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渝太地產集團有限公司#
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 Board is pleased to announce that on 20 January 2022, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase 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 Share for a consideration of HK\$230,000,000 payable in cash in accordance with the terms and conditions of the Sale and Purchase Agreement. The Sale Share represents the entire issued share capital of the Target Company, which holds indirectly 53.6% of the interests in the Sites located in 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(s) 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.

THE SALE AND PURCHASE AGREEMENT

On 20 January 2022, the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor and the Vendor's Guarantor in respect of the Transaction.

The principal terms and conditions of the Sale and Purchase Agreement are summarized below:

Date

20 January 2022

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 Sale and Purchase Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Sale Share, representing 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\$230,000,000, shall be paid by the Purchaser in the following manner:

- (1) HK\$80,000,000 shall be paid within 3 working days upon execution of the Sale and Purchase Agreement (the "**Deposit**"); and
- (2) the remaining HK\$150,000,000 shall be paid on the following working day of the Completion Date (the "**Second Instalment**").

If the Completion does not occur on or before 10 February 2022 (or on such other date as the parties to the Sale and Purchase Agreement may agree), the Vendor shall return the Deposit to the Purchaser without interest, and the Purchaser is not obliged to make the Second Instalment.

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, mainly including:

- (i) the tentative appraisal value of the Sites at approximately RMB2,118,000,000 (equivalent to approximately HK\$2,594,550,000) and the appraisal value attributable to the Target Company in relation to the Sites at approximately RMB1,135,248,000 (equivalent to approximately HK\$1,390,679,000) based on the indicative valuation work conducted by an independent professional valuer engaged by the Company;
- (ii) the costs related to the acquisition of the Sites at approximately RMB1,355,980,000 (equivalent to approximately HK\$1,661,076,000) and the costs attributable to the Target Company at approximately RMB726,805,000 (equivalent to approximately HK\$890,336,000);
- (iii) the net liability of the Target Group as at 30 November 2021 (after accounting for minority interest) at HK\$198,089,000; and
- (iv) the development status of the Sites. As at the date of this announcement, the Sites are still under development and no pre-sale of the property units on the Sites has commenced. The estimated schedule for such pre-sale is expected to commence within this year.

The Consideration will be entirely funded by the internal resources of the Group.

Conditions precedent

Completion is conditional upon the fulfilment (or waiver, if applicable) 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 Company, being the controlling shareholder of the Purchaser, having complied with and obtained all necessary approvals or waivers required under the applicable law and regulations, including the Listing Rules, in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (c) the warranties given by the Vendor and the Vendor's Guarantor in the Sale and Purchase Agreement remaining true and accurate and not misleading from the date thereof 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 Sale and Purchase Agreement;
- (d) the warranties given by the Purchaser in the Sale and Purchase Agreement remaining true and accurate and not misleading from the date thereof 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;
- (e) the Vendor, the Target Company and other members of the Target Group having obtained necessary approvals, authorizations, waivers or notifications from third parties which are required for the execution and performance of the Sale and Purchase 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 November 2021, the date to which the latest unaudited combined management accounts of the Target Group were made up;
- (g) the parties to the Sale and Purchase Agreement having performed and complied with all agreements, obligations and conditions contained in the Sale and Purchase Agreement that are required to be performed or complied with by each of them on or before 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 Sale and Purchase Agreement.

The conditions precedent set out 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) and (e).

Conduct of business 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 before Completion 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 Sale and Purchase 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 Sale and Purchase Agreement.

