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If you have sold or transferred all your shares in **Hao Tian International Construction Investment Group Limited**, you should at once hand this circular, 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 or transfer was effected for transmission to the purchaser or transferee.

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

HAO TIAN INTERNATIONAL CONSTRUCTION INVESTMENT GROUP LIMITED

昊天國際建設投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1341)

CONNECTED TRANSACTION INVOLVING ALLOTMENT AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



A letter from the Board is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from Opus Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 39 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 10/F, CKK Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong, on Wednesday, 2 December 2020 at 10:30 a.m. or any adjournment thereof is set out on pages 48 to 49 of this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the extraordinary general meeting (Hong Kong Time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

13 November 2020

CONTENTS

	<i>Page</i>
Precautionary Measures for the EGM	1
Definitions	2
Letter from the Board	5
Letter from the Independent Board Committee	14
Letter from the Independent Financial Adviser	16
Appendix — General Information	40
Notice of Extraordinary General Meeting	48

PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on Shareholders, proxies and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue.
- (ii) Shareholders, proxies and other attendees are required to complete and submit a health declaration form providing their names and contact details, and confirming that they are not subject to quarantine and they, or to their best of knowledge, any person whom they have/had close contact with, have not entered Hong Kong from Mainland China or any overseas countries/areas at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the EGM venue.
- (iii) Shareholders, proxies and other attendees are required to wear surgical face masks inside the EGM venue at all times. Any person who does not comply with this requirement may be denied entry into the EGM venue.
- (iv) No refreshments or drinks will be provided at the EGM.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may 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.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.haotianint.com.hk).

If you are not a registered shareholder (if your shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

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

“Appointment Date”	6 October 2020, being the appointment date of Mr. Xu and Mr. Wei as a non-executive Director pursuant to their respective service contract entered with the Company
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Hao Tian International Construction Investment 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: 1341)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve the allotment and issue of the Total Emolument Shares under the Specific Mandate
“Emolument Shares”	new Shares to be allotted and issued to the newly appointed Directors as part of their emoluments
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot and Mr. Shek Lai Him Abraham being all independent non-executive Directors, which has been established to give advice to the Independent Shareholders in respect of the allotment and issue of the Total Emolument Shares under the Specific Mandate

DEFINITIONS

“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the allotment and issue of the Total Emolument Shares under the Specific Mandate
“Independent Shareholders”	the Shareholders who are independent of, and not connected with, Mr. Xu and Mr. Wei and their respective associates
“Latest Practicable Date”	9 November 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wei”	Mr. Wei Bin (魏斌), a non-executive Director who has been appointed by the Company with effect from 6 October 2020
“Mr. Xu”	Mr. Xu Lin (許琳), a non-executive Director who has been appointed by the Company with effect from 6 October 2020
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) with a par value of HK\$0.01 each in the capital of the Company (or such other nominal amount as shall result from a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to allot and issue the Total Emolument Shares, which is subject to the approval by the Independent Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Total Emolument Shares”	a total of 8,292,684 Emolument Shares to be allotted and issued to Mr. Xu and Mr. Wei collectively in accordance with the terms and conditions of their respective service contract entered with the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

HAO TIAN INTERNATIONAL CONSTRUCTION INVESTMENT GROUP LIMITED

昊天國際建設投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1341)

Executive Directors:

Mr. Fok Chi Tak

Mr. Zheng Li

Mr. Tang Yiu Chi James

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

Registered Office:

Clifton House

75 Fort Street

P.O. Box 1350

Cayman, KY1-1108

Cayman Islands

Non-executive Directors:

Mr. Xu Lin

Mr. Wei Bin

Head Office and Principal Place

of Business in Hong Kong:

Rooms 2510–2518

25/F, Shui On Centre

6–8 Harbour Road

Wanchai, Hong Kong

Independent Non-executive Directors:

Mr. Lee Chi Hwa Joshua

Mr. Mak Yiu Tong

Mr. Li Chi Keung Eliot

Mr. Shek Lai Him Abraham

13 November 2020

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION INVOLVING ALLOTMENT AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the announcement of the Company dated 6 October 2020 in which the Company announces that it had, on the Appointment Date, conditionally agreed to allot and issue a total of 4,146,342 Emolument Shares to each of Mr. Xu and Mr. Wei pursuant to their respective service contract entered with the Company, subject to the conditions and compliance with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. A total of 8,292,684 Emolument Shares will be issued and allotted pursuant to the Specific Mandate to be approved by the Independent Shareholders.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the allotment and issue of the Total Emolument Shares and to provide you with the letter from the Independent Board Committee and the letter from the Independent Financial Adviser.

ALLOTMENT AND ISSUE OF EMOLUMENT SHARES UNDER SPECIFIC MANDATE

Mr. Xu and Mr. Wei have been appointed as non-executive Directors with effect from 6 October 2020.

Emolument Shares to be allotted and issued to Mr. Xu

Subject to the terms and conditions of the service contract with Mr. Xu, the Company has conditionally agreed to allot and issue a total of 4,146,342 Emolument Shares (equivalent to an aggregate value of approximately HK\$1,530,000 based on the average closing price of HK\$0.369 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Appointment Date (the “**Reference Closing Price**”)) to Mr. Xu, subject to conditions and compliance with the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The key terms of the proposed issue of 4,146,342 Emolument Shares to Mr. Xu are set out below.

Number of Emolument Shares:	A total of 4,146,342 new Shares, representing approximately 0.08% of the existing total issued Shares and 0.08% of the total issued Shares as enlarged by the issue of the Total Emolument Shares (assuming no change in the total issued Shares between the Latest Practicable Date and the date of issue of the Total Emolument Shares in full during the term of the service contract).
Value of Emolument Shares:	HK\$1,530,000 in aggregate based on the Reference Closing Price of HK\$0.369, and approximately HK\$1,451,220 based on the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Latest Practicable Date. The aggregate nominal value of the Emolument Shares to Mr. Xu is approximately HK\$41,463.
Conditions and schedule of issue:	The issue of the Emolument Shares to Mr. Xu will be subject to the passing of the necessary resolutions by the Independent Shareholders, and the Stock Exchange granting approval for the listing of, and permission to deal in, the Emolument Shares.

LETTER FROM THE BOARD

1,382,114 Emolument Shares (the value of which is equivalent to approximately HK\$510,000 based on the Reference Closing Price of HK\$0.369) will be issued by the Company within 30 days following each anniversary date of the service contract and Mr. Xu's entitlement to the annual Emolument Shares will be made on a pro-rata basis if there is an early termination of the service contract.

Status of the Emolument Shares: The Emolument Shares, when issued and fully paid, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

There will be no proceeds from the issue of the Emolument Shares to Mr. Xu. There is no restriction on the subsequent disposal of the Emolument Shares.

Emolument Shares to be allotted and issued to Mr. Wei

Subject to the terms and conditions of the service contract with Mr. Wei, the Company has conditionally agreed to allot and issue a total of 4,146,342 Emolument Shares (equivalent to an aggregate value of approximately HK\$1,530,000 based on the Reference Closing Price of HK\$0.369) to Mr. Wei, subject to conditions and compliance with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The key terms of the proposed issue of 4,146,342 Emolument Shares to Mr. Wei are set out below.

Number of Emolument Shares: A total of 4,146,342 new Shares, representing approximately 0.08% of the existing total issued Shares and 0.08% of the total issued Shares as enlarged by the issue of the Total Emolument Shares (assuming no change in the total issued Shares between the Latest Practicable Date and the date of issue of the Total Emolument Shares in full during the term of the service contract).

Value of Emolument Shares: HK\$1,530,000 in aggregate based on the Reference Closing Price of HK\$0.369, and approximately HK\$1,451,220 based on the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Latest Practicable Date. The aggregate nominal value of the Emolument Shares to Mr. Wei is approximately HK\$41,463.

Conditions and schedule of issue: The issue of the Emolument Shares to Mr. Wei will be subject to the passing of the necessary resolutions by the Independent Shareholders, and the Stock Exchange granting approval for the listing of, and permission to deal in, the Emolument Shares.

LETTER FROM THE BOARD

1,382,114 Emolument Shares (the value of which is equivalent to approximately HK\$510,000 based on the Reference Closing Price of HK\$0.369) will be issued by the Company within 30 days following each anniversary date of the service contract and Mr. Wei's entitlement to the annual Emolument Shares will be made on a pro-rata basis if there is an early termination of the service contract.

Status of the Emolument Shares: The Emolument Shares, when issued and fully paid, shall rank pari passu among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

There will be no proceeds from the issue of the Emolument Shares to Mr. Wei. There is no restriction on the subsequent disposal of the Emolument Shares.

Application for listing

An application will be made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Total Emolument Shares on the Stock Exchange.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
7 September 2020	Placing of a total of 234,296,000 new Shares at the placing price of HK\$0.285 each	Approximately HK\$66,440,488	— approximately HK\$33,220,244, will be used for general working capital of the Group; and — approximately HK\$33,220,244, will be used to support the development of the existing financial business of the Group, including securities brokerage, asset management and securities investments.	All the proceeds have been used as intended.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of the Total Emolument Shares (assuming no change in the total issued Shares between the Latest Practicable Date and the date of issue of the Total Emolument Shares):

Shareholders	As at the Latest Practicable Date		Immediately after the allotment and issue of the Total Emolument Shares (assuming that there is no other change in the existing shareholding of the Company) (Note 3)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Aceso Life Science Group Limited (formerly known as Hao Tian Development Group Limited) (Note 1)	3,174,296,688	60.03	3,174,296,688	59.93
Oshidori International Holdings Limited (Note 2)	625,000,000	11.82	625,000,000	11.80
Mr. Xu	—	—	4,146,342	0.08
Mr. Wei	—	—	4,146,342	0.08
Public	<u>1,488,657,873</u>	<u>28.15</u>	<u>1,488,657,873</u>	<u>28.11</u>
Total	<u><u>5,287,954,561</u></u>	<u><u>100.00</u></u>	<u><u>5,296,247,245</u></u>	<u><u>100.00</u></u>

Notes:

1. As at the Latest Practicable Date, Aceso Life Science Group Limited was interested in 3,174,296,688 Shares through its directly wholly-owned subsidiary, Win Team Investments Limited, which in turn held (i) 2,388,944,688 Shares through its wholly-owned subsidiary, Hao Tian Management (China) Limited; and (ii) 785,352,000 Shares through its 92.41%-owned subsidiary, Hao Tian Management (Hong Kong) Limited.
2. As at the Latest Practicable Date, Oshidori International Holdings Limited was interested in 625,000,000 Shares through its indirect wholly-owned subsidiary, Kenson Investment Limited.
3. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD

INFORMATION ON MR. XU AND MR. WEI

Mr. Xu, aged 59, has been appointed as a non-executive Director and a member of the remuneration committee of the Board since 6 October 2020. Mr. Xu has substantial experience in senior management and has acted as director for listed groups with diverse business mix in property development, property investment, e-commerce platform and construction machinery leasing and trading etc. Mr. Xu has been the director of the Taxation Department and the Customs Department of the Ministry of Finance of the People's Republic of China, vice-minister of the Economic Department of the Liaison Office of the Central People's Government, minister of the Administration and Finance Department. With his past experience working in government agencies, Mr. Xu can provide assistance to the Group in liaison with government authorities related to the Group's overseas projects, including the development project in Cambodia.

Mr. Wei, aged 51, has been appointed as a non-executive Director and a member of the nomination committee of the Board since 6 October 2020. Mr. Wei has nearly 30 years of experience in complex transactions, M&A integration and enterprise management and industry knowledge in real estate business. Mr. Wei has been a non-executive director for China Resources Land Limited (stock code 1109) and China Vanke Co., Ltd (stock code 2202), both of which are companies engaging principally in real estate development, property management and property investment. Mr. Wei can provide the Group with important guidance in the development project in Cambodia.

REASONS FOR THE ISSUE OF THE EMOLUMENT SHARES

The Company is seeking to diversify its businesses and strengthen its investment portfolios with a view to enhance Shareholders' value in the long term. Recently, the Group has ventured into property development activities in acquiring a target company which has a 22% equity interest in a project company (details of which are set out in the Company's announcement dated 4 September 2020). The project company has the sole and exclusive right to develop an urban complex development project in a prime location in Cambodia. It is expected that Mr. Xu's working experience in government agency and Mr. Wei's solid experience in property development will bring in new perspective, additional skills and experience to the Board in providing leadership and formulating strategic planning for the development of the Group.

The issue of the Emolument Shares represents part of the emolument to each of Mr. Xu and Mr. Wei for his appointment as a Director. The terms of their respective service contract and the number of the Emolument Shares were determined with reference to their respective duties and responsibilities of the Company, qualifications and experience, the Company's remuneration policy, the prevailing market conditions and recommendations of the remuneration committee of the Board. It is expected that Mr. Xu and Mr. Wei, through regular attendance and active participation in meetings with the management and the Board, will (i) contribute to the Group's strategies, policies, performance, accountability, resources, key appointments and standards of conduct; and (ii) complement the skills and experience of the executive Directors, by leveraging

LETTER FROM THE BOARD

on the skills, knowledge, experience and insight from their experience in other business sectors. The objective of the remuneration policy of the Group is to ensure that there is an appropriate level of remuneration that is competitive, but not excessive, to attract and retain experienced talents for its business and development. Based on the review of a number of comparable companies selected based on market capitalization and monetary value of remuneration, the remuneration packages offered to Mr. Xu and Mr. Wei are in line with the current market conditions and consistent with the remuneration policy of the Group.

The Emolument Shares will be vested over a period of three years and there is no other vesting condition, such as performance target. The Board considers that the Total Emolument Shares represents part and parcel of the total remuneration to Mr. Xu and Mr. Wei for their services as non-executive Directors, with less cash outflow on the part of the Company. In addition, the 3-year vesting period may encourage long term relationship that will be beneficial to development and implementation of business strategies of the Group. Having considered the above, the Board (including the independent non-executive Directors) is of the view that the terms of their respective service contract (including the issue of the Emolument Shares) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Other than Mr. Xu and Mr. Wei, none of the Directors has or is deemed to have a material interest in the service contracts or is required to abstain from voting on the relevant Board resolution.

LISTING RULES IMPLICATIONS

Upon the appointment as a Director, each of Mr. Xu and Mr. Wei is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the issue of 4,146,342 Emolument Shares to each of Mr. Xu and Mr. Wei under the Specific Mandate is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to give advice to the Independent Shareholders. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of issue of the Emolument Shares are fair and reasonable and whether they are in the interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the EGM to be held at 10/F, CKK Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong, on Wednesday, 2 December 2020 at 10:30 a.m. is set out on pages 48 to 49 of this circular, for the purpose of considering and, if thought fit, passing the resolution in respect of the allotment and issue of the Total Emolument Shares under the Specific Mandate.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.haotianint.com.hk>). Whether or not you propose to attend the EGM, you are requested to complete the accompanying form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire and, in such event, the form of proxy shall be deemed to be revoked.

The Independent Board Committee comprising Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot and Mr. Shek Lai Him Abraham has been formed to advise the Independent Shareholders as to whether the allotment and issue of the Total Emolument Shares is (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) in the interests of the Company and the Shareholders as a whole; and (iv) on how to vote at the EGM. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolutions to approve the allotment and issue of the Total Emolument Shares under the Specific Mandate at the EGM. On the Appointment Date, Hao Tian Management (China) Limited and Hao Tian Management (Hong Kong) Limited who jointly hold an aggregate of 3,164,504,688 Shares (representing approximately 59.84% of the Company's issued share capital and voting rights in the Company's general meeting) had expressed their intention to vote in favour of the allotment and issue of the Total Emolument Shares under the Specific Mandate. As the Board is seeking for the allotment and issue of the Total Emolument Shares under the Specific Mandate, the Company is required to convene an EGM under Rule 13.36(1) of the Listing Rules, and therefore, no application will be submitted to the Stock Exchange for a waiver under Rule 14A.37 of the Listing Rules for the general meeting requirement.

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions at the EGM will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the proposed resolutions to approve the grant of the Specific Mandate and the allotment and issue of the Total Emolument Shares; and (ii) the letter from Opus Capital set out on pages 16 to 39 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the allotment and issue of the Total Emolument Shares and the principal factors and reasons considered by it in arriving at its opinions.

The Directors (including the independent non-executive Directors) consider that the allotment and issue of the Emolument Shares to each of Mr. Xu and Mr. Wei is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the allotment and issue of the Emolument Shares to each of Mr. Xu and Mr. Wei under the Specific Mandate.

ADDITIONAL INFORMATION

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

**HAO TIAN INTERNATIONAL
CONSTRUCTION INVESTMENT GROUP LIMITED**

昊天國際建設投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1341)

13 November 2020

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION INVOLVING ALLOTMENT
AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

We refer to the circular dated 13 November 2020 issued by the Company (the “**Circular**”), of which this letter forms part. Capitalised terms defined in this letter shall bear the same meanings as those defined in the Circular unless the context requires otherwise.

