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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)

**DISCLOSEABLE TRANSACTIONS:
DISPOSALS OF PROPERTY AND BUSINESS**

THE DISPOSALS

The Board announced that on 12 June 2020, the Group entered into:

- (i) the Contract of Sale of Real Estate in respect of the disposal of the Hepburn Springs Property at the consideration of AUD3,000,000 (equivalent to approximately HK\$16,057,000); and
- (ii) the Contract of Sale of Business in respect of the disposal of the Business and the Business Assets at the consideration of AUD575,000 (equivalent to approximately HK\$3,078,000).

The assets to be sold under the Disposal Agreements comprise the Hepburn Springs Property, the Business, and the Business Assets.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Hepburn Springs Property, the Business and the Business Assets are to be sold to the Purchasers which are ultimately owned by the same individuals, the Disposals are aggregated for the purpose of determining the size of the transactions. As all relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals are more than 5% but less than 25%, the Disposals constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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The principal terms of the Disposal Agreements are summarised below:

	Date	Trustee Company as vendor	Purchaser	Principal activity of the Purchaser	Subject matter of the transaction	Consideration and manner of settlement
(i)	Contract of Sale of Real Estate <i>(Note 1)</i> 12 June 2020	Bellinzona Land Pty Ltd as trustee for Bellinzona Land Trust	The Houses Property Group Pty Ltd as trustee for The Houses Property Group Trust	Hospitality accommodation investment	Hepburn Springs Property	AUD3,000,000 (equivalent to approximately HK\$16,057,000), as to AUD75,000 (equivalent to approximately HK\$401,000) payable upon signing as a non-refundable deposit and AUD2,925,000 (equivalent to approximately HK\$15,656,000) payable upon completion as balance of the consideration
(ii)	Contract of Sale of Business <i>(Note 2)</i> 12 June 2020	Bellinzona Operations Pty Ltd as trustee for Bellinzona Operating Trust	The Houses Hotel Group Pty Ltd	Hospitality accommodation investment	The Business and the Business Assets	AUD575,000 (equivalent to approximately HK\$3,078,000), as to AUD14,375 (equivalent to approximately HK\$77,000) payable upon signing as a non-refundable deposit and AUD560,625 (equivalent to approximately HK\$3,001,000) payable upon completion as balance of the consideration

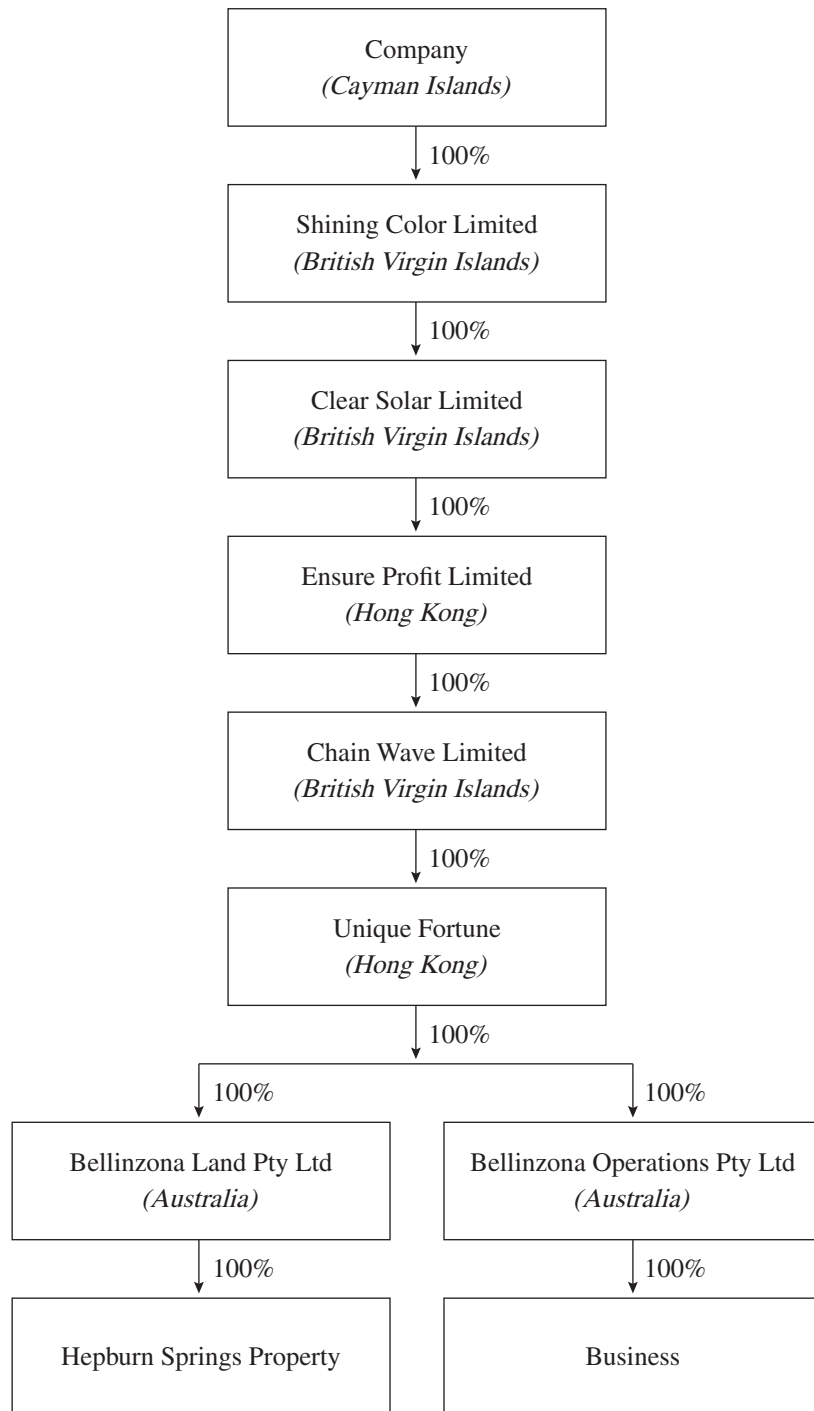
Notes:

1. On 12 June 2020, Tony De Marco and Theresa Albioli as guarantors entered into a deed of guarantee and indemnity to unconditionally and irrevocably guarantee the due and punctual performance by the relevant Purchaser of all of its obligations under this contract.
2. Tony De Marco and Theresa Albioli as guarantors entered into this contract to guarantee the performance and observance by the relevant Purchaser of all of its obligations under this contract.

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

Each of the Trustee Companies is a company incorporated in Australia and a wholly-owned company of Unique Fortune, an indirect wholly-owned subsidiary of the Company. Pursuant to the respective Trust Deeds executed by each of the Trustee Companies, all assets (including property, rights and income save for the amounts excluded under the Trust Deeds) held under the unit trusts by the Trustee Companies shall be for the absolute benefit of Unique Fortune, being the sole member of the respective unit trusts constituted under each Trust Deed.

The graphical illustration of the structure of the Disposals is as follow:



Consideration of the Disposals

The consideration of each of the Disposals was determined after arm's length negotiation between the parties with reference to the unaudited book value of the Hepburn Springs Property and the Business Assets as at 30 April 2020.

Conditions

Completion of the Contract of Sale of Business is subject to the successful transfers of the liquor licence allowing the licensee to supply liquor at the Hepburn Springs Property and the registration of the food premises in respect of the Hepburn Springs Property, both from the Group to The Houses Hotel Group Pty Ltd, one of the Purchasers, while completion of the Contract of Sale of Real Estate and completion of the Contract of Sale of Business are inter-conditional.

Completion

Completion of the Disposals is inter-dependent with one another and is scheduled to take place within 90 days from the date of the Disposal Agreements or such earlier date as may be agreed by the parties in writing, subject to the conditions above being fulfilled. Upon completion of the Disposals, the Hepburn Springs Property, the Business and the Business Assets shall cease to be owned by the Group, and the Hepburn Springs Property and the results of operation of the Business would no longer be consolidated in the accounts of the Group.

INFORMATION ON THE HEPBURN SPRINGS PROPERTY, THE BUSINESS AND THE BUSINESS ASSETS

The Hepburn Springs Property includes a piece of freehold land of approximately one hectare located in Hepburn Springs, Daylesford, the Victoria, Australia and comprises 43 elegant hotel rooms, including deluxe spa suites, an indoor swimming pool, a wine bar, a heritage restaurant and purposely built conference facilities catered for small to large conferences. The Hepburn Springs Property is currently used for the operation of the Business.

The book value of the assets which are the subject matters of the Disposal Agreements as at 30 April 2020 was approximately AUD3,495,000 (equivalent to approximately HK\$18,706,000).

The unaudited combined financial information of the Business for the two years ended 31 December 2019 (prepared in accordance with Australian Accounting Standards) is as follows:

	Year ended 31 December 2018 <i>(approximately AUD'000)</i>	Year ended 31 December 2019 <i>(approximately AUD'000)</i>
Net loss before tax	672	2,441
Net loss after tax	470	2,777

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company and its subsidiaries are principally engaged in (i) mobile internet cultural business and provision of information technology contract services and maintenance services; (ii) provision of hospitality and related services in Australia; (iii) money lending business; and (iv) assets investments business.

The Hepburn Springs Property, the Business and the Business Assets are currently operated under the name of “Bellinzona Resort Cellar Door & Dining”, which is located in Hepburn Springs, Daylesford, the heart of the Victoria’s spa region. The resort includes a piece of freehold land of approximately one hectare and comprises 43 elegant hotel rooms, including deluxe spa suites, an indoor swimming pool, a wine bar, a heritage restaurant, and purposely built conference facilities catered for small to large conferences.

In light of the declining economic growth in Australia and the global outbreak of the Coronavirus Disease 2019 (the “**COVID-19**”), the demand for the services of Bellinzona Resort Cellar Door & Dining has substantially decreased in 2019 and the first quarter of 2020 and such decrease is expected to continue until the third quarter of 2020. In view of the restrictions put in place by the Australian government to combat the COVID-19, the operation of Bellinzona Resort Cellar Door & Dining and two other resorts of the Group in Australia, namely, Balgownie Estate Vineyard Resort & Spa Yarra Valley and Cleveland Winery Resort & Events, has been suspended with effect from 30 March 2020. On 8 May 2020, the Australian Prime Minister announced a three-step plan for reopening Australia, which will be implemented by the state and territory governments as they see fit. The government of the state of Victoria announced the gradual easing of the restrictions throughout Victoria with effect from 11:59 p.m. on 31 May 2020. In particular, tourist accommodation may be re-opened to guests provided there are no shared communal facilities, such as kitchens and bathrooms, and dine-in service for restaurants, cafes and other hospitality businesses may be resumed under certain restrictions and requirements, including those on the number of patrons per enclosed space and the spacing between the tables. The resumption of the operation of the Group’s resorts in Australia will take place in stages in line with the progress of the lifting of the restrictions by the government and as and when it is economically viable for the Group to do so. The operation of the resorts of the Group has or will be partially resumed to that effect that the resorts will operate only on Friday to Sunday with effect from 5 June 2020 (for Balgownie Estate Vineyard Resort & Spa Yarra Valley) or 19 June 2020 (for Bellinzona Resort Cellar Door & Dining and Cleveland Winery Resort & Events). In view of the above and taking into account that, among the three resorts owned by the Group, the Bellinzona Resort Cellar Door & Dining has been the worst performing resort over the past two years, the Group intends to proceed with the Disposals, so as to re-allocate its resources to the development of Balgownie Estate Vineyard Resort & Spa Yarra Valley, which is likely to achieve a more rapid recovery due to its competitive advantages, including its geographical location, which is in an area popular among tourists.

The Directors expect that the net proceeds from the Disposals, after deducting the expenses directly attributable thereto, will be approximately AUD3.3 million (equivalent to approximately HK\$17.7 million), as to approximately AUD2.4 million (equivalent to approximately HK\$12.8 million) will be used to repay the Loan and the interest accrued thereon, and the remainder will be used as working capital for the other resorts of the Group. The Directors consider that the Disposals allow the Group to re-allocate its resources to the development of the other resorts of the Group.

The Group expects to recognise an unaudited loss of approximately HK\$1 million from the Disposals which is calculated with reference to the difference between (i) the total consideration under the Disposals; and (ii) the aggregate of (aa) the unaudited book value of the Hepburn Springs Property and the Business Assets as at 30 April 2020; and (bb) the estimated expenses (including the Employee Expenses) and tax to be incurred in connection with the Disposals.

The actual amount of gain or loss as a result of the Disposals to be recorded by the Group is subject to the review and the final audit to be performed by the Company’s auditors.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Hepburn Springs Property, the Business and the Business Assets are to be sold to the Purchasers which are ultimately owned by the same individuals, the Disposals are aggregated for the purpose of determining the size of the transactions. As all relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals are more than 5% but less than 25%, the Disposals constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business”	a country retreat business known as Bellinzona Resort Cellar Door & Dining
“Business Assets”	the assets for operating the Business on Hepburn Springs Property
“Company”	Hang Tai Yue Group Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Contract of Sale of Business”	the contract of sale and purchase dated 12 June 2020 in relation to the disposal of the Business and the Business Assets by the Group
“Contract of Sale of Real Estate”	the contract of sale and purchase dated 12 June 2020 in relation to the disposal of the Hepburn Springs Property by the Group
“Director(s)”	the director(s) of the Company
“Disposal Agreements”	the Contract of Sale of Real Estate and the Contract of Sale of Business
“Disposals”	the disposals of the Hepburn Springs Property, the Business and the Business Assets pursuant to the terms of the Disposal Agreements

“Employee Expenses”	the estimated maximum amount of redundancy costs payable by the Group to the employees of the Business pursuant to the terms of the Contract of Sale of Business, on the assumption that the purchaser of the Business will elect not to retain any of the employees of the Business for employment after completion of the disposal of the Business
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hepburn Springs Property”	77 Main Road, Hepburn Springs Vic 3461, Australia, the site at which the Business operates
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Loan”	the loan granted by the National Australia Bank Limited to the Group in the principal amount of approximately AUD2,668,000 (equivalent to approximately HK\$14,280,000), which is secured by a charge over all of the present and future rights, property and undertaking of Bellinzona Land Pty Ltd as trustee for Bellinzona Land Trust, and the guarantee and indemnity provided by the Group
“Purchasers”	The Houses Property Group Pty Ltd as trustee for The Houses Property Group Trust and The Houses Hotel Group Pty Ltd, which are ultimately owned by the same individuals
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust Deed(s)”	the trust deed(s) executed by the Trustee Company(ies) in favour of Unique Fortune, under which all assets (including property, rights and income save for the amounts excluded under such trust deed(s)) held under the unit trust(s) by the Trustee Company(ies) shall be on trust for the absolute benefit of Unique Fortune, being the sole member of the unit trust(s) constituted under such trust deed(s)
“Trustee Companies”	collectively Bellinzona Land Pty Ltd and Bellinzona Operations Pty Ltd, each of which is a company incorporated in Australia and wholly-owned by Unique Fortune

“Unique Fortune”	Unique Fortune Limited, a company incorporated in Hong Kong with limited liability, which is the beneficial owner of the Hepburn Springs Property, the Business and the Business Assets pursuant to the respective Trust Deeds with each of the Trustee Companies
“AUD”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in AUD have been converted into HK\$ at the rate of AUD1 to HK\$5.3522. Such exchange rate has been used, where applicable, for the purpose of illustration only and do not constitute representations that any amounts were or may have been exchanged at this or any other rates or at all.

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

12 June 2020

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>.