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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)

PROPOSED SHARE PREMIUM CANCELLATION

The Board intends to put forward for approval by the Shareholders at the AGM a proposal to cancel the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be transferred to the Contributed Surplus Account and to authorise the Board to apply such amount in such manner as permitted under the laws of Bermuda and the Bye-laws.

A circular of the Company containing, among other matters, details of the Proposed Share Premium Cancellation and a notice convening the AGM will be despatched to the Shareholders on or before 3 May 2022.

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REASON FOR THE PROPOSED SHARE PREMIUM CANCELLATION

Under the Companies Act, where the Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium on those Shares shall be transferred to the Share Premium Account (except in the case of an exchange of Shares the excess value of the shares acquired over the nominal value of the Shares being issued may be credited to the Contributed Surplus Account). The Company shall not declare or pay a dividend or make a distribution out of the Share Premium Account as share premium is treated as if it were paid up share capital of the Company under the Companies Act.

Pursuant to the Companies Act and the Bye-laws, subject to compliance with the conditions stated in the relevant provisions, the Company may make distributions to the Shareholders out of the Contributed Surplus Account. The Proposