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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 8 February 2021, the Group entered into:

- (i) the Contract of Sale of Real Estate in respect of the disposal of the Cleveland Property (subject to the Lease) at the consideration of AUD3,000,000 (equivalent to approximately HK\$17,852,000); and
- (ii) the Contract of Sale of Business in respect of the disposal of the Business and the Business Assets at the consideration of AUD1,000,000 (equivalent to approximately HK\$5,951,000).

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

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Cleveland Property, the Business and the Business Assets are all to be sold to the Purchaser, the Disposals are aggregated for the purpose of determining the size of the transactions. Given that one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals is 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:

Disposal Agreement	Date	Parties to the Disposal Agreement	Assets to be disposed of under the Disposal Agreement	Amount of the consideration and the manner of its settlement
(i) Contract of Sale of Real Estate (Notes 1 and 2)	8 February 2021	(1) The Property Vendor as the vendor; (2) the Purchaser as the purchaser; (3) the Business Vendor as the tenant under the Lease; (4) the Vendor Guarantor as the guarantor of the vendor and the tenant under the Lease; and (5) the Purchaser Guarantor as the guarantor of the purchaser.	The Cleveland Property (subject to the Lease)	AUD3,000,000 (equivalent to approximately HK\$17,852,000), out of which AUD400,000 (equivalent to approximately HK\$2,380,000) shall be payable as a cash deposit within two Business Days from the signing of the Contract of Sale of Real Estate and AUD2,600,000 (equivalent to approximately HK\$15,472,000) shall be payable in cash on the Completion Date of Business Disposal as the balance of the consideration
(ii) Contract of Sale of Business (Notes 3 and 4)	8 February 2021	(1) The Business Vendor as the vendor; (2) the Purchaser as the purchaser; (3) the Property Vendor as the landowner; (4) the Vendor Guarantor as the guarantor of the vendor; and (5) the Purchaser Guarantor as the guarantor of the purchaser.	The Business and the Business Assets	AUD1,000,000 (equivalent to approximately HK\$5,951,000) and payable in cash upon Completion of Business Disposal

Notes:

1. The Vendor Guarantor entered into this Contract of Sale of Real Estate to guarantee the due and punctual payment of any money and performance by the Property Vendor and the Business Vendor of their obligations under the Disposal Agreements and any other document agreed by the parties to the Contract of Sale of Real Estate to be a Transaction Document (as defined in the Contract of Sale of Real Estate) for the purposes of the Contract of Sale of Real Estate.

2. The Purchaser Guarantor entered into this Contract of Sale of Real Estate to guarantee the due and punctual payment of any money and performance by the Purchaser of its obligations under the Contract of Sale of Real Estate.
3. The Vendor Guarantor entered into this Contract of Sale of Business to guarantee the obligations of the Business Vendor and the Property Vendor under the Disposal Agreements and any other document agreed by the parties to the Contract of Sale of Business to be a Transaction Document (as defined in the Contract of Sale of Business) for the purposes of the Contract of Sale of Business.
4. The Purchaser Guarantor entered into this Contract of Sale of Business to guarantee the obligations of the Purchaser under the Disposal Agreements and any other document agreed by the parties to the Contract of Sale of Business to be a Transaction Document (as defined in the Contract of Sale of Business) for the purposes of the Contract of Sale of Business.

Information on the Purchaser and the Purchaser Guarantor

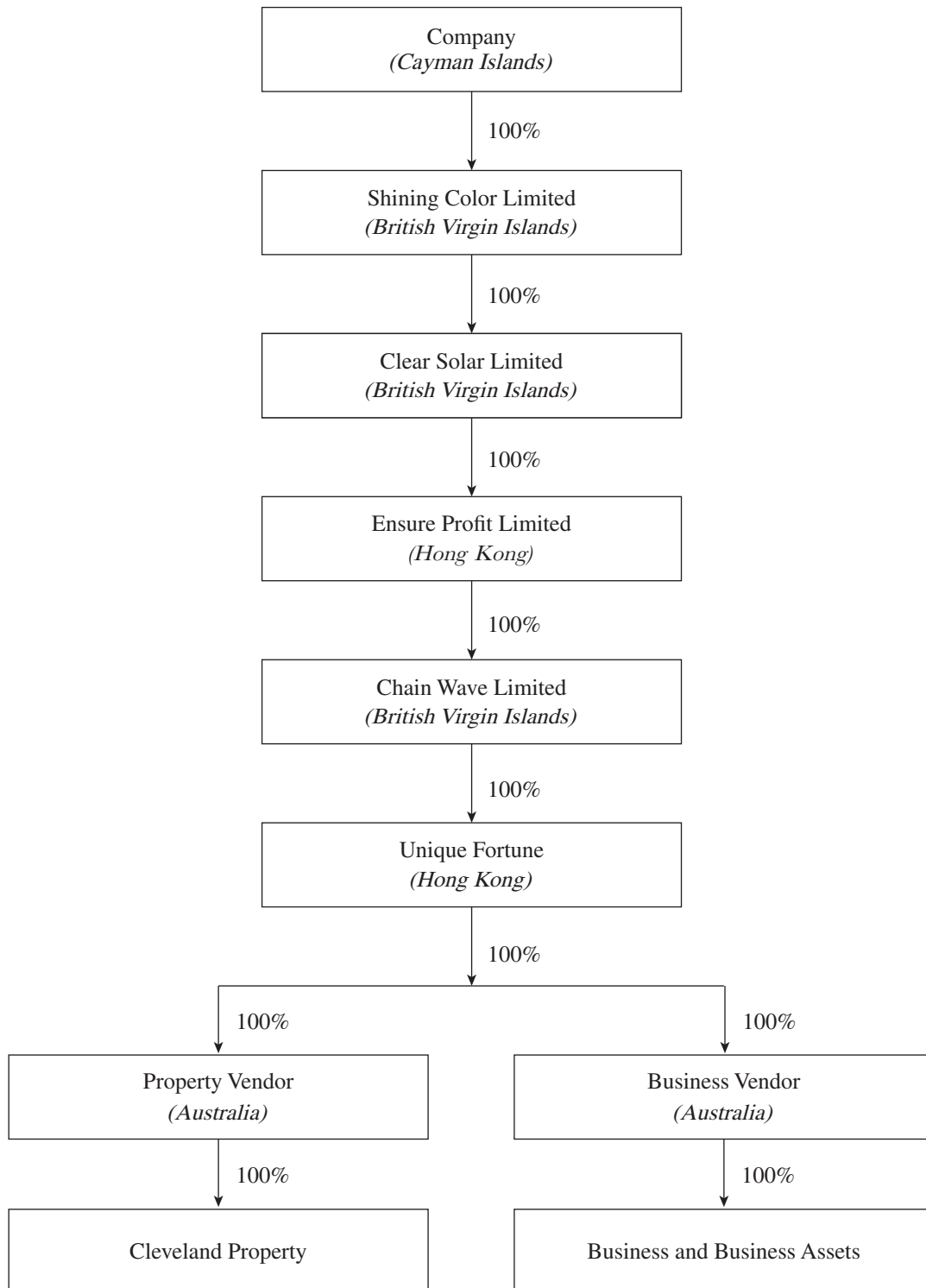
The Purchaser, which is wholly-owned by the Purchase Guarantor, is a company incorporated in Australia with limited liability, the principal activity of which is hospitality accommodation investment and management. The Purchaser Guarantor is a company incorporated in Australia with limited liability, the principal activity of which is hospitality accommodation investment and management. The Purchaser and the Purchaser Guarantor are ultimately owned as to 50% by Peter Clark and Janese Clark in equal shares, with the remaining 50% ultimately owned by Caroline Riddell-Clark, Kate Riddell-Clark, Luisa Riddell-Clark and Julian Clark in equal shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Purchaser, the Purchaser Guarantor and their respective ultimate beneficial owners is an Independent Third Party.

Information on the Trustee Companies

Each of the Trustee Companies is a company incorporated in Australia, which is wholly-owned by 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.

Structure of the Disposals

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



Basis of the 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 respective unaudited book values of the Cleveland Property and the Business Assets as at 31 December 2020 and the prevailing market conditions.

Conditions precedent

Completion of the Contract of Sale of Business shall be subject to the satisfaction or waiver of the following conditions precedent:

- (i) the due execution of the deed of assignment of the Lease by the Business Vendor (as assignor), the Purchaser or, if applicable, a related entity of the Purchaser nominated by the Purchaser as tenant (as assignee) and the Property Vendor, on terms acceptable to the Purchaser acting reasonably;
- (ii) completion of the Contract of Sale of Real Estate;
- (iii) the Purchaser having received an unconditional offer of finance to fund its acquisition of the Business and the Cleveland Property; and
- (iv) the accommodation authorisation and the food authorisation in respect of the Cleveland Property (both valid until 31 December 2021), the On-Premises Liquor Licence (valid until 31 December 2021) and the Occupancy Permits (to the extent these Occupancy Permits are assignable) granted to the Business Vendor, having been assigned to the Purchaser subject to terms and conditions imposed by any regulatory authority on terms reasonably satisfactory to the Purchaser.

