in determining the fair value of the Asset. We are not aware of any accounting policies adopted which had caused material impact on the result of Valuation under the income approach as adopted by the Valuer.

Because the Forecast relates to cash flows, no accounting policies of the Company have been adopted in its preparation.

Opinion

In our opinion, so far as the calculations are concerned, the Forecast has been properly compiled in accordance with the Assumptions adopted by the directors as set out in page 6 of the Circular.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Hong Kong

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

The authorised and issued share capital of the Company (a) as at the Latest Practicable Date are as follows:

As at the Latest Practicable Date

Authorised: *HK\$*

<u>50,000,000,000</u> Shares of HK\$0.01 each	<u>500,000,000</u>
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Issued and fully paid:

<u>4,898,037,804</u> Shares of HK\$0.01 each	<u>48,980,378</u>
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All the issued Shares rank pari passu with each other in all respects including the rights in respect of capital, dividends and voting.

3. DISCLOSURE OF INTEREST

(a) Directors' and chief executives' interests and short positions in shares and underlying shares

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be 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 they were taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Name of Director	Capacity	Number of Shares and underlying Shares held (Long position)	Percentage of total issued share capital as at Latest Practicable Date
Fok Chi Tak	Beneficial owner	39,607,483	0.81%
Xu Hai Ying	Beneficial owner	733,752	0.02%
Ou Zhiliang	Beneficial owner	733,752	0.02%
Chan Ming Sun, Jonathan	Beneficial owner	733,752	0.02%
Lam Kwan Sing	Beneficial owner	733,752	0.02%
Lee Chi Hwa, Joshua	Beneficial owner	733,752	0.02%

Note:

- The percentage of shareholding is calculated on the basis of 4,898,037,804 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be 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 they would be taken or deemed to have under

such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders' interests and short positions in shares and underlying shares of the Company and its associated corporations

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executives of the Company) had, or were deemed to have interests or short positions in the Shares and underlying Shares or debentures of the Company which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholder	Capacity	No. of Shares held	Total interest	Approximate percentage of the issued share capital of the Company
Li Shao Yu	Beneficial owner Interest of controlled corporation	5,577,042 3,011,748,773	3,017,325,815	61.60%
Asia Link Capital Investment Holdings Limited	Beneficial owner	3,011,748,773	3,011,748,773	61.49%
Fletcher Melanie Lee	Beneficial owner A concert party to an agreement to buy shares	146,533,334 1,318,800,000	1,465,333,334	29.92%
Hamilton Mark Hamish	Beneficial owner A concert party to an agreement to buy shares	439,600,000 1,025,733,334	1,465,333,334	29.92%

Name of shareholder	Capacity	No. of Shares held	Total interest	Approximate percentage of the issued share capital of the Company
Pizey Simon Peter	Beneficial owner	439,600,000	1,465,333,334	29.92%
Douglas Frank	A concert party to an agreement to buy shares	1,025,733,334		
Stewart Gae	Beneficial owner	439,600,000	1,465,333,334	29.92%
Violet	A concert party to an agreement to buy shares	1,025,733,334		

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of Share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries or held any option in respect of such capital.

4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

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

In addition, none of the Directors is materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) were continuous contracts with a notice period of 12 months or more; or (b) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors

had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far is known to the Directors, none of the Directors or their close associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. LITIGATIONS OF THE GROUP

Claim against Inner-Mongolia Shuangxin Resources Group Co. Ltd

In connection with the sale and purchase agreement (the “**Menggang Agreement**”) entered into between the Group and Inner-Mongolia Shuangxin Resources Group Co., Ltd, (“**Shuangxin**”) for the sale and purchase of Wuhai City Menggang Industrial Development Co., Ltd. and its subsidiaries, which operated the Group’s coal mines in the Inner-Mongolia Autonomous Region in the PRC, on 16 May 2013, the Group filed an arbitration claim to the China International Economic and Trade Arbitration Commission (the “**CIETAC**”) for the outstanding amount of RMB80,000,000 payable by Shuangxin under the Menggang Agreement.

