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**YAN TAT GROUP HOLDINGS LIMITED**

**恩達集團控股有限公司**

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

**(Stock Code: 1480)**

**VERY SUBSTANTIAL DISPOSAL  
AND  
VERY SUBSTANTIAL ACQUISITION  
AND  
THE COOPERATION AGREEMENT  
AND  
RESUMPTION OF TRADING**

**THE COOPERATION AGREEMENT**

The Board is pleased to announce that on 8 May 2020 (after trading hours), Party A and Party B entered into the Cooperation Agreement pursuant to which Party A and Party B have conditionally agreed to cooperate in connection with the Urban Renewal Project, which comprises the following:

In respect of Target Land A,

- (i) Party A shall sell, and Party B shall purchase the entire equity interest in YT Industrial at a consideration of RMB100 million (equivalent to approximately HK\$109 million) in cash. As at the date of this Announcement, YT Industrial does not own any other substantive assets and businesses other than holding Target Land A indirectly and the buildings erected thereon; and

In respect of Target Land B,

- (ii) (a) Party A shall vacate from Target Land B and Party B shall demolish the buildings erected thereon, and obtain the land use right and development right in Target Land B and compensate Party A by paying the YT Printed Circuit Relocation Compensation, which comprises a monetary relocation compensation of RMB600 million (equivalent to approximately HK\$654 million) and the title to the Resettlement Properties of 20,000 sq.m. which is estimated to represent a monetary value of approximately RMB700 million (equivalent to approximately HK\$763 million) as at 30 April 2020 based on the preliminary valuation prepared by Vincorn, an independent valuer; or
- (ii) (b) Under certain circumstances and at the request of Party B, Party A shall sell, and Party B shall purchase the entire equity interest in Restructured YT Printed Circuit at an aggregate consideration of RMB1.3 billion (equivalent to approximately HK\$1.4 billion) or RMB600 million (equivalent to approximately HK\$654 million) plus the market value of the Resettlement Properties of 20,000 sq.m which shall be calculated in accordance with the terms of the Cooperation Agreement. Upon transfer of Restructured YT Printed Circuit, Restructured YT Printed Circuit will not own any other substantive assets and businesses other than holding Target Land B and the buildings erected thereon.

If YT Printed Circuit fails to transfer of its interest in Julongshan properties and R&D Building and at the request of Party B, Party A shall sell, and Party B shall purchase the entire equity interest in YT Printed Circuit which owns (i) Target Land B and the buildings erected thereon and (ii) Julongshan properties and R&D Building only. The parties shall negotiate and agree on the additional consideration for acquiring YT Printed Circuit owning Julongshan properties and R&D Building with reference to their market value.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Monday, 11 May 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 18 May 2020.

**Since the completion of the Transactions is subject to the satisfaction of the conditions set out below and the Urban Renewal Project may or may not be approved by relevant authorities in the PRC for implementation, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## I. INTRODUCTION

The Board is pleased to announce that on 8 May 2020 (after trading hours), Party A and Party B entered into the Cooperation Agreement pursuant to which Party A and Party B have conditionally agreed to cooperate in connection with the Urban Renewal Project, which comprises the following:

In respect of Target Land A,

- (i) Party A shall sell, and Party B shall purchase the entire equity interest in YT Industrial at a consideration of RMB100 million (equivalent to approximately HK\$109 million) in cash. As at the date of this Agreement, YT Industrial does not own any other substantive assets and businesses other than indirectly holding Target Land A and the buildings erected thereon; and

In respect of Target Land B,

- (ii) (a) Party A shall vacate from Target Land B and Party B shall demolish the buildings erected thereon, and obtain the land use right and development right in Target Land B and compensate Party A by paying the YT Printed Circuit Relocation Compensation, which comprises a monetary relocation compensation of RMB600 million (equivalent to approximately HK\$654 million) and the title to the Resettlement Properties of 20,000 sq.m. which is estimated to represent a monetary value of approximately RMB700 million (equivalent to approximately HK\$763 million) as at 30 April 2020 based on the preliminary valuation prepared by Vincorn, an independent valuer; or
- (ii) (b) Under certain circumstances and at the request of Party B, Party A shall sell, and Party B shall purchase the entire equity interest in Restructured YT Printed Circuit at an aggregate consideration of RMB1.3 billion (equivalent to approximately HK\$1.4 billion) or RMB600 million (equivalent to approximately HK\$654 million) plus the market value of the Resettlement Properties of 20,000 sq.m which shall be calculated in accordance with the terms of the Cooperation Agreement. Upon the transfer of Restructured YT Printed Circuit, Restructured YT Printed Circuit will not own any other substantive assets and businesses other than holding Target Land B and the buildings erected thereon.

If YT Printed Circuit fails to dispose of its interest in Julongshan properties and R&D Building and at the request of Party B, Party A shall sell, and Party B shall purchase the entire equity interest in YT Printed Circuit which owns (i) Target Land B and the buildings erected thereon and (ii) Julongshan properties and R&D Building only. The parties shall negotiate and agree on the additional consideration for acquiring YT Printed Circuit owning Julongshan properties and R&D Building with reference to their market value.

Target Land A is currently owned by Grace YT which is wholly owned by YT Industrial. Target Land A is with a total site area of approximately 4,995.6 sq.m. located at the Intersection between Yanziling 3rd Road and Lijing South Road, Nanbu Community, Pingshan District, Shenzhen\* (深圳市坪山區南市社區燕子嶺三路與荔景南路交匯處), the PRC. Target Land A has no current use by the Group.

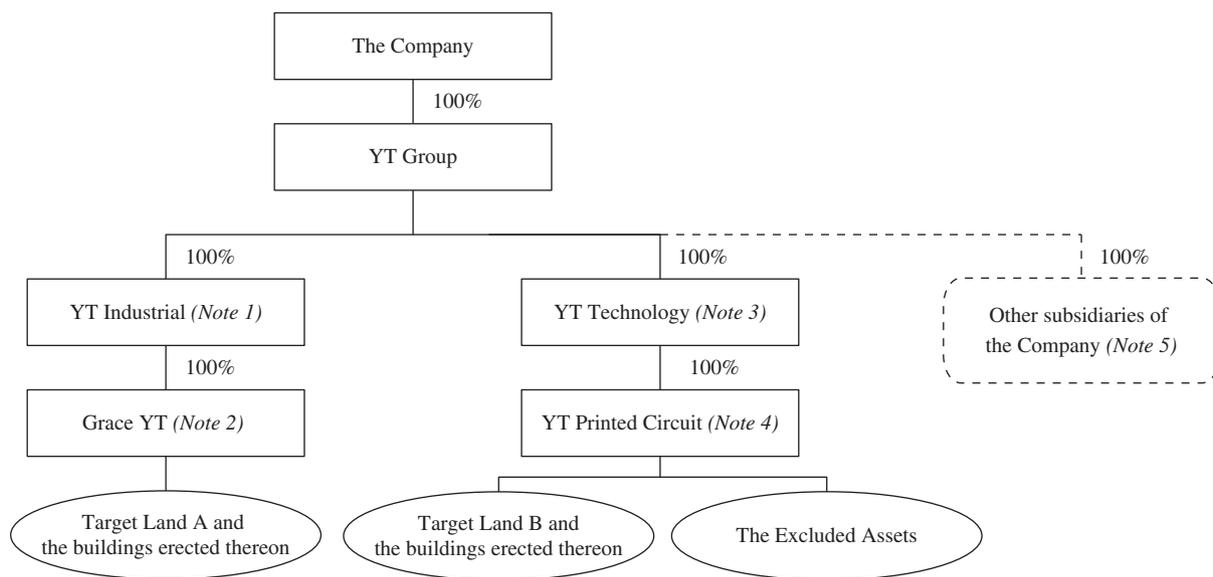
Target Land A and the buildings erected thereon had an unaudited net book value of HK\$3.6 million as at 31 December 2019 and was valued by Vincorn, an independent valuer, at RMB18.9 million (equivalent to approximately HK\$20.6 million) as at 30 April 2020.

