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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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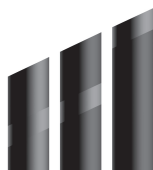
If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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 or transferee or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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 however 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.

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# 昊天發展集團有限公司

## Hao Tian Development Group Limited

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

**(Stock code: 00474)**

### (1) FORMATION OF JOINT VENTURE

### (2) PROPOSED GRANT OF SHARE OPTIONS UNDER SPECIFIC MANDATE

### (3) POSSIBLE MAJOR ACQUISITION IN RELATION TO GRANT OF PUT OPTION AND

### (4) NOTICE OF EXTRAORDINARY GENERAL MEETING

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Capitalised terms used in this cover page shall have the same meaning as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 6 to 29 of this circular.

A notice convening the EGM of the Company to be held at 10/F, CKK Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong on Thursday, 3 September 2020, at 10:30 a.m. is set out on pages 46 to 48 of this circular.

A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.haotianhk.com](http://www.haotianhk.com)). Whether or not you intend to attend and vote at the 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 17M 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 meeting or any adjourned meeting (as the case may be) should you so wish.

#### **PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING**

To safeguard the health and safety of Shareholders and prevent the spread of the coronavirus (COVID-19) pandemic, the following measures will be implemented at the EGM:

- Each attendee will be required to undergo a mandatory body temperature check. Any person with a body temperature above 37.3 degrees Celsius, or who is exhibiting flu-like symptoms, will be denied entry into the EGM venue.
- Shareholders, proxies and other attendees are required to wear surgical face masks inside the EGM venue at all times, and maintain a safe distance between seats. Any person who does not comply with this requirement will be required to leave the EGM venue.
- No refreshments will be served at the EGM and there will be no corporate gifts.

The Company reminds all Shareholders that any person who is subject to any quarantine order prescribed by the Hong Kong SAR Government will be denied entry into the EGM venue, in order to ensure the health and safety of all attendees at the EGM.

Additionally, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights and would like to encourage Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM, instead of attending the EGM in person.

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## DEFINITIONS

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

“Aceso Life Science”	Aceso Life Science Holding Limited (formerly known as Genius Power Holding Limited) a limited company incorporated in the British Virgin Islands and a non-wholly owned subsidiary of the Company as at the Latest Practicable Date
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Call Option”	the option granted by Co-High to the Subsidiary, upon exercise of which, Co-High shall be required to sell the JV Shares held by Co-High to the Subsidiary at the Fair Market Value on the terms and conditions of the Call Option Deed
“Call Option Deed”	the conditional call option deed entered into between Co-High as grantor and the Subsidiary as grantee on 9 July 2020
“Call Option Period”	the period commencing from the date falling 36 months after the Completion and ending on the date falling 24 months after the said commencement date
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Co-High”	Co-High Investment Management Limited, a limited company incorporated in the Cayman Islands
“Company”	Hao Tian Development Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 474)
“Completion”	the completion of the share subscriptions under the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company

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## DEFINITIONS

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“EGM”	the extraordinary general meeting of the Company to be held at 10/F, CKK Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong on Thursday, 3 September 2020, at 10:30 a.m. to consider, and if thought fit, to approve (i) the issue of the Share Options; (ii) the grant of the Specific Mandate to issue the Option Shares; and (iii) the possible major acquisition as contemplated by the Put Option, the notice of which is set out on pages 46 to 48 of this circular, or any adjournment thereof
“EGM Notice”	the notice convening the EGM which is set out on pages 46 to 48 of this circular
“Exercise Price”	a price of HK\$0.25 per Option Share (subject to adjustments) at which the holder of the Share Options may subscribe for the Option Shares
“Fair Market Value”	the value of the JV Shares subject to the Put Option or the Call Option (as the case maybe) based on the fair market value of the equity of Aceso Life Science on a consolidated basis with Aceso Life Science as a going concern by a professional valuer jointly agreed by the Subsidiary and Co-High, failing which, the fair market valuation of Aceso Life Science as determined in good faith by two professional valuers and the Fair Market Value shall equal the average of the two valuations
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected person(s)
“JV Shares”	the ordinary shares of Aceso Life Science in the share capital Aceso Life Science
“Latest Practicable Date”	7 August 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Shares”	an aggregate of 609,188,681 new Shares to be issued by the Company upon the full exercise of the subscription rights attaching to the Share Options; and each of which, an “Option Share”
“PRC”	The People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and the Taiwan area
“Promethera Biosciences”	Promethera Biosciences S.A./N.V.
“Put Option”	the option granted by the Subsidiary to Co-High, upon exercise of which, Co-High shall be entitled to sell the JV Shares held by Co-High to the Subsidiary at the Fair Market Value on the terms and conditions of the Put Option Deed
“Put Option Deed”	the conditional put option deed entered into between the Subsidiary as grantor and Co-High as grantee on 9 July 2020
“Put Option Period”	the period commencing from the date falling 36 months after the Completion and ending on the date falling 24 months after the said commencement date
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement dated 5 June 2020 and entered into among the Subsidiary, Co-High and Aceso Life Science in relation to, among others, management and affairs of Aceso Life Science

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## DEFINITIONS

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“Share Options”	the 609,188,681 options proposed to be granted by the Company to Co-High attached with it the rights to subscribe for an aggregate of 609,188,681 Option Shares at the Exercise Price (subject to adjustments) during the Share Option Period
“Share Option Deed”	the conditional option deed entered into between the Company and Co-High in respect of the Share Option on 9 July 2020
“Share Option Period”	the period commencing from the date of the Share Option Deed and ending on the third anniversary of that date, provided that if such end date falls on a day other than a business day, it shall mean the last business day immediately before the said date
“Specific Mandate”	a specific and unconditional mandate to be sought from the Shareholders at the EGM for the allotment and issue of the Option Shares upon the exercise of the subscription rights attaching to the Share Options
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the JV Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 5 June 2020 and entered into among the Subsidiary and Co-High as subscribers and Aceso Life Science as issuer in relation to the Subscription and the proposed grant of Share Options
“Subsidiary”	Success Destiny Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Transaction Documents”	the Subscription Agreement, the Shareholders’ Agreement, the Share Option Deed, the Call Option Deed, the Put Option Deed, together with all supplements and amendments relating thereto from time to time
“%”	per cent.

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## **RESPONSIBILITY STATEMENT**

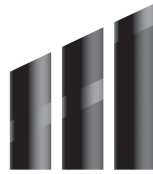
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This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having 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.

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## LETTER FROM THE BOARD

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### 昊天發展集團有限公司 Hao Tian Development Group Limited

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

**(Stock code: 00474)**

*Executive Directors:*

Mr. Xu Haiying  
Dr. Zhiliang Ou, *J.P. (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:*

Rooms 2501–2509, 25th Floor  
Shui On Centre  
6–8 Harbour Road, Wanchai  
Hong Kong

14 August 2020

*To all Shareholders*

Dear Sir or Madam,

**(1) FORMATION OF JOINT VENTURE  
(2) PROPOSED GRANT OF SHARE OPTIONS UNDER SPECIFIC MANDATE  
(3) POSSIBLE MAJOR ACQUISITION IN RELATION TO GRANT OF  
PUT OPTION  
AND  
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 5 June 2020 in relation to the formation of joint venture and the grant of the Put Option which constitute a possible major acquisition for the Company under Chapter 14 of the Listing Rules and the proposed grant of Share Options to Co-High under the Specific Mandate.

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## LETTER FROM THE BOARD

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On 5 June 2020, the Subsidiary, a wholly-owned subsidiary of the Company and Co-High entered into the Subscription Agreement and the Shareholders' Agreement with Genius Power Holding Limited for the formation of a joint venture to undertake the business of development, manufacture, sale and distribution of therapeutic and diagnostic assets in the Greater China and South East Asia. Genius Power Holding Limited has changed its name to "Aceso Life Science Holding Limited" to better reflect its focus on bioscience business. Under the Subscription Agreement, each of the Subsidiary and Co-High has agreed to subscribe for the JV Shares in Aceso Life Science and, upon Completion, Aceso Life Science shall be owned by the Subsidiary and Co-High as to 51% and 49%, respectively. At Completion, the Subsidiary also entered into the conditional Put Option Deed as grantor and the conditional Call Option Deed as grantee on 9 July 2020, under which, the Subsidiary will either have the obligation or the right to acquire the 49% equity interest held by Co-High at the Fair Market Value of the JV Shares subject to the Put Option or the Call Option (as the case maybe).

As the Put Option is exercisable at the discretion of Co-High and the exercise price for the Put Option is to be determined based on the Fair Market Value of the equity interest of Aceso Life Science at the time of exercise, the grant of the Put Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the grant of the Put Option constitutes a possible major acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to the Subscription Agreement, the Company has conditionally agreed to grant the Share Options entitling Co-High to subscribe for certain Option Shares at the price of HK\$0.25 per Option Share (subject to adjustments) during the Share Option Period. The Option Shares will be allotted and issued by the Company upon exercise of the subscription rights attaching to the Share Options under the Specific Mandate. Subject to the fulfillment of the conditions precedent, Co-High will have the rights to subscribe for up to 609,188,681 Option Shares at the Exercise Price per Option Share, representing (i) approximately 10.00% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 9.09% of the total number of Shares in issue as enlarged by the allotment and issue of the Option Shares upon full exercise of the subscription rights attaching to the Share Options (assuming there being no other changes in the total number of issued Shares).

The purpose of this circular is to provide Shareholders with (i) further information on joint venture and the grant of the Put Option as contemplated under the Subscription Agreement; (ii) further details relating to the proposed grant of the Share Options and the issue of the Option Shares under the Specific Mandate, and to give you the EGM Notice at which the resolutions will be proposed to be considered and, if thought fit, approved.

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## LETTER FROM THE BOARD

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### FORMATION OF JOINT VENTURE

#### The Subscription Agreement

Below is a summary of the terms of the Subscription Agreement.

- Date: 5 June 2020 (after trading hours)
- Parties:
- (1) Success Destiny Limited, a wholly-owned subsidiary of the Company, as subscriber
  - (2) Co-High Investment Management Limited, as subscriber
  - (3) Aceso Life Science Holding Limited (formerly known as Genius Power Holding Limited), a wholly-owned subsidiary of the Company prior to Completion, as issuer
- Subscription of JV Shares: Under the Subscription Agreement:
- (a) the Subsidiary has agreed to subscribe for 509 JV Shares in Aceso Life Science, which together with the one JV Share issued to Subsidiary prior to the Subscription Agreement, shall represent 51% of the total issued share capital of Aceso Life Science at Completion, for an aggregate price of approximately HK\$5.1 million; and
  - (b) Co-High has agreed to subscribe for 490 JV Shares in Aceso Life Science, which shall represent 49% of the total issued share capital of Aceso Life Science at Completion, for an aggregate price of approximately HK\$4.9 million.
- Subscription Price: The aggregate subscription price of HK\$10 million shall be payable by the Subsidiary and Co-High separately in cash or in kind within 12 months after Completion.

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## LETTER FROM THE BOARD

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- Conditions precedent: Completion shall be subject to the following conditions precedent:
- (a) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, banks or lenders, having been obtained by the parties for completion of the transactions contemplated under the Subscription Agreement;
  - (b) due execution of each of the Transaction Documents by the parties thereto; and
  - (c) the representations, warranties and undertakings given by each party remain true and accurate or not misleading in all material respects and that no events have suggested that there was any breach in any material respect of any representations, warranties and undertakings given by such party to the Subscription Agreement.

Completion: Completion shall take place on the business day on which the last of all of the above conditions has been fulfilled and/or waived as provided in the Subscription Agreement.

Completion took place on 9 July 2020, whereupon, Aceso Life Science has been owned by the Subsidiary and Co-High as to 51% and 49%, respectively. Therefore, Aceso Life Science is a subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Group.

Co-High has undertaken with the Subsidiary and Aceso Life Science under the Subscription Agreement to give the first right of refusal to Aceso Life Science to participate in development, manufacture, sale and distribution of therapeutics and diagnostic assets in the Greater China and South East Asia (“**Business Opportunities**”) identified by or known to Co-High during a period of 36 months commencing from the date of Completion.

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## LETTER FROM THE BOARD

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### **The Grant of the Put Option and Call Option**

On 9 July 2020, pursuant to the Subscription Agreement, the Subsidiary and Co-High also entered into the following:

- (a) the conditional Put Option Deed, pursuant to which, the Subsidiary has agreed to grant the Put Option to Co-High to require the Subsidiary to acquire all of the JV Shares held by Co-High at a price which is equivalent to the Fair Market Value upon the exercise of the Put Option during the Put Option Period; and
- (b) the conditional Call Option Deed, pursuant to which, the Co-High has agreed to grant the Call Option to the Subsidiary to require Co-High to sell all of the JV Shares held by Co-High at a price which is equivalent to the Fair Market Value upon the exercise of the Call Option during the Call Option Period.

### *Conditions Precedent*

The respective obligations of the parties in the Put Option Deed and Call Option Deed are subject to the following conditions:

- (a) if necessary, the passing of resolution(s) by the Shareholders to approve the deed and the transaction contemplated thereunder;
- (b) completion of the Subscription Agreement pursuant to the terms thereto; and
- (c) if necessary, approvals by government and regulatory authorities (including but not limited to the Stock Exchange) for the deed and the transactions contemplated thereunder having been obtained.

### *Option Price*

Upon exercise of the Put Option by Co-High during the Put Option Period, or the upon exercise of the Call Option by the Subsidiary during the Call Option Period, the Subsidiary will have the obligation or the right (as the case may be) to acquire all of the JV Shares held by Co-High at the Fair Market Value based on the fair market value of the equity of Aceso Life Science on a consolidated basis with Aceso Life Science as a going concern which will be determined by (i) a professional valuer jointly appointed by the parties; or if there is no agreement on the appointment or the valuation so obtained, then (ii) average of the two valuations determined in good faith by two professional valuers.

### *Option Period*

The Put Option and the Call Option will be exercisable within a 24-month period commencing from the date falling 36 months after the Completion.

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## LETTER FROM THE BOARD

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### **The Shareholders' Agreement**

The Subsidiary, Co-High and Aceso Life Science entered into the Shareholders' Agreement. Below is a summary of the terms of the Shareholders' Agreement.

Date:	5 June 2020 (after trading hours)
Parties:	(1) Success Destiny Limited (2) Co-High Investment Management Limited (3) Aceso Life Science Holding Limited
Purpose:	To regulate the governance and operation of Aceso Life Science, as the joint venture to undertake the business of development, manufacture, sale and distribution of therapeutic and diagnostic assets in the Greater China and South East Asia.
Board Composition:	The board of directors of Aceso Life Science shall be composed of five directors, three of whom shall be nominated by the Subsidiary and two of whom shall be nominated by Co-High.
Shareholders' Rights:	Shareholders of Aceso Life Science shall have customary rights in respect of reserved matters, pre-emption right for the issue of new securities by Aceso Life Science and customary restrictions, tag-along and drag-along rights on the sale of their shares in Aceso Life Science. The Shareholders' Agreement includes provisions dealing with the consequences of events of default under the Shareholders' Agreement and other material breaches of the Shareholders' Agreement by a shareholder.

### **PROPOSED GRANT OF SHARE OPTIONS UNDER SPECIFIC MANDATE**

Under the Subscription Agreement, the Company has conditionally agreed to grant the Share Options entitling the holder to subscribe for the Option Shares at the price of HK\$0.25 per Option Share (subject to adjustments) during the Share Option Period.

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## LETTER FROM THE BOARD

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### Conditions Precedent

The obligation for the Company to issue the Share Options is conditional upon the fulfillment of the following conditions:

- (a) the passing of resolution(s) by the Shareholders to approve the Share Option Deed and the transaction contemplated thereunder, including the grant of the Share Options and the issue of the Option Shares;
- (b) the Stock Exchange having granted the listing of, and permission to deal in, the Option Shares; and
- (c) to the reasonable satisfaction of the Company, the representations, warranties and undertakings given by Co-High in the Transaction Documents remain true and accurate or not misleading in all material respects and that no events have suggested that there was any breach in any material respect of any of such representations, warranties and undertakings given by Co-High in the Transaction Documents.

In the event that any of the conditions as set out above is not fulfilled by 30 August 2020 (or such other date as the Parties may agree), the Parties shall discuss in good faith and may adjust the terms of the Share Options.

### Principal Terms of the Share Options

Issuer:	The Company
Subscriber:	Co-High Investment Management Limited
Issue Price:	In consideration of Co-High completing the Subscription pursuant to the Subscription Agreement and to grant the first right of refusal to Aceso Life Science over the Business Opportunities, no separate cash consideration is payable for the grant of Share Options
Exercise Price:	The Exercise Price is HK\$0.25 per Option Share (subject to adjustments) at which the holder of the Share Options may subscribe for the Option Shares.  The Exercise Price represents: <ul style="list-style-type: none"><li>(a) a premium of approximately 25% to the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;</li></ul>

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## LETTER FROM THE BOARD

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- (b) a premium of approximately 30.1% to the average of the closing prices of approximately HK\$0.1922 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement;
- (c) a premium of approximately 29.2% to the average of the closing prices of approximately HK\$0.1935 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement;
- (d) a discount of approximately 25.4% to the average of the closing prices of approximately HK\$0.335 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (e) a discount of 39.0% to the net asset value per Share for the year ended 31 March 2020 of HK\$0.41.

The Exercise Price was determined after arm's length negotiation between the parties, taking into account the liquidity of the Shares in the market, the past performance and recent trading price of the Shares (i.e. the highest of the average of the closing price per Share for each of the last 30 (approximately HK\$0.1978), 60 (approximately HK\$0.1977) and 90 (approximately HK\$0.1990) trading days immediately prior to the date of the Subscription Agreement) as well as the factors set out in the "Reasons for and Benefits of the Formation of the Joint Venture and the Proposed Issue of Share Options" below in this circular.

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## LETTER FROM THE BOARD

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The Board was aware that the Shares had been thinly traded at a significant discount to the consolidated net asset value per Share, during the review period of 24 months preceding the date of the Subscription Agreement, the average daily trading volume is less than 0.01% of the total number of issued Shares and the daily trading amount is less than HK\$300,000 while the Exercise Price is significantly higher than the market price of the Shares of the relevant time of the Subscription Agreement. Taking into account that Co-High will participate and promote the future success of the joint venture, the results of which will be consolidated into the financial results of the Company, the Board considered that the significant discount to the net asset value of the Company is fair and reasonable. The Directors are of the opinion that the Exercise Price is fair and reasonable.

Number of Option Shares  
issuable:

Subject to the fulfillment of the conditions precedent, Co-High will have the rights to subscribe for up to 609,188,681 Option Shares at the Exercise Price per Option Share, representing:

- (a) approximately 10.00% of the total number of Shares in issue as at the Latest Practicable Date; and
- (b) approximately 9.09% of the total number of Shares in issue as enlarged by the allotment and issue of the Option Shares upon full exercise of the subscription rights attaching to the Share Options (assuming there being no other changes in the total number of issued Shares).

Adjustments to the  
Exercise Price:

If the Shares by reason of any capitalization issue, bonus or dividend issue, consolidation or sub-division involving change of nominal amount or capital reorganization that will otherwise result in changes in the share capital of the Company whilst the Share Options are not yet exercised during the exercise period, such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of the Option Shares so far as unexercised, or
- (b) the exercise price, or

any combination thereof, provided that any such adjustments should give Co-High the same proportion of the equity capital of the Company as that to which Co-High was previously entitled.