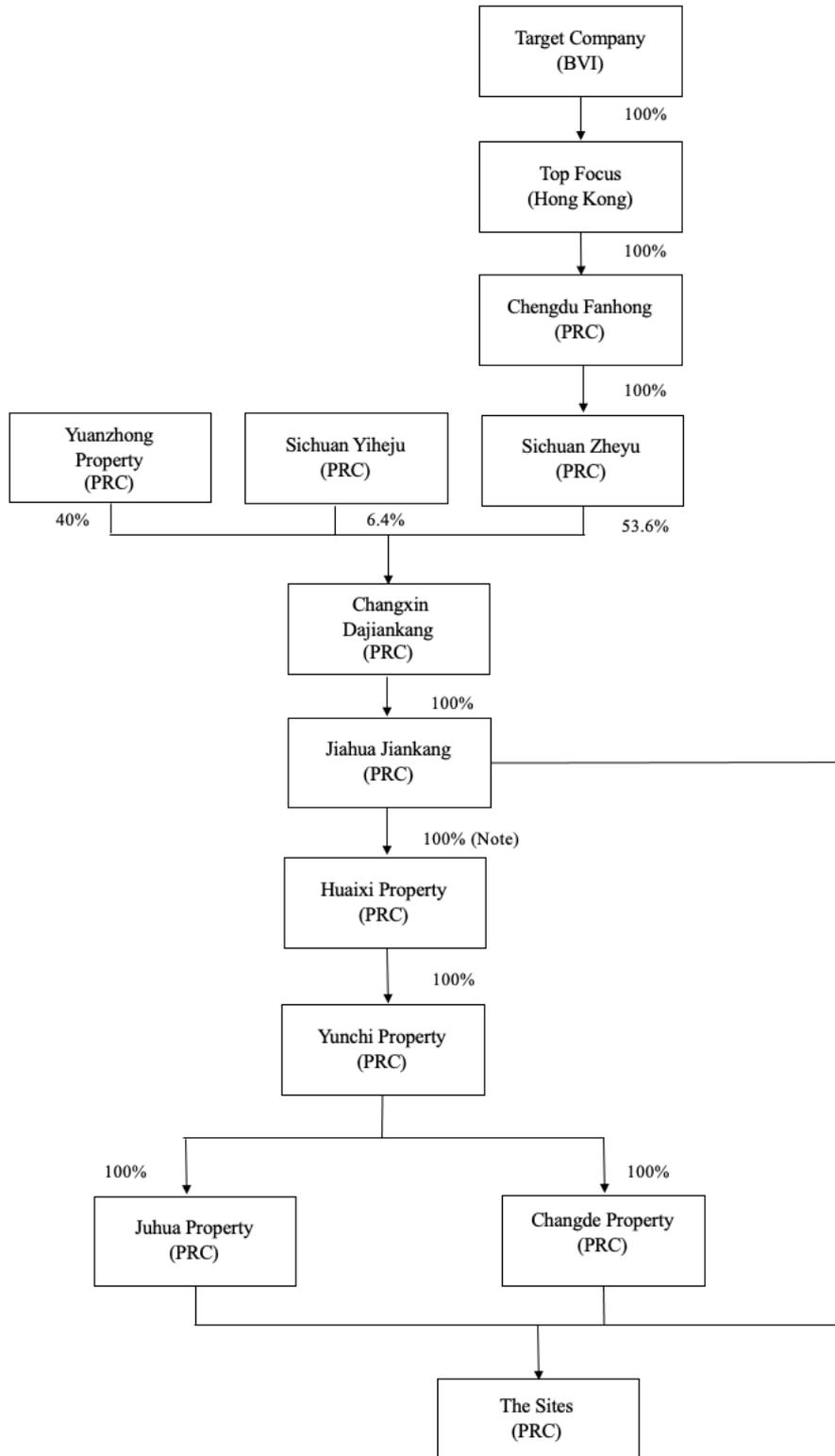
Completion

Completion of the Agreement will take place on the Completion Date, being the date on which all the conditions precedent to the Sale and Purchase Agreement as set out in the sub-section headed "*Conditions precedent*" above have either been fulfilled or (where applicable) waived and on which the transfer of the Sale Share from the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement is completed, which is expected to be on or before 10 February 2022 (or on such other date as the parties to the Sale and Purchase Agreement may agree).

After Completion, the Target Company will become an indirect 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:



Note: Jiahua Jiankang is the beneficial shareholder of 100% equity interest in Huaixi Property, of which 99% shareholding is registered in the name of an independent financial institution reflected in registration of Bureau of Industry and Commerce. According to the advice of the PRC legal advisor, the registration is regarded as collateral security under the loan financing arrangement under which the aforesaid financial institution provided loan to Jiahua Jiankang. The accounts of Huaixi Property and its subsidiaries are consolidated into the financial statements of the Target Company pursuant to relevant accounting principles.

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 Top Focus.

Top Focus 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 Chengdu Fanhong.

Chengdu Fanhong is a company established in the PRC with limited liability, and is principally engaged in investment holding. Its principal asset is currently the entire equity interest in Sichuan Zheyu.

Sichuan Zheyu is a company established in the PRC with limited liability, and is principally engaged in investment holding. Its principal asset is currently 53.6% equity interest in Changxin Dajiankang.

Changxin Dajiankang is a company established in the PRC with limited liability, and is principally engaged in investment holding. Its principal asset is currently the entire equity interest in Jiahua Jiankang.

Jiahua Jiankang is a company established in the PRC with limited liability and its principal business is investment holding and development of the Sites. Its principal asset is currently the entire equity interest in Huaixi Property 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.

Huaixi Property is a company established in the PRC with limited liability and its principal business is investment holding. Its principal asset is currently the entire interest in Yunchi Property.

Yunchi Property is a company established in the PRC with limited liability and its principal business is investment holding. Its principal asset is currently the entire interest in Juhua Property and Changde Property.

Juhua Property is a company established in the PRC with limited liability 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.

Changde Property is a company established in the PRC with limited liability 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.

Information on the Sites

Located in Pengshan District in Meishan, Sichuan Province, the PRC* (中國四川省眉山市彭山區), the Sites comprise fourteen plots of land covering a site area of approximately 558,408.08 sq.m. with a planned gross floor area of approximately 1,063,000 sq.m. The Sites are presently expected to be developed into a residential and commercial composite development. As at the date of this announcement, the Sites are still under development and the pre-sale of property units on the Sites is estimated to commence within this year.

Financial information of the Target Group

Set out below are certain unaudited combined financial information of the Target Group prepared in accordance with the accounting principles generally accepted in Hong Kong:

	For the year ended 31 December 2019 (unaudited) <i>Approximately (HK\$'000)</i>	For the year ended 31 December 2020 (unaudited) <i>Approximately (HK\$'000)</i>	For the eleven months ended 30 November 2021 (unaudited) <i>Approximately (HK\$'000) (Note)</i>
Revenue	-	-	-
Net loss before tax	4,472	66,759	572,591
Net loss after tax	4,472	66,759	572,591

Note:

As at the date of this announcement, the latest available unaudited combined financial information of the Target Group was made up to 30 November 2021.

Based on the unaudited combined financial information of the Target Group, the net liability of the Target Group was approximately HK\$496,823,000 as at 30 November 2021.

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 Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed(s) 5% in respect of the Transaction 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.

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Changde Property”	Meishan Yuanzhong Changde Property Co., Ltd.* (眉山圓中長德置業有限責任公司), a company established in the PRC with limited liability and directly wholly-owned by Yunchi Property
“Changxin Dajiankang”	Sichuan Yuanzhong Changxin Dajiankang Industrial Development Co., Ltd.* (四川圓中長信大健康產業發展有限公司), a company established in the PRC with limited liability, which is owned as to 53.6% by Sichuan Zheyu, 6.4% by Sichuan Yiheju and 40% by Yuanzhong Property
“Chengdu Fanhong”	Chengdu Fanhong Enterprise Management Co., Ltd.* (成都帆泓企業管理有限公司), a company established in the PRC with limited liability and directly wholly-owned by Top Focus

“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 Sale and Purchase Agreement
“Completion Date”	the date on which the transfer of the Sale Share from the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement is completed or such other date as the parties to the Sale and Purchase 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
“Huaixi Property”	Sichuan Province Yuanzhong Huaixi Property Co., Ltd.* (四川省圓中懷璽置業有限公司), a company established in the PRC with limited liability and beneficially wholly-owned by Jiahua Jiankang
“Jiahua Jiankang”	Sichuan Yuanzhong Jiahua Jiankang Industrial Co., Ltd.* (四川圓中嘉華健康產業有限公司), a company established in the PRC with limited liability and directly wholly-owned by Changxin Dajiankang
“Juhua Property”	Meishan Pengshan Yuanzhong Juhua Property Co., Ltd.* (眉山彭山圓中聚華置業有限公司), a company established in the PRC with limited liability and directly wholly-owned by Yunchi Property
“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

“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
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 January 2022 entered into between the Purchaser, the Vendor and the Vendor’s Guarantor in respect of the Transaction
“Sale Share”	1 share of US\$1.00 of the Target Company, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of the Company of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the Shares
“Sichuan Yiheju”	Sichuan Yiheju Real Estate Development Co., Ltd.* (四川宜和居房地產開發有限公司), a company established in the PRC with limited liability
“Sichuan Zheyu”	Sichuan Zheyu Enterprise Management Co., Ltd.* (四川哲渝企業管理有限公司), a company established in the PRC with limited liability and directly wholly-owned by Chengdu Fanhong
“Sites”	comprising fourteen plots of lands, the land use right of which has been granted, or contracted to be granted, to Jiahua Jiankang, Juhua Property and Changde Property (as the case may be), with an aggregate site area of approximately 558,408.08 sq.m. located at the east side of Changle Road and the west side of Binjiang Avenue and the Jiangkou Street, Pengshan District in Meishan, Sichuan Province, the PRC* (中國四川省眉山市彭山區長樂路以東、濱江大道以西及江口街道)
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Golden Honour Global Limited, a company incorporated in the BVI with limited liability, which is directly and wholly-owned by the Vendor as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries

“Top Focus”	Top Focus Industries Limited (德豐實業有限公司), a company incorporated in Hong Kong with limited liability and directly wholly-owned by the Target Company
“Transaction”	the transaction contemplated under the Sale and Purchase Agreement
“Vendor”	Fortune Day Ventures Limited, a company incorporated in the BVI with limited liability
“Vendor’s Guarantor”	Huang Keli, who holds the entire equity interest in the Vendor as at the date of this announcement
“Yuanzhong Property”	Yuanzhong Property Chengdu Co., Ltd.* (圓中置業成都有限公司), a company established in the PRC with limited liability
“Yunchi Property”	Sichuan Yuanzhong Yunchi Property Development Co., Ltd.* (四川圓中雲池置業發展有限公司), a company established in the PRC with limited liability and directly wholly-owned by Huaixi Property
“%”	per cent.

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, the illustrative exchange rate between RMB and HK\$ is RMB1 = HK\$1.225.

By order of the Board
Y. T. Realty Group Limited
Wong Hy Sky
Chairman and Managing Director

Hong Kong, 20 January 2022

As at the date hereof, the Board comprises Wong Hy Sky and Yuen Wing Shing who are executive Directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive Directors.