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渝太地產集團有限公司[#]
Y. T. REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 75)

MAJOR TRANSACTION

**PROPOSED ACQUISITION OF
INTERESTS IN THE SITES IN SICHUAN THROUGH
PROPERTY HOLDING COMPANIES**

THE AGREEMENT

The Board is pleased to announce that on 26 March 2020 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor and the Vendor's Guarantor, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Sale Shares at a consideration of HK\$350,000,000 payable in cash in accordance with the terms and conditions of the Agreement. The Sale Shares represent the entire issued share capital of the Target Company, which holds indirectly 80% of the equity interest in the Project Company, which in turn directly owns the Sites located in Meishan, Sichuan Province, the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 25% but less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

THE SGM AND DISPATCH OF CIRCULAR

The SGM will be convened for the purpose of considering and, if thought fit, approving among other things, the Agreement and the Transaction.

As time is needed for the Company to compile the financial information of the Target Group, a circular containing, among other things, (i) information of the Agreement and the Transaction; (ii) financial information of the Group; (iii) financial information of the Target Group; (iv) the relevant unaudited pro forma financial information; (v) the valuation report relating to the Sites; and (vi) notice of the SGM and form of proxy is expected to be dispatched to the Shareholders on or before 24 April 2020.

Shareholders and potential investors of the Company should be aware that the Transaction is subject to a number of conditions being satisfied and may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when they deal or contemplate dealing in the Shares.

INTRODUCTION

On 26 March 2020 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor and the Vendor's Guarantor.

Principal terms and conditions of the Agreement are summarized below:

THE AGREEMENT

Date

26 March 2020

Parties

- (i) The Purchaser, (an indirect wholly-owned subsidiary of the Company);
- (ii) the Vendor; and
- (iii) the Vendor's Guarantor.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) the Vendor and the Vendor's Guarantor, being the ultimate beneficial owner of the Vendor, are third parties independent of the Group and its connected persons; and (b) the Vendor is principally engaged in investment holding and the Vendor's Guarantor is an entrepreneur having businesses and investments in the PRC.

Subject matter

Subject to the terms and conditions of the Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares representing the entire issued share capital of the Target Company.

Details of the Target Group and the Sites are set out in the section headed "Information of the Target Group" below.

Consideration and payment terms

The Consideration, being HK\$350,000,000, will be satisfied in the following manner:

- (i) as to HK\$17,500,000 being a refundable deposit payable to the Vendor (or its nominee) in cash within three business days after the date of the Agreement (the "**Refundable**

Deposit”); and

- (ii) as to HK\$332,500,000 being balance of the Consideration payable to the Vendor (or its nominee) in cash upon Completion.

Basis of determining the Consideration

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor after taking into account relevant factors, including (i) the net book value of the Target Group as at 31 December 2019; (ii) the tentative appraisal value of the Sites; and (iii) the book costs relevant to the Sites and the amount of outstanding land premium payable by the Target Group under the signed state-owned construction land use rights grant contracts as at 31 December 2019.

The Consideration will be entirely funded by the internal resources of the Group.

Conditions precedent

Completion is conditional upon the fulfilment (or waiver, if permitted) of the following conditions:

- (a) the Purchaser having completed and reasonably satisfied with the results of due diligence on the Target Group and the Sites, including but not limited to the appraisal of the Sites;
- (b) the Purchaser having obtained necessary approvals required under the applicable law and regulations in relation to the transactions contemplated under the Agreement, including the passing of an ordinary resolution by the Shareholders at the SGM to approve the Agreement and the transactions contemplated thereunder;
- (c) the warranties given by the Vendor and the Vendor’s Guarantor in the Agreement remaining true and accurate and not misleading from the date of the Agreement up to the Completion Date, and there being no incidents, facts or circumstances of the Vendor and/or the Target Group and/or the Vendor’s Guarantor that constitute or may constitute a breach of any warranties given by the Vendor or the Vendor’s Guarantor under the Agreement;
- (d) the warranties given by the Purchaser in the Agreement remaining true and accurate and not misleading from the date of the Agreement up to the Completion Date, and there being no incidents, facts or circumstances of the Purchaser and/or the Company that constitute or may constitute a breach of any warranties given by the Purchaser under the Agreement;
- (e) the parties to the Agreement and the Target Company having obtained all necessary approvals, authorizations, waivers or notifications from third parties which are required for the execution and performance of the Agreement and the transactions contemplated thereunder and not having been revoked on or prior to Completion;
- (f) there being no incidents which have or may have a material adverse effect or potential material adverse effect on the ownership, business, operations, assets or financial condition of the Target Group since 31 December 2019, the date to which the latest

audited financial statements of the Target Group are to be made up;