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## LETTER FROM THE BOARD

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Share Option Period:	During the period commencing from the date of the Share Option Deed and ending on the third anniversary of that date, Co-High may exercise the Share Options in whole or in part by serving not more than four notices.
Restrictions:	The Share Option may only be exercised to the extent it will not result in (a) a change of control (within the meaning of the Takeovers Code) of the Company, or Co-High, together with parties acting in concert (within the meaning of the Takeovers Code) with them, which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code; or (b) insufficient public float of the Shares as defined under the Listing Rules; or (c) Co-High together with its close associates (as the term is defined under the Listing Rules) becoming the single largest shareholder of the Company.
Ranking of the Option Shares:	The Option Shares, when issued and allotted, shall rank <i>pari passu</i> in all respects among themselves and with all other Shares in issue on the date of the issue and allotment of the Option Shares.
Transferability:	The Share Options are not transferable.
Voting rights for the holder(s) of the Share Options:	Holder of the Share Options will not have any right to attend or vote at any meetings of the Company by virtue of them being holder of the Share Options, nor have any right to participate in any distributions and/or offers of further securities made by the Company.
Listing:	The Share Options will not be listed on the Stock Exchange or any other stock exchanges. Application will be made to the Stock Exchange for the listing of, and the permission to deal in the Option Shares.

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## LETTER FROM THE BOARD

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### EQUITY FUND RAISING ACTIVITIES OF THE COMPANY

The Company has conducted the following equity fund raising activities in the twelve months immediately preceding the Latest Practicable Date.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
24 July 2020	(1) Placing of up to 400,000,000 new Shares at the price of HK\$0.25 per Share (the “ <b>Placing</b> ”); and  (2) Subscription of 200,000,000 new Shares by a connected person at the price of HK\$0.25 per Share (the “ <b>Share Subscription</b> ”)	(1) HK\$99,500,000 for the Placing;  (2) HK\$50,000,000 for the Share Subscription	The proceeds from the Placing and the Share Subscription are intended to be used for the investments in, and working capital related to, bioscience businesses in the manner as set out in the paragraph headed “USE OF PROCEEDS” in the Company’s announcement dated 24 July 2020	The Placing and Share Subscription are still pending completion.

Save as disclosed above, the Company has not carried out any capital raising activities in the twelve months immediately preceding the Latest Practicable Date.

### INFORMATION ABOUT THE PARTIES TO THE TRANSACTION AND THE JOINT VENTURE

#### The Company and the Subsidiary

As at the Latest Practicable Date, the principal activities of the Group include: (i) money lending; (ii) securities investment; (iii) provision of commodities and securities brokerage service; (iv) asset management; (v) property leasing; and (vi) rental and trading of construction machinery. The Company intends to expand its business into bioscience industry through acquisitions and has been endeavouring in identifying and locating acquisition targets and will continue its existing business.

The Subsidiary is a wholly-owned subsidiary of the Company and principally engaged in investment holding.

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## LETTER FROM THE BOARD

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### Aceso Life Science

#### *Overview of business*

The primary objectives of Aceso Life Science are to bring global life science assets and intellectual properties to be developed, distributed and commercialized in the Greater China and South East Asia. The life science assets which Aceso Life Science targets include, but are not limited to, therapeutic, medical device and diagnostic technologies originated from overseas leading universities or top tier research driven companies. Aceso Life Science aims to select potential life science assets which will address significant unmet medical needs in the Greater China and Southeast Asia and will possess substantial commercialization potential. In order to better manage clinical risk associated with developing the assets in the Greater China and Southeast Asia regions, Aceso Life Science will target life science assets that have demonstrated initial proof of concept in a regulated clinical setting.

The business model of Aceso Life Science includes:

*(i) Develop therapeutic assets in the Greater China and Southeast Asia*

As at the Latest Practicable Date, Aceso Life Science through formation of joint venture with Promethera Biosciences obtained rights to develop five cell-therapeutic and antibody products with the focus for treatment of liver indications, other inflammatory autoimmune diseases and solid tumors in the Greater China and Southeast Asia. The initial focus will be on developing the cell therapy product HepaStem for treatment of Acute-on-Chronic Liver Failure (ACLF) in the Greater China and Southeast Asia as HepaStem's phase 2a clinical trial for ACLF had been completed and the data was recognized as a late-breaking data presentation at the 2019 European Association for the Study of the Liver in Europe in ACLF patients. Aceso Life Science will collaborate with third-party strategic partner, contract research organizations (“CROs”) and field-leading Chinese scientists to design asset-specific, the Greater China and Southeast Asia clinical trial(s). Aceso Life Science intends to continue developing the other current products according to the clinical study results currently under-going by Promethera Biosciences.

*(ii) Identify potential target assets to diversify product portfolio*

To selectively expand the portfolio with potential products, by leveraging on Co-High's expertise, investee companies and venture partners, Aceso Life Science will source, identify and select innovative life science assets for development from world leading life science ecosystems which are believed to be of superior scientific quality and have demonstrated initial proof of concept in a regulated clinical setting, while taking into account of the potential market size and demand in the Greater China and Southeast Asia with the aim to address unmet medical needs.

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## LETTER FROM THE BOARD

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To cope with the new business development, Aceso Life Science will establish a Scientific Advisory Committee to help the board of Aceso Life Science to select projects as well as provide input from a scientific perspective towards any future opportunities for acquiring or licensing life science products. The form of collaboration with top tier research driven companies for develop and commercialise life science assets would include, but not limited to, formation of joint venture companies, acquisition and licensing arrangements. Aceso Life Science will continue expanding the line of potential products according to the business development and financial resources of Aceso Life Science.

*(iii) Collaborate with leading academic institutions, CROs and strategic partners*

In building and developing the product portfolio, accessing external potential products, expertise and technologies through collaboration with leading academic institutions and CROs is a vital and cost-efficient strategy. Through Co-High's network in the life science field, Aceso Life Science will commence establishing relationship and collaboration with academic institutions and CROs around the world, which will help to streamline the development of the pipeline projects. This may include outsourcing part of the clinical studies and clinical suppliers manufacturing to externally accredited cGMP standard contract research organizations or laboratories to order to attain the required studies for submission to the regulatory authorities as part of the clinical development plan.

### ***Management and Operation***

The management team of Aceso Life Science includes representatives from Co-High and the Company and additional talents will be recruited according to the business development of Aceso Life Science. Aceso Life Science intends to hire a team of life science executives to manage and conduct the business in bioscience assets development in the Greater China and South East Asia.

As at the Latest Practicable Date, the team of life science executives currently identified includes Dr. Wang Yu (“**Dr. Wang**”). Dr. Wang, who is introduced by Co-High, is proposed to act as the chairman of the Scientific Advisory Committee. Dr. Wang has extensive connection and possesses decades of experience in the healthcare space in China. Dr. Wang is a highly recognized scholar previously served as the director of Institute of Liver Disease, Peking University Health Science Center (PUHSC) (北京醫科大學肝病研究所所長), deputy director in biochemistry technology R&D centre (國家科技部中國生物技術發展中心副主任) and vice director in Rural & Social Department of Ministry of Science and Technology of PRC (科技部農村與社會發展司副司長). Dr. Wang served as director general of the Chinese Centre for Disease Control and Prevention (中國疾病預防控制中心主任) from June 2004 to August 2017. Dr. Wang is currently managing director of Chinese Medical Association (中華醫學會常務理事), and committee member of the Global Commission for the Certification of Poliomyelitis Eradication (Western Pacific Region) (世界衛生組織全球消滅脊髓炎質炎西太醫區專家委員會委員).

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## LETTER FROM THE BOARD

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Dr. Stephen Ka Ki Chan (“**Dr. Chan**”), is a member of the boards of Aceso Life Science and Aceso-Promethera. Dr. Chan holds a Doctor of Philosophy (Genetics) from Cambridge University where he was also a Croucher Cambridge Scholar, has experience and extensive network in life science and had participated in designing corporate strategy for global fortune 500 pharmaceutical clients on business development and corporate strategy when he served as a senior consultant at McKinsey & Company and participated in numerous life science venture investments.

The Company intends to continue recruiting additional talents with relevant healthcare and bioscience experience and expertise to cope with the business development of Aceso Life Science and will allocate these executives to serve appropriate roles and positions within the Group when it deems fit.

With Co-High’s network and expertise in life science field, Co-High has identified potential pipeline products for Aceso Life Science. Co-High will also provide assistance to Aceso Life Science in the following aspects:

- utilise its network to identify and make contact with companies whose life science assets could be applied to the Greater China and Southeast Asia markets;
- analyse a target life science asset’s market potential and likelihood of clinical trial success, providing a recommendation of whether to pursue the asset;
- identify and engage potential clinical/commercial partners for the Greater China and Southeast Asia commercialization;
- identify and introduce potential investors for equity funding; and
- identify potential financial institutions for debt funding.

With assistance from Co-High and the benefits of its connection, Aceso Life Science will continue to seek opportunities to acquire potential assets and engage contract research organizations and field-leading Chinese scientists to design asset-specific, the Greater China and Southeast Asia clinical trial(s). Through this continuing development, Aceso Life Science will be able to form a solid foundation of its own with dedicated executive teams and extensive professional network to further the development of the bioscience business.

The initial issued share capital of Aceso Life Science is HK\$10 million which will be the kick-starting fund to set up the relevant business organization, build an experienced management team and provide for the initial operating costs. Life science asset-specific developmental decisions and funding needs will be made on a case by case basis, subject to the provisions of the Shareholders’ Agreement and internal control systems to be put in place for Aceso Life Science.

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## LETTER FROM THE BOARD

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On 24 July 2020, Ms. Li Shao Yu, the controlling shareholder of the Company, through her wholly-owned subsidiary, entered into an agreement with the Company for the subscription of 200,000,000 Shares at the price of HK\$0.25 each under the specific mandate. The Directors consider that this subscription reflects the confidence and commitment of the controlling shareholder of the Company towards the long-term and sustainable development of the Company. On the same date, the Company has conducted a share placement, on a best efforts basis, to issue a maximum of 400,000,000 Shares at the price of HK\$0.25 each to raise new funds for development of its bioscience business.

The Company will also consider to raise additional funds by way of share placement, preemptive rights issue or open offer or debt financing, subject to market conditions, capital structure and availability of such opportunities.