Shuangxin withheld the payment of the third installment in the sum of RMB80,000,000 (out of the four installment payments in total) initially on the ground of a tax demand note issued from the local tax bureau, and after revocation of the tax demand note, on the ground of non-fulfillment by the Group of certain terms and obligations under the Menggang Agreement. Shuangxin filed a counter-claim for RMB65,000,000 on 8 October 2013. An arbitral award was delivered in favour of the Group on 27 June 2014 and Shuangxin filed an application to the Beijing Second Intermediate People’s Court to set aside the arbitral award. Beijing Second Intermediate People’s Court issued a civil ruling on 18 December 2014 dismissing Shuangxin’s application for the revocation of the arbitral award. On 6 February 2015, the Group applied for the mandatory enforcement at the Ordos City Intermediate People’s Court, and the Ordos City Intermediate People’s Court has formally accepted the application on 14 May 2015.

On 22 March 2016, Shuangxin applied to the Inner-Mongolia Autonomous Regional Higher People’s Court for the temporary suspension of execution with regard to the mandatory enforcement applied by the Group on 6 February 2015 and the decision was in favour of Shuangxin. The Group then filed an appeal against such ruling on 30 March 2016, which was dismissed by the court on 5 May 2016. On 12 January 2018, the Group successfully obtained the judgment of the Inner-Mongolia Autonomous Regional Higher People’s Court ordering that the suspension of execution be lifted. As at the Latest Practicable Date, in respect of the third instalment, the Group has now received in aggregate

RMB60,000,000 by enforcement, and the execution procedures for enforcing the court order for the remaining RMB20,000,000 unsettled portion of the third installment are still in progress (not including any accrued interest, penalty interest and any legal and court costs which may be awarded by the court).

On 21 August 2014, Shuangxin filed a legal action at the Inner-Mongolia Autonomous Regional Higher People's Court claiming against the Group for damages in an aggregate amount of RMB102,978,100 (the "**New Civil Claim**"). On 8 May 2015, the Group submitted an application of objection to the jurisdiction at the Inner-Mongolia Autonomous Regional Higher People's Court. On 2 June 2015, the Inner-Mongolia Autonomous Regional Higher People's Court issued a civil ruling dismissing the Group's application. The Group then submitted an application for leave to appeal against such civil ruling at the Supreme People's Court of the People's Republic of China and the appeal was dismissed. The Inner-Mongolia Autonomous Regional Higher People's Court commenced the hearing of the New Civil Claim on 13 April 2016 and the court hearing was in general completed in June 2016. As announced by the Company on 11 September 2017, the Group had received the written judgment of the Inner-Mongolia Autonomous Higher People's Court dated 7 July 2017 to the effect that all the claims of Shuangxin under the New Civil Claim against the Group have been dismissed. Subsequently, on 15 September 2017, Shuangxin further appealed to the Supreme People's Court of the PRC, which appeal has been submitted by the Inner-Mongolia Autonomous Higher People's Court to the Supreme People's Court. As at the Latest Practicable Date, the appeal is being reviewed by a collegiate panel convened by the Supreme People's Court.

Separately, in June 2016, the Group filed an arbitration claim to CIETAC against Shuangxin for the return of guarantee monies (質保費) of approximately RMB7,900,000 which was previously withheld by Shuangxin. The CIETAC hearing took place on 27 September 2017 and the Group had received a written arbitral award of CIETAC dated 18 December 2017 in the Group's favour, to the effect that Shuangxin shall return guarantee monies in the amount of RMB7,375,555.60 and pay costs related to the arbitration to the Group. On 6 February 2018, Shuangxin applied to the Beijing Second Intermediate People's Court to cancel the CIETAC arbitral award. The Beijing Second Intermediate People's Court decided it was appropriate for the matter to be handled by the Beijing Fourth Intermediate People's Court. As at the Latest Practicable Date, the matter has been heard by the Beijing Fourth Intermediate People's Court which has given its judgment to uphold the CIETAC award in the Group's favour.

Claim against Up Energy Development Group Limited

On 12 August 2016, the Company claimed against Up Energy Mining Limited and Up Energy Development Group Limited (the "**Defendants**") for (i) issuance of the top-up consideration shares of Up Energy Development Group Limited ("**Up Energy**") and (ii) cash payment pursuant to an agreement entered into between the Company as a vendor and

the Defendants as a purchaser for the sale and purchase of shares in and assignment of shareholder's loan due from Champ Universe Limited on 12 October 2012 (the “**Up Energy HK Claim**”). Details of the claim are disclosed in the announcements of the Company dated 29 June 2016 and 12 August 2016, and the interim report of the Company published on 28 December 2017.

In the meantime, two joint provisional liquidators (the “**JPLs**”) were appointed to the Defendants by the Supreme Court of Bermuda in October 2016, and since 28 April 2017, the JPLs have assumed full control of the Defendants, including the powers to bring and defend any legal action, including the Company's claim. In August 2017, the High Court of Hong Kong recognised the appointment of and granting of powers to the JPLs by the Bermuda court.

At the case management summons for the Up Energy HK Claim hearing on 8 June 2017, the court adjourned the hearing to 15 August 2017 and directed the Company and the JPLs to conduct mediation to resolve the claim. The said hearing was subsequently further adjourned to 30 April 2018, and the claim was stayed until 10 November 2017. At the case management summons hearing on 30 April 2018, the court further adjourned the hearing to around mid-September 2018 before a Master to be fixed by the court.

In the capacity of a creditor of Up Energy Development Group Limited, the Group has also been involved in the concurrent winding up application (brought by a third-party creditor) of Up Energy Development Group Limited in Hong Kong (the “**Up Energy HK Winding Up**”), the petition hearing of which first scheduled on 19 March 2018 has been adjourned to 17 September 2018.

Separately, on 15 August 2017, the Group applied to the Supreme Court of Bermuda for a declaration of the court (the “**Up Energy Bermuda Declaration**”) to the effect that the former directors of Up Energy Development Group Limited have been replaced by directors nominated by the shareholders, by way of a shareholders' resolution duly passed at an Extraordinary General Meeting of Up Energy Development Group Limited held on 25 April 2017. The Group's application has subsequently been adjourned until further order of the Court or on parties' application, pending the concurrent Up Energy winding up proceeding in Bermuda.

Claim against Liu Jincheng and Xia Heting

On 1 July 2017, Hao Tian Investment (China) Co., Ltd, a wholly-owned subsidiary of the Company, filed a legal action at the Beijing Fourth Intermediate People's Court claiming against Liu Jincheng and Xia Heting for repayment of the principal amount of the borrowings and the interest thereof in an aggregate amount of approximately RMB40,070,000 as well as other expenses. On 4 July 2017, the Beijing Fourth Intermediate People's Court accepted the legal action. Subsequently, Hao Tian Investment (China) Co., Ltd made an application to the Beijing Fourth Intermediate People's Court for property

preservation. On 4 August 2017, the property and other interests of the defending parties, being Liu Jincheng and Xia Heting, were ordered to be sealed up, seized and frozen by the Beijing Fourth Intermediate People's Court.

Subsequently, Liu Jincheng and Xia Heting made an application to the Beijing Fourth Intermediate People's Court objecting to its jurisdiction, which was dismissed by the court on 9 October 2017. On 18 October 2017, Liu Jincheng and Xia Heting further appealed to Beijing Higher People's Court against the aforesaid dismissal, which was dismissed by the court on 2 February 2018. As at the Latest Practicable Date, the case is in the process of being substantively reviewed by Beijing Higher People's Court.

Claim against Chim Kee Machinery Co., Ltd

In 2012, a customer commenced litigation against Chim Kee Machinery Co., Ltd. (the "**Subsidiary**"), 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 the Subsidiary 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 the Subsidiary and ordered the customer to pay the Subsidiary unpaid hire 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, the decisions of the Legal Proceedings and the Appeal were concluded by the Court of Appeal. The decisions were in favour of the Subsidiary 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 Latest Practicable Date, the Subsidiary has received 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 this legal proceeding, please refer to the prospectus of Hao Tian International Construction dated 30 November 2015.

On 11 July 2017, the customer lodged another prosecution against the Subsidiary claiming for loss and damage of more than HK\$27,000,000. After considering the evidence and the background facts in relation to this claim and the advice from the legal adviser in relation to this claim, the directors of Hao Tian International Construction were of the view that the chance of success of the claim against the Subsidiary was remote 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. As at the Latest Practicable Date, the Subsidiary has received from the customer in an aggregate amount of HK\$150,000 of the costs incurred to the Subsidiary.

