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**渝太地產集團有限公司<sup>#</sup>**  
**Y. T. REALTY GROUP LIMITED**

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

**DISCLOSEABLE TRANSACTION**

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

**THE AGREEMENT**

The Board is pleased to announce that on 4 September 2020, 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\$30,000,000 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 67% of the interests in the Sites located in Jinjiang Town, Pengshan District in Meishan, Sichuan Province, the PRC.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under the Listing Rules.

**INTRODUCTION**

On 4 September 2020, 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**

4 September 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 which represents 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\$30,000,000, will be paid in full by the Purchaser 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 tentative appraisal value of the Sites attributable to the Target Company at approximately RMB1,185,900,000 (equivalent to approximately HK\$1,300,900,000) based on the indicative valuation work conducted by an independent professional valuer engaged by the Company; (ii) the net liability of the Target Group as at 30 June 2020 after minority interest at HK\$10,281,000; 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 30 June 2020 attributable to the Target Company at approximately HK\$747,189,000 and HK\$494,422,000 respectively.

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 complied with and obtained all necessary approvals or waivers required under the applicable law and regulations in relation to the Agreement and the transactions contemplated thereunder, and such approvals or waivers not having been revoked on or prior to the Completion Date;
- (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 Completion, 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 Completion, 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 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 such approvals, authorizations or waivers not having been revoked on or prior to the Completion Date;
- (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 30 June 2020, the date to which the latest unaudited consolidated management accounts of the Target Group were 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 Completion (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, save the Purchaser may at its discretion waive any of the conditions set out in paragraphs (a), (c), (e), (f) and (g). If any of the conditions precedent has not been fulfilled (or waived, if permitted) by the day falling 6 months after the date of the Agreement (or such other date as the parties to the Agreement may agree in writing), the Agreement shall lapse automatically.

### **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.

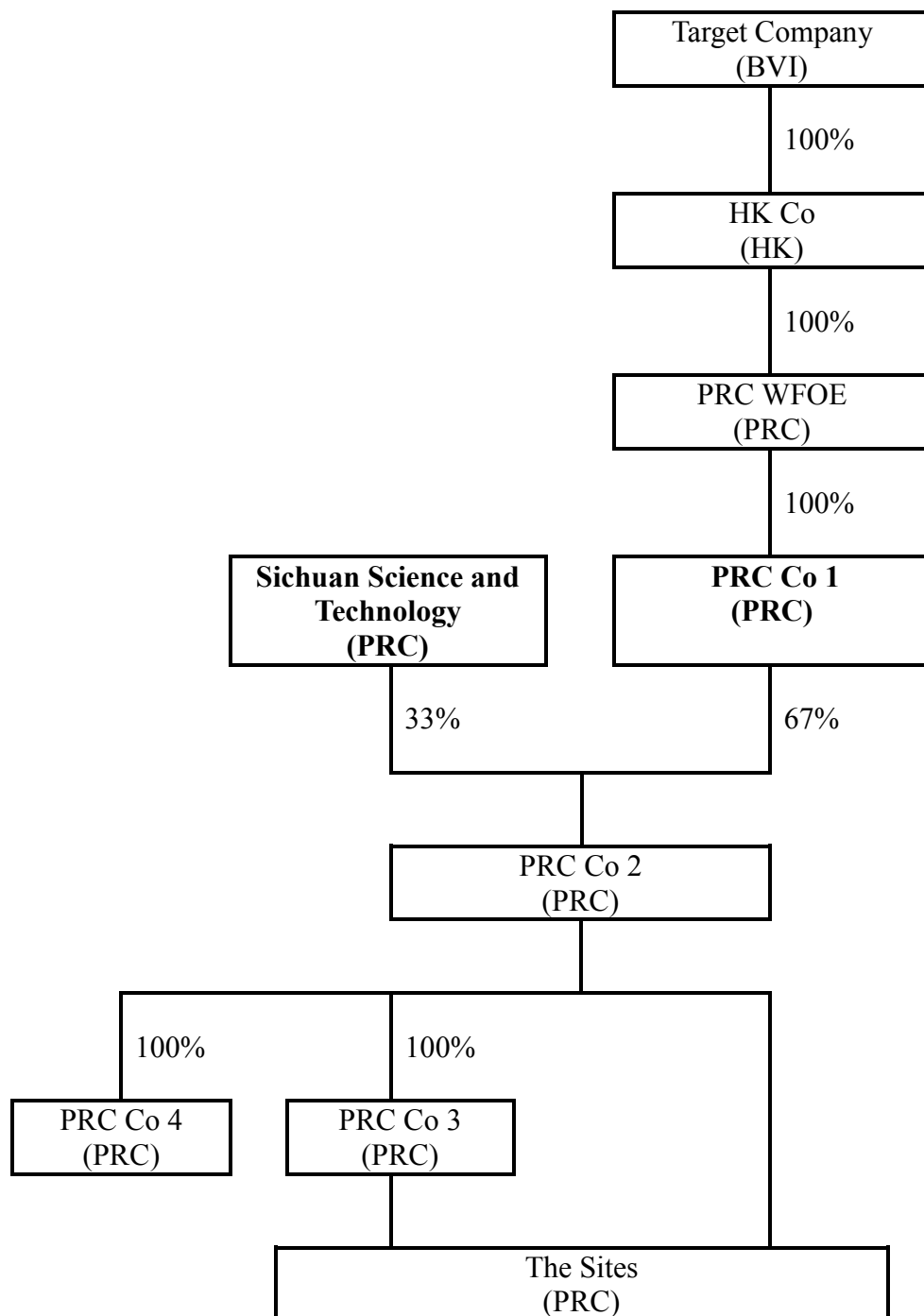
### **Completion**

Completion of the Agreement will take place on the Completion Date, being the 10th business day after all the conditions precedent to the Agreement as set out in the sub-section headed "*Conditions precedent*" above have either been fulfilled or (where applicable) waived (or on such other date as the parties to the Agreement 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 HK Co.

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 PRC WFOE.

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 entire equity interest in PRC Co 1.

PRC Co 1 a company established with limited liability in the PRC and its principal business is investment holding. Its principal asset is currently the 67% equity interest in PRC Co 2.

PRC Co 2 a company established with limited liability in the PRC and its principal business is investment holding and holding and development of the Sites. Its principal asset is currently the entire equity interest in PRC Co 3 and PRC Co 4 and the interest in part of the Sites and the development rights thereto, details of which are further disclosed in the sub-section headed “*Information on the Sites*” below.

PRC Co 3 is a company established with limited liability in the PRC and its principal business is the holding and development of the Sites. Its principal assets are currently the interest in part of the Sites and the development rights thereto, details of which are further disclosed in the sub-section headed “*Information on the Sites*” below.

PRC Co 4 is a company established with limited liability in the PRC and its principal business is the development of the Sites. As at the date of this announcement, it does not hold any material assets.

Sichuan Science and Technology is a company established in the PRC. PRC Co 1 and Sichuan Science and Technology will be entitled to share the profit or to bear the loss of PRC Co 2 in proportion to their respective equity interests in PRC Co 2.

### **Information on the Sites**

The Sites comprise seventeen plots of land with an aggregate site area of approximately 653,061.88 sqm. The Sites are located in Jinjiang Town, Pengshan District in Meishan, Sichuan Province, the PRC\* (中國四川省眉山市彭山區錦江鎮).

The Sites are presently expected to be developed into a residential and commercial composite development. The total planned gross floor area of the development project is approximately 1,305,000 sqm.

As at the date of this announcement, each of PRC Co 2 and PRC Co 3 held the Provisional Qualification Certificate issued by the relevant provincial supervising authority for conducting property development business in the Sichuan Province. The land use right certificates, construction land planning permits (建設用地規劃許可證), construction work planning permits (建設工程規劃許可證), construction work commencement permits (建築工程施工許可證) and the pre-sale permits have been obtained in respect of two plots of land in the Sites, where construction thereon have already commenced. State-owned construction land use rights grant contracts have been entered by PRC Co 2 and PRC Co 3 with Meishan City Pengshan District Natural Resources and Planning Bureau for the remaining seven and eight plots of land in the Sites respectively. Pre-sale of the property units on the Sites has commenced in August 2020 and the constructions on the Sites are expected to be completed in phases between 2022 and 2024.

## **Financial information on 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 30 June 2020, the unaudited net liability value of the Target Group was HK\$15,536,000. For the only financial period applicable to the Target Group since the incorporation of PRC Co 1 up to 30 June 2020, the Target Group recorded an unaudited net loss (both before and after tax) of HK\$16,018,000.

As at the date of this announcement, the equity interest in PRC Co 2 held by PRC Co 1, the equity interest in PRC Co 3 held by PRC Co 2 and two plots of the Sites have been charged in favour of third party lenders as security to finance the Target Group's operations.

## **REASONS AND BENEFITS OF THE TRANSACTION**

The Group is principally engaged in property businesses, including property investment and property development, and has considerable experience in the property market.

The Transaction offers an opportunity for the Group to expand its property development business in the PRC and to further capture the benefits from the PRC property market. The development of the Sites will span several years and it is considered that the Group's revenue income stream from its property development segment will be further strengthened upon completion of the development and delivery of the property units 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**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 5% but all are less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from the circular and shareholders' approval requirements under the Listing Rules.

## **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 4 September 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 10th business day after all the conditions precedent of the Agreement have been fulfilled or (where applicable) waived (or such other date as the parties to the Agreement may agree)   |
| “Consideration”       | the consideration payable by the Purchaser to the Vendor (or its nominee) for the Transaction   |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”         | director(s) of the Company  |
| “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”               | China Circle Capital Investment Limited (中國圓中投資有限公司), 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, exclude Hong Kong, the Macau Special Administrative Region and Taiwan   |
| “PRC Co 1”            | Chengdu Yuanzhong Runqiao Enterprise Management Co., Ltd.* (成都圓中潤僑企業管理有限公司), a company established with limited liability in the PRC and directly and wholly owned by PRC WFOE  |
| “PRC Co 2”            | Sichuan Yuanzhong Kangyangcheng Zhiye Development Co. Limited* (四川圓中康養城置業發展有限公司), a company established with limited liability in the PRC and directly held by PRC Co 1 and Sichuan Science and Technology as to 67% and 33% respectively |



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|----------------------------------|--|
| “PRC WFOE”                       | Sichuan Yuanzhong Chuangzhi Enterprise Management Co., Ltd.* (四川圓中創智企業管理有限公司), a wholly foreign-owned enterprise established with limited liability in the PRC and directly and wholly owned by HK Co  |
| “Purchaser”                      | Radiant Luck Investments Limited, a limited liability company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company   |
| “RMB”                            | Renminbi, the lawful currency of the PRC   |
| “PRC Co 3”                       | Sichuan Yuanzhong Runheng Zhiye Development Co. Limited* (四川圓中潤恒置業發展有限公司), a company established with limited liability in the PRC and directly and wholly owned by PRC Co 2   |
| “PRC Co 4”                       | Sichuan Yuanzhong Runxing Zhiye Development Co. Limited* (四川圓中潤興置業發展有限公司), a company established with limited liability in the PRC and directly and wholly owned by PRC Co 2   |
| “Sale Shares”                    | 50,000 shares of US\$1.00 each of the Target Company, representing the entire issued share capital of the Target Company   |
| “Share(s)”                       | ordinary share(s) of the Company of HK\$0.1 each   |
| “Shareholder(s)”                 | the holder(s) of the Shares  |
| “Sichuan Science Technology” and | Sichuan Yuanzhong Science and Technology Development Co., Ltd.* (四川圓中科技發展有限公司), a company established with limited liability in the PRC  |
| “Sites”                          | comprising seventeen plots of lands, the land use right of which has been granted, or contracted to be granted, to PRC Co 2 or PRC Co 3 (as the case may be), with an aggregate site area of approximately 653,061.88 sqm located in Guanting Village and the junction of Baihe Village and Guanting Village in Jinjiang Town, Pengshan District in Meishan, Sichuan Province, the PRC* (中國四川省眉山市彭山區錦江鎮官廳村及白鶴村、官廳村交界處) |
| “sqm”                            | square meter   |
| “Stock Exchange”                 | The Stock Exchange of Hong Kong Limited  |

|                      |  |
|----------------------|--|
| “Target Company”     | Great Giant Investment 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                           |
| “Vendor”             | Magical Round Investment Limited, a company incorporated in the BVI with limited liability   |
| “Vendor’s Guarantor” | Lo Wan, who holds the entire equity interest in the Vendor as at the date of this announcement   |
| “%”                  | per cent   |

<sup>#</sup> *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 RMB0.9116:HK\$1. 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, 4 September 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.