The above conditions precedent may only be waived by the Purchaser by giving notice to the Business Vendor.

The Purchaser may terminate the Contract of Sale of Business by notice to the Business Vendor at any time before Completion of Business Disposal if:

- (i) a condition precedent has become incapable of satisfaction and has not been waived in accordance with the provisions in the Contract of Sale of Business within five Business Days after the occurrence of the fact, matter or circumstance which caused any of the conditions precedent to become incapable of satisfaction;
- (ii) a condition precedent has not been satisfied or waived in accordance with the provisions in the Contract of Sale of Business before the Long Stop Date; or
- (iii) the condition precedent, having been satisfied on or before the Long Stop Date, ceases to be satisfied before Completion of Business Disposal,

except where the condition precedent has become incapable of satisfaction, has not been satisfied, or ceases to be satisfied, as a direct result of a failure by the Purchaser to comply with its obligations under the Contract of Sale of Business in relation to the satisfaction or waiver of conditions precedent.

Completion

Completion of the Disposals is inter-dependent with one another and is scheduled to take place at 2:00 p.m. on the date being the later of the following, or any other date or time as the Business Vendor and the Purchaser agree in writing:

- (i) five Business Days after the conditions precedent under the Contract of Sale of Business having been satisfied (if not waived by the Purchaser); and
- (ii) the Completion Date of Business Disposal.

Upon completion of the Disposals, the Cleveland Property, the Business and the Business Assets shall cease to be owned by the Group, and the Cleveland Property and the results of operation of the Business would no longer be consolidated into the accounts of the Group.

INFORMATION ON THE CLEVELAND PROPERTY, THE BUSINESS AND THE BUSINESS ASSETS

The Cleveland Property includes a piece of freehold land of approximately 40 hectares comprising a 3-hectare vineyard growing cool climate Pinot, Chardonnay and a sparkling wine grape, 50 ensuite rooms, a restaurant and extensive conference facilities, including several lounges and breakout areas. The Cleveland 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 31 December 2020 was approximately AUD5,180,000 (equivalent to approximately HK\$30,824,000).

The unaudited combined financial information of the Business for the two years ended 31 December 2020 (prepared in accordance with Australian Accounting Standards) is as follows:

	Year ended 31 December 2019	Year ended 31 December 2020
	<i>(approximately AUD'000)</i>	<i>(approximately AUD'000)</i>
Net loss before tax	595	505
Net loss after tax	595	505

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 Cleveland Property, the Business and the Business Assets are currently operated under the name of “Cleveland Wines”, “Cleveland Winery Resort & Events” or “Cleveland Winery”. The Cleveland Property is located in Lancefield, Macedon Ranges, in Victoria, Australia and includes a piece of freehold land of approximately 40 hectares comprising a 3-hectare vineyard growing cool climate Pinot, Chardonnay and a sparkling wine grape, 50 ensuite rooms, a restaurant and extensive conference facilities, including several lounges and breakout areas.

In light of the declining economic growth in Australia and the global outbreak of the Coronavirus Disease (“**COVID-19**”), the demand for the services of the resorts held by the Group in the state of Victoria, namely, Bellinzona Resort Cellar Door & Dining (which the Group ceased to own with effect from 25 August 2020), Cleveland Winery Resort & Events and Balgownie Estate Vineyard Resort & Spa Yarra Valley (collectively, the “**Resorts**”), has substantially decreased since the first quarter of 2020 and such decrease is expected to continue until the first half of 2021. Further, the operations of the Resorts had been disrupted by the measures enforced by the local government to combat COVID-19, including various travel restrictions and social distancing rules, and the Group suspended the operations of the Resorts for the first time on 30 March 2020. After 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 as the number of cases of COVID-19 abated, the Group partially resumed the operations of the Resorts in June 2020, which took place in stages in line with the progress of the lifting of the restrictions by the government. However, the resurgence of new COVID-19 cases on 7 July 2020 prompted the government of the state of Victoria to reintroduce Stage 3 Stay at Home restrictions across the state of Victoria, and with effect from 6 p.m. on 2 August 2020, the government introduced Stage 4 restrictions for Melbourne, under which a curfew was put in place from 8 p.m. to 5 a.m. every evening. As a result of these new restrictions, the Group temporarily suspended the operations of the Resorts again with effect from 9 July 2020 until further notice, subject to the development of COVID-19 in Australia and the policies of the local government. The government of the state of Victoria announced the gradual easing of the restrictions throughout Victoria with effect from 11:59 p.m. on 16 September 2020, under which restaurants and some outdoor entertainment venues were allowed to open. Restaurants opened in a predominantly outdoor capacity, with a group limit of 10 people and density limits. The operations of Cleveland Winery Resort & Events and Balgownie Estate Vineyard Resort & Spa Yarra Valley were partially resumed in October 2020 and November 2020 respectively, with full operation resumption taking place only in January 2021. The COVID-19 pandemic has brought along tremendous challenges to the Group’s provision of hospitality and related services in Australia business. Taking into consideration that Cleveland Winery Resorts & Events has not been performing as well as Balgownie Estate Vineyard Resort & Spa Yarra Valley has 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 AUD3,800,000 (equivalent to approximately HK\$22,612,000), and approximately AUD3,700,000 (equivalent to approximately HK\$22,017,000) of such net proceeds will be used to repay the Loan and the interest accrued thereon, while the remainder will be used as working capital for operating Balgownie Estate Vineyard Resort & Spa Yarra Valley. The Directors consider that the Disposals allow the Group to re-allocate its resources to the development of Balgownie Estate Vineyard Resort & Spa Yarra Valley.

The Group expects to recognise an unaudited loss of approximately HK\$8,100,000 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 values of the Cleveland Property and the Business Assets as at 31 December 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 Cleveland Property, the Business and the Business Assets are all to be sold to the Purchaser, the Disposals are aggregated for the purpose of determining the size of the transactions. Given that one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposals is 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 hospitality business known as “Cleveland Wines”, “Cleveland Winery Resort & Events” or “Cleveland Winery” conducted by the Group as at the date of the Contract of Sale of Business
“Business Assets”	the assets owned by the Group and used in the Business, except for the stocks of wine of the Business Vendor
“Business Day”	a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Melbourne, Victoria, Australia

“Business Vendor”	Cleveland Operations Pty Ltd as trustee for the Cleveland Operating Trust, a company incorporated in Australia and wholly-owned by Unique Fortune
“Cleveland Property”	55 Shannons Road, Lancefield, VIC 3435, Australia, the site at which the Business operates
“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
“Completion Date of Business Disposal”	the date on which Completion of Business Disposal occurs
“Completion of Business Disposal”	the completion of the disposal of the Business and the Business Assets pursuant to the terms of the Contract of Sale of Business
“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 8 February 2021 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 of real estate dated 8 February 2021 in relation to the disposal of the Cleveland 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 Cleveland Property, the Business and the Business Assets pursuant to the terms of the Disposals Agreements
“Employee Expenses”	the estimated maximum amount of redundancy costs payable by the Group to the employees of the Business Vendor working in the Business pursuant to the terms of the Contract of Sale of Business, on the assumption that the Purchaser will elect to retain only 60% of such employees (i.e. the minimum as required under the Contract of Sale of Business) for employment after Completion of Business Disposal
“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
“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 the connected persons of the Company
“Lease”	the three-year lease commencing on 1 January 2020 and entered into between the Property Vendor as landlord and the Business Vendor as tenant, with respect to the Cleveland Property
“Loan”	the loan granted by the National Australia Bank Limited to the Group in the principal amount of approximately AUD3,675,000 (equivalent to approximately HK\$21,868,000), which is secured by a charge over all of the present and future rights, property and undertaking of the Property Vendor, and the guarantee and indemnity provided by the Group
“Long Stop Date”	the date which is four months after the date of the Contract of Sale of Business, or any other date agreed in writing between the Business Vendor and the Purchaser
“Property Vendor”	Cleveland Land Pty Ltd as trustee for the Cleveland Land Trust, a company incorporated in Australia and wholly-owned by Unique Fortune
“Purchaser”	Cleveland Winery and Conferences Pty Ltd as trustee for the Cleveland Winery Unit Trust, a company incorporated in Australia
“Purchaser Guarantor”	Lancemore Pty Ltd, a company incorporated in Australia
“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 the Property Vendor and the Business Vendor, 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 an indirect wholly-owned subsidiary of the Company, and the beneficial owner of the Cleveland Property, the Business and the Business Assets pursuant to the respective Trust Deeds with the Trustee Companies
“Vendor Guarantor”	Balgownie Estate Resort Operations Pty Ltd as trustee for the Balgownie Estate Resort Operations Trust, a company incorporated in Australia and wholly-owned by Leisure King Hong Kong Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“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\$5.9505. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation 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

8 February 2021

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. Mui Wai Lun and Professor Tsui Ka Kin Kevin.

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>.