The Company has not entered, or contemplated to enter, into any other arrangements, agreements or understanding (whether formal or informal and whether expressed or implied) with Co-High, Mr. Dong Zimeng and Ms. Liu Yang, other than the Transaction Documents or documents as contemplated thereunder for the formation of the joint venture and the grant of the Share Options.

### **Recent Development**

On 13 July 2020, Aceso Life Science and Promethera Biosciences entered into a joint venture agreement for the formation of a joint venture company (the “**JV Agreement**”), which will have the exclusive right to engage in the development, commercialisation, sell and distribution of cell-based and biological therapies for the treatment of liver diseases, autoimmune diseases and various types of cancer based on the applications and development of the products of Promethera Biosciences in the territories covering the Greater China and Southeast Asia. At the same time, the Company has subscribed for certain convertible bonds of Promethera Biosciences in the principal amount of up to Euro 10,000,000, upon conversion in full, the Company will hold approximately 4.14% of the enlarged issued share capital of Promethera Biosciences.

Promethera Biosciences has developed a cell-based therapy product pipeline comprising its lead product HepaStem, which is a next-generation cell therapy designed to leverage immunomodulatory and anti-fibrotic properties to treat patients; and H2Stem, which a next-generation regenerative medicine derived from hepatobiliary type progenitor cells. In addition, Promethera Biosciences is also developing the antibody asset Atrosimab to complement and diversify its liver focused pipeline.

Aceso-Promethera Asia Company Limited (“**Aceso-Promethera**”) has been incorporated on 17 July 2020 as the joint venture company pursuant to the JV Agreement. In consideration of the issue and allotment of new shares representing 40% of the share capital of Aceso-Promethera, Promethera Biosciences agreed to contribute the necessary intellectual property rights to Aceso-Promethera for the development and commercialisation of its products. Aceso-Promethera and Promethera Biosciences entered into certain intellectual property contribution agreements (the “**IP**

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## LETTER FROM THE BOARD

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**Contribution Agreements**”) on 28 July 2020, for the assignment of, and the grant of sublicense of the intellectual property rights that are necessary or reasonably useful for the development and commercialisation of the products under the JV Agreement (the “**Project IP**”) to Aceso-Promethera. The products to be developed under the JV Agreement include:

- (i) allogeneic “off-the shelf” liver derived cell therapy (HepaStem and H2Stem) for the treatment of UCD, ACLF, NASH and Coronavirus Disease 2019 (COVID-19);
- (ii) antibody asset Atrosab and Atrosimab for the treatment of liver indications and other inflammatory autoimmune diseases; and
- (iii) antibody asset Novotarg for the treatment of solid tumors.

The IP Contribution Agreements comprised of a master agreement for assignment and four sublicense agreements covering the following:

### *Assigned Project IP*

The master assignment agreement was entered into between Aceso-Promethera and Promethera Biosciences on 28 July 2020, which sets out the terms and condition of the assignment of 32 patents and patent applications from Promethera Biosciences and its subsidiary to Aceso-Promethera, of which

- (i) 23 patents and patent applications are related to the treatment of liver diseases using liver-derived cell covering producing liver cells, liver progenitor cells expressing HLAE, use of liver progenitor cell for treating ACLF, use of liver progenitor cells for nonalcoholic fatty liver disease, encapsulated liver cell composition and isolating urea, which are registered or applied for in China, Hong Kong, Singapore, Taiwan and Vietnam, and which are granted by the European Patent Office and the World Intellectual Property Organization; and
- (ii) nine patents and patent applications are related to the bispecific antibody targeting CD20/CD95 antibody and anti-TNFR1 blocking antibody which are registered or applied for in China, Hong Kong, Singapore and Taiwan.

### *Licensed Project IP*

Four sublicense agreements were entered into between Promethera Biosciences or its subsidiary (as sub-licensor(s)) and Aceso-Promethera (as the sub-licensee) on 28 July 2020 to sublicense certain patents and know-hows that are licensed to Promethera Biosciences and/or its subsidiary from head licensors in various head-license agreements, including:

- (i) Patent and Know-How License Agreement between Spoptec SA, Universite catholique de Louvain and Promethera Biosciences in respect of the liver derived cell therapy HepaStem;

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## LETTER FROM THE BOARD

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- (ii) Exclusive License Agreement between Universität Stuttgart and Celonic AG (currently Baliopharm AG) in respect of antibody asset Atrosab and Atrosimab;
- (iii) Exclusive License Agreement between APO Patente GbR and Baliopharm AG in respect of antibody asset Novotarg; and
- (iv) Exclusive License Agreement between Synimmune GmbH and Baliopharm AG in respect of antibody asset Novotarg.

### *Capital Contribution*

Aceso Life Science shall contribute or secure the initial working capital for Aceso-Promethera of no more than Euro 1,000,000. Aceso-Promethera shall explore different means of fundraising, assess the financial implication of such fundraising and stage of the relevant development of the products and provide necessary funds associated with the clinical trial(s) of the products under the JV Agreement.

### *Collaboration with Itochu Corporation*

On 21 July 2020, Aceso Life Science, Itochu Corporation and Promethera Biosciences entered into a memorandum of understanding, pursuant to which, a novated and amended collaboration agreement will be entered into between Itochu Corporation and Aceso-Promethera in relation to the collaboration to commence joint study on the therapeutic use of certain Project IP and, subject to satisfactory results and negotiation on the commercial terms on a case by case basis, proceed with collaboration distribution, licensing and sales of the Products in Asia.

Itochu Corporation is an established Japanese conglomerate with presence in the medical, healthcare and bioscience space. Itochu Corporation and its subsidiaries have deep expertise in licensing, development, manufacturing, distribution and commercialization of pharmaceutical products in China and South East Asia.

The Board believes that Itochu Corporation has extensive experience and network on therapeutic use of intellectual property rights and would be a valuable partner of Aceso-Promethera in relation to the development and distribution of the relevant products in the relevant territories.

### **Co-High**

Based on the best knowledge of the Directors and public information, Co-High is a private equity firm focused on investing in the next generation of life science companies with clear scientific edges which target to solve global major unmet medical needs. Co-High possesses extensive resources and connections to the global life science ecosystem, such as having relationship with world's famous life sciences companies, such as Oxford Nanopore Technologies

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## LETTER FROM THE BOARD

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Ltd and Promethera Biosciences, and having connection with financial institutions with life science capabilities such as Agio Capital & Business Solutions in Europe and Torrey Partners LLC in the United States.

Co-High is owned by Atlantis Capital Group Holdings Limited (“**Atlantis Capital**”) and Mr. Dong Zimeng (“**Mr. Dong**”) as to 60% and 40% respectively. Atlantis Capital is wholly-owned by Ms. Liu Yang (“**Ms. Liu**”), a highly recognized figure in the finance industry and Atlantis Capital holds 100% shareholding in Atlantis Investment Management Limited (“**Atlantis Investment Management**”), an asset management company found in London in 1994. Atlantis Investment Management is a renowned boutique asset management Company with 25 years history with primary focus on investing in listed equities with Asian equity strategies. Mr. Dong has over ten years of investment experience in private equity investment. Mr. Dong is the managing director and the head of investment in Co-High. Prior to joining Co-High in 2015, Mr. Dong worked in China ASEAN Fund and led the investment of various landmark projects in infrastructure, healthcare and natural resources industries in the South East Asia. Together with the head of healthcare investment of Co-High, Dr. Chan, Mr. Dong and Dr. Chan will act as the directors of Aceso Life Science. Having consider the credential of Co-High, Ms. Liu Yang, Mr. Dong and Dr. Chan, the Company believed the joint venture with Co-High will provide leverage for developing the new bioscience business.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Co-High and its ultimate beneficial owner(s) are Independent Third Parties.

### USE OF PROCEED

Assuming the full exercise of the subscription rights attaching to the Share Options, it is expected that the net proceeds of approximately HK\$152,297,170 will be raised. Approximately 30% of the net proceeds will be used for the general working capital of the Group and/or approximately 70% will be used for potential investment in bioscience projects and business development.

### REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE AND THE PROPOSED ISSUE OF SHARE OPTIONS

The Group has been actively seeking opportunities to diversify its businesses and intends to expand its businesses into bioscience industry. By partnering with Co-High through Aceso Life Science, the Group can tap into the bioscience industry by collaborating with life science companies over the world with the aim to bring global life science assets and intellectual properties to be developed, distributed and commercialised in the Greater China and South East Asia.

The future business of the joint venture will be supported by Co-High’s access to the global life science ecosystem, with strong connections to leading universities, research institutions and life science companies in the European Union, United Kingdom, United States and the Greater

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## LETTER FROM THE BOARD

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China. This extensive network possessed by Co-High, combined with the expertise in the life science field and collaboration between the joint venture parties, will facilitate the sourcing, selection and development of top-tier life science projects and drive the growth of the joint venture in the bioscience industry. It is reasonable for the Company to consider that both parties will operate the joint venture on the principles of mutual trust, mutual cooperation and mutual benefits. Therefore, the launch of this new business through the joint venture will promote the development of the Group in the long run.

The grant of the Put Option and the Call Option, which will be exercised at a price representing the fair market value of the joint venture to be determined by an independent valuer jointly appointed by the parties, are common exit provisions for joint venture and is a part of the joint venture under the Subscription Agreement.