- (g) the parties to the Agreement having performed and complied with all agreements, obligations and conditions contained in the Agreement that are required to be performed or complied with by each of them on or before the Completion Date (including the undertaking by the Vendor and the Target Group in relation to conduct of business of the Target Group between signing of the Agreement and Completion); and
- (h) no relevant governmental, court, or other statutory or regulatory body having granted any order or made any decision that restricts or prohibits the implementation of the transactions contemplated under the Agreement.

The conditions set out in paragraphs (b) and (h) above cannot be waived by any parties. The Purchaser may at its discretion waive any of the conditions set out in paragraphs (a), (c), (e), (f) and (g). If (i) any of the conditions (other than the condition set out in paragraph (b)) has not been satisfied or waived due to the fault of the Vendor or the Vendor's Guarantor, or (ii) the condition set out in paragraph (b) above has not been satisfied or waived, by the day falling 6 months after the date of the Agreement (or such other date as the parties may agree in writing), the Agreement shall lapse and the Vendor shall return the Refundable Deposit to the Purchaser.

Conduct of business after signing and before Completion

The Vendor and the Vendor's Guarantor undertook to procure members of the Target Group not to, among other things, incur any material expense, expenditure or liability, capital commitment, or enter into any material agreement not in the ordinary course of business without the Purchaser's prior written consent.

Guarantee and indemnity

The Vendor's Guarantor as primary obligor agreed to guarantee the due performance by the Vendor of all its obligations, responsibilities, warranties and undertakings under the Agreement and indemnify the Purchaser against costs, expenses and losses which the Purchaser may suffer from the Vendor's breach of its obligations, responsibilities, warranties or undertakings under the Agreement.

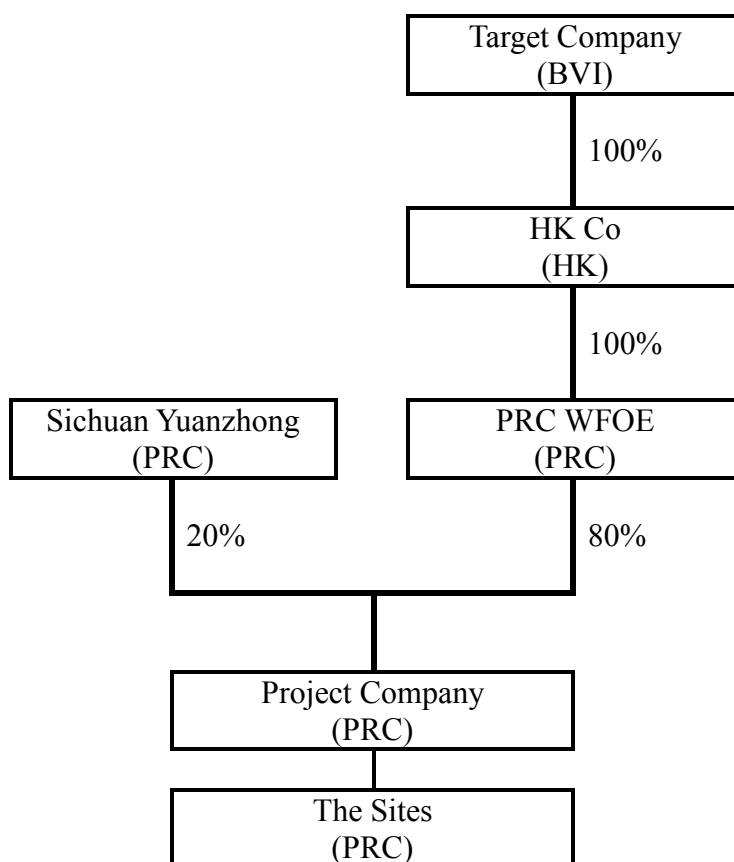
Completion

Completion of the Agreement will take place on the Completion Date, being the next business day after all the conditions to the Agreement as set out in the sub-section headed "Conditions precedent" above have either been satisfied or (as the case may be) waived (or such other date as the parties may agree).

After Completion, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial results of the Group.

INFORMATION ON THE TARGET GROUP

Set out below is the corporate structure of the Target Group as at the date of this announcement:



The Target Company is incorporated in the BVI with limited liability, and is principally engaged in investment holding. Its principal asset is currently the entire equity interest in the HK Co.

The HK Co is incorporated in Hong Kong with limited liability, and is principally engaged in investment holding. Its principal asset is currently the entire equity interest in the PRC WFOE.

The PRC WFOE is a wholly foreign-owned enterprise established with limited liability in the PRC and its principal business is investment holding. Its principal asset is currently the 80% equity interest in the Project Company.

The Project Company is a company established with limited liability in the PRC and its principal business is the holding and development of the Sites. Its principal asset is currently the Sites and the development rights thereto.

Sichuan Yuanzhong is a company established in the PRC, information of which is further disclosed in the sub-section headed “Joint venture cooperation with Sichuan Yuanzhong” below.

Information on the Sites

The Sites comprise six plots of land with an aggregate gross area of approximately 290,896.91 sqm. The Sites are located at the west side of Shigao Road, and the south side of beltway of Tianfu New District or the east or north side of the road around the eastern lake in Shigao Town, Renshou County in Meishan, Sichuan Province, the PRC* (中國四川省眉山市仁壽縣視高鎮視高大道西側，環天府新區快速通道南側或環湖東路東側或北側). As at the date of this announcement, the Project Company entered into the relevant state-owned construction land use rights grant contracts with Renshou County Natural Resources and Planning Bureau for all the six land plots constituting the Sites.

The Sites are presently expected to be developed into a residential complex with ancillary commercial facilities and car-parking spaces. The total planned gross floor area of the development project is approximately 581,731.16 sqm. As at the date of this announcement, land construction permit in respect of one land plot has been obtained and the pre-sale of units thereon has commenced. The tentative appraisal value of the Sites as at 29 February 2020 is RMB1,946,000,000 (equivalent to HK\$2,123,086,000) based on the indicative valuation work conducted by the independent professional valuer engaged by the Company, which is substantially completed as at the date of this announcement.

Financial information of the Target Group

Based on the unaudited consolidated management accounts of the Target Company prepared in accordance with the accounting principles generally accepted in Hong Kong, as at 31 December 2019, the unaudited net liability value of the Target Group is HK\$76,492,000. From the date of incorporation of the Project Company to 31 December 2019 (being the only financial year applicable to the Target Group since its incorporation), the Target Group has recorded a net loss before tax and after tax of HK\$86,740,000 and HK\$77,364,000 respectively.

Joint venture cooperation with Sichuan Yuanzhong

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sichuan Yuanzhong has experience in property development in Sichuan Province, the PRC, and it belongs to a conglomerate based in Chengdu which engages in a variety of businesses covering biopharmaceutical medicines, securities investment, assets management, corporate advisory, property development and property management. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sichuan Yuanzhong and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The PRC WFOE and Sichuan Yuanzhong will be entitled to share the profit or to bear the loss of the Project Company in proportion to their respective equity interests in the Project Company.

REASONS AND BENEFITS OF THE TRANSACTION

The Group has been principally engaged in property businesses for decades and has considerable experience in the property market. While the Group successfully maintained a steady growth in its revenue in the year ended 31 December 2019, the Group has been proactive in searching for business opportunities in various property markets and believes that leveraging on its knowledge and experience in property-related businesses is key to creating additional

sustainable value for the Group and stronger returns for the Shareholders amid the current challenging market conditions.

Since 2018, the global economy has become increasingly fragile and uncertain following the escalation of the trade conflicts between the United States and the PRC, the implementation of Brexit in the UK, other business tensions around the world and the impact of the novel coronavirus outbreak. However, the Group remains optimistic about the economic growth potential in the PRC and the general prospect of the PRC's property market in the coming years. The Board considers that the region in which the Sites are located has potential for future long-term growth and the Transaction offers an opportunity for the Group to tap into the property development business in the PRC and to capture the benefits from the property market in the PRC in the coming years.

The Directors are of the view that the terms of the Transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

While property investment is within the Group's ordinary course of business, as the Transaction is structured as an acquisition of the investment holding company and one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 25% but less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

THE SGM AND DISPATCH OF CIRCULAR

The SGM will be convened for the purpose of considering and, if thought fit, approving among other things, the Agreement and the Transaction.

As time is needed for the Company to compile the financial information of the Target Group, a circular containing, among other things, (i) information of the Agreement and the Transaction; (ii) financial information of the Group; (iii) financial information of the Target Group; (vi) the relevant unaudited pro forma financial information; (v) the valuation report relating to the Sites; and (vi) notice of the SGM and form of proxy is expected to be dispatched to the Shareholders on or before 24 April 2020.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 26 March 2020 entered into between the Purchaser, the Vendor and the Vendor's Guarantor in respect of the Transaction
“Board”	the board of Directors
“BVI”	the British Virgin Islands

“Company”	Y. T. Realty Group Limited, a company incorporated in Bermuda with limited liability with Shares listed on the Main Board of the Stock Exchange (Stock Code: 0075)
“Completion”	the completion of the Transaction in accordance with the terms and conditions of the Agreement
“Completion Date”	the next business day after all the conditions precedent of the Agreement have been fulfilled or waived (or such other date as the parties to the Agreement may agree)
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Transaction
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group and the Target Group upon Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK Co”	Circle Capital (International) Investment Limited (圓中（國際）投資有限公司), a company incorporated with limited liability in Hong Kong and directly and wholly owned by the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	The People’s Republic of China, which shall, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC WFOE”	Chengdu Yunrun Corporate Management Co., Ltd.* (成都圓潤企業管理有限公司), a wholly foreign-owned enterprise established with limited liability in the PRC and directly and wholly owned by the HK Co
“Project Company”	Sichuan Yuanzhong Rundafeng Property Development Co., Ltd.* (四川圓中潤達豐置業發展有限公司), a company established with limited liability in the PRC and

	held directly as to 80% by the PRC WFOE and as to 20% by Sichuan Yuanzhong
“Purchaser”	Radiant Luck Investments Limited, a limited liability company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company
“Refundable Deposit”	has the meaning ascribed to it under the sub-section headed “Consideration and payment terms” under the section headed “THE AGREEMENT” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	50,000 shares of US\$1.00 each of the Target Company, representing the entire issued share capital of the Target Company
“Sites”	comprising six plots of lands owned by the Project Company with an aggregate site area of approximately 290,896.91 sqm located in Shigao Town, Renshou County in Meishan, Sichuan Province, the PRC* (中國四川省眉山市仁壽縣視高鎮)
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other things, the Transaction, the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of the Company of HK\$0.1 each
“Shareholder(s)”	the holder(s) of the Shares
“Sichuan Yuanzhong”	Sichuan Yuanzhong Tianchuangu Property Development Co., Ltd.* (四川圓中天創谷置業發展有限公司), a company established with limited liability in the PRC
“sqm”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Prime Circle Global Limited, a company incorporated in the BVI with limited liability, which is directly and wholly-owned by the Vendor
“Target Group”	the Target Company and its subsidiaries
“Transaction”	the acquisition of the Sale Shares by the Purchaser in accordance with the terms and conditions of the Agreement

“UK”	the United Kingdom
“Vendor”	Brilliant Power Limited, a company incorporated in the BVI with limited liability
“Vendor’s Guarantor”	Mr. Ni Biao, who holds the entire equity interest in the Vendor as at the date of this announcement
“%”	per cent

For identification purposes only

The English names of Chinese entities and locations marked with “” are translations of their Chinese names and are included in this announcement for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1:HK\$1.091. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

By order of the Board
Y. T. Realty Group Limited
Cheung Chung Kiu
Chairman and Managing Director

Hong Kong, 26 March 2020

As at the date hereof, the Board comprises Cheung Chung Kiu, Yuen Wing Shing, Tung Wai Lan, Iris and Wong Hy Sky who are executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors.