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恆泰裕集團控股有限公司
HANG TAI YUE GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8081)

**(1) VERY SUBSTANTIAL DISPOSAL AND
CONNECTED TRANSACTION:
DISPOSAL OF 51.46% OF THE EQUITY INTEREST IN ZHIQU
IN RETURN FOR CONSIDERATION SHARES IN THE
PURCHASER AND CASH PAYMENT;
AND
(2) MAJOR TRANSACTION:
ACQUISITION OF EQUITY INTERESTS IN THE PURCHASER –
UPDATE ON ADJUSTMENT OF CONSIDERATION**

Reference is made to the announcements of Hang Tai Yue Group Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) dated 8 December 2015, 11 January 2016, 29 February 2016, 20 May 2016, 5 July 2016, 5 September 2016, 7 September 2016, 31 August 2017, 14 December 2018, 15 March 2019, 9 April 2019, 29 April 2019 (“**April Announcement**”), 8 November 2019 and 3 December 2019 (“**December Announcement**”) and the circular of the Company dated 11 February 2016 (“**Circular**”), in relation to, among other matters, the disposal of the Group’s interest in 上海智趣廣告有限公司 (in English for identification purpose only, Shanghai Zhiqu Advertisement Co., Ltd., “**Zhiqu**”). Capitalised terms used herein shall have the same meanings as those defined in the April Announcement, the December Announcement and the Circular unless otherwise specified.

On 6 December 2019, Jixiang received a letter (“**Letter**”) from the Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) indicating that it has approved the Purchaser’s application (“**Application**”) to make the following amendments (“**Amendments**”) to certain demands made by the Purchaser against Jixiang in relation to the settlement of the 2017 Unsettled Compensation, the details of which were set out in the April Announcement:

- (1) the transfer of 45,779,220 Purchaser Shares (instead of 23,477,822 Purchaser Shares as set out in paragraph (i) in the April Announcement) held by Jixiang to the Purchaser;
- (2) if Jixiang is unable to transfer the entire 45,779,220 Purchaser Shares (instead of 23,477,822 Purchaser Shares as set out in paragraph (ii) in the April Announcement) to the Purchaser, the shortfall shall be compensated to the Purchaser by way of cash; and

- (3) the return of the cash bonus in the amount of RMB987,523.17 (instead of RMB506,450.16 as set out in paragraph (iii) in the April Announcement) in relation to the 45,779,220 Purchaser Shares (instead of 23,477,822 Purchaser Shares as set out in paragraph (iii) in the April Announcement) by Jixiang to the Purchaser.

In the Application, further to the above amendments, the Purchaser also demands Jixiang to pay the Purchaser (a) cash compensation in the amount of RMB25,510,005.91; and (b) an amount which is calculated from the date of the Application, based on the amount of unsettled compensation due from Jixiang to the Purchaser times the one-year loan prime rate published on 21 October 2019 as authorised by the People's Bank of China (i.e. 4.20% per annum), as compensation for the loss suffered by the Purchaser.

It is stated in the Application that the Amendments are proposed taking into consideration that (i) the Audited NOP of Zhiqu for FY2018 as reported in the Special Audit Report in respect of the Audited NOP of Zhiqu for FY2018 amounting to approximately RMB7,701,500, is less than the 2018 Target NOP of Zhiqu (i.e. RMB98,020,000); and (ii) any party in breach of the Performance Compensation Agreement shall be liable for damages caused to the parties not in default.

It is stated in the Letter that Jixiang shall provide rebuttal opinion on evidence in respect of the supplemental information attached to the Application within five working days after the receipt of the Letter. The Company is in the course of seeking legal advice on the above matter. The Company will keep the shareholders of the Company and potential investors informed of any further material developments in connection with the above matter by way of further announcement(s) as and when appropriate.

On behalf of the Board
Hang Tai Yue Group Holdings Limited
Hui Chun Sum
Chairman

6 December 2019

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Hui Chun Sum, Ms. Lam Ching Yee and Ms. Pauline Lam; and (ii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Lee King Fui and Mr. Ho Kin Wai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of publication and on the website of the Company at <http://www.hangtaiyue.com>.