The number of Option Shares is determined by arms' length negotiation between the Company and Co-High, and the Board considers that a significant number of Option Shares is necessary to provide incentive to Co-High and align its interests with those of the Shareholder and at the same time to raise additional funds for the Company to develop its new business, whilst broadening the shareholder base and improve capital structure of the Company. As mentioned in the paragraph headed "FINANCIAL IMPACT OF THE SUBSCRIPTION AND GRANT OF SHARE OPTIONS", in the event that the subscription rights attaching to the Share Options are exercised in full, the Group's net asset value and the total assets are expected to further increase by the net proceeds therefrom in the maximum amount of approximately HK\$152,297,170. The new funds and continue support of Co-High as a significant shareholder upon exercise of the Share Options is favorable for the long term development of the Group. There is no vesting conditions under the Share Options. The Exercise Price is HK\$0.25 per Option Share, which represents a premium of market price of the Shares as at the date of the Subscription Agreement and the average closing price of the Shares over different duration prior to the date of Subscription Agreement. It is believed that Co-High will be more dedicated to our common goal of increasing the intrinsic value of the Company such that it would be reflected in the share price, by providing access to quality bioscience assets with high chance of success. If the Share Options were made conditional on certain known pipeline projects, it may restrict the potential benefit of partnering with Co-High and gaining access to the networks and resources in the industry. The Company adopts a long term strategy for the development of the bioscience business and having considered the reasons and benefits of the joint venture and the grant of the Share Options, the Board considered that it is fair and reasonable to grant the Share Options without attaching vesting conditions to the Share Options.

The Directors considers that the proposed issue of the Share Options to Co-High with an exercise price set at a premium over the then market price of the Shares prior to the date of Subscription Agreement is expected to serve as (i) a means to align the interests of Co-High and the Shareholders through ownership of Shares which can incentivise Co-High to strive for higher returns to the Company effectively through Aceso Life Science; and (ii) as a recognition of Co-High's expertise and industry network that will bring in potential business opportunities to the

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## LETTER FROM THE BOARD

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joint venture in the future. Upon exercise of the subscription rights attaching to the Share Options, the Company will receive the subscription money from Co-High that can broaden the Shareholders and capital base of the Company and strengthen the Company's financial position to further develop its business. The issue of the Share Options do not have any immediate dilution effect on the shareholdings of the existing Shareholders.

Having considered the above, the Directors are of the view that the terms of the Subscription Agreement (including the grant of the Put Option and the Share Options) are fair and reasonable and of normal commercial terms, and the entering into of the Subscription Agreement and other Transaction Documents are in the interest of the Company and its Shareholders as a whole.

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Option Shares in full (assuming there is no change in the total number of Shares in issue prior to such exercise):

Shareholder	As at the Latest Practicable Date		Immediately after the allotment and issue of the Option Shares in full	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
Ms. Li Shao Yu (“Ms. Li”) <i>(note 1)</i>	3,225,527,115	52.95	3,225,527,115	48.13
Century Golden Resources Investment Co. Ltd.	800,000,000	13.13	800,000,000	11.94
Co-High <i>(note 3)</i>	—	—	609,188,681	9.09
Directors of the Company	64,539,912	1.06	64,539,912	0.96
Public				
— CA Cultural Technology <i>(note 2)</i>	372,585,332	6.12	372,585,332	5.56
— Other	<u>1,629,234,446</u>	<u>26.74</u>	<u>1,629,234,446</u>	<u>24.31</u>
 Total	 <u><u>6,091,886,805</u></u>	 <u><u>100</u></u>	 <u><u>6,701,075,486</u></u>	 <u><u>100</u></u>

*Notes:*

- Those Shares were held (i) directly by Asia Link Capital Investment Holdings Limited (a company beneficially wholly-owned by Ms. Li) as to 3,084,816,773 Shares; (ii) directly by Team Success Venture Holdings Limited (a company beneficially wholly-owned by Ms. Li) as to 9,900,000 Share; and (iii) by Ms. Li as to 130,810,342 Shares.

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## LETTER FROM THE BOARD

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2. CA Cultural Technology Group Limited (“CA Cultural Technology”), through China Animation Holding (BVI) Limited, which is its direct wholly-owned subsidiary, holds those 372,585,332 shares in the Company. CA Cultural Technology is owned as to 56.69% by Bright Rise Enterprises Limited which in turn is wholly owned by Newgate (PTC) Limited. Mr. Chong Heung Chung Jason is the sole shareholder of Newgate (PTC) Limited. Based on the notices of disclosure of interest, Mr. Chong Heung Chung Jason and its concert parties pursuant to an agreement under section 317 of the SFO are deemed to be interested in the 372,585,332 shares in the Company.
3. These are the Option Shares issuable under the Share Options.

### FINANCIAL IMPACT OF THE SUBSCRIPTION AND GRANT OF SHARE OPTIONS

The initial issued share capital of Aceso Life Science shall be HK\$10,000,000 and the Group will contribute HK\$5.1 million in proportion to the shareholding the Subsidiary held in Aceso Life Science to finance its working capital. After Completion, Aceso Life Science has become a non-wholly owned subsidiary of the Company and its financial results and financial position will be consolidated into financial statements of the Group. Immediately upon establishment of Aceso Life Science which is yet to commence business, (i) there is no immediate impact on the consolidated revenue of the Group; and (ii) there will be no immediate impact on the Group’s total assets and liabilities.

Upon completion of the acquisition of the JV Shares as result of the exercise of the Put Option or Call Option during the Put Option Period or the Call Option Period, Aceso Life Science will become a wholly-owned subsidiary of the Company. Its financial results will continue to be consolidated into the financial results of the Group.

The audited consolidated net asset value and the gearing ratio (calculated as total liabilities to total assets) of the Group were approximately HK\$2,496 million and approximately 50.4% respectively as at 31 March 2020. In the event that the subscription rights attaching to the Share Options are exercised in full, the Group’s net asset value and the total assets are expected to further increase by the net proceeds therefrom in the maximum amount of approximately HK\$152,297,170. Since the issue of Option Shares would not lead to any change in the total debt borrowings of the Group while the total assets of the Group are expected to increase, the gearing ratio of the Group is expected to drop further. In general, the net asset value per Share before the grant of the Share Options is approximately HK\$0.41. The net asset value per Share after full exercise of the Share Options will decrease by approximately HK\$0.01.

### LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio for the Subscription by the Subsidiary under the Subscription Agreement is less than 5%, the Subscription by the Subsidiary is not subject to reporting and announcement requirements under the Listing Rules.

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## LETTER FROM THE BOARD

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As the Put Option is exercisable at the discretion of Co-High and the exercise price for the Put Option is to be determined based on the Fair Market Value of the equity interest of Aceso Life Science at the time of exercise, the grant of the Put Option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the grant of the Put Option constitutes a possible major acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. There is agreed procedure for the exercise of the Put Option in the Put Option Deed, including serving notice and obtaining professional valuation(s) on the equity of Aceso Life Science, and the Company will inform the Stock Exchange once the consideration, the value of the assets, profits and revenue of Aceso Life Science are determined and will, where applicable, comply with additional requirements with a higher classification under the Listing Rules. Assuming one or more of the applicable percentage ratio exceeds 100% or more, the acquisition of the JV Shares from Co-High will constitute a very substantial acquisition under Rule 14.06(5), and completion of the acquisition will be subject to shareholders' approval requirement and the Company will have to despatch a circular to the Shareholders setting out information required under Rule 14.69.

As the Call Option is exercisable at the discretion of the Subsidiary during the Call Option Period and involves the acquisition of the JV Shares from Co-High, the Company will comply with the relevant requirements under Chapter 14 and Chapter 14A of the Listing Rules when it determines to exercise the Call Option if applicable.

The Company will consult with the Stock Exchange as soon as practicable if the classification will change.

The Share Options are not granted under the share option scheme of the Company adopted under Chapter 17 of the Listing Rules. According to Rule 13.36(7) of the Listing Rules, the Company will issue the Share Options pursuant to the Specific Mandate.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, Co-High and its associates do not hold any Shares. Co-High has a material interest in the transaction. Therefore, Co-High and its associates will be required to abstain from voting on the resolution(s) in respect of the issue of the Share Options and the Option Shares under the Specific Mandate and the possible major acquisition as contemplated by the Put Option at the EGM. Save as mentioned, no other Shareholder or his associates have a material interest in the issue of the Share Options and the Option Shares under the Specific Mandate and the possible major acquisition as contemplated by the Put Option.

### **EXTRAORDINARY GENERAL MEETING**

The EGM Notice is set out on pages 46 to 48 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

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## **LETTER FROM THE BOARD**

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A form of proxy for the EGM enclosed herewith and such form of proxy is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.haotianhk.com](http://www.haotianhk.com)). Whether or not you are able to attend the meeting in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting (as the case may be) should you so wish.

Pursuant to the Listing Rules, voting by poll is required for any resolution put to vote at the EGM.

### **CLOSURE OF REGISTER OF MEMBERS**

In order to establish entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 31 August 2020 to Thursday, 3 September 2020, both days inclusive, during which period no transfer of Shares will be registered. All transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar 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, for registration no later than 4:30 p.m. on Friday, 28 August 2020.

### **VOTING BY POLL AT THE EGM**

Pursuant to Rule 13.39 of the Listing Rules and article 66 of the Articles, any votes of the Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Details of procedures for conducting a poll are set out in the Appendix III to this circular.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that grant of the Put Option under the Put Option Deed and the issue of the Share Options and the grant of the Specific Mandate to issue the Option Shares are fair and reasonable and in the interests of the Company and the Shareholders, and therefore recommends the Shareholders to vote in favour of all of the relevant resolutions to be proposed at the EGM.

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

**1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial information of the Group for the three years ended 31 March 2018, 2019 and 2020, respectively, had been set out in the respective annual reports of the Company.