We have been formed to advise you in connection with the allotment and issue of the Total Emolument Shares under the Specific Mandate and to advise you as to whether, in our opinion, the terms of the allotment and issue of the Emolument Shares to each of Mr. Xu and Mr. Wei are fair and reasonable so far as the Independent Shareholders are concerned. Details of the allotment and issue of the Total Emolument Shares are set out in the letter from the Board contained in the Circular. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the allotment and issue of the Total Emolument Shares under the Specific Mandate.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 13 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders as set out on pages 16 to 39 of the Circular which contains its advice to us in respect of whether the terms and conditions of the allotment and issue of the Emolument Shares to each of Mr. Xu and Mr. Wei are on normal commercial terms which are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

Having taken into account the reasons relating to the allotment and issue of the Emolument Shares to each of Mr. Xu and Mr. Wei and the advice of the Independent Financial Adviser, we are of the opinion that although the allotment and issue of the Emolument Shares to Mr. Xu and Mr. Wei is not the ordinary and usual course of business of the Group, the terms of the allotment and issue of the Emolument Shares are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the allotment and issue of the Emolument Shares to each of Mr. Xu and Mr. Wei under the Specific Mandate.

Yours faithfully,

For and on behalf of

Independent Board Committee of

Hao Tian International Construction Investment Group Limited

Mr. Lee Chi Hwa Joshua Mr. Mak Yiu Tong Mr. Li Chi Keung Eliot Mr. Shek Lai Him Abraham

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the allotment and issue of the Total Emolument Shares under the Specific Mandate for the purpose of inclusion in this circular.



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

13 November 2020

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

Dear Sir or Madam,

CONNECTED TRANSACTION INVOLVING ALLOTMENT AND ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of the Total Emolument Shares to Mr. Xu and Mr. Wei collectively pursuant to their respective service contract as set out in the Letter from the Board (the “**Letter from the Board**”) contained in the circular dated 13 November 2020 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 6 October 2020, the Company has conditionally agreed to allot and issue 4,146,342 Emolument Shares to each of Mr. Xu and Mr. Wei (collectively known as the “**NEDs**”) respectively pursuant to their respective service contract (collectively, the “**Service Contracts**” and each a “**Service Contract**”), subject to the conditions and compliance with the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. A total of 8,292,684 Emolument Shares will be allotted and issued pursuant to the Specific Mandate (the “**Emolument Shares Issue**”) to be approved by the Independent Shareholders.

Upon the appointment as a Director, each of Mr. Xu and Mr. Wei is a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Emolument Shares Issue constitutes a connected transaction of the Company, and is subject to reporting, announcement, and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, as no Shareholder has a material interest in respect of the Emolument Shares Issue, no Shareholder is required to abstain from voting on the resolutions relating to the Emolument Shares Issue at the EGM.

Both Mr. Xu and Mr. Wei, having a material interest in the Emolument Shares Issue, have abstained from voting on the relevant Board resolutions approving the Emolument Shares Issue. Save as disclosed above, no other Director has abstained from voting on the relevant Board resolutions on the Emolument Shares Issue.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot and Mr. Shek Lai Him Abraham, all being independent non-executive Directors, has been established by the Company to advise and make recommendation to the Independent Shareholders as to: (i) whether the terms and conditions of the Emolument Shares are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole; (ii) whether the Emolument Shares Issue is in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote on the resolutions in relation to the Emolument Shares Issue to be proposed at the EGM. Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

OUR INDEPENDENCE

We were appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of the Company on the following:

- (i) a major and connected transaction in relation to the acquisition of listed securities, details of which are set out in the circular of the Company dated 17 January 2019;
- (ii) a connected transaction involving allotment and issuance of new Shares to its chief executive officer, details of which are set out in the circular of the Company dated 21 March 2019;
- (iii) a major and connected transaction in relation to the acquisition of a company involving issue of convertible notes, details of which are set out in the circular of the Company dated 27 December 2019; and
- (iv) a connected transaction involving issuance of new Shares to an executive Director and some directors of the Group's subsidiaries, details of which are set out in the circular of the Company dated 9 October 2020 (the "2020 Circular").

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the past two (2) years, we were also appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of Hao Tian Development Group Limited (“**HTD**”) (*now known as Aceso Life Science Group Limited*), an indirect controlling shareholder of the Company, in respect of a disclosable and connected transaction in relation to the acquisition of minority interest in a subsidiary involving issue of consideration shares under specific mandate, details of which are set out in the circular of HTD dated 8 August 2019.

The above appointments by the Company and HTD are collectively known as the “**Past Appointments**”.

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

BASIS OF OUR OPINION AND RECOMMENDATION

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

- (i) the Company’s annual report for the financial year ended 31 March (“**FY**”) 2019 (the “**2019 Annual Report**”) and FY2020 (the “**2020 Annual Report**”);
- (ii) the service contract entered into between Mr. Xu and the Company dated 6 October 2020 in respect of his appointment as a non-executive Director (“**NED**”);
- (iii) the service contract entered into between Mr. Wei and the Company dated 6 October 2020 in respect of his appointment as a NED; and
- (iv) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information have been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

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

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

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the Emolument Shares Issue, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Emolument Shares Issue, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Emolument Shares Issue

(a) Overview of the Group

The Company is an investment holding company and the Group is engaged in the following principal activities:

- (i) the construction machinery business, serving primarily the construction sector in Hong Kong. The business includes: (a) rental of construction machinery; (b) trading of construction machinery, spare parts and construction materials; and (c) provision of machinery transportation services; and
- (ii) the provision of financial services, conducting: (a) Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Securities and Futures Ordinance; (b) money lending activities; and (c) brokerage of general insurance and long term (including linked long term) insurance.

Set out below is a summary of the audited consolidated financial performance and financial position of the Group for FY2020, FY2019 and FY2018, as extracted from the 2020 Annual Report and the 2019 Annual Report:

Table 1: Highlights of the financial results and position of the Group

	FY2020		Audited FY2019		FY2018	
	(HK\$'000)	%	(HK\$'000)	%	(HK\$'000)	%
Revenue	192,445	100.0%	176,518	100.0%	165,869	100.0%
— trading of construction <i>machinery and spare parts</i>	28,489	14.8%	54,760	31.0%	46,762	28.2%
— rental of construction <i>machinery</i>	108,902	56.6%	106,100	60.1%	117,870	71.1%
— provision of transportation <i>services</i>	364	0.2%	1,549	0.9%	1,237	0.7%
— provision of commodities, <i>future, securities brokerage and financial services</i>	54,690	28.4%	14,109	8.0%	—	—
Gross profit	63,505		27,739		13,473	
Profit/(loss) attributable to the Shareholders	71,624		(6,452)		(12,528)	
Net asset value	988,553		766,761		352,992	

Source: 2020 Annual Report and 2019 Annual Report

FY2019 vs FY2018

The Group's revenue increased by approximately 6.4% from approximately HK\$165.9 million for FY2018 to approximately HK\$176.5 million for FY2019. Such increase was mainly attributable to the new revenue stream from the provision of commodities, futures, securities brokerage and financial services, resulting from the acquisition of 100% equity interest in Hao Tian International Financial Holdings Limited (“**Hao Tian Financial**”) in December 2018 (the “**HTF Acquisition**”). Hao Tian Financial and its subsidiaries are financial services companies, primarily engaged in money lending business, insurance agency service and regulated activities licensed by the Securities and Futures Commission.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The loss attributable to the Shareholders was approximately HK\$6.5 million for FY2019, representing an improvement in the loss position by approximately 48.0% from a loss of approximately HK\$12.5 million for FY2018. Such improvement was mainly attributable to the increased gross profit margin from approximately 8.1% for FY2018 to approximately 15.7% for FY2019, which was mainly contributed by the additional gross profit generated from provision of commodities, futures, securities, brokerage and financial services.

FY2020 vs FY2019

The Group's revenue increased by approximately HK\$15.9 million or 9.0% from approximately HK\$176.5 million for FY2019 to approximately HK\$192.4 million for FY2020. Such increase was mainly attributable to the full year contribution from the provision of money lending, asset management, securities brokerage, commodities, futures securities and other financial services which generated approximately HK\$54.7 million for FY2020 as compared to approximately HK\$14.1 million during FY2019, representing a significant increase of approximately 287.9%. It is also noted that the gross profit has recorded an improvement of approximately 129.2% to approximately HK\$63.5 million for FY2020. Gross profit margin also equally registered an impressive increase from approximately 15.7% for FY2019 to approximately 33.0% for FY2020. As disclosed in the 2020 Annual Report, the increase in both the gross profit and gross profit margin was mainly due to gross profit generated from the provision of money lending, asset management, securities brokerage, commodities, futures and other financial services.

The profit attributable to the Shareholders was approximately HK\$71.6 million for FY2020, as compared to the loss attributable to the Shareholder of approximately HK\$6.5 million for FY2019. The improvement in the Group's results was mainly attributable to, among other things, (i) the increase in gross profit of approximately HK\$35.8 million as mentioned above; (ii) a nine-fold increase in the share of results of an associate/joint ventures to approximately HK\$51.7 million; (iii) an one-off gain on disposal of a property holding subsidiary, Chim Kee Crane Company Limited, of approximately HK\$32.2 million; (iv) gain on bargain purchase of approximately HK\$18.3 million; and (v) an approximate 56.4% increase in the change of fair value of financial assets at fair value through profit and loss. This was partially off-set by: (i) an approximately three-fold increase in the expected credit loss on financial assets to HK\$48.3 million; and (ii) a rise in administrative expenses of approximately HK\$24.0 million or 52.9%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Review of the financial position of the Group

The Group achieved a significant growth in its net asset value (“NAV”) by approximately 117.2% from HK\$353.0 million as at 31 March 2018 to HK\$766.8 million as at 31 March 2019. As noted in the 2019 Annual Report, the increase in NAV was primarily due to the introduction of new assets class as a result of the HTF Acquisition. This comprised of: (i) loan receivables of approximately HK\$163.3 million; (ii) financial assets of approximately HK\$114.4 million; and (iii) interest in joint ventures of approximately HK\$165.4 million, which consists of the Group’s investment in Riverwood China Growth Fund and Yan An Revitalisation and Development Investment Fund Management Limited* (延安振興發展產業投資基金管理有限公司), an asset management company established in the People’s Republic of China (the “PRC”).

As at 31 March 2020, the NAV of the Group continued to strengthen to approximately HK\$988.6 million, representing an increase of approximately 28.9% from approximately HK\$766.8 million as at 31 March 2019. According to the 2020 Annual Report, the surge in total assets of the Group was primarily due to an approximate 122.3% increase in loan receivables by approximately HK\$199.8 million and the net increase in bank balances and cash by approximately HK\$90.8 million or 70.1%, derived mainly from the sale of land in Yuen Long undertaken in March 2019 where the balance consideration of HK\$100 million was received in April 2019.

Business diversification of the Group

We note from the 2019 Annual Report and as advised by the Management, the Group has embarked on its business diversification initiatives in developing a new line of business in the financial services and money lending sectors, culminating in the acquisition of Hao Tian Financial which was completed in December 2018. The Group also completed the acquisition of Hao Tian Credit Company Limited, a licensed money lender with a particular focus on providing mortgage loans in Hong Kong, in January 2020. Furthermore the Group has started to build up a portfolio of its investments in listed and unlisted securities since February 2019.

As stated in the 2020 Annual Report, the Group fully supports the “Belt and Road” initiatives and actively participates in opportunities located in Guangdong-Hong Kong-Macao Greater Bay Area (“**Greater Bay Area**”). With the constant pursuit to diversify its businesses and strengthen its investment portfolios with a view to enhance Shareholders’ value in the long term, the Group has ventured into property development activities in acquiring a target company which has a 22% equity interest in a project company pursuant to an announcement of the Company dated 4 September 2020. The project company has the sole and exclusive right to develop an urban complex development project in a prime location in Cambodia (the “**Cambodia**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Project”). We note from the said announcement and as advised by the Management, the PRC Government’s “One Belt, One Road” development strategy has brought significant investments from Chinese enterprises, creating huge potential for Cambodia’s business development, and the upcoming “China-Cambodia Free Trade Agreement” will bring more tangible benefits and development opportunities to both countries.

(b) Information of the NEDs

(i) Mr. Xu, a NED

Mr. Xu, aged 59, has been engaged in economic management for a substantial period of time. Mr. Xu is currently an executive director and executive vice-chairman of DTXS Silk Road Investment Holdings Company Limited (stock code: 620). He is also the vice president of Guangdong-Hong Kong-Macao Greater Bay Area Entrepreneurs Association (粵港澳灣區企業家聯合會). Prior to that, Mr. Xu was an independent non-executive director of Lamtex Holdings Limited (stock code: 1041) from March 2020 to July 2020 and an executive director of Zhaobangji Properties Holdings Limited (stock code: 1660) from October 2019 to March 2020 respectively. He was once the director of the Taxation Department and the Customs Department of the Ministry of Finance of the PRC, vice-minister of the Economic Department of the Liaison Office of the Central People’s Government, minister of the Administration and Finance Department, Hong Kong business development director of CITIC Limited and the chairman of Kaisa Financial Group (Hong Kong) Company Limited. With the exposure to several senior management positions, Mr. Xu has solid foundation in economic theory and possesses rich management experience.

(ii) Mr. Wei, a NED

Mr. Wei, aged 51, is currently the senior partner in the asset management division of CDH Investments Management (Hong Kong) Limited and an independent non-executive director of Honghua Group Limited (stock code: 196). He is also an independent director of Huize Holding Ltd., a NASDAQ-listed company (NASDAQ: HUIZ). Mr. Wei was the Chief Accountant and the Chief Financial Officer of China Resources (Holdings) Company Limited and has nearly 30 years of experience in complex transactions, M&A integration and enterprise management. In the past few years, he has been a non-executive director of four (4) companies listed on the Stock Exchange as follows:

- (a) China Resources Cement Holdings Limited (stock code: 1313) from August 2008 to January 2018;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (b) China Resources Gas Group Limited (stock code: 1193) from November 2008 to January 2018;
- (c) China Resources Land Limited (stock code: 1109) from October 2010 to April 2017; and
- (d) China Vanke Co., Ltd. (stock code: 2202) from March 2013 to June 2017.

Mr. Wei holds a Bachelor's degree in Auditing from Zhongnan University of Economics and a Master's degree in Finance from Jinan University. He is a Senior Accountant and a Senior Auditor in China. He is also a non-practicing member of the Chinese Institute of Certified Public Accountants.

Upon our further enquiries with the Company, we understand that Mr. Xu and Mr. Wei, being the non-executive Directors, are tasked with providing valuable insights and strategic development inputs to the business strategies of the Group, including but not limited to the Cambodia Project, since property development and property investment activities represent a new business activity of the Group.

With the position of Mr. Xu as vice president in the Guangdong-Hong Kong-Macao Greater Bay Area Entrepreneurs Association (粵港澳灣區企業家聯合會), it will indirectly facilitate the Group's constant exploration for viable investment opportunities in the Greater Bay Area, which is an important area of focus by the Group as stated in the paragraph headed "Business diversification of the Group" under the section headed "1. Background of and reasons for the Emolument Shares Issue" above, and assist the Group in gaining access to the business fraternity in the Greater Bay Area via his wide business network. In addition, Mr. Xu's past involvement with the Ministry of Finance of the PRC, and his governmental role in the Economic Department of the Liaison Office of the Central People's Government will augur well with the Group as it puts him in good stead to smoothen working relationship and liaison with the Cambodian government in the Cambodia Project since it is under the PRC Government's "One Belt, One Road" development strategy to promote Cambodia as a viable business destination for Chinese enterprises.

Mr. Wei has garnered solid real estate experience, having served as a non-executive director in China Resources Land Limited and China Vanke Co., Ltd. for approximately 7 years and 4 years respectively. Both companies are principally engaged in real estate development, property management and property investment businesses. He will play a pivotal role in guiding the management team by providing important and useful inputs in undertaking the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Cambodia Project, which is the first real estate development venture undertaken by the Group, to ensure all anticipated pitfalls in the present and future real estate projects are well handled with minimal project disruption and delays.

(c) Remuneration policy of the Company

As discussed with the Management, we understand that the Group's remuneration policy was formulated according to market practices, experiences, skills and performance of individual employee and are reviewed annually. The remuneration committee will consider salaries paid by comparable companies, time commitment and responsibilities in the Group. Remuneration proposals are recommended by the remuneration committee and approved by the Board. We noted that the selection criteria for the comparable companies considered by the remuneration committee are as follows:

- (i) the market capitalisation of the comparable companies is between HK\$2.04 billion and HK\$2.14 billion, which is considered comparable with the market capitalisation of the Company totalling HK\$2.09 billion as at the Appointment Date;
- (ii) the remuneration package of the comparable non-executive directors must contain a monetary value; and
- (iii) the comparable companies are listed on the Main Board of Stock Exchange.

Based on the above criteria, the remuneration committee has identified a total of 26 comparable non-executive directors. The above comparable non-executive directors can provide a general understanding of the remuneration packages for non-executive directors in listed companies in Hong Kong under the current market conditions. Therefore we consider that the samples of the comparable non-executive directors are fair and representative.

As advised by the Management, the general responsibilities of Mr. Xu and Mr. Wei, being NEDs, cover the following:

- (i) bring independent and external dimension as well as constructive and informed comments on the Group's strategies, policies, performance, accountability, resources, key appointments and standards of conduct, through regular attendance and active participation in the Board/committee meetings; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) complement the skills and experience of the executive Directors, in particular through constructive suggestions based on review and analysis that brings to bear a wide range of skills, knowledge, experience and insight from their experience in other business sectors.

Furthermore, Mr. Xu being appointed as a member of the remuneration committee, will be expected to perform the duties of the remuneration committee, in which the primary duties will be to make recommendation to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and on the Group's policy and structure for all remuneration of the Directors and senior management.

Mr. Wei, being appointed as a member of the nomination committee, will be expected to perform the duties of the nomination committee, which is mainly responsible for making recommendation to the Board on appointment of Directors and succession planning for the Directors, such as undertake review and discussion on the Board's structure, size and composition, diversity policy as well as the Director nomination policy of the Company.

We were advised by the Management the both Mr. Xu and Mr. Wei are expected to attend Board meetings and relevant committee meetings as mentioned above, as well as ad-hoc meetings called by the Company which requires the decision of the Board. In addition, the Group will also seek their opinion and insights as and when necessary in terms of the operations and business development of the Group where their experience and expertise will be beneficial to the Group.

(d) Reasons for and benefits of the Emolument Shares Issue

As stated in the Letter from the Board, the Emolument Shares Issue represents part of the emoluments to each of Mr. Xu and Mr. Wei for his appointment as a NED. The terms of their Service Contracts and the number of the Emolument Shares were determined with reference to their respective duties and responsibilities of the Company, qualifications and experience, the Company's remuneration policy, the prevailing market conditions and recommendations of the remuneration committee of the Board.

Based on the information provided by the Company, including the background and working experience of Mr. Xu and Mr. Wei, we note that each of Mr. Xu and Mr. Wei has held senior positions in his previous employments, has ample experience in management leadership and strategic planning. In particular, the Group is able to leverage on the in-depth familiarity of Mr. Xu with governmental liaison and his business network in the Greater Bay Area, as well as Mr. Wei's solid knowledge in the real estate industry which will further strengthen the Group's business positioning and business operation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company is of the view that the Emolument Shares Issue gives the NEDs direct economic interests via share ownership in the Company, which should propel them to attain the long term business objectives for the Group that may potentially be reflected in the performance of the Share price. The grant of the Emolument Shares serves as an incentive for the NEDs to utilise their experience in the real estate industry, expertise and strong clientele network in their role as non-executive Directors in other listed companies and to motivate them to participate in the continuing development of the Group. Based on the factors discussed above, we concur with the Company that the expertise and industry experience of Mr. Xu and Mr. Wei will be valuable and important to the future development of the Group. Therefore, we consider that the Emolument Shares Issue, as part of the respective remuneration package of Mr. Xu and Mr. Wei offered by the Company, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(e) Remuneration packages of Mr. Xu and Mr. Wei

We have reviewed copies of the respective Service Contract of the NEDs which were obtained from the Company and understood the respective remuneration package of the NEDs, consists of:

- (i) HK\$510,000 to be paid per annum; and
- (ii) 1,382,114 Emolument Shares (the value of which is equivalent to approximately HK\$510,000 based on the average closing price of HK\$0.369 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Appointment Date (the “**Reference Closing Price**”)) to be granted at the end of each completed year of service.

In addition, each of the NEDs may be entitled to discretionary bonus each year, which is determined by the Board and/or the remuneration committee.

2. Principal terms of the Emolument Shares

Subject to the terms and conditions of the respective Service Contract with the NEDs, the Company has conditionally agreed to allot and issue a total of 4,146,342 Emolument Shares (equivalent to an aggregate value of approximately HK\$1,530,000 based on the Reference Closing Price) to each of the NEDs, subject to the conditions and compliance with the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The key terms of the proposed issue of 4,146,342 Emolument Shares to each of the NEDs are set out below.

Number of Emolument Shares:	A total of 4,146,342 new Shares, representing approximately 0.08% of the existing total issued Shares and 0.08% of the total issued Shares as enlarged by the issue of the Total Emolument Shares (assuming no change in the total issued Shares between the Latest Practicable Date and the date of issue of the Total Emolument Shares in full during the term of the respective Service Contract).
Value of Emolument Shares:	HK\$1,530,000 in aggregate based on the Reference Closing Price of HK\$0.369, and approximately HK\$1,451,220 based on the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on the Latest Practicable Date. The respective aggregate nominal value of the Emolument Shares to each of the NEDs is approximately HK\$41,463.
Condition and schedule of issue:	The issue of the Emolument Shares to each of the NEDs will be subject to the passing of the necessary resolutions by the Independent Shareholders, and the Stock Exchange granting approval for the listing of, and permission to deal in, the Emolument Shares. 1,382,114 Emolument Shares (the value of which is equivalent to approximately HK\$510,000 based on the Reference Closing Price of HK\$0.369) will be issued by the Company within 30 days following each anniversary date of the respective Service Contract and the entitlement to the annual Emolument Shares by each of the NEDs will be made on a pro-rata basis if there is an early termination of the respective Service Contract.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Status of the Emolument Shares: The Emolument Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

There will be no proceeds from the issue of the Emolument Shares to each of the NEDs. There is no restrictions on the subsequent disposal of the Emolument Shares.

Specific mandate to issue the Emolument Shares

The issue of a total of 8,292,684 Emolument Shares is subject to the Independent Shareholders' approval. The Total Emolument Shares will be allotted and issued pursuant to the Specific Mandate.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Total Emolument Shares on the Stock Exchange.

3. Review of the respective total remuneration package of Mr. Xu and Mr. Wei

We have requested and reviewed the meeting minutes of the remuneration committee and that of the Board approving the Service Contracts. We are satisfied that the necessary procedures for approving the Service Contracts had been compiled with.

We have enquired with the Management regarding alternative remuneration methods other than the Emolument Shares Issue. The Management advised that the Board has considered several methods, including an all-cash remuneration and/or the granting of share options. The Management advised that they have given careful consideration to the following factors:

- (i) in respect of the granting of share options, exercising the share options will require payment of the subscription price by the NEDs and they can only enjoy the potential reward if they realise the options when the prevailing market price is higher than the subscription price. Furthermore, the exercise of share options is subject to vesting period restriction that allows the NEDs to exercise only a portion of their share options each year. As share options require financial outlay on the part of the NEDs, the Company considers the grant of share option to be less attractive to serve the purpose of providing immediate incentives and reward;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) an all-cash remuneration will incur cash outflow by the Company and it cannot serve the purpose of giving rewards in equity form to enable the NEDs to enjoy the potential growth of the Group. Furthermore, such remuneration method is unable to effectively align the interests of the Group with the NEDs together since the remuneration will be paid regardless of the efforts or non-efforts made by the NEDs towards the performance of the Group; and
- (iii) as the market value of the Emolument Shares is generally affected by the financial performance of the Group, it serves to incentivise the NEDs to contribute to the long-term development of the Group by rewarding them with the Emolument Shares with a view to align their interests together with the Shareholders and the Company.

Given that the Company intends to attract and motivate the NEDs to participate in, and contribute to, the future development and growth of the Group with less cash outflow by the Company, the Company considers, and we concur with its view, that the Emolument Shares Issue together with the cash remuneration, is an appropriate and balanced mean to reward Mr. Xu and Mr. Wei respectively.

We have compared, on a best effort basis, the respective total annual remuneration package of HK\$1,020,000 attributable to each of Mr. Xu and Mr. Wei with that of other non-executive Directors (the “**Comparable NEDs**”) of listed companies in Hong Kong (the “**Comparable Companies**”), which were disclosed in the latest annual reports of the Comparable Companies. The selection criteria for the Comparable Companies are as follows:

- (i) the market capitalisation of the Comparable Companies is between HK\$2.04 billion and HK\$2.14 billion, which is considered comparable with the market capitalisation of the Company totalling HK\$2.09 billion as at the Appointment Date;
- (ii) the Comparable NED is not a substantial shareholder (as defined in the Listing Rules) or a controlling shareholder (as defined in the Listing Rules) of their Comparable Companies;
- (iii) the Comparable NEDs served as non-executive directors of the Comparable Companies for the full financial year;
- (iv) the remuneration package of the Comparable NED must contain a monetary value; and
- (v) the Comparable Companies are listed on the Main Board of Stock Exchange.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our research conducted, we identified a total of 11 Comparable Companies. We consider that the Comparable NEDs are appropriate to provide a general reference for the recent market practice in relation to the total remuneration package of non-executive directors. Nevertheless, Shareholders should note that the principal businesses, market capitalisations, profitability and financial positions of the Comparable Companies may not be the same as those of the Company, and we have not conducted any in-depth investigation into their businesses and operations. As the Comparable NEDs can provide a general understanding of the remuneration packages for non-executive directors in listed companies in Hong Kong under the current market conditions, we consider, to the best of our knowledge and ability, that the list of Comparable NEDs is exhaustive, fair and indicative in assessing the fairness and reasonableness of the respective total remuneration package of Mr. Xu and Mr. Wei.