Saved as disclosed, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Group.

8. MATERIAL CONTRACTS

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date which is or may be material:

- (a) On 20 July 2016, in connection with the Subscription Agreement, the Company, Hao Tian Management (Hong Kong) and Vandi Investments Limited entered into a call option deed, pursuant to which the Company, without additional consideration, granted to Vandi Investments Limited a call option to, require the Company to allot and issue certain new shares in the Company to Vandi Investments Limited at the price of HK\$0.80 per share;
- (b) On 22 July 2016, a restructuring agreement was entered into between Hao Tian Investment (China) Company Limited (“**Hao Tian China**”), an indirectly wholly owned subsidiary of the Company, and Fujian Nuoqi Co., Ltd. (“**Fujian Nuoqi**”), pursuant to which, among others, (i) Hao Tian China conditionally agreed to participate in the restructuring of Fujian Nuoqi, in replacement of a third party, as the party responsible for the restructuring under the reorganisation proposal of Fujian Nuoqi; and (ii) for the retention of the assets in Fujian Nuoqi and the transfer of 311,504,940 domestic invested shares in Fujian Nuoqi to Hao Tian China, Hao Tian China conditionally agreed to pay the an aggregate sum of RMB150,583,125.05. Upon completion of the restructuring agreement, Fujian Nuoqi was an indirect non-wholly owned subsidiary of the Company;
- (c) On 23 September 2016, Hao Tian Management (Hong Kong) entered into a sale and purchase agreement with an independent third party, pursuant to which Hao Tian Management (Hong Kong) agreed to sell, and the independent third party agreed to purchase, 1,737,940,350 shares in China Innovative Finance Group Limited (share of which are listed on the Stock Exchange with stock code 412, now known as China Shandong Hi-Speed Financial Group Limited) held by Hao Tian Management (Hong Kong) at the consideration of HK\$0.297 per share;
- (d) On 8 December 2016, Chim Kee Crane Company Limited, an indirectly wholly-owned subsidiary of the Company, and the landlord entered into a sales and purchase agreement with an independent third party in relation to the acquisition of a parcel of land situated in Yuen Long for a consideration of HK\$51,749,100;

- (e) On 16 January 2017, Hao Tian Management (China) Limited (“**Hao Tian Management (China)**”), an indirect wholly owned subsidiary of the Company and Haitong International Securities Company Limited entered into a facility agreement (the “**Facility Agreement**”) in respect of loan facilities of up to HK\$495,000,000 provided by Haitong International Securities Company Limited to Hao Tian Management (China);
- (f) On 16 January 2017, Hao Tian Management (China) executed a share charge in favour of Haitong International Securities Company Limited pursuant to which Hao Tian Management (China) charged certain shares in Hao Tian Construction (formerly known as Clear Lift Holdings Limited) to Haitong International Securities Company Limited as a security to the Facility Agreement;
- (g) On 16 January 2017, the Company executed a corporate guarantee in favour of Haitong International Securities Company Limited pursuant to which the Company granted a guarantee to Haitong International Securities Company Limited as a guarantee to the Facility Agreement in respect of loan facilities of up to HK\$495,000,000;
- (h) On 16 January 2017, Hao Tian Management (China) as purchaser, Tang J F T Company Limited as vendor and Mr. Tang Yiu Chi James, as the vendor’s warrantor entered into the a sale and purchase agreement in relation to the conditional sale and purchase of the 750,000,000 ordinary shares of Hao Tian Construction (formerly known as Clear Lift Holdings Limited) (stock code: 1341), representing 75% of the its issued share capital as at the date of the agreement, for an aggregate consideration of HK\$592,500,000;
- (i) On 5 April 2017, Fortune Jumbo Limited, an indirectly wholly-owned subsidiary of the Company placed an order with Haitong International Securities Company Limited (“**Haitong Securities**”), pursuant to which Haitong Securities shall subscribe for the interest in Haitong Global Investment SPC III (a segregated portfolio company) on behalf of Fortune Jumbo Limited at the subscription amount of US\$30,000,000 (approximately HK\$234,000,000);
- (j) On 10 May 2017, Hao Tian International Construction Investment Group Limited (“**HTICI**”) (Stock Code: 1341), an indirect non wholly owned subsidiary of the Company, entered into a placing agreement with Hao Tian International Securities Limited and Kingston Securities as placing agents (the “**Placing Agents**”), pursuant to which the Placing Agents agree, as agents of HTICI, to procure on a best effort basis not less than six placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 200,000,000 shares of HTICI to be placed at the price of HK\$0.62 per share of HTICI;

