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SKYWORTH

SKYWORTH GROUP LIMITED

創維集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00751)

DISCLOSEABLE TRANSACTION REGARDING LAND ACQUISITION IN NANJING CITY, JIANGSU PROVINCE

THE LAND ACQUISITION

The Board is pleased to announce that on 26 September 2021, the Company has, through the PRC Subsidiary, won a bid at the Auction for the Land Acquisition at a consideration of RMB559 million (excluding applicable tax payable). It is intended that the Land will be developed into residential properties for sale.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the consideration payable for the Land Acquisition is more than 5% but all of them are less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE LAND ACQUISITION

The Board is pleased to announce that on 26 September 2021, the Company has, through the PRC Subsidiary, won a bid at the Auction for the Land Acquisition at a consideration of RMB559 million (excluding applicable tax payable). The transfer of the land use rights underlying the Land will be undertaken in accordance with the relevant procedures as prescribed by the Vendor.

The Company intends to develop the Land (on its own or in collaboration with third parties who are not connected persons of the Company) into residential properties for sale in accordance with the land planning and development requirements as prescribed by the Vendor. As at the date of this announcement, the Company has not incurred any capital commitment in respect of the development of the Land.

A principal summary of some of the key terms of Land Acquisition are set out as follows:

Date of Auction:	26 September 2021
Transferor of the Land:	南京市規劃和自然資源局溧水分局 (Lishui Bureau of the Nanjing Bureau of Planning and Natural Resources*)
Location of the Land:	中國南京市溧水區永陽街道青年路以北、鐘靈北路以西 (地塊編號：NO.溧水 2021G18) (North of Qingnian Road, West of Zhongling North Road, Yongyang Street, Lishui District, Nanjing City, the PRC*) (Land Parcel no.: NO.溧水 2021G18*)
Site area:	Approximately 42,540 sq.m.
Term of land use rights:	70 years
Land use:	Class II residential use (R2)
Consideration:	RMB559 million plus applicable deed tax payable as part of the Land Acquisition, which is estimated to be approximately RMB575.77 million in the aggregate

CONSIDERATION AND PAYMENT

The total consideration for the Land Acquisition (inclusive of the deed tax payable thereon) is approximately RMB575.77 million, of which approximately RMB279.5 million shall be paid within a month of the confirmation of the winning bid, and the remaining balance shall be paid within three months of the confirmation of the winning bid, subject to the provisions set out in the Transfer Agreement. The payment for the Land Acquisition will be settled by the internal resources available to the Group. The PRC Subsidiary will apply for the registration of the relevant land use rights after the consideration of the Land Acquisition has been fully settled.

The consideration is the price of the final bid made by the PRC Subsidiary at the Auction. The Directors consider that the consideration is fair and reasonable having taken into account the location and potential development prospects of the Land.

INFORMATION ON THE VENDOR

南京市規劃和自然資源局溧水分局 (Lishui Bureau of the Nanjing Bureau of Planning and Natural Resources*), is a governmental body established by the PRC government and is responsible for (among other things) implementing state policies relating to the use of natural resources (including land) and the planning of state-owned land.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Company is an investment holding company. The Group is principally engaged in the manufacture and sales of smart TV systems, home access systems, smart white appliances, internet value-added services, property development and property holding. The Land Acquisition represents part of the Group's continuous efforts in operating its property development business, which is part of the principal activities of the Group.

Having taken into account, among other things, the location of the Land and its development potential in light of the planning requirements as prescribed by the Vendor, the Directors are of the view that the Land Acquisition is in the interests of the Company and its shareholders as a whole and the terms thereof are on normal commercial terms and are fair and reasonable.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the consideration payable for the Land Acquisition is more than 5% but all of them are less than 25%, the Land Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Auction”	the auction for the sale of the land use rights of the Land conducted by the Vendor which took place on 26 September 2021;
“Board”	the board of Directors;
“Company”	Skyworth Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange under stock code: 00751;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Group”	the Company and its subsidiaries;
“Land”	中國南京市溧水區永陽街道青年路以北、鐘靈北路以西（地塊編號：NO.溧水 2021G18）(North of Qingnian Road, West of Zhongling North Road, Yongyang Street, Lishui District, Nanjing City, the PRC*) (Land Parcel no.: NO.溧水 2021G18*) with a site area of approximately 42,540 sq.m.;
“Land Acquisition”	the proposed acquisition of the land use rights in the Land by the PRC Subsidiary or its nominee;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PRC Subsidiary”	南京維泓置業有限公司 (Nanjing Wei Hong Property Company Limited*), a company established in the PRC and an indirect wholly-owned PRC subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“sq. m.”	square meter(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transfer Agreement”	the land use right transfer agreement to be entered into between the PRC Subsidiary and the Vendor in relation to the Land Acquisition;
“Vendor”	南京市規劃和自然資源局溧水分局 (Lishui Bureau of the Nanjing Bureau of Planning and Natural Resources*); and
“%”	per cent.

By order of the Board
Skyworth Group Limited
Lai Weide
Chairman of the Board

Hong Kong, 26 September 2021

As at the date of this announcement, the Board of the Company comprises Mr. Lai Weide as the Chairman of the Board; Mr. Liu Tangzhi as executive director and the chief executive officer; Ms. Lin Wei Ping, Mr. Shi Chi, Mr. Lin Jin and Mr. Lam Shing Choi, Eric as executive directors; and Mr. Li Weibin, Mr. Cheong Ying Chew, Henry and Mr. Hung Ka Hai, Clement as independent non-executive directors.

** For identification purposes only*