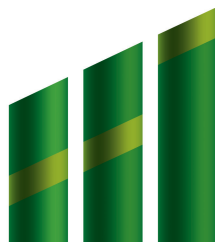


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# 昊天發展集團有限公司

**Hao Tian Development Group Limited**

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

**(Stock code: 00474)**

## **DISCLOSEABLE TRANSACTIONS: MASTER SALE AND PURCHASE AGREEMENT INVOLVING DISPOSAL OF LOAN PORTFOLIO AND REPURCHASE OF LOAN PORTFOLIO**

### **MASTER SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 29 August 2019, the Seller, an indirect wholly-owned subsidiary of the Company, entered into the Master Sale and Purchase Agreement with the Purchaser in respect of the Disposal and the Repurchase.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under the Listing Rules in respect of each of the Disposal and the Repurchase are more than 5% but less than 25%, each of the Disposal and the Repurchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

## **MASTER SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 29 August 2019, the Seller, an indirect wholly-owned subsidiary of the Company, entered into the Master Sale and Purchase Agreement with the Purchaser in respect of the Disposal and the Repurchase.

Pursuant to the Master Sale and Purchase Agreement, the Seller conditionally agrees to sell and transfer, and the Purchaser conditionally agrees to purchase from the Seller, the Loan Portfolio.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

### **Consideration**

The aggregate maximum amount of consideration for the Loan Portfolio shall be HK\$250 million. It is contemplated that there will be multiple tranches. The consideration for the first tranche is expected to be not more than HK\$120 million, which will be payable on the first completion date.

The consideration was determined by the Seller and the Purchaser after arm's length negotiations which will be equivalent to the outstanding principal amount of the Loan Portfolio.

### **Conditions Precedent**

Completion of the sale and purchase of each tranche of the Loan Portfolio is conditional upon:

- (a) the Purchaser having conducted and being satisfied with the results of the due diligence review on the Loan Portfolio in its sole and absolute discretion;
- (b) the representations and warranties given by the Seller being true and correct in all material respects;
- (c) each of the parties having duly performed and complied with all material respects with each covenant and agreement required to be performed or complied with under the Master Sale and Purchase Agreement;
- (d) the corporate guarantee having been duly executed and delivered by the Company;
- (e) no injunction, order, decree or ruling having been issued by a governmental entity, and no statute, rule, regulation having been enacted which make the transaction under the Master Sale and Purchase Agreement illegal or otherwise materially impair or restrict the transaction;
- (f) all required consents to be obtained in order to consummate the transaction under the Master Sale and Purchase Agreement having been obtained and be in full force and effect; and

(g) no action, suit or proceeding having been instituted to challenge the legality and validity of the transaction under the Master Sale and Purchase Agreement.

In the event that any of the conditions precedent is not fulfilled or waived by 31 October 2019 (or such later date as the parties may agree in writing), then the Master Sale and Purchase Agreement shall cease to have any effect and no party shall have any claim under it against the other (without prejudice to the rights of any party in respect of antecedent breaches).

### **Completion**

It is expected that the completion of the first tranche of the Loan Portfolio of not more than HK\$120 million will take place on the third business day when all of the conditions precedent shall have been satisfied or waived pursuant to the Master Sale and Purchase Agreement. All rights, interest, title and benefits in and to the Loan Portfolio will be assigned to the Purchaser upon completion.

### **Loan Servicing Arrangement**

The Seller will provide loan administration, processing and collection services to the Purchaser after completion of the sale and purchase of the Loan Portfolio.

With respect to each tranche of the Disposed Loans, the Seller shall continue to service such Disposed Loans and collect, deliver and pay to the Purchaser an amount equivalent to the monthly Agreed Yield as of the last day of the relevant month by reference to the aggregate principal amounts of the Loan Portfolio sold immediately after the monthly repayment in the preceding month (“**Last Month AP**”), determined as follows:

Monthly Agreed Yield = Last Month AP x 8.5% x N/365

N is the number of days in the relevant month.

### **Corporate Guarantee**

The Company will provide corporate guarantee in favour of the Purchaser in respect of the obligations of the Seller under the Master Sale and Purchase Agreement.

### **INFORMATION OF THE LOAN PORTFOLIO**

As at the date of this announcement, the Loan Portfolio comprises residential mortgage loans advanced to various customers, which are secured by first-mortgage or second-mortgage over various residential properties in Hong Kong.

### **Post Completion Adjustment**

All scheduled or unscheduled principal repayment or prepayment of the Disposed Loans will be paid to the Purchaser and the Last Month AP shall be adjusted accordingly.