Target Land B is currently owned by YT Printed Circuit which is wholly owned by YT Technology. Target Land B is with a total site area of approximately 68,349.49 sq.m. located at the Intersection between Yanziling 3rd Road and Lijing South Road, Nanbu Community, Pingshan District, Shenzhen\* (深圳市坪山區南市社區燕子嶺三路與荔景南路交匯處), the PRC. Target Land B is currently utilised as the Yan Tat PCB Factory, related staff accommodation and industrial complementary buildings of the Group in Shenzhen. Target Land B and the buildings erected thereon had an unaudited net book value of HK\$189.6 million as at 31 December 2019 and was valued by Vincorn, an independent valuer, at RMB287.6 million (equivalent to approximately HK\$313.5 million) as at 30 April 2020. The entire production of PCB of the Group is carried out at Yan Tat PCB Factory.

Upon the Restructuring of the Excluded Assets and the Disposal of Restructured YT Printed Circuit, the Group will still retain the rights, title or interests in the substantive assets and business previously held by YT Printed Circuit save as the interest in Target Land B and in case of implementation by way of the Cooperation Arrangement C, Julongshan properties and R&D Building.

The Company will only be required to relocate its Yan Tat PCB Factory from Target Land B within 36 months after the Urban Renewal Approval (立項完成), provided that the Group has received in total RMB400 million (equivalent to approximately HK\$436 million) from Party B as compensation for relocation and the consideration for YT Industrial. Accordingly, the Directors are of the view that the Cooperation Arrangement will not have any adverse impact to the Group's operation and principal business activities as there will be sufficient time for the Group to either acquire a new parcel of land to build a new production base on its own or to rent a ready-for-use factory before the actual cessation of its existing production.

For the ease of illustration, a simplified shareholding chart of the Company and the relevant assets as at the date of this announcement is set out as below:



*Note 1.* YT Industrial currently has no other substantive business and asset other than holding the entire equity interest in Grace YT.

*Note 2.* Grace YT has no other substantive business and asset other than holding the interest in Target Land A and the buildings erected thereon.

*Note 3.* YT Technology is principally engaged in the trading of PCB.

*Note 4.* YT Printed Circuit is principally engaged in the selling and manufacturing of PCB. Upon the completion of the Restructuring of the Excluded Assets, Restructured YT Printed Circuit will not hold any other substantive assets and businesses other than holding Target Land B and the buildings erected thereon.

*Note 5.* Other subsidiaries of the Company include a subsidiary which is principally engaged in the trading of PCB.

## II. THE COOPERATION AGREEMENT

### Date

8 May 2020

### Parties

#### *Party A*

- (i) YT Group;
- (ii) YT Industrial;
- (iii) Grace YT;
- (iv) YT Technology; and
- (v) YT Printed Circuit.

#### *Party B*

- (vi) Huayu Tiancheng; and
- (vii) Fengyuan Weixin.

Fengyuan Weixin will guarantee the performance of the obligations of Huayu Tiancheng under the Cooperation Agreement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Party B and their ultimate beneficial owners is an Independent Third Party.

### A. The Arrangement in relation to the Target Land A

#### *Target Land A Arrangement under the Cooperation Agreement*

Within three months after the Urban Renewal Approval (立項完成) or within one month after the 25th month following the Effective Date (whichever is earlier), YT Group shall sell and Party B shall designate a nominee to purchase the Sale Shares of YT Industrial free from all encumbrances in consideration of the equivalent Hong Kong dollars of RMB100 million (equivalent to approximately HK\$109 million) in cash (the "**Disposal of YT Industrial**") in accordance with the terms thereof. The Sale Shares of YT Industrial represent the entire issued share capital of YT Industrial. Following the completion of transfer of Sale Shares of YT Industrial, YT Industrial will cease to be a subsidiary of the Company.

(i) *Consideration*

The consideration of the Disposal of YT Industrial is the equivalent Hong Kong dollars of RMB100 million (equivalent to approximately HK\$109 million) (the “**YT Industrial Consideration**”) and it has been determined after arm’s length negotiations among the relevant parties with reference to the unaudited and consolidated net book value of YT Industrial of approximately HK\$3.4 million as at 31 December 2019 and the market value of Target Land A at approximately RMB18.9 million (equivalent to approximately HK\$20.6 million) as at 30 April 2020 based on the preliminary valuation prepared by Vincorn.

(ii) *Payment Schedule*

Within three months after the Urban Renewal Approval (立項完成) or within one month after the 25th month following the Effective Date (whichever is earlier), the YT Industrial Consideration shall be paid to Party A and YT Group shall transfer the Sale Shares of YT Industrial to the designated nominees of Party B at the same time.

***Target Land A Arrangement under the Grace YT Relocation Agreement***

While the parties agree to sell YT Industrial instead of transferring the land use right of the Target Land A directly, the relevant parties also signed the Grace YT Relocation Agreement on 8 May 2020 (after trading hours).

Upon completion of the transfer of Sale Shares of YT Industrial, the Grace YT Relocation Agreement shall be terminated. YT Group and a party nominated by Party B shall sign the sale and purchase agreement to transfer the entire equity interest of YT Industrial later pursuant to the Cooperation Agreement.

Pursuant to the Grace YT Relocation Agreement, Grace YT shall vacate from Target Land A and Party B shall demolish the buildings erected thereon, and obtain the land use right and development right in Target Land A and compensate Grace YT by paying a relocation compensation of RMB100 million (equivalent to approximately HK\$109 million) in cash.

(i) *Grace YT Relocation*

In accordance with the Grace YT Relocation Agreement, Grace YT shall complete the vacation of and hand over the Target Land A and the buildings erected thereon to and enter into a hand over confirmation (移交確認文件) with Huayu Tiancheng at the time of the Disposal of YT Industrial as stipulated in the Cooperation Agreement.

*(ii) Consideration*

The relocation compensation of Target Land A is RMB100 million (equivalent to approximately HK\$109 million) and it has been determined after arm's length negotiations among the parties with reference to the unaudited net book value of Target Land A and all buildings, structures and attachments erected thereon of HK\$3.6 million as at 31 December 2019 and its market value of approximately RMB18.9 million (equivalent to approximately HK\$20.6 million), as at 30 April 2020 based on the preliminary valuation prepared by Vincorn.

*(iii) Payment Schedule*

Within three months after the Urban Renewal Approval (立項完成) or within one month after the 25th month following the Grace YT Relocation Agreement becoming effective (whichever is earlier), Huayu Tiancheng shall pay Party A or a party designated by Party A a relocation consideration of RMB100 million (equivalent to approximately HK\$109 million) in cash.

**B. The Arrangement in relation to Target Land B**

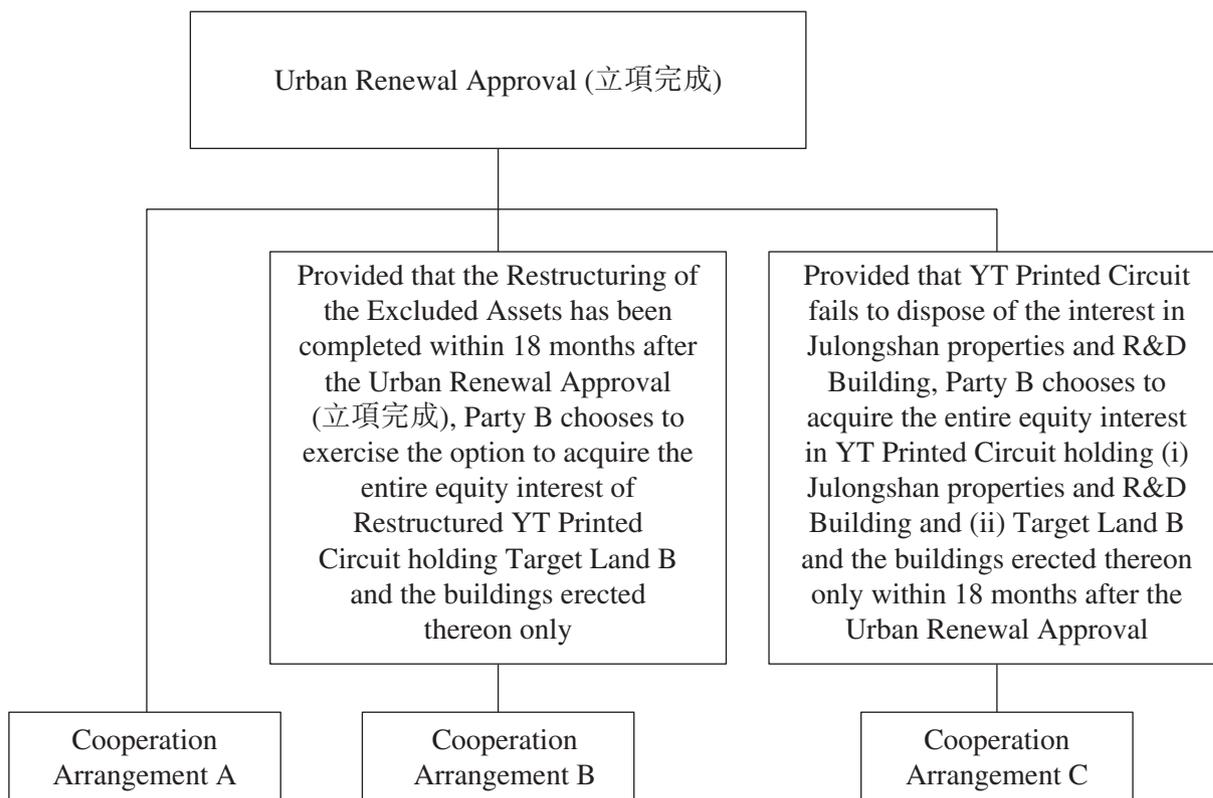
*Restructuring of Excluded Assets*

After the Effective Date, YT Printed Circuit will commence to implement the restructuring of the Excluded Assets (the “**Restructuring of the Excluded Assets**”). Upon the completion of the Restructuring of the Excluded Assets, Restructured YT Printed Circuit is expected to own the interest in Target Land B and the buildings, structures and attachments erected thereon only (the “**Restructured YT Printed Circuit**”) and the Group is expected to retain the Excluded Assets.

*Different Implementation Options*

Party A shall vacate from Target Land B and Party B shall demolish the buildings erected thereon, and obtain the land use right and development right in Target Land B and compensate Party A by paying the YT Printed Circuit Relocation Compensation. For details, please refer to the section headed “Cooperation Arrangement A — Relocation Compensation” below.

Under certain circumstances and at the request of Party B, the following implementation options may be used:



***Cooperation Arrangement A — Relocation Compensation***

Party A shall vacate from Target Land B and Party B shall demolish the buildings erected thereon, and obtain the land use right and development right in Target Land B and compensate Party A by paying the YT Printed Circuit Relocation Compensation.

*(i) Consideration*

The YT Printed Circuit Relocation Compensation comprises of:

- (a) a monetary relocation compensation of RMB600 million (equivalent to approximately HK\$654 million) (of which RMB100 million shall be settled by way of the Deposit) payable by Party B; and
- (b) the title of the Resettlement Properties with a gross floor area of 20,000 sq.m. (of which a gross floor area of 19,000 sq.m. shall be for commercial use, whilst the remainder shall be for residential use), to be transferred from Party B to Party A. The gross development value of the Resettlement Properties is approximately RMB700 million (equivalent to approximately HK\$763 million, as at 30 April 2020 based on the preliminary valuation prepared by Vincorn, an independent valuer.

(ii) *Payment Schedule*

The YT Printed Circuit Relocation Compensation is payable by Party B to YT Printed Circuit in the following manner:

- (a) the Deposit of RMB100 million (equivalent to approximately HK\$109 million) shall be paid within 3 working days after Party A notifying Party B on the clearance of the shareholders' circular in respect of the Transactions by the Stock Exchange and shall be subsequently regarded as part of the YT Printed Circuit Relocation Compensation in accordance with the terms of the Cooperation Agreement;
- (b) Within three months after the Urban Renewal Approval (立項完成) or within 24 months after the Effective Date (whichever is earlier), RMB100 million (equivalent to approximately HK\$109 million) shall be payable in cash;
- (c) Within three months after the completion of the approval in respect of the urban renewal scheme and specialised planning (城市更新單元專項規劃) or within 48 months after the Effective Date (whichever is earlier), RMB100 million (equivalent to approximately HK\$109 million) shall be payable in cash;
- (d) Within 36 months after the Urban Renewal Approval (立項完成) and after Party A has received in total RMB400 million of the relocation compensation referred in the above Payment Schedule items (a) — (c) and the YT Industrial Consideration, Party A shall complete the YT Printed Circuit Relocation (the “**Relocation Time Limit**”). Within three months from the date of the completion of the YT Printed Circuit Relocation, RMB300 million (equivalent to approximately HK\$327 million) shall be payable in cash (the “**YT Printed Circuit Relocation Retention Amount**”). Within five business days after receiving the YT Printed Circuit Relocation Retention Amount, YT Printed Circuit shall deliver all the originals of the real estate certificates of Target Land B as stipulated in the Cooperation Agreement and issue a notarised power of attorney to Party B that authorises Party B to deregister the said real estate certificates; and
- (e) Within one month after the completion of the filings of the completion inspection (竣工驗收備案) of first phase of the Urban Renewal Project that meets the required delivery standard or within 96 months after the Effective Date (whichever is earlier), Party B shall deliver the Resettlement Properties to Party A. If Party B could not deliver the Resettlement Properties within the agreed time, Party B shall compensate YT Printed Circuit in cash in the following manner:
  - (i) before the confirmation of the identity of the Execution Principal (實施主體) or within three months after the completion of the YT Printed Circuit Relocation (whichever is earlier), the compensation shall be RMB700 million (equivalent to approximately HK\$763 million) in cash; or

- (ii) after the confirmation of the identity of the Execution Principal (實施主體) or expiry of three months after the completion of the YT Printed Circuit Relocation (whichever is earlier), the compensation shall be calculated based on the government-guided price (政府指導價) in the past 12 months multiplied by the gross floor area of the corresponding properties (對應類型物業) to the Resettlement Properties.

*(iii) Relocation Arrangement of Target Land B*

In accordance with the YT Printed Circuit Relocation Agreement, YT Printed Circuit shall (i) complete the vacation of the Target Land B and the buildings erected thereon; and (ii) hand over the vacant Target Land B and the buildings erected thereon to Huayu Tiancheng; and (iii) enter into a handover confirmation (移交確認文件) with Huayu Tiancheng before the Relocation Time Limit as set out in the Cooperation Agreement (collectively, the “**YT Printed Circuit Relocation**”).

The YT Printed Circuit Relocation Agreement will be terminated upon the completion of transfer of the entire equity interest in Restructured YT Printed Circuit. For details, please see the section headed “Cooperation Arrangement B — Disposal of Restructured YT Printed Circuit” below.

***Cooperation Arrangement B — Disposal of Restructured YT Printed Circuit***

Provided that the Restructuring of the Excluded Assets has been completed within 18 months after the Urban Renewal Approval (立項完成), Party B may exercise the option to acquire the entire equity interest of Restructured YT Printed Circuit (the “**Disposal of Restructured YT Printed Circuit**”).

Party A should notify Party B of the completion of the Restructuring of the Excluded Assets within two months therefrom. The period commencing from the receipt of such notification and ending on the first month after the completion of YT Printed Circuit Relocation shall be referred to as the Exercise Period (the “**Exercise Period**”).

Following the Disposal of Restructured YT Printed Circuit and the completion of transfer of entire equity interest of Restructured YT Printed Circuit, Restructured YT Printed Circuit will cease to be a subsidiary of the Company.

(i) *Consideration*

The consideration of the Disposal of Restructured YT Printed Circuit (the “**YT Printed Circuit Consideration**”) shall be either of:

1. If Party B exercises the option to acquire the entire equity interest of Restructured YT Printed Circuit **within the Exercise Period**, the YT Printed Circuit Consideration shall be RMB1.3 billion (equivalent to approximately HK\$1.4 billion) in cash (inclusive of the amount of YT Printed Circuit Relocation Compensation already paid to the Group).
2. If Party B exercises the option to acquire the entire equity interest of Restructured YT Printed Circuit **after the Exercise Period**, the YT Printed Circuit Consideration shall comprise of:
  - (a) RMB600 million (equivalent to approximately HK\$654 million) in cash (inclusive of the amount of YT Printed Circuit Relocation Compensation already paid to the Group); and
  - (b) an amount equivalent to the market value of the Resettlement Properties which is determined in either of the following manner:
    - (i) in the case of exercise of the option before the confirmation of the identity of the Execution Principal (實施主體) or within three months following the completion of the YT Printed Circuit Relocation (whichever is earlier), the market value shall be RMB700 million (equivalent to approximately HK\$763 million) in cash; or
    - (ii) in the case of exercise of the option after the confirmation of the identity of the Execution Principal (實施主體) or three months following the completion of the YT Printed Circuit Relocation (whichever is earlier), the market value shall be calculated based on the government-guided price (政府指導價) in the past 12 months multiplied by the gross floor area of the corresponding properties (對應類型物業) to the Resettlement Properties.

The unaudited net book value of Restructured YT Printed Circuit was approximately HK\$189.6 million as at 31 December 2019.

Based on the preliminary valuation prepared by Vincorn, the market value of Target Land B and the buildings erected thereon was RMB287.6 million (equivalent to approximately HK\$313.5 million) as at 30 April 2020. Each of the YT Printed Circuit Relocation Compensation and the YT Printed Circuit Consideration has been determined after arm’s length negotiations among the parties with reference to the market value and the unaudited net book value of Target Land B and the buildings erected thereon.

*(ii) Payment Schedule*

The payment schedule shall be as follows:

- (a) if the YT Printed Circuit Relocation has not been completed at that time of the payment of the YT Printed Circuit Consideration, RMB300 million (equivalent to approximately HK\$327 million) shall be withheld and is payable within 90 days upon the completion of the YT Printed Circuit Relocation; and
- (b) In accordance with the relevant PRC laws and regulations, Party A and Party B shall set up an escrow account (the “**Escrow Account**”) before the completion of the Disposal of Restructured YT Printed Circuit. Within 30 days after the set up of the Escrow Account, (i) Party A shall remit the amount of YT Printed Circuit Relocation Compensation already paid to the Group; and (ii) Party B shall remit the remaining balance of YT Printed Circuit Consideration, which shall be RMB 1.3 billion (equivalent to approximately HK\$1.4 billion) assuming the market price of the Resettlement Properties is approximately RMB 700 million (equivalent to approximately HK\$763 million) (after deducting the amount of YT Printed Circuit Relocation Compensation already paid to the Group and the RMB300 million as referred to in sub-paragraph (a) above) into the Escrow Account. Upon the remittance of YT Printed Circuit Consideration into the Escrow Account, the parties shall, amongst others, (i) complete the Disposal of Restructured YT Printed Circuit; and (ii) thereafter transfer the YT Printed Circuit Consideration from the Escrow Account to an account in Hong Kong designated by YT Technology in accordance with the applicable laws and regulations.

*Cooperation Arrangement C*

If YT Printed Circuit fails to transfer its interest in Julongshan properties and R&D Building to other members of the Group due to government restrictions and Party B may choose to acquire the entire equity interest in YT Printed Circuit within 18 months after the Urban Renewal Approval (立項完成), the parties shall negotiate and agree on the additional consideration for acquiring YT Printed Circuit owning Julongshan properties and R&D Building with reference to their market value. Should parties fail to reach an agreement on the additional price in respect of Julongshan properties and R&D Building within six months thereafter, the parties shall proceed to complete the Cooperation Agreement under the Cooperation Arrangement A.

If the Cooperation Arrangement C is implemented, the Company will comply with the requirements under the Listing Rules as and when appropriate.

### ***Effectiveness of the Cooperation Agreement and Relocation Agreements***

The Cooperation Agreement shall become effective conditional upon the approval by the Shareholders at the EGM to be convened and the receipt of the Deposit by Party A. The Relocation Agreements become effective upon the Cooperation Agreement comes into effect.