All of the abovementioned annual reports of the Company had been published on the respective websites of Company (<http://www.haotianhk.com>) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) through the links below:

- annual report of the Company for the year ended 31 March 2018  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0719/lt20180719394.pdf>
- annual report of the Company for the year ended 31 March 2019  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0729/lt20190729763.pdf>
- annual report of the Company for the year ended 31 March 2020  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0729/2020072900587.pdf>

**2. WORKING CAPITAL STATEMENT**

The Directors are of the opinion that, after due and careful enquiry taking into account the financial resources available to the Group, including internally generated funds, the available banking facilities for issuance of bills payables and bank borrowings, and assets available to pledge for obtaining further banking facilities, the Group has, in the absence of unforeseeable circumstances, sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

**3. STATEMENT OF INDEBTEDNESS**

As at 30 June 2020, the Group had outstanding indebtedness as follows:

*Borrowings, corporate bonds and notes, secured notes, and charges*

- (a) the Group had an outstanding securities margin loan with the amount of HK\$7,668,000 from a securities broking house. The securities margin loan was unguaranteed and secured by certain financial assets at fair value through profit or loss. The securities margin loan was repayable on demand and carried a fixed interest rate of 12% per annum;
- (b) the Group had certain outstanding corporate bonds and notes with principal amount of HK\$155,000,000 due to certain independent third parties. The notes were unsecured, unguaranteed, bore interest at fixed rates ranging from 4% to 7.5% per annum and were repayable between 2020 and 2023;

- (c) the Group had an outstanding other borrowing with principal amount of GBP80,000,000 (approximately equivalent to HK\$764,009,000) due to a financial institute. The loan bore interest at 3.24% per annum, unguaranteed and secured by an investment property in London held the Group. The borrowing was repayable between 2020 to 2025;
- (d) the Group had outstanding other borrowings with principal amount of HK\$61,891,000 due to a financial institute. The loan bore interest at 8.75% per annum, unguaranteed and secured by certain loan receivables of the Group. The borrowings were repayable in 2020;
- (e) the Group had an outstanding other loan with principal amount of HK\$390,000,000. The loan was unguaranteed and secured by certain listed securities, carried fixed interest rate of 8% and handling fee of 1% per annum and was repayable in 2020;
- (f) the Group had an outstanding secured note with principal amount of HK\$350,000,000 to an independent third party. The note bore interest at 9.75% per annum, repayable in 2023 and was unguaranteed and secured by the entire issued share capital of a wholly-owned subsidiary of the Company;
- (g) the Group had outstanding bank borrowings of approximately HK\$30,997,000. The bank borrowings were guaranteed by a number of subsidiaries of the Group and secured by certain leasehold land and buildings and bank deposits. The bank borrowings bore interest at variable rates ranging from 3.5% to 4.75% per annum and repayable between 2021 and 2024;
- (h) the Group had outstanding other borrowings of approximately HK\$97,217,000 from several financial institutions by leasing certain of its motor vehicles and machinery under financing arrangement. The other borrowings bore interest at either fixed rates ranging from 1.4% to 4.88% per annum or variable rates ranging from 2.29% to 5.25% per annum and repayable between 2020 and 2024;
- (i) the Group had outstanding unsecured loans with a principal amount of HK\$60,000,000 from a director of a subsidiary of the Group which bore interest rates ranging from 2% to 3% per annum; and
- (j) the Group had an outstanding unsecured note with a principal amount of US\$20,000,000 (approximately equivalent to HK\$155,005,000) to an independent third party. The note bore interest at 8.5% per annum and repayable in 2020.

#### *Lease liabilities*

The total lease liabilities of the Group amounted to approximately HK\$32,562,000 as at 30 June 2020.

*Commitment*

The Group had a capital commitment in relation to the formation of a joint venture of approximately HK\$5,100,000 as at 30 June 2020.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, there had been no material adverse changes in the financial or trading position of the Group since 31 March 2020 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

**5. FINANCIAL AND TRADING PROSPECTS**

While the outbreak of COVID-19 and possible escalation of the Sino-United States trade war which affect the pace of global economic recovery and the uncertainties in financial market, the Group will continue its strategy to build a diversified portfolio of businesses that can weather the uncertain market conditions and to explore investment opportunities with quality assets and potentials for income and capital value growth for the Shareholders and investors of the Company.

The Group invests in premium commercial properties for leasing in the UK, Situated in the heart of London, the Corn Exchange in the City of London offers grade A offices, which provides stable rental income and signifies our presence in the market. During the financial year ended 31 March 2020 (the “**Year**”), the Group has acquired 15% equity interest in a property development group, which develops high-quality large-scale residential complex projects and integrated commercial complex projects with good locations that are connected to main public transportation in Changsha City, Chenzhou City and Hengyang City of the PRC. The Group would continue to explore opportunities to invest in quality assets in the real estate sector with potentials for income or capital value growth.

Through continuous review and streamlining of our financial businesses, we believe that in the coming years, the financial services segment of Hao Tian International Construction Investment Group Limited (stock code: 1341) (“**HTICI**”) will grow and could leverage on Hong Kong’s unique position as a global financial center closely integrated with China and the continuous development of China, especially the Greater Bay Area. The Group is prepared to provide first class professional financial services with strong support from the Company’s management team and partners from enterprises and financial institutions in mainland China. We are organizing our businesses and investments to ride on the tide of “neo infrastructure”, intensify government-enterprise cooperation and lay down our foundation to capture more future growth opportunities.

Meanwhile, as the Group fully supports the “Belt and Road” initiative, the Group will expand into traditional financial institutions with full licenses in countries along the “Belt and Road” regions through equity investment and takeover of the right of operation by consolidating

strong industrial support from shareholders and platform resources, and riding on which, the Group could gradually extend its footprint into internet finance, a rapidly developing economic sector.

Aceso Life Science is a new joint venture between the Company and Co-High, through which, the Group can tap into the bioscience industry by collaborating with life science companies over the world with the aim to bring global life science assets and intellectual properties to be developed, distributed and commercialised in the Greater China area and South East Asia. This joint venture will gain access to extensive life science network, which primarily comprised of universities, research institutions, life science companies, financial institutions and investee companies. It is the vision of the joint venture to address significant unmet medical needs in Greater China area and Southeast Asia by developing and commercializing global life science assets and intellectual properties with high potential.

In light of the above, in consideration to the Group's specified development path and clear growth philosophy, it is expected that both its businesses and revenue will keep achieving steady growth in foreseeable future.

## **6. MANAGEMENT DISCUSSION AND ANALYSIS ON THE GROUP FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

### **Business Review**

#### *Money Lending Business*

During the Year, the money lending business of the Group generated interest income of approximately HK\$75.0 million (2019: approximately HK\$73.5 million), representing an increase of approximately 2.0% as compared with previous year. The main business of this segment includes provision of property mortgage loans and personal loans to customers in Hong Kong. The increase in interest income was mainly attributable to the increase in personal loans during the Year. As at 31 March 2020, the outstanding loan receivables of the money lending business of the Group (net of impairment) was approximately HK\$786.5 million (2019: approximately HK\$555.3 million).

#### *Securities Investment Business (financial assets at fair value through profit or loss)*

During the Year, the net realised gain from disposal of financial assets at fair value through profit or loss ("FVTPL") was approximately HK\$16.6 million (2019: approximately HK\$2.7 million) and the unrealised fair value loss from financial assets at FVTPL, comprising listed equity securities in Hong Kong and unlisted funds, was approximately HK\$23.8 million (2019: approximately HK\$402.6 million). As at 31 March 2020, the value of listed equity securities in Hong Kong, unlisted funds and financial derivatives held by the Group which were classified as financial assets at FVTPL amounted to approximately HK\$374.0 million (31 March 2019: approximately HK\$1,643.8 million).

*Securities investment business (financial assets designated at fair value through other comprehensive income)*

During the Year, there was a realised gain on financial assets designated at fair value through other comprehensive income (“FVTOCI”) of approximately HK\$11.4 million (2019: HK\$Nil). As at 31 March 2020, the aggregate value of unlisted equity investments held by the Group which were classified as financial assets designated at FVTOCI amounted to approximately HK\$351.6 million (2019: approximately HK\$117.5 million).

*Rental of a Mixed-use Property in the United Kingdom*

During the Year, the rental income derived from the mixed-use property in the United Kingdom, 55 Mark Lane, contributed revenue of approximately HK\$64.3 million (2019: approximately HK\$66.3 million) and there was a fair value gain on investment property of approximately HK\$139.9 million (2019: approximately HK\$38.7 million). Our investment returns came from both increases in asset value based on valuation and the cash flow generated from the rental income. The rental income has been relatively stable, and the fluctuation in rental income was mainly caused by the depreciation of GBP during the Year.

*Construction Machinery Business*

During the Year, the construction machinery and sales of construction materials contributed revenue of approximately HK\$137.8 million (2019: approximately HK\$162.4 million) and a segment loss of approximately HK\$11.7 million (2019: segment loss of approximately HK\$10.0 million). There was a goodwill impairment loss of approximately HK\$86.4 million in respect of the goodwill allocated to HTICI recorded during the Year.

*Asset Management, Commodities, Futures and Securities Brokerage and Other Financial Services Business*

During the Year, asset management, commodities, futures, securities brokerage and other financial services segment contributed revenue of approximately HK\$18.6 million (2019: approximately HK\$15.5 million) and a segment loss of approximately HK\$16.8 million (2019: approximately HK\$21.6 million). The increase in revenue was mainly attributable to the increase in income generated from assets management services and consulting services.

**Liquidity, Capital Structure and Financial Resources**

The Group mainly financed its operations from a combination of operating cash flows, borrowings and equity. As at 31 March 2020, the Group had bank balances and cash (including pledged bank deposits) of approximately HK\$386.7 million (31 March 2019: approximately HK\$271.7 million). The Group’s working capital decreased to approximately HK\$584.7 million (31 March 2019: approximately HK\$1,762.6 million).

As at 31 March 2020, the Group had outstanding borrowings (including secured notes, unsecured notes and convertible note payables) of approximately HK\$2,155.2 million (31 March 2019: approximately HK\$2,430.9 million). The Group had various banking facilities provided by financial institutions in Hong Kong which were secured by certain assets of the Group, including (i) the Company's certain equity interests in its subsidiaries; (ii) certain bank deposits; (iii) certain leasehold land and building; (iv) certain machinery and motor vehicles; and (v) certain loan receivables.

Gearing ratio (being the ratio of total borrowings, including secured notes, unsecured notes and convertible note payables, to total assets) as at 31 March 2020 was 42.8% (31 March 2019: 43.8%). The decrease in gearing ratio was mainly attributable to the repayment of certain borrowings during the Year.

### **Employee Information**

As at 31 March 2020, the Group had a total of approximately 197 employees (31 March 2019: 227 employees) in Hong Kong and the PRC. The Group maintains a mandatory provident fund scheme for its employees in Hong Kong and participates in the state-managed retirement benefit schemes for its employees in the PRC. The Group's remuneration policies are formulated according to market practices, experiences, skills and performance of individual employees and are reviewed on an annual basis. The Group has also adopted a share option scheme and a share award scheme. A summary of the share option scheme of the Group is set out in the notes to the consolidated financial statements of the Company. Details of the share award scheme are set out in the announcement of the Company dated 27 September 2013.

### **Capital Commitments**

As at 31 March 2020, the Group had capital commitments which amounted to approximately HK\$11.4 million (31 March 2019: approximately HK\$19.3 million). As at 31 March 2020, the capital commitments in respect of addition of property, plant and equipment and investment were mainly related to the investment in a company in the PRC amounted to RMB10.0 million (equivalent to HK\$10.9 million) (31 March 2019: the purchase of construction machineries for rental purpose). The investment agreement in respect of the investment in the said company has subsequently been terminated subsequent to 31 March 2020.

### **Exposure to Fluctuations in Exchange Rates**

The Group's revenues and other income are mainly denominated in Hong Kong dollars ("HK\$"), United States dollars ("US\$"), pounds sterling ("GBP") and Renminbi ("RMB"). The Group's purchases and expenses are mostly denominated in HK\$, US\$, GBP, RMB, Japanese Yen and Euro Dollar. The Group has certain foreign currency bank balances and investment in foreign operations, which are exposed to foreign currency

exchange risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure of the Group from time to time and will consider hedging significant foreign currency exposure should the need arise.

**Contingent liabilities**

As at 31 March 2020, the Group provided guarantee amounting to HK\$Nil (2019: HK\$10.2 million) to banks in respect of obligations under finance leases and the Group's obligations under contracts with certain third party customers. Under the guarantees, the Group would be liable to pay the banks if the Group failed to perform relevant obligations to these customers. As at 31 March 2020 and 2019, no provision for the Group's obligation under the guarantee contracts had been made as the Directors considered that it was not probable that the repayment of the finance lease obligations were in default and it was not probable that a claim would be made against the Group.

The Group had no material contingent liabilities as at 31 March 2020.

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**
**Significant Investments**

The following table shows the significant investments for the Year.

Company Name/ (Stock Code)	Number of shares held at 31 March 2020	Percentage of shareholdings at 31 March 2020	Fair value at 31 March 2019 HK\$'000	Unrealised	Fair value at 31 March 2020 HK\$'000	Percentage of total financial assets at FVTPL at 31 March 2020	Percentage of total assets of the Group at 31 March 2020
				fair value (loss)/gain for the year ended 31 March 2020 HK\$'000			
China Shandong Hi-Speed Financial Group Limited (412)	26,064,000	0.11%	1,093,226	2,346	9,774	2.61%	0.19%
Carnival Group International Holdings Limited (996)	90,610,000	0.38%	4,259	(3,353)	906	0.24%	0.02%
Imperial Pacific International Holdings Limited (1076)	4,062,000,000	2.84%	253,075	(60,930)	174,666	46.71%	3.47%
Far East Holdings International Limited (36)	4,983,000	0.46%	2,018	(1,285)	733	0.20%	0.01%
Beijing Properties (Holdings) Limited (925)	8,140,000	0.12%	1,986	(1,139)	847	0.23%	0.02%
Up Energy Development Group Limited (307)	371,500,000	8.19%	—	—	—	—	—
CA Cultural Technology Group Limited (1566)	35,890,000	3.90%	78,568	35,308	107,670	28.79%	2.14%
Atlantis China Fund	N/A	N/A	—	(8,770)	31,041	8.30%	0.62%
Riverwood Umbrella Fund	N/A	N/A	—	(7,511)	19,180	5.13%	0.38%
Unlisted debt instrument	N/A	N/A	—	4,739	12,383	3.31%	0.25%
Financial derivatives	N/A	N/A	—	16,760	16,760	4.48%	0.33%
Disposal securities	N/A	N/A	210,685	—	—	—	—
			<u>1,643,817</u>	<u>(23,835)</u>	<u>373,960</u>	<u>100%</u>	<u>7.43%</u>

## 1. SHARE CAPITAL

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

Authorised:		<i>HK\$</i>
<u>50,000,000,000</u>	Shares of HK\$0.01 each	<u>500,000,000</u>
Issued and fully paid:		
<u>6,091,886,805</u>	Shares of HK\$0.01 each	<u>60,918,868</u>

All the issued Shares rank pari passu with each other in all respects including the rights in respect of capital, dividends and voting.

## 2. DISCLOSURE OF INTERESTS

### (i) Directors and chief executive of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short positions in the Shares, underlying Shares or debentures of the Company and any of its associated corporations (within the meaning of part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange:

#### *Long position*

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	60,871,152	1.00%
Xu Haiying	Beneficial owner	733,752	0.01%
Ou Zhiliang	Beneficial owner	733,752	0.01%
Chan Ming Sun, Jonathan	Beneficial owner	733,752	0.01%
Lam Kwan Sing	Beneficial owner	733,752	0.01%
Lee Chi Hwa, Joshua	Beneficial owner	733,752	0.01%

*Note:* The percentage of shareholding is calculated on the basis of 6,091,886,805 Shares in issue as at the Latest Practicable Date.

## (ii) Substantial Shareholders

Save as disclosed below, as at the Latest Practicable Date, so far as it was known to the Directors and chief executive of the Company, no other persons had an interest or a short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO, or who (other than a member of the Group was) 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 any other member of the Group:

*Long Position*

Name of Shareholder	Capacity	Nature of interest	Number of Shares held	Approximate percentage of total issued share capital
Asia Link (Note 1)	Beneficial owner	Corporate	3,084,816,773	50.64%
Team Success (Note 1)	Beneficial owner	Corporate	9,900,000	0.16%
Li Shao Yu	Interest in controlled corporation (Note 1)	Corporate	3,094,716,773	50.80%
	Beneficial owner (Note 2)	Personal	130,810,342	2.15%
			<u>3,225,527,115</u>	<u>52.95%</u>
Century Golden (Note 3)	Beneficial owner	Corporate	800,000,000	13.13%

*Notes:*

- (1) Ms. Li Shao Yu is beneficially interested in 3,094,716,773 Shares, which are held by Asia Link Capital Investment Holdings Limited (“**Asia Link**”) as to 3,084,816,773 Shares and held by Team Success Ventures Holdings Limited (“**Team Success**”) as to 9,900,000 Shares, both of which are beneficially wholly-owned by Ms. Li Shao Yu.
- (2) These are held by Ms. Li Shao Yu as beneficial owner.

- (3) These Shares are held by Century Golden Resources Investment Co., Ltd (“Century Golden”), who issued share capital is held by Huang Shiyong and Huang Tao as to 40% and 50% respectively. Therefore, Huang Shiyong and Huang Tao are deemed to be interested in these 800,000,000 Shares under SFO.

### **3. DIRECTORS’ INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP**

Since 31 March 2020, being 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.

### **4. 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).

### **5. 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.

### **6. LITIGATION**

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

### **7. 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 9 November 2018, Shan Dian Technology (HK) Company Limited, Tenfield Investments Limited (a direct wholly-owned subsidiary of the Company) and Access Profit Global Enterprises Group Limited (“Access Profit”) entered into a sale and purchase agreement in relation to the disposal of entire issued share capital of Access Profit at the consideration of HK\$180 million. Completion of the disposal took place on 22 November 2018;
- (b) on 13 February 2019, Hao Tian Media & Culture Company Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with China Animation Holding (BVI) Limited in relation to the acquisition of 10,290,000 shares of Grand Peaceful Global Limited (“Grand Peaceful”), representing 49% of the entire issued share capital of Grand Peaceful at the consideration of HK\$80,776,500 which would be satisfied by the Company issuing consideration shares. Completion of the acquisition took place on 22 February 2019 and 372,585,332 Shares were issued by the Company;
- (c) on 1 March 2019, Crawler Crane Business Limited (a non wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with Bravo Rich Limited in relation to the disposal of all issued shares in Chim Kee Crane Company Limited at the cash consideration of HK\$100,000,000. Completion of the disposal took place on 29 April 2019;
- (d) on 5 March 2019, Glory Century Limited (“Glory Century”), an indirect wholly owned subsidiary of Hao Tian International Construction Investment Group Limited (“HTICI”), placed an order with Millennium Fund Services (Asia) Limited, pursuant to which Glory Century subscribes for the 319,325.73 participating shares at the subscription amount of approximately US\$20,000,000 (equivalent to approximately HK\$156 million), which was satisfied by way of transferring the 588,680,000 shares in China Shandong Hi-Speed Financial Group Limited to the Riverwood China Growth Fund. Completion of the subscription took place on 6 March 2019;
- (e) on 10 May 2019, Fortune Jumbo Limited (“Fortune Jumbo”), an indirect wholly owned subsidiary of the Company, placed an order with Haitong International Securities Company Limited, in respect of the subscription by Fortune Jumbo for the participating shares in the Riverwood China Growth Fund at the subscription amount of US\$16,000,000 (equivalent to approximately HK\$124.8 million);
- (f) on 8 July 2019, Guo Guang Limited (a direct wholly-owned subsidiary of the Company) entered into the sale and purchase agreement with Century Golden Resources Investment Co., Ltd. in respect of the acquisition of 200,000,000 ordinary shares in Hao Tian Finance Company Limited at the consideration of HK\$200,000,000,

which was satisfied by way of issue and allotment of 800,000,000 Shares by the Company to Century Golden Resources Investment Co., Ltd. at the issue price of HK\$0.25 per Share;

- (g) on 12 July 2019, HTICI (an indirect non-wholly owned subsidiary of the Company) entered into a sale and purchase agreement with Opulent Elite Investments Limited and Chen Tingjia in relation to the acquisition of a collection of 6 sets of canvas and paper painting art piece at the consideration of HK\$80,000,000 which would be satisfied by way of allotment and issue of 275,862,069 shares by HTICI;
- (h) on 18 July 2019, Grace Dragon Holdings Limited (a wholly-owned subsidiary of the Company), entered into a sale and purchase agreement with Mr. Chen Ping in respect of the acquisition of 150 issued shares of Quan Yu Tai Investments Company Limited at the consideration of HK\$320,000,000, which was satisfied by the issue of the promissory note in the principal amount of HK\$320,000,000 by Grace Dragon Holdings Limited to Mr. Chen Ping. Completion of the acquisition took place on 16 October 2019;
- (i) on 29 August 2019, Hao Tian Credit Company Limited (an indirect wholly-owned subsidiary of the Company at the material time) entered into a master sale and purchase agreement with GLAM HKCFC MBS Fund in respect of the sale of the loan portfolio and the repurchase of the disposed loans at an aggregate maximum amount of consideration of HK\$250 million. This transaction did not proceed;
- (j) on 10 September 2019, Hao Tian Finance Company Limited (a wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with Hao Tian International Financial Holdings Limited (a wholly-owned subsidiary of HTICI) and HTICI in respect of the disposal of the entire issued share capital of Hao Tian Credit Company Limited (an indirect wholly-owned subsidiary of the Company at the material time) at a consideration of HK\$213,000,000, which shall be satisfied by the issue of a 5% convertible notes due 2022 in the principal amount of HK\$213,000,000 by HTICI to Hao Tian Finance Company Limited (or its nominees). Completion of the sale and purchase took place on 31 January 2020;
- (k) on 6 December 2019, Hao Tian Management (Hong Kong) Limited (a subsidiary of the Company) as vendor entered into the sale and purchase agreement with Billion Accomplish Limited as purchaser and its sole shareholder as a guarantor in respect of the sale and purchase of an aggregate of 2,148,559,650 shares in China Shandong Hi-Speed Financial Group Limited (“CSFG”) at the sale price of HK\$0.27 per share for an aggregate consideration of approximately HK\$580,111,106 and Completion took place on 11 December 2019. On 10 March 2020, the Group enforced the share charge created over the disposed shares in CSFG, which were transferred back to the Group;

- (l) on 5 March 2020, Hao Tian Media & Culture Company Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with China Animation Holding (BVI) Limited in relation to the acquisition of 50% of the issued share capital of Success View Global Limited, which would be satisfied by the Company issuing convertible notes in the principal amount of HK\$100,000,000. Completion of the acquisition took place on 26 March 2020;
- (m) on 16 March 2020, each of Hao Tian Management (Hong Kong) Limited and Glory Century Limited entered into a sale and purchase agreement with JS High Speed Limited for the sale of a total of 2,833,901,650 shares in CSFG at the sale price of HK\$0.285 per share for an aggregate consideration of approximately HK\$807,661,970 and completion took place on 18 March 2020;
- (n) on 2 April 2020, HTICI and Oshidori International Holdings Limited (“Oshidori”) entered into the share swap agreement pursuant to which HTICI agreed to issue and allot the 625,000,000 shares of HTICI under general mandate to Oshidori in exchange of 187,500,000 shares of Oshidori. Completion of the share swap took place on 28 April 2020;
- (o) the Transaction Documents;
- (p) on 13 July 2020, Aceso Life Science and Promethera Biosciences entered into the joint venture agreement in relation to the formation of a joint venture, which will have the exclusive right to engage in the development, commercialisation, sell and distribution of cell-based and biological therapies for the treatment of liver diseases, autoimmune diseases and various types of cancer based on the applications and development of the intellectual property to be assigned or sublicensed to the joint venture company;
- (q) on 13 July 2020, the Company, Promethera Biosciences and other shareholders of Promethera Biosciences entered into the subscription agreement in relation to the subscription of the convertible bonds to be issued by Promethera Biosciences in the principal amount of up to Euro 10,000,000 (equivalent to approximately HK\$87,600,000) by the Company in two equal tranches;
- (r) on 24 July 2020, the Company and Hao Tian International Securities Limited, as the placing agent, entered into the placing agreement pursuant to which the Company has conditionally agreed to place, through the placing agent on a best efforts basis, an aggregate of up to 400,000,000 new Shares at the price of HK\$0.25 for each Share to the places procured by the placing agent. The placing has not yet completed as at the Latest Practicable Date; and

- (s) on 24 July 2020, the Company and Team Success Venture Holdings Limited (“Team Success”) as the subscriber entered into the subscription agreement pursuant to which Team Success has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 200,000,000 new Shares at the subscription price of HK\$0.25 for each Share under a specific mandate. The subscription has not yet completed as at the Latest Practicable Date.

## **8. 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 2501-2509, 25/F, Shui On Centre, 6-8 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) for a period of 14 days from the date of this circular:

- (a) the Transaction Documents;
- (b) the memorandum and articles of association of the Company;
- (c) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (d) the letter from the Board, the text of which is set out on pages 6 to 29 of this circular;
- (e) the annual reports of the Company for each of the two financial years ended 31 March 2019 and 31 March 2020 respectively;
- (f) this circular.

## **9. 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 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.
- (c) The company secretary of the Company is Ms. Chan Lai Ping, who is a qualified lawyer in Hong Kong.
- (d) In the event of any inconsistencies, the English text of this circular shall prevail over the Chinese text.

The chairman of the meeting will at the EGM and, pursuant to article 66 of the Articles, poll voting on all resolutions set out in the notice of the EGM.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representatives, shall have one vote for every Share of which he/she is the holder.

A Shareholder present in person or by proxy or by authorised representatives who is entitled to more than one vote does not have to use all his/her votes (i.e., he/she can cast less votes than the number of Shares he/she holds or represents) or to cast all his/her votes the same way (i.e., he/she can cast some of his/her votes in favour of the resolution and some of his/her votes against the resolution).

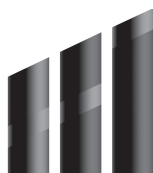
The poll voting slip will be distributed to Shareholders or their proxies or authorised representatives upon registration of attendance at the EGM. Shareholders who want to cast all their votes entitled may mark a “✓” in either “FOR” or “AGAINST” box corresponding to the resolution to indicate whether he/she supports that resolution. For Shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the “FOR” or “AGAINST” box, where appropriate, but the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the Shareholder’s vote will not be counted.

After closing the poll, the Company’s share registrar, Computershare Hong Kong Investor Services Limited, will act as scrutineer and count the votes and the poll results will be published after the EGM.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 昊天發展集團有限公司 Hao Tian Development Group Limited

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

(Stock code: 00474)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of Hao Tian Development Group Limited (“**Company**”) will be held at 10/F, CKK Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong on Thursday, 3 September 2020 at 10:30 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions:

Unless otherwise specified, capitalised terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 14 August 2020 (the “**Circular**”).

#### ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the Subscription Agreement dated 5 June 2020 (a copy of which has been produced to this meeting marked “A” and signed by the chairman of this meeting for the purpose of identification) and the Shareholders’ Agreement dated 5 June 2020 (a copy of which has been produced to this meeting marked “B” and signed by the chairman of this meeting for the purpose of identification) entered into between Success Destiny Limited, Co-High Investment Management Limited (“**Co-High**”) and Aceso Life Science Holding Limited (formerly known as Genius Power Holding Limited, “**Aceso Life Science**”) in relation to the formation of joint venture and any transactions contemplated thereunder, be and are hereby approved, ratified and confirmed;
- (b) the conditional Put Option Deed dated 9 July 2020 (a copy of which has been produced to this meeting marked “C” and signed by the chairman of this meeting for the purpose of identification) entered into between Success Destiny Limited and Co-High in respect of the grant of the Put Option and the acquisition of the equity interest in Aceso Life Science held by Co-High upon exercise of the Put Option pursuant to Put Option Deed, be and are hereby approved, ratified and confirmed;

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) any one or more of the Directors be and are hereby authorised to take and/or authorise any action (including entering into any supplemental or amendment agreement) such acts as they may consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement, the Shareholders' Agreement and the Put Option Deed and any transaction contemplated thereunder.”

2. **“THAT**

- (a) the conditional Share Option Deed dated 9 July 2020 (a copy of which has been produced to this meeting marked “D” and signed by the chairman of this meeting for the purpose of identification) entered into between the Company and Co-High in respect of the grant of the Share Options to Co-High for subscription of 609,188,681 Option Shares at the initial exercise price of HK\$0.25 per Option Share (subject to adjustments) and the grant of the Share Options and all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the grant of the Specific Mandate to the Directors to issue and allot the Option Shares to Co-High pursuant to the Share Option Deed be and is hereby approved, confirmed and ratified. The Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the Shareholders prior to the passing of this resolution;
- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Share Option Deed and the allotment and issue of the Option Shares to Co-High.”

By Order of the Board  
**Hao Tian Development Group Limited**  
**Chan Lai Ping**  
*Company Secretary*

Hong Kong, 14 August 2020

*Principal place of business in Hong Kong:*  
Room 2501–2509, 25th Floor  
Shui On Centre  
6–8 Harbour Road, Wanchai  
Hong Kong

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the above meeting (or at any adjournment thereof) is entitled to appoint another person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to establish entitlements to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 31 August 2020 to Thursday, 3 September 2020, both days inclusive, during which period no transfer of Shares will be registered. All transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar 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, for registration no later than 4:30 p.m. on Friday, 28 August 2020.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practise in Hong Kong), must be deposited with the branch share registrar and transfer office of the Company 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 fixed for holding the above meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the extraordinary general meeting or any adjourned meeting (as the case may be) should he so wish.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

*As at the date of this notice, the Board comprises three executive Directors, namely Mr. Xu Haiying, Dr. Zhiliang Ou, J.P. (Australia), and Mr. Fok Chi Tak and three independent non-executive Directors, namely Mr. Chan Ming Sun, Jonathan, Mr. Lam Kwan Sing and Mr. Lee Chi Hwa, Joshua.*