- (k) On 6 November 2017, Fujian Nuoqi, Zhong Hong Holdings Group Limited (the “**Vendor**”) and Mr. Hu Yulin, as the Vendor’s warrantor, entered into a sale and purchase agreement, pursuant to which Fujian Nuoqi has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital of Zhong Hong International Limited (中宏國際有限公司) at a consideration of HK\$1,053,024,128. The consideration payable by Fujian Nuoqi shall be satisfied by way of allotment and issue of new H shares of Fujian Nuoqi at an issue price of HK\$0.6829 per share;
- (l) On 20 January 2018 (London Time), Hao Tian Asia Investment Company Limited (“**Hao Tian Asia Investment**”), an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Reignwood Europe Holdings S.À.R.L. (“**Reignwood**”), pursuant to which Hao Tian Asia Investment conditionally agreed to acquire, and Reignwood conditionally agreed to sell, the entire issued share capital of 55 Mark Lane S.À.R.L. (“**55 Mark Lane**”) at a consideration up to £130,000,000. Upon completion of the sale and purchase agreement, 55 Mark Lane would become a wholly-owned subsidiary indirectly held by the Company;
- (m) On 28 March 2018, the Company entered into a sale and purchase agreement to dispose of its entire interests in Hao Tian International Financial Holdings Limited to HTICI at a consideration of HK\$200 million, which shall be satisfied as to (i) HK\$150 million by cash and (ii) HK\$50 million by issue of shares of HTICI to the Company (the “**HTICI Agreement**”);
- (n) On 14 April 2018, the Company entered into a sale and purchase agreement with Mr. Simon Pizey, Ms. Gae Stewart, Mr. Hamish Hamilton and Ms. Melanie Fletcher (the “**Vendors**”) in respect of the acquisition of 100% of the issued share capital of Done and Dusted Productions Limited, a private company limited by shares and incorporated in England and Wales (the “**Target Company**”) for a total consideration of US\$89.6 million (equivalent to approximately HK\$703.4 million) (subject to adjustment). Upon completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Group;
- (o) On 25 June 2018, HTICI proposed to implement a right issue on the basis of one right share for every share held on 16 July 2018 at the subscription price of HK\$0.15 per rights share (the “**Rights Issue**”). Hao Tian Management (China) (“**HTM China**”), an indirect wholly-owned subsidiary of the Company, granted an irrevocable undertaking in favour of HTICI, pursuant to which HTM China will remain as the beneficial owner of an aggregate of 1,500,000 shares of HTICI until and including 16 July, 2018 and will take up a total of 750,000,000 right shares, representing its full entitlement to the new shares under the Rights Issue (the “**Irrevocable Undertaking**”). On the same day, HTM China entered into an underwriting agreement with HTICI, pursuant to

which HTM China has conditionally agreed to fully underwrite all the rights shares (other than those agreed to be taken up by HTM China pursuant to the Irrevocable Undertaking) subject to the terms and conditions set out the agreement;

- (p) On 25 June 2018, a supplemental agreement was entered to the HTICI Agreement, pursuant to which, among other things, the parties have amended the terms of the HK\$50,000,000 portion of the total consideration originally to be settled by the allotment and issue of consideration shares as to be settled by way of cash in the amount equal to the number of shortfall consideration shares multiplied by the consideration share price if certain conditions precedent are not fulfilled or waived on completion;
- (q) On 24 July 2018, a second supplemental agreement was entered to the HTICI Agreement, pursuant to which, among other things, the parties have agreed for the HK\$50,000,000 portion which was originally to be settled by way of allotment and issue of consideration shares upon Completion, to be (i) reduced to HK\$30,000,000 (such that the total consideration would be reduced from HK\$200,000,000 to HK\$180,000,000); and (ii) be settled entirely by way of cash upon Completion; and
- (r) this Agreement.