### ***Financing Mortgage***

Upon the Urban Renewal Approval (立項完成), with the written consent from Party A, Party B may mortgage the Target Lands and the buildings erected thereon (the “**Financing Mortgage**”). The written consent from Party A should be granted with the satisfaction of the following conditions:

- (a) Party B shall nominate a competent company or natural person to be the guarantor to the Financing Mortgage;
- (b) the proceeds received from the Financing Mortgage shall only be used for the payment of the consideration and/or compensation under the Cooperation Agreement; and
- (c) the financing amount under the Financing Mortgage shall not exceed the Cash Received by the Group under the Cooperation Agreement.

### ***Penalties***

In the following events, Party A shall return the Deposit and compensate an additional amount of RMB100 million (equivalent to the amount of the Deposit) to Party B:

- (a) in the event that Party A is in breach of the provisions of the Cooperation Agreement leading to the termination of the Cooperation Agreement by Party B; or
- (b) in the event that the results of due diligence show that there is any discrepancy or omission in relation to disclosures or undertakings made by Party A in the Cooperation Agreement (including its appendices) resulting in significant risk to the Urban Renewal Project, Party B shall notify Party A to resolve the above discrepancy or omission in writing. If it is not resolved within 30 days after receiving the notice, Party B also has the right to terminate the Cooperation Agreement.

In the following events, Party A shall be entitled to forfeit the Deposit:

- (a) in the event that Party B is in breach of the provisions of the Cooperation Agreement leading to the termination of the Cooperation Agreement by Party A;
- (b) in the event that Party B opts to terminate the Cooperation Agreement as a result of the failure to obtain the Urban Renewal Approval (立項完成) within 24 months after the Effective Date;

- (c) in the event that Party A opts to unilaterally terminate the Cooperation Agreement as a result of the Party B's failure in informing Party A of his decision to terminate the Cooperation Agreement within 25 months after the Effective Date following the failure to obtain Urban Renewal Approval (立項完成) within 24 months after the Effective Date; or
- (d) in the event that Party A terminate the Cooperation Agreement as a result of the event of default on the part of Party B.

### ***Defaulting Liabilities***

Pursuant to the Cooperation Agreement, in the following events which each constitutes an event of default on the part of Party B, Party A is entitled to terminate the Cooperation Agreement. Upon such termination, amongst others, while Party A is not obliged to return the Deposit and the Cash Received, Party B shall compensate Party A any loss incurred including the Party A's expected gain deducting the Cash Received.

- (a) In the event that Party B delays the payment of any of the monetary compensation, it shall pay liquidated damages for each day of delay, the liquidated damages will be calculated on daily basis as three ten-thousandth of the unpaid monetary compensation. If the delay lasts for over 180 days, it shall constitute an event of default on the part of Party B;
- (b) In the event that Party B, without the consent of Party A, transfer all or some of the rights and obligations under the Cooperation Agreement or create any encumbrances; and
- (c) In the event that the Target Lands and the buildings erected thereon are subject to enforcement in whole or in part due to the Financing Mortgage.

Pursuant to the Cooperation Agreement, in the following events which each constitutes an event of default on the part of Party A, Party B is entitled to terminate the Cooperation Agreement. Upon such termination, amongst others, (i) Party A shall return the Deposit and compensate an additional amount of RMB100 million (equivalent to the amount of the Deposit) to Party B; and (ii) compensate Party B any loss incurred including the Party B's expected gain.

- (d) in the event that Party A delays the performance of the cooperation obligation in connection with the application of the Urban Renewal Project (i) that is prescribed in the Cooperation Agreement for more than 30 days or (ii) that is not prescribed in the Cooperation Agreement (the "**Non-prescribed Cooperation Obligations**") for more than 45 days, it will constitute an event of default on the part of Party A. However, it is not an event of default on the part of Party A if Party A fails to perform Non-prescribed Cooperation Obligations due to objective reasons;
- (e) in the event that Party A delays the transfer of the Sale Shares of YT Industrial as stipulated under the Cooperation Agreement, it shall compensate the loss incurred by Party B and pay liquidated damages for each day of delay,

the liquidated damages will be calculated on daily basis as three ten-thousandth of the Cash Received. If the delay lasts for over 60 days, it shall constitute an event of default on the part of Party A;

- (f) in the event that Party A delays the transfer of the entire equity interest of the Restructured YT Printed Circuit as stipulated under the Cooperation Agreement, it shall compensate the loss incurred by Party B and pay liquidated damages for each day of delay, the liquidated damages will be calculated on daily basis as three ten-thousandth of the Cash Received. If the delay lasts for over 120 days, it shall constitute an event of default on the part of Party A;
- (g) in the event that Party A delays the completion of the relocation and the handover of the Target Lands and the delivery of the real estate certificate as stipulated under the Cooperation Agreement, it shall compensate the loss incurred by Party B and pay liquidated damages for each day of delay, the liquidated damages will be calculated on a daily basis as three ten-thousandth of the Cash Received. If the delay lasts for over 30 days, it shall constitute an event of default on the part of Party A; and
- (h) in the event that Party A, without the written consent of Party B, transfers the interest of the Target Lands to a third party directly or indirectly.

#### ***Termination***

Pursuant to the Cooperation Agreement, the Cooperation Agreement may be terminated if

- (i) there is any default that entitles the non-defaulting party to terminate the Cooperation Agreement; or
- (ii) the Urban Renewal Approval (立項完成) cannot be obtained within 24 months from the Party B does not opt to continue performance of the Cooperation Agreement within 25 months after the Effective Date.

In the event that the Cooperation Agreement is terminated, the Relocation Agreements shall also be terminated simultaneously.

### **III. INFORMATION ON PARTY B**

#### **Information on Huayu Tiancheng**

Huayu Tiancheng is a company established in the PRC with limited liability. It specialises in real estate development in the PRC, and is principally engaged in the real estate development, real estate project consultation, real estate project investment and equity investment business.

The Company has been informed that, as at the date of this announcement, Huayu Tiancheng is directly held as to 80% and 20% by Mr. Zou Weizhi (鄒偉之) and Ms. Liao Liuling (廖柳玲).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Huayu Tiancheng and its shareholders are Independent Third Party as at the date of this announcement, and did not have any relationship (business, shareholding or otherwise) with the Company and its connected persons.

The Company has been informed that Huayu Tiancheng has been focusing on land developments in the Pearl River Delta area in the past years, and has accumulated rich experience in urban renewal projects in the PRC.

#### **Information on Fengyuan Weixin**

Fengyuan Weixin is a company established in the PRC with limited liability. It is principally engaged in the business of leasing of properties, property management, business information consultation and architectural design.

The Company has been informed that, as at the date of this announcement, Fengyuan Weixin is directly held as to 67% and 33% by Xie Jia (謝嘉) and Wang Junhuang (王俊煌). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Fengyuan Weixin and its shareholders are Independent Third Party as at the date of this announcement, and did not have any relationship (business, shareholding or otherwise) with the Company and its connected persons.

#### **IV. INFORMATION ON THE GROUP**

The Group is principally engaged in the manufacturing and sales of PCB. It operates the Yan Tat PCB Factory in Pingshan as its production base in early 1990's.

YT Technology is a company principally engaged in the trading of PCB and YT Group is an investment holding company.

#### **Information of YT Industrial**

As at the date of the Cooperation Agreement, YT Industrial is held as to 100% by YT Group, a wholly owned subsidiary of the Company. Following the completion of the Disposal of YT Industrial, YT Industrial will no longer be accounted for as a subsidiary in the consolidated financial statements of the Company. YT Industrial currently has no other substantive business and asset other than the entire equity interest in Grace YT. Grace YT has no other substantive business and asset other than holding the interest in Target Land A and the buildings erected thereon.

Set out below is a summary of certain consolidated financial information of YT Industrial for the year ended 31 December 2019 (unaudited) and the year ended 31 December 2018 (unaudited):

	<b>For the year ended 31 December 2019</b> <i>(HK\$'000)</i> (unaudited)	<b>For the year ended 31 December 2018</b> <i>(HK\$'000)</i> (unaudited)
Net loss (before taxation)	(1,796)	(4,129)
Net loss (after taxation)	(2,400)	(3,488)

### **Information of YT Printed Circuit**

As at the date of the Cooperation Agreement YT Printed Circuit is held as to 100% by YT Technology, a wholly owned subsidiary of YT Group. YT Printed Circuit is a company incorporated in the PRC with limited liability on 18 December 2001. It is principally engaged in the manufacturing and sale of PCB. Following the completion of the Disposal of Restructured YT Printed Circuit (if elected by Party B), Restructured YT Printed Circuit will no longer be accounted for as a subsidiary in the consolidated financial statements of the Company. Upon the completion of the Restructuring of the Excluded Assets, Restructured YT Printed Circuit will not hold any other substantive assets and businesses other than holding Target Land B.

Set out below is a summary of certain financial information of YT Printed Circuit for the year ended 31 December 2019 (unaudited) and the year ended December 2018 (unaudited):

	<b>For the year Ended 31 December 2019</b> <i>(HK\$'000)</i> (unaudited)	<b>For the year Ended 31 December 2018</b> <i>(HK\$'000)</i> (unaudited)
Net profit (before taxation)	59,781	83,504
Net profit (after taxation)	51,165	74,308

However, please note that the above unaudited net profit were mainly attributable to the Excluded Assets. Upon the Restructuring of the Excluded Assets, such Excluded Assets shall remain owned by other members of the Group subject to the Cooperation Arrangement C.

Set out below is a summary of certain financial information of Restructured YT Printed Circuit holding Target Land B and the buildings erected thereon only for the year ended 31 December 2019 (unaudited) and the year ended 31 December 2018 (unaudited):

	<b>For the year ended 31 December 2019 (HK\$'000) (unaudited)</b>	<b>For the year ended 31 December 2018 (HK\$'000) (unaudited)</b>
Net loss (before taxation) ( <i>Note 6</i> )	(8,170)	(8,673)
Net loss (after taxation) ( <i>Note 6</i> )	(8,170)	(8,673)

*Note 6:* The unaudited net loss is mainly attributable to the depreciation cost of the Target Land B and the buildings erected thereon.

## **V. FINANCIAL EFFECT OF THE TRANSACTIONS AND INTENDED USE OF PROCEEDS**

The unaudited net book value of the Target Land A and Target Land B as at 31 December 2019 was approximately HK\$3.6 million and HK\$189.6 million, respectively. Based on the preliminary valuation report prepared by Vincorn, an independent valuer, the market values of the Target Land A and Target Land B and their existing properties erected thereon as at 30 April 2020 were estimated to be RMB18.9 million (equivalent to approximately HK\$20.6 million) and RMB287.6 million (equivalent to approximately HK\$313.5 million), respectively.

Based on the preliminary valuation report prepared by Vincorn, an independent valuer, as at 30 April 2020, the gross development value of the Resettlement Properties was approximately RMB700 million (equivalent to approximately HK\$763 million). As the Resettlement Properties will be received after around eight years, the Group will depend on the market conditions when receiving Resettlement Properties to formulate a concrete strategy, and the preliminary plan is to hold the residential Resettlement Properties and commercial Resettlement Properties for rental income.

Upon completion of the Cooperation Agreement, the financial effect is estimated as followings depending on the choice of the cooperation arrangements.

Under Cooperation Arrangement A — Relocation Compensation, it is estimated that the Group will record a gain before tax approximately HK\$1.3 billion. Such gain is estimated based on the value of the Resettlement Properties, being the amount of approximately RMB700 million (equivalent to approximately HK\$763 million) and monetary consideration to be received including the YT Industrial Consideration, in the aggregate amount of approximately RMB700 million (equivalent to approximately HK\$763 million), less the unaudited net book value of Target Land A and Target Land B and their existing properties erected thereon of approximately HK\$3.6 million and HK\$189.6 million, respectively. The actual gain to be recorded by the Group will depend on (i) the net book value of the Target Land A and Target Land B and their existing properties erected thereon as at the date of demolition; (ii) the actual relocation

and demolition costs to be incurred by the Group in connection with the arrangement; (iii) the actual value of the Resettlement properties; and (iv) the associated PRC taxes in connection with the above, therefore, the actual amount is subject to changes and may be different from the amount as presented above.

Under Cooperation Arrangement B — Disposal of Restructured YT Printed Circuit, it is estimated that the Group will record a gain before tax approximately HK\$1.3 billion. Such gain is estimated based on the monetary consideration to be received including the YT Industrial Consideration, in the aggregate amount of approximately RMB1.4 billion (equivalent to approximately HK\$1.5 billion), less the unaudited net book value of Target Land A and Target Land B and their existing properties erected thereon of approximately HK\$3.6 million and HK\$189.6 million, respectively. The actual gain to be recorded by the Group will depend on (i) the net book value of the Target Land A and Target Land B and their existing properties as at the date of demolition; (ii) the actual relocation and demolition costs to be incurred by the Group in connection with the arrangement; and (iii) the associated PRC taxes in connection with the above, therefore, the actual amount is subject to changes and may be different from the amount as presented above.

## **VI. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Directors noted that, pursuant to the “International Consultation for Integrated Urban Design of Yinzhu Area (燕子湖片區綜合性城市設計國際諮詢)” jointly launched by the Shenzhen Municipal Government of Pingshan District and the Shenzhen Land Bureau, the Pingshan government has formulated the strategic plan to support the development of Pingshan. Taking into account the increasing labour costs in Shenzhen, in order to maintain its competitiveness and complement with the change of the planned usage of current location of the Yan Tat PCB Factory, the Group, after the joint study of the Board and professional consultants, plans to gradually relocate its mass production base (except for the headquarters and research and development department of the Group) to the Greater Bay Area to cope with the Group’s long term development. In respect of specific matters of the relocation, the Company has also set up a task force, which includes equipment technical professionals and consultants, to coordinate the plan and its progress.

On the other hand, the Directors believe that the Transactions echoes with the governmental strategic plan, it would unlock the economic value of the Target Lands and the opportunity to increase the Shareholders’ returns.