## **APPOINTMENT OF INVESTMENT MANAGERS**

Glam Capital Limited, a corporation incorporated in Hong Kong and licensed to carry out regulated activities in Hong Kong under the SFO, is the investment manager of the Purchaser. The Purchaser has also agreed to appoint Hao Tian Asset Management Limited, a non-wholly owned subsidiary of the Company and a corporation licensed to carry out type 4 regulated activity (advising on securities) and type 9 regulated activity (asset management) in Hong Kong under the SFO, as an investment manager to provide investment administration and advisory services to the Purchaser in connection with the proposed acquisition of the Loan Portfolio.

Pursuant to the terms of the Master Sale and Purchase Agreement, the Seller, as the loan servicing agent of the Purchaser, is directed to pay the management fees to the above-mentioned two investment managers in equal shares, the total amount of which to be determined as follows:

Management fees = Last Month AP x 2.5% x N/365

N is the number of days in the preceding month.

Subject to the terms of the Master Sale and Purchase Agreement and in consideration of its loan services provided to the Fund, the Seller shall have the right to retain any excess of the payments received in respect of the relevant Loan Portfolio as of the end of that month over the aggregate of the amounts of the Agreed Yield and management fees.

## **REPURCHASE OF LOAN PORTFOLIO**

The Seller shall, on the third anniversary of the date of completion, repurchase the Disposed Loans acquired by the Purchaser (the “**Repurchase Loans**”) and the purchase price for the repurchase payable by the Seller to the Purchaser shall be the Last Month AP of the Repurchase Loans.

In respect of any Disposed Loan which becomes in default in any material aspect, the Seller has the right, or upon notice from the Purchaser, under an obligation, to repurchase such Disposed Loan based on the Last Month AP of the Disposed Loan.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Board considers the Disposal represents a good opportunity to realise the loans and interest receivables of the Loan Portfolio in a relatively short period of time. This can improve the Group’s cash flow and liquidity position. The Group will continue to develop and expand its money lending business in Hong Kong with primary focus on mortgage loans secured by residential properties in Hong Kong. The Directors are of the view that, with the cooperation framework under the Master Sale and Purchase Agreement, the Company can have more resources for its marketing and management efforts to capture its potential business opportunities in the money lending business.

Having considered the factors above, the Directors consider that the terms of the Master Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Master Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP, THE SELLER AND THE PURCHASER**

The principal activities of the Company are investment holding and provision of management service to its subsidiaries. The Group is an investment holding group with diversified businesses in (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 Seller is a licensed money lender under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) and is principally engaged in money lending activities in Hong Kong.

Based on the information available to the Company, the Purchaser is an open-ended fund incorporated in the Cayman Islands, specializing in the investment of mortgage back assets and securities (including loans) that offer stable cash flows.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios under the Listing Rules in respect of each of the Disposal and the Repurchase are more than 5% but less than 25%, each of the Disposal and the Repurchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

## **DEFINITIONS**

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

“Agreed Yield”	with respect to each Disposed Loan, the coupon rate (expressed as a percentage in a year of 365 days) that the Purchaser will receive from the Seller. The Agreed Yield for the Disposed Loan as at the date of completion shall be 8.5%
“Board”	the board of Directors
“Company”	Hao Tian Development Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 474)
“connected persons”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Loan Portfolio by the Seller to the Purchaser

“Disposed Loan(s)”	each loan in the Qualified Loan Portfolio originated by the Seller and to be transferred and assigned to the Purchaser
“Group”	the Company and its subsidiaries
“Independent Third Parties”	third parties independent of the Company and its connected persons
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Documents”	with respect to the Disposed Loans, the loan agreement for such Disposed Loans, the promissory notes, collateral security agreements and mortgages, guarantees and any other documents evidencing payment obligation under the Disposed Loans and amendments or supplements thereof
“Loan Portfolio”	collectively: <ul style="list-style-type: none"> <li>(i) the Disposed Loans;</li> <li>(ii) the Loan Documents;</li> <li>(iii) any personal or real property security for such Disposed Loans;</li> <li>(iv) all credit, documentation and transaction files of the Seller relating to such Disposed Loans; and</li> <li>(v) all other rights, title and interests of the Seller in and to the Disposed Loans and related loan files</li> </ul>
“Master Sale and Purchase Agreement”	the master sale and purchase agreement for the Loan Portfolios dated 29 August 2019 entered into between the Seller and the Purchaser
“Purchaser”	GLAM HKCFC MBS Fund, an exempted company incorporated in the Cayman Islands
“Qualified Loan Portfolio”	loans extended by the Seller that meet the benchmark requirements of the Purchaser in respect of yield, loan to value ratio, outstanding tenure, etc.
“Repurchase”	the repurchase of the Disposed Loans by the Seller from the Purchaser
“Seller”	Hao Tian Credit Company Limited, a company incorporated in Hong Kong, and an indirect wholly-owned subsidiary of the Company

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**HAO TIAN DEVELOPMENT GROUP LIMITED**  
**Fok Chi Tak**  
*Executive Director*

Hong Kong, 29 August 2019

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Hai Ying, Dr. Zhiliang Ou, JP (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.*