9. QUALIFICATIONS

The following set out the qualifications of the experts who have given opinion or advice which are contained in this circular:

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

As at the Latest Practicable Date, the experts named above were not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and did not have any interest, either directly or indirectly, in any assets which have been, since 31 March 2018 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Opus Capital issued a letter dated 6 September 2018 for the purpose of incorporation in this circular in connection with its recommendation to the Independent Board Committee and the Independent Shareholders.

10. CONSENTS

Opus Capital and ZHONGHUI ANDA CPA Limited have given and have not withdrawn their written consents to the issue of this circular with inclusion of their letters and references to their names in the form and context in which they appear herein.

11. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018 (the date to which the latest published audited accounts of the Group were made up).

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, Wan Chai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) from the date of this circular up to and including the date of the EGM:

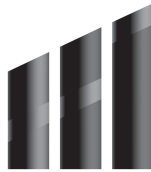
- (a) The Agreement;
- (b) The Notes;
- (c) the memorandum and articles of association of the Company;
- (d) the letter from the Board, the text of which is set out on pages 4 to 12 of this circular;
- (e) the letter from the Independent Board Committee dated 6 September 2018, the text of which is set out on page 13 of this circular;
- (f) the letter of advice issued by Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders dated 6 September 2018, the text of which is set out on pages 14 to 38 of this circular;
- (g) the letter from ZHONGHUI ANDA CPA Limited dated 6 September 2018;
- (h) the written consents as set out in the section headed “Consents” in this appendix;
- (i) the annual reports of the Company for each of the two financial years ended 31 March 2017 and 2018, respectively; and

- (j) this circular.

13. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Rooms 4917–4932, 49/F., Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong.
- (c) The share registrar and transfer office in the Cayman Islands of the Company is SMP Partners (Cayman) Limited at Royal Bank House — 3rd Floor, 24 Shedden Road, P.O. Box 1586, Grand Cayman, KY1-1110, Cayman Islands and the Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Siu Kai Yin Edward, who is a qualified lawyer in Hong Kong and Australia.
- (e) In the event of any inconsistencies, the English text of this circular and form of proxy shall prevail over the Chinese text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



昊天發展集團有限公司

Hao Tian Development Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00474)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Hao Tian Development Group Limited (the “**Company**”) will be held at Room 2702, 27/F., The Sun’s Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Thursday, 27 September 2018 at 10:30 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, pass the following resolutions as ordinary resolutions of the Company. Capitalised terms defined in the circular dated 6 September 2018 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

1. **THAT** the sale and purchase agreement dated 28 June 2018 (the “**Agreement**”) entered into between the Company and Asia Link Capital Investment Holdings Limited (“**Asia Link**”) (a copy of the Agreement to be produced to the meeting and marked “A” and initialled by the chairman of the meeting for the purpose of identification) in respect of acquisition of the US\$30,000,000 8.5% unsecured coupon notes due 2020 issued by Imperial Pacific International Holdings Limited and the transactions contemplated thereunder and the execution thereof be and are hereby approved, confirmed and ratified;
2. **THAT** the bond instrument (the “**Bond Instrument**”) constituting the US\$27,800,000 4% unsecured coupon bonds due 2019 to be issued by the Company (the latest draft of which is produced to the meeting and marked “B” and initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved and confirmed and any one director be and is hereby authorised to execute and issue the same; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. **THAT** the director(s) of the Company (“**Director(s)**”) be and are hereby authorised to do all such further acts and things and execute such further documents and take all steps which in their opinion may be necessary, desirable or expedient to implement and/or give effect to the Agreement, Bond Instrument and the transactions contemplated thereunder with any changes as such Director(s) may consider necessary, desirable or expedient.

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

Hong Kong, 6 September 2018

Notes:

1. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 21 September 2018. The register of members of the Company will be closed from Monday, 24 September 2018 to Thursday, 27 September 2018, both days inclusive, for determination of entitlements to attend and vote at the EGM and during which period no transfer of Shares will be registered.
2. Any shareholder of the Company (the “Shareholder(s)”) entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a Shareholder.
3. The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint Shareholders, any one of such joint Shareholders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the EGM 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 Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Shareholders of the Company in respect of the joint holding.
6. The form of proxy and (if required by the board of directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the EGM or any adjournment thereof, not less than 48 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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