Table 2: Comparable NEDs Remuneration

Comparable Company	Stock Code	Market capitalisation as at Appointment Date (HK\$ million)	Name of the non-executive director	Total annual remuneration (HK\$)
Honma Golf Limited (<i>Note 1</i>)	6858	2,107.64	Mr. Yang Xiaoping Mr. Ho Ping-hsien Robert	228,760 228,760
Guangdong Join-Share Financing Guarantee Investment Co Limited (<i>Note 2</i>)	1543	2,107.07	Mr. Zhang Deben Mr. Huang Guoshen Mr. Zhang Minming	2,005,300 30,800 30,800
Aidigong Maternal & Child Health Limited	286	2,107.00	Mr. Lin Jiang	150,000
Hong Kong Ferry Holdings Co Limited	50	2,105.58	Mr. Au Siu Kee, Alexander Mr. Lau Yum Chuen, Eddie	100,000 100,000
Weiqiao Textile Company Limited (<i>Note 2</i>)	2698	2,102.12	Ms. Zhao Suhua	209,000
Xinghua Port Holdings Limited (<i>Note 2</i>)	1990	2,093.04	Mr. Lee Cheong Seng	190,300
Wasion Holdings Limited (<i>Note 2</i>)	3393	2,081.39	Mr. Kat Chit	292,600
International Business Settlement Holdings Limited	147	2,072.55	Mr. Yap Yung Mr. Chan Siu Tat	200,000 200,000
Karrie International Holdings Limited	1050	2,057.57	Mr. Ho Kai Man	627,000
Earthasia International Holdings Limited	6128	2,044.91	Mr. Ma Lida	600,000

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparable Company	Stock Code	Market capitalisation as at		Name of the non-executive director	Total annual remuneration (HK\$)
		Appointment Date	(HK\$ million)		
New World Department Store China Limited	825	2,040.24		Dr. Cheng Kar-shun, Henry	100,000
				Mr. Au Tak-cheong	100,000
The Company	1341	2,088.74		Mr. Xu	1,020,000
				Mr. Wei	1,020,000
Maximum					2,005,300
Minimum					30,800
Average					317,254

Note 1: The company adopted Japanese Yen (“JPY”) as its reporting currency, exchange rate of JPY1=HK\$0.07 has been applied.

Note 2: The company adopted Renminbi (“RMB”) as its reporting currency, exchange rate of RMB1=HK\$1.10 has been applied.

We noted from the above table that the total remuneration package of the Comparable NEDs ranged from approximately HK\$30,800 to approximately HK\$2.01 million. Although the respective total remuneration package of the NEDs is higher than the average remuneration, their total remuneration package of HK\$1.02 million nonetheless falls within the range of the Comparable NEDs.

As disclosed in the announcement in relation to the appointment of Directors published by the Company on 30 August 2019, we noted that Mr. Zhang Sheng and Mr. Zheng Li were appointed as executive Directors. Mr. Zhang Sheng and Mr. Zheng Li were entitled to a director’s fee of HK\$6.0 million and HK\$5.0 million per annum, respectively, for their services as an executive Director as specified in their respective service contract. The respective total remuneration package of the NEDs amounting to HK\$1.02 million is lower than the average remuneration of the newly appointed Directors by the Company, which is approximately HK\$5.5 million. This is reasonable in view of the non-executive nature of the directorship held by the NEDs as compared to the executive role held by the appointed Directors.

Taking into account that: (i) no cash outlay will be imposed on the Group pursuant to the Emolument Shares Issue; (ii) the total annual remuneration package of the NEDs is lower than the newly appointed Directors; and (iii) the Emolument Shares Issue will provide

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

a sense of ownership to the NEDs which will propel them to work towards the long term development of the Group, the Board believes that the Emolument Shares Issue will serve the purpose of reinforcement of the incentive to the NEDs for their contribution to the Group and further align their interests as board members of the Group with the Shareholders whilst not causing any significant impact on the financial performance of the Group.

Based on the above, we are of the view that the Emolument Shares Issue to the NEDs is in the interests of the Company and the Shareholders as a whole and the respective annual remuneration package of the NEDs is comparable to that of their peers in the market.

4. Evaluation on the vesting period of the Emolument Shares

In order to assess the fairness and reasonableness of the vesting period of Emolument Share Issue, we have, on a best effort basis, conducted a search of all recent share awards announced since 21 July 2020 up to the Appointment Date (the “**Comparison Period**”). We are of the opinion that the length of the Comparison Period has covered a fair and reasonable number of Award Comparables (as defined below) to reflect the current practice in the market in respect of the vesting period of the award shares.

Based on our research conducted, we identified a total of 13 share awards announced by companies listed on the Stock Exchange (the “**Award Comparables**”) during the Comparison Period. To the best of our knowledge and effort and based on the information disclosed on the Stock Exchange’s website, the list of the Award Comparables is an exhaustive list of comparable share awards for comparison purpose. We also noted that the business activities of the Award Comparables are not directly comparable to those carried out by the Group and the terms of the share awards of the Award Comparables may vary from companies with different financial standings, business performance and future prospects. Since the Award Comparables are the most recent share awards that are publicly announced, we consider that the Award Comparables could provide a general reference in respect of the common market practice on the vesting period of share awards conducted by listed companies in Hong Kong. The details are set out below:

Table 3: Vesting period of share award announced by the Award Comparables

Company	Stock code	Date of announcement	Vesting period
Home Control International Limited	1747	5 October 2020	50% on the 2nd anniversary of the grant date 50% on the 3rd anniversary of the grant date

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company	Stock code	Date of announcement	Vesting period
Goldstream Investment Limited	1328	21 September 2020	17% from the grant date to 31 December 2022 83% from the grant date to 31 December 2024
Alibaba Health Information Technology Limited	241	15 September 2020	within 4 years from 15 September 2020
Alibaba Pictures Group Limited	1060	11 September 2020	Did not disclose
Powerlong Commercial Management Holdings Limited	9909	10 September 2020	50% on 1 June 2023 50% on 1 June 2025
3SBio Inc.	1530	7 September 2020	Immediate
Xiaomi Corporation	1810	4 September 2020	Between a 9 year period from 4 September 2021 to 4 September 2030
Edvance International Holdings Limited	1410	3 September 2020	Did not disclose
Medialink Group Limited	2230	2 September 2020	Immediate
IGG Inc	799	20 August 2020	For independent non-executive directors: 100% on 2021 annual general meeting date For some employees: 50% on 20 August 2021 50% on 20 August 2022 For connected persons and certain employees: 100% on 20 August 2021

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company	Stock code	Date of announcement	Vesting period
			For other employees: 25% on 20 August 2021 25% on 20 August 2022 25% on 20 August 2023 25% on 20 August 2024
BC Technology Group Limited	863	13 August 2020	1/4 on 4 September 2021 1/4 on 4 September 2022 1/4 on 4 September 2023 1/4 on 4 September 2024
eBroker Group Limited	8036	7 August 2020	on 31 December 2020
WuXi AppTec Co., Ltd.	2359	21 July 2020	For eligible employees: 25% within the 1st anniversary of the grant date 25% within the 2nd anniversary of the grant date 25% within the 3rd anniversary of the grant date 25% within the 4th anniversary of the grant date For other eligible employees 25% within the 2nd anniversary of the grant date 25% within the 3rd anniversary of the grant date 50% within the 4th anniversary of the grant date
The Company		6 October 2020	1/3 on 6 October 2021 1/3 on 6 October 2022 1/3 on 6 October 2023

Source: the Stock Exchange

We noted from the above table that the vesting periods of the share awards range from immediate vesting to approximately 9 years. The vesting period of the Emolument Shares, which will be over a period of three years, is in line with the Award Comparables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We also noted that apart from the vesting period of three years, there is no other vesting condition, such as performance target, imposed on the Emolument Shares. We understand the Board considers that the Total Emolument Shares represents part and parcel of the total remuneration to each of Mr. Xu and Mr. Wei for his appointment as a NED. There will be less cash outflow by the Company as compared to an all-cash remuneration to the NEDs. Furthermore, since the directorship is non-executive in nature in which the NEDs are not involved in the daily operation and management of the Group but to give strategic input and insights on the overall business directions and development of the Group, it is not practical to set a performance target on the Emolument Shares. In addition, we also refer to the 2020 Circular in which the new Shares that were awarded to connected persons (being an executive Director and some directors of the Group's subsidiaries) under the share award scheme adopted by the Board on 24 April 2020 also did not contain any vesting condition apart from the vesting period. Therefore the Board has adopted similar vesting condition on the Total Emolument Shares which is equally applicable to new Shares awarded under the share award scheme.

Based on the factors discussed above, we concur with the Directors that the vesting of the Emolument Shares to the NEDs without additional condition is fair and reasonable.

5. Consideration for the Emolument Shares Issue

The Emolument Shares Issue will be made at no extra cash consideration, other than the minimum payment required by the applicable law in Cayman Islands. As disclosed in the 2020 Annual Report, the Group recorded (i) audited total revenue of approximately HK\$192.4 million for FY2020; and (ii) audited NAV attributable to the Shareholders of approximately HK\$988.3 million as at 31 March 2020. The value of the Total Emolument Shares of approximately HK\$3.1 million based on the Reference Closing Price of HK\$0.369 represents approximately 1.6% of the revenue of the Group for FY2020 and approximately 0.3% of the NAV attributable to the Shareholders as at 31 March 2020.

The Emolument Shares will not be vested in the NEDs all at once but over a period of three years. In light of the above, we consider that the Emolument Shares Issue at no extra cash consideration is acceptable.

After considering that:

- (i) the Emolument Shares Issue serves as an incentive to the NEDs to further develop and expand the Group's business prospect in light of the foreseeable opportunities for the Group;
- (ii) the expected contribution by the NEDs in the development of the Group's property investment business as well as business expansion in the Greater Bay Area;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) the Emolument Shares Issue is a better alternative compared to immediate all-cash remuneration and/or the granting of share options from the Company's perspective in remunerating the NEDs; and
- (iv) the vesting period in which the NEDs will receive the Emolument Shares over three years would motivate them to contribute to the continuous development of the Group,

we are of the view that the terms of the Emolument Shares Issue are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

6. Other terms of the Service Contracts

In addition to the Emolument Shares Issue, we have reviewed other terms of the Service Contracts and noted the terms are generally normal employment terms.

Having considered the aforementioned factors, we are of the opinion that the Service Contracts and the terms of the Emolument Shares Issue are fair and reasonable so far as the Independent Shareholders are concerned.

FINANCIAL EFFECT OF THE EMOLUMENT SHARES ISSUE

Earnings

Upon completion of the Emolument Shares Issue, the earnings of the Group will decrease slightly after deducting the expenses relating to the Emolument Shares Issue and the remuneration of the NEDs to be recorded based on the value of the Total Emolument Shares of HK\$3.1 million in aggregate over three years.

NAV

The Emolument Shares Issue will increase the share capital of the Group, albeit by a small amount, while reducing the earnings of the Group resulting from the remuneration to be recorded based on the value of the Total Emolument Shares of HK\$3.1 million in aggregate over three years and the administrative and professional expenses incurred relating from the Emolument Share Issue. The net effect on the NAV of the Group is minimal.

Cashflow

Save for the administrative and professional expenses relating to the Emolument Shares Issue, the Emolument Shares Issue will have no impact on the cash position of the Group as no cash outlay by the Group is required.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notwithstanding that the Emolument Shares Issue would decrease the Group's earnings in the future, the Directors expect the Emolument Shares Issue would retain and motivate the NEDs to make continuous contributions to the Group and the allocation of the fair value of the Total Emolument Shares is part of the Group's recurring wages and salaries expenses.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Upon the allotment and issue of a total of 8,292,684 Emolument Shares to the NEDs in full (assuming no change in the issued Shares between the Latest Practicable Date and the date of issue of the Total Emolument Shares), the shareholding interests of the existing public Shareholders will be diluted from approximately 28.15% to approximately 28.11%.

Taking into account: (i) the aforementioned reasons for and possible benefits of the Emolument Shares Issue; (ii) the terms of the Emolument Shares Issue being fair and reasonable; and (iii) there will not be any cash outflow by the Group, we are of the view that the dilution to the shareholding interests of the existing public Shareholders as a result of the Emolument Shares Issue is acceptable.

RECOMMENDATION

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

- (i) the important roles played by the NEDs to assist in developing business strategies and providing support to the Group in its business expansion;
- (ii) the managerial experience of the NEDs, their expertise in the real estate industry and their strong clientele network which will be beneficial for the Group's future development;
- (iii) the Emolument Shares Issue is a better alternative compared to an all-cash remuneration payment or the granting of share options to reward the NEDs;
- (iv) the total annual remuneration package (including the Emolument Shares Issue) for the NEDs is within the range of the Comparable NEDs' total remuneration package in the market; and
- (v) the vesting period of the Emolument Shares Issue is in line with the Award Comparables,

we are of the opinion that although the Emolument Shares Issue is not in the ordinary and usual course of business of the Group, the terms of the Emolument Shares Issue are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

recommend, the Independent Shareholders to vote in favour of the resolutions to approve the allotment and issuance of the Emolument Shares to Mr. Xu and Mr. Wei under the Specific Mandate at the EGM.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Koh Kwai Yim
Managing Director

Ms. Koh Kwai Yim is the Managing Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 20 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

** The English name of the PRC entity marked in asterisk is direct translation of its Chinese name and is included herein for identification purpose only. In the event of any inconsistency, the Chinese name shall prevail.*

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had registered in an interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO); (ii) recorded in the register kept by the Company, pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules:

Name of Director	Capacity/nature of interests	Approximate	
		Number of Shares/ underlying Shares held (Long position)	% of issued share capital in the Company (Note 1)
Fok Chi Tak (Note 2)	Beneficial owner	60,975,610	1.15%
Xu Lin	Beneficial owner	4,146,342	0.08%
Wei Bin	Beneficial owner	4,146,342	0.08%

Notes:

- The percentage figure is based on the number of Share in issue as at the Latest Practicable Date (i.e. 5,287,954,561).
- These are Shares to be allotted and issued to Mr. Fok Chi Tak pursuant to the share award scheme adopted by the Company on 24 April 2020.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the 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 positions in Shares and underlying shares of equity derivatives of the Company as at the Latest Practicable Date:

Name of substantial Shareholder	Capacity/nature of interests	Approximate	
		Number of Shares/ underlying Shares held (Note 1)	% of the issued share capital in the Company (Note 12)
Hao Tian Management (Hong Kong) Limited (Note 2)	Beneficial owner	785,352,000	14.85%
Hao Tian Management (China) Limited (Note 3)	Beneficial owner	2,388,944,688	45.18%
Win Team Investments Limited (Note 4)	Interest of controlled corporation	3,174,296,688	60.03%
Hao Tian Finance Company Limited (Note 5)	Beneficial owner	382,857,143	7.24%
Guo Guang Limited (Note 5)	Interest of controlled corporation	382,857,143	7.24%
Aceso Life Science Group Limited (Note 6)	Interest of controlled corporation	3,557,153,831	67.27%
Asia Link Capital Investment Holdings Limited (Note 7)	Interest of controlled corporation	3,557,153,831	67.27%
Li Shao Yu (Note 7)	Interest of controlled corporation	3,557,153,831	67.27%
Cheer Hope Holdings Limited (Note 8)	Security interest	2,643,984,688	50%
China Construction Bank Corporation (Note 8)	Security interest	2,643,984,688	50%
Soaring Wealth Ventures Limited (Note 9)	Beneficial interest	1,000,000,000	18.91%

Name of substantial Shareholder	Capacity/nature of interests	Approximate	
		Number of Shares/ underlying Shares held (Note 1)	% of the issued share capital in the Company (Note 12)
Lin Yuan (Note 9)	Interest of controlled corporation	1,000,000,000	18.91%
Kenson Investment Limited (Note 10)	Beneficial owner	625,000,000	11.80%
Oshidori International Holdings Limited (Note 10)	Interest of controlled corporation	625,000,000	11.80%
Opulent Elite Investments Limited (Note 11)	Beneficial owner	275,862,069	5.22%
Chen Tingjia (Note 11)	Interest of controlled corporation	275,862,069	5.22%

Notes:

- All interests stated are long positions.
- According to the information available to the Company, Hao Tian Management (Hong Kong) Limited is a company incorporated in Hong Kong with limited liability and is directly owned as to approximately 92.41% by Win Team Investments Limited.
- According to the information available to the Company, Hao Tian Management (China) Limited is a company incorporated in Hong Kong with limited liability and is directly wholly owned by Win Team Investments Limited.
- According to the information available to the Company, Win Team Investments Limited is a company incorporated in the British Virgin Islands and is directly wholly owned by Aceso Life Science Group Limited (formerly known as Hao Tian Development Group Limited) (“ALS”).
- According to the information available to the Company, Hao Tian Finance Company Limited is a company incorporated in Hong Kong with limited liability and is directly wholly owned by Guo Guang Limited which is directly wholly owned by ALS.
- According to the information available to the Company, ALS is a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (stock code: 474).
- According to the information available to the Company, Asia Link Capital Investment Holdings Limited beneficially owns 44.54% of the entire issued share capital of ALS and is in turn directly wholly owned by Li Shao Yu.

8. Such shares represent the shares charged to Cheer Hope Holdings Limited by Hao Tian Management (China) Limited and Hao Tian Management (Hong Kong) Limited. According to the information available to the Company, Cheer Hope Holdings Limited is wholly owned by CCBI Investments Limited, which in turn is wholly owned by CCB International (Holdings) Limited, which in turn is wholly owned by CCB Financial Holdings Limited, which in turn is wholly owned by CCB International Group Holdings Limited, which in turn is wholly owned by China Construction Bank Corporation, which in turn is 57.11% owned by Central Huijin Investment Ltd.
9. According to the information available to the Company, Soaring Wealth Ventures Limited is a company incorporated in the British Virgin Islands and is directly wholly owned by Lin Yuan.
10. According to the information available to the Company, Kenson Investment Limited is indirectly wholly owned by Oshidori International Holdings Limited.
11. According to the information available to the Company, Opulent Elite Investments Limited is directly wholly owned by Chen Tingjia.
12. The percentage figures are based on the number of Shares in issue as at the Latest Practicable Date (i.e. 5,287,954,561 Shares)

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as was known to the Directors of the Company (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the 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.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not expiring or determinable within one year without payment of compensation (other than statutory compensation).

5. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have, since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up, been acquired or disposed of by, or leased to, or were proposed to be acquired by or disposed of, or leased to any member of the Group; and

- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement was subsisting as at the date of this circular and which was significant in relation to the business of the Group as a whole.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested directly or indirectly in any business, apart from their interest in the Company, which competes or is likely to compete with the business of the Group.

7. MATERIAL ADVERSE CHANGE

Save as disclosed in the profit warning announcement of the Company dated 9 November 2020 in relation to the expected loss for the six months ended 30 September 2020, the Directors were not aware of any material adverse change 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 were made up.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

9. MATERIAL CONTRACTS

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

- (a) the sale and purchase agreement dated 17 December 2018 entered into between Glory Century Limited, Hao Tian Management (Hong Kong) Limited and the Company in respect of acquisition of the 990,000,000 ordinary shares of China Shandong Hi-Speed Financial Group Limited (details are set out in the Company's announcement dated 18 December 2018);
- (b) the sale and purchase agreement dated 1 March 2019 entered into between Crawler Krane Business Limited and Bravo Rich Limited in relation to the disposal of the 100 issued shares of Chim Kee Crane Company Limited and the shareholder's loan (details are set out in the Company's announcement dated 3 March 2019);

- (c) the subscription order dated 5 March 2019 issued by Glory Century Limited for the subscription of 319,325.73 participating redeemable shares having a nominal value of US\$0.001 each in the share capital of Riverwood China Growth Fund (details are set out in the Company's announcement dated 5 March 2019);
- (d) the sale and purchase agreement dated 12 July 2019 entered into between the Company as purchaser; Opulent Elite Investments Limited as vendor; and Chen Tingjia, as warrantor, in relation to a collection of six sets of canvas and paper painting art pieces (details are set out in the Company's announcement dated 12 July 2019);
- (e) the sale and purchase agreement dated 10 September 2019 entered into between Hao Tian Finance Company Limited as vendor, Hao Tian International Financial Holdings Limited as purchaser and the Company in respect of the total of 200,000,000 shares in the capital of Hao Tian Credit, being its entire issued share capital (details are set out in the Company's announcement dated 10 September 2019);
- (f) the loan agreement dated 6 December 2019 entered into between Hao Tian International Finance Company Limited as lender and Loyal Kingdom Limited as borrower, in relation to a term loan facility in the principal amount of up to HK\$50,000,000 for a term commencing from the relevant drawdown date and ended on 30 March 2020 and at an interest rate of 16% per annum (details are set out in the Company's announcement dated 6 December 2019);
- (g) the license agreement dated 31 December 2019 entered into between Glory Century Limited as licensor and Hao Tian Management (Hong Kong) Limited a company incorporated in Hong Kong and an indirect subsidiary of Hao Tian Development Group Limited, as licensee for the licensing of the premises located at Rooms 2501-2509, 25/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong for a term commencing from 1 January 2020 to 31 December 2022 (details are set out in the Company's announcement dated 31 December 2019);
- (h) the share swap agreement dated 2 April 2020 entered into between the Company and Oshidori International Holdings Limited (“**Oshidori**”) in relation to the issue and allot the 625,000,000 Shares under general mandate to Oshidori or its nominee(s) in exchange of the 187,500,000 shares of Oshidori (details are set out in the Company's announcement dated 2 April 2020);
- (i) the sale and purchase agreement dated 4 September 2020 entered into between the Company, Victory Bright Limited as the buyer and Soaring Wealth Ventures Limited as the seller in respect of the acquisition of 100 ordinary shares in Alcott Global Limited, being its entire issued capital (details are set out in the Company's announcement dated 4 September 2020); and

- (j) the placing agreement dated 7 September 2020 entered into between the Company and Hao Tian International Securities Limited as the placing agent in respect of the placement of up to 234,296,000 new Shares pursuant to the terms of the placing agreement at the price of HK\$0.285 per Share (details are set out in the Company's announcement dated 7 September 2020).

10. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular and has given its letter contained in this circular:

Name	Qualification
Opus Capital	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Opus Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter and reference to its name, in the form and context in which it is included.

As at the Latest Practicable Date, Opus Capital did not have any shareholding in any member of the Group and did not have the right to subscribe for or to nominate persons to subscribe for shares in any members of the Group.

As at the Latest Practicable Date, Opus Capital did not have any interest, direct or indirect, in any assets which have been acquired by or disposed of or leased to any member of the Group, or which are proposed to be acquired by or disposed of or leased to any member of the Group since 31 March 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

11. GENERAL

- (a) The company secretary of the Company is Ms. Chan Lai Ping, who is a qualified lawyer in Hong Kong.
- (b) The branch share registrar and transfer office of the Company is Tricor Investors Services Limited.
- (c) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) at Rooms 2510-2518, 25/F, Shui On Centre, 6-8 Harbour Road Wanchai, Hong Kong from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (a) the service contract dated 6 October 2020 entered into between Mr. Xu and the Company;
- (b) the service contract dated 6 October 2020 entered into between Mr. Wei and the Company;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 14 to 15 of this circular;
- (d) the letter from Opus Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 39 of this circular;
- (e) the material contracts as referred to in the paragraph headed “9. Material Contracts” in this appendix;
- (f) the memorandum of association and articles of association of the Company;
- (g) the audited consolidated accounts for the Group for the years ended 31 March 2019 and 31 March 2020;
- (h) the written consent from Opus Capital referred to the section headed “Expert and Consent” of this appendix;
- (i) the circular of the Company date 9 October 2020; and
- (j) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

HAO TIAN INTERNATIONAL CONSTRUCTION INVESTMENT GROUP LIMITED

昊天國際建設投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1341)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Hao Tian International Construction Investment Group Limited (the “Company”) will be held at 10/F, CKK Commercial Centre, 289 Hennessy Road, Wanchai, Hong Kong on Wednesday, 2 December 2020 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without amendments, each as an ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the grant of specific mandate to the board of directors of the Company (the “**Director(s)**”) regarding the allotment and issue of an aggregate of 8,292,684 new shares of the Company to Mr. Xu Lin and Mr. Wei Bin, the newly appointed non-executive Directors, accordingly connected persons (as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) of the Company, as part of their emolument (the “**Emolument Shares**”) be and is hereby approved and confirmed.”
2. “**THAT**:
 - (a) the grant, allotment and issue of the Emolument Shares (each as a separate resolution) be and is hereby approved and confirmed:
 - (i) the grant, allotment and issue of the 4,146,342 Emolument Shares to Mr. Xu Lin pursuant to the service contract with the Company for his appointment as a non-executive Director;
 - (ii) the grant, allotment and issue of the 4,146,342 Emolument Shares to Mr. Wei Bin pursuant to the service contract with the Company for his appointment as a non-executive Director; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) 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 allotment and issue of the Emolument Shares.”

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

Hong Kong, 13 November 2020

Notes:

1. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. Any Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a Shareholder. To be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company’s branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM.
2. Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
3. For determining the entitlement to attend and vote at the EGM or any adjournment thereof, the record date is fixed on Thursday, 26 November 2020. Shareholders whose names appear on the Register of Members of the Company at the close of business on the record date will be entitled to attend and vote at the EGM. In order to be entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 26 November 2020.
4. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect at the time of the EGM, the EGM will be held as scheduled unless further notice posted on the websites of the Company at <http://www.haotianint.com.hk> and the Stock Exchange at <http://www.hkexnews.hk> to notify Shareholders of the date, time and place of the rescheduled meeting.

Shareholders should make their own decision as to whether they would attend the EGM under bad weather conditions bearing in mind their own situation and if they should choose to do so, they are advised to exercise care and caution.
5. As at the date of this notice, the Board comprises four executive Directors, namely Mr. Fok Chi Tak, Mr. Zheng Li, Mr. Tang Yiu Chi James and Dr. Zhiliang Ou, J.P. (Australia); two non-executive Directors, namely Mr. Xu Lin and Mr. Wei Bin; and four independent non-executive Directors, namely Mr. Lee Chi Hwa Joshua, Mr. Mak Yiu Tong, Mr. Li Chi Keung Eliot and Mr. Shek Lai Him Abraham.