The Urban Renewal Project will also signify the Group’s contribution to urban renewal in the locality and is expected to enhance the image of the Group. The total consideration receivable by the Company being RMB 1.4 billion (equivalent to approximately HK\$1.5 billion) (assuming that the Resettlement Properties would be valued at RMB700 million (equivalent to approximately HK\$763 million) represents a significant premium to the preliminary valuation of the Target Lands and existing properties on the Target Lands referred to below. Apart from contributing to fund the cost of the Group’s relocation of its production base(s), the Cooperation Agreement provides the Group with the opportunity to continue to maintain its presence in Shenzhen through the retention of the Resettlement Properties on the Target Lands upon

completion of the Urban Renewal Project and by the time the Urban Renewal Project is completed, upon the title of the Resettlement Properties being transferred to the Group, the Company intends to rent the properties out as long term investment, depending on the then market conditions and policies in the PRC.

The Target Land B is currently used as a production base of the Group for the manufacturing of PCB. At the date of this announcement, the Company is reviewing options to either acquiring a new parcel of land to build a new building on its own or to rent a ready-for-use factory. Although the Group may be required to cease to carry on its existing production on the Target Lands as stipulated in the Cooperation Agreement, the Directors are of the view that the Cooperation Arrangement will not have an adverse impact to the Group's operation and principal business activities as there will be sufficient time for the Group to either acquire a new parcel of land to build a new building on its own or to purchase or rent a ready-for-use factory before the actual cessation of its existing production. The Group also believes the relocation of our production base from Shenzhen will further reduce its labor costs and maintain its competitiveness. The Group has no current intention to downsize, cease or dispose of any of its existing businesses.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Transactions are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

## **VII. USE OF PROCEEDS**

The estimated net proceeds before tax approximately RMB1.4 billion (equivalent to approximately HK\$1.5 billion) from the arrangement may be used for (i) funding the relocation and demolition expenses; (ii) acquiring machineries; (iii) general working capital purpose; (iv) making suitable future investment(s) or (v) establishment of production base(s).

Substantial part of the net proceeds will not be realised if the Resettlement Properties instead of equivalent cash compensation consideration is to be delivered to the Group. The Company has not identified any investment opportunities, the Company is therefore unable to ascertain the specific proportion of the net proceeds to be allocated to each of such purposes as stated above as at the date of the announcement.

## **VIII. LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated in accordance with the Listing Rules is above 75%, the Disposal of YT Industrial and (i) the possible transfer of the land use right of Target Land B and the buildings erected thereon under Cooperation Arrangement A or (ii) the possible Disposal of Restructured YT Printed Circuit under Cooperation Arrangement B constitute a very substantial disposal of the Company under the Listing Rules.

As one of the applicable percentage ratios calculated in accordance with the Listing Rules is above 100%, the possible transfer of title of the Resettlement Properties under Cooperation Arrangement A constitutes a very substantial acquisition of the Company under the Listing Rules.

## IX. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on Monday, 11 May 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 18 May 2020.

## X. DESPATCH OF CIRCULAR

A circular containing, among other things, further details of the Transactions, the notice of the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before Friday, 5 June 2020.

**Since the completion of the Transactions is subject to the satisfaction of the conditions set out below and the Urban Renewal Project may or may not be approved by relevant authorities in the PRC for implementation, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## XI. BUSINESS UPDATE

Reference is made to the announcement of the Company dated 13 November 2019 in relation to the Possible Cooperation with China Aoyuan Group Limited.

The Board wishes to announce that no consensus has been reached on the Formal Agreement in relation to the Possible Cooperation and hence the Board has decided not to proceed with the Possible Cooperation.

The Board considers that the decision not to proceed with the Possible Cooperation has no material adverse impact on the business operation and financial position of the Group.

## XII. DEFINITIONS

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

“Board”	the board of Directors
“Cash Received”	the compensation received by Party A that is in the form of cash under the Cooperation Agreement and the Relocation Agreement(s)
“Company”	Yan Tat Group Holdings Limited (恩達集團控股有限公司), an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1480)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Cooperation Agreement”	the Cooperation Agreement entered into by Party A and Party B on 8 May 2020
“Deposit”	a deposit of RMB100 million (equivalent to approximately HK\$109 million) payable by Party B to Party A
“Director(s)”	the directors of the Company
“Disposal of Restructured YT Printed Circuit”	the transfer of entire equity interest of Restructured YT Printed Circuit from Party A to Party B
“Disposal of YT Industrial”	the transfer of entire equity interest of YT Industrial from Party A to Party B
“Effective Date”	the date on which the Cooperation Agreement comes into effect.
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve, among others, the Cooperation Agreement and the transactions contemplated thereunder
“Escrow Account”	an escrow account set up by Party A and Party B in accordance with the terms of the Cooperation Agreement
“Excluded Assets”	the rights, title or interests in (i) the business of YT Printed Circuit that is not within the scope of the Urban Renewal Project, (ii) Julongshan properties and R&D Building, (iii) YT Environment, (iv) Shanghai Heying, (v) Pingshan Flats, and (vi) Shanghai Property
“Execution Principal (實施主體)”	the execution principal of the Urban Renewal Project
“Exercise Period”	the period commencing from the date when Party B receives a notification from Party A of the completion of the Restructuring of the Excluded Assets and ending on the first month after the completion of YT Printed Circuit Relocation
“Fengyuan Weixin”	Shenzhen Fengyuan Weixin Industrial Co., Ltd.* (深圳市豐源偉信實業有限公司), a company established in the PRC with limited liability
“Financing Mortgage”	the financing mortgage that can be obtained by Party B with the written consent from Party A as stipulated in the Cooperation Agreement

“Formal Agreement”	the legally binding agreement(s) to be entered into between, amongst others, Guangdong Aoyuan Commercial Real Estate Group Co., Ltd.* (廣東奧園商業地產集團有限公司) and YT Group pursuant to the Framework Agreement
“Grace YT”	Grace Yan Tat Electronics (Shenzhen) Co., Ltd.* (宏恩達電子(深圳)有限公司), a company established in the PRC with limited liability on 7 August 2012
“Grace YT Relocation Agreement”	the relocation compensation agreement (拆遷補償協議) dated 8 May 2020 entered into between Grace YT and Huayu Tiancheng
“Grace YT Relocation Compensation”	relocation compensation of RMB100 million (equivalent to approximately HK\$109 million) to be paid by Party B
“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
“Huayu Tiancheng”	Shenzhen Huayu Tiancheng Asset Management Co., Ltd.* (深圳市華譽天成資產管理有限公司), a company established in the PRC with limited liability
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Julongshan properties and R&D Building”	a land parcel (Lot no. G13111-0099) with a total site area of approximately 4,430.23 sq.m. and a research and development building erected thereon with a gross floor area of approximately 9,011.56 sq.m.
“Main Board”	the Main Board of the Stock Exchange
“Non-prescribed Cooperation Obligations”	the cooperation obligation in connection with the application of the Urban Renewal Project that is not prescribed in the Cooperation Agreement

“Outstanding YT Printed Circuit Consideration”	YT Printed Circuit Consideration deducting the Cash Received by Party A in accordance with the payment schedule under Cooperation Arrangement A;
“Party A”	consists of YT Group, YT Industrial, Grace YT, YT Technology and YT Printed Circuit
“Party B”	consists of Huayu Tiancheng and Fengyuan Weixin
“PCB”	acronym for “printed circuit board(s)”
“Pingshan Flats”	flats situated at Flat Nos. 1812, 1912, 2012, 2112, 2206, 2306, 2402, 2406 and 2506, Elite Park, Yanziling Third Road, Pingshan New District, Shenzhen, the PRC
“Possible Cooperation”	the possible cooperation between the China Aoyuan Group Limited and YT Group for the development of the urban renewal project located at the Yan Tat PCB Factory (恩達電路板廠) in Pingshan District, Shenzhen, PRC, the further details of which are set out in the announcement of the Company dated 13 November 2019
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Relocation Agreements”	the Grace YT Relocation Agreement and the YT Printed Circuit Relocation Agreement
“Relocation Time Limit”	the time limit that Party A shall complete the YT Printed Circuit Relocation
“Resettlement Properties”	the re-developed property with a gross floor area of 20,000 sq.m. (of which a gross floor area of 19,000 sq.m. shall be for commercial use, whilst the remainder shall be for residential use)
“Restructured YT Printed Circuit”	YT Printed Circuit after the Restructuring of the Excluded Assets
“Restructuring of the Excluded Assets”	the Restructuring of the Excluded Assets by YT Printed Circuit
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares of YT Industrial”	5,000,000 shares in the capital of YT Industrial, representing the entire issued share capital of YT Industrial

“Shanghai Heying”	Shanghai Heying Industrial Co. Ltd* (上海合穎實業有限公司), a company established in the PRC with limited liability on 25 October 2012. As at the date of this announcement, YT Printed Circuit is beneficially interested in approximately 9% of the total issued share capital of Shanghai Heying
“Shanghai Property”	a property situated at Unit 2075, Level 27, Tongda Chuangye Building, No. 1, Alley 600, Tianshan Road, Changning District, Shanghai, the PRC
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shenzhen Land Bureau”	Shenzhen Planning and Natural Resources Bureau* (深圳市規劃和自然資源局), an Independent Third Party
“Shenzhen Municipal Government of Pingshan District”	the Shenzhen Municipal People’s Government of Pingshan District* (深圳市坪山區人民政府), an independent third party
“sq.m.”	square metres
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Land A”	the land and premises owned by Grace YT and situated at Plot A (a land parcel (Lot no. G12302–2(1)) with a total site area of approximately 2,670.30 sq.m.) and Plot B (a land parcel (Lot no. G12302–2(2)) with a total site area of approximately 2,325.30 sq.m.)
“Target Land B”	the land and premises owned by YT Printed Circuit and situated at Plot C (a land parcel (Lot no. G11213–0226) with a total site area of approximately 60,868.19 sq.m.) and Plot D (a land parcel (Lot no. G12302–0009) with a total site area of approximately 7,481.30 sq.m.)
“Target Lands”	comprises Target Land A and Target Land B
“Transaction(s)”	the transaction(s) contemplated under the Cooperation Agreement, the Relocation Agreements and other related agreements

“Urban Renewal Approval (立項完成)”	Urban Renewal Approval is completed when (i) the city urban renewal planning (城市更新單元計劃) has been reviewed and approved by the relevant governmental body and there is (1) no objection has been received during the publication period, (2) objection has been received during the publication period but the objection is not established, or (3) objection has been received during the publication period and the objection has been properly resolved, and (ii) the filing of the City Urban Renewal Planning (城市更新單元計劃) has been completed at the Planning and Natural Resources Administration Department* (市規劃和自然資源部門)
“Urban Renewal Project”	the urban renewal project titled “深圳市坪山區恩達電子廠城市更新項目” (Shenzhen Pingshan District Yan Tat PCB Factory Urban Renewal Project) comprising the Target Lands with a total site area of approximately 73,345.09 sq.m..
“Vincorn”	Vincorn Consulting and Appraisal Limited, the independent professional valuer appointed by the Company in respect of the valuation of the Target Lands and the Resettlement Properties
“Yan Tat PCB Factory”	the production facilities owned by the Company, which are currently situated on the Target Lands
“YT Environment”	Yan Tat Environmental Technology (Nantong) Co., Ltd.* (南通恩達環保科技有限公司), a company established in the PRC with limited liability on 30 December 2006, which is a wholly owned subsidiary of YT Printed Circuit
“YT Group”	Yan Tat Group Limited, a company incorporated in the BVI with limited liability on 27 August 2007, which is a wholly owned subsidiary of the Company
“YT Industrial”	Yan Tat (HK) Industrial Limited (恩達(香港)實業有限公司), a company incorporated in Hong Kong with limited liability on 23 January 1992, which is a wholly owned subsidiary of YT Group
“YT Industrial Consideration”	the consideration payable by Party B in connection with the transfer of the entire equity interest in YT Industrial;
“YT Industrial Group”	YT Industrial and its subsidiaries

“YT Printed Circuit”	Yan Tat Printed Circuit (Shenzhen) Co., Ltd.* (恩達電路(深圳)有限公司), a company established in the PRC with limited liability on 18 December 2001, which is a wholly owned subsidiary of YT Technology
“YT Printed Circuit Relocation”	has the meaning ascribed to it under paragraph headed “II. The Cooperation Agreement — The Arrangement in relation to Target Land B — Cooperation Arrangement A — Relocation Compensation — (iii) Relocation Arrangement of Target Land B
“YT Printed Circuit Relocation Retention Amount”	RMB 300 million (equivalent to approximately HK\$327 million) payable by Party B within three months from the date of the completion of the YT Printed Circuit Relocation
“YT Printed Circuit Relocation Agreement”	the relocation compensation agreement (拆遷補償協議) dated 8 May 2020 entered into between YT Printed Circuit and Huayu Tiancheng
“YT Printed Circuit Relocation Compensation”	comprises (i) a monetary compensation of RMB600 million (equivalent to approximately HK\$654) to be paid by Party B; and (ii) the title to the Resettlement Properties subject to the terms of the Cooperation Agreement
“YT Technology”	Yan Tat Technology Limited (恩達科技有限公司), a company incorporated in Hong Kong with limited liability on 14 November 2001, which is a wholly owned subsidiary of YT Group

By order of the Board  
**Yan Tat Group Holdings Limited**  
**Chan Wing Yin**  
*Chairman*

Hong Kong, 15 May 2020

*As at the date of this announcement, the Board comprises Mr. CHAN Wing Yin, Mrs. CHAN Yung and Mr. CHAN Yan Wing as executive Directors; Mr. CHAN Yan Kwong as non-executive Director; Mr. CHUNG Yuk Ming, Mr. LAU Shun Chuen and Mr. YAU Wing Yiu as independent non-executive Directors.*

\* For identification purposes only

*For the purposes of this announcement, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.09 for the purpose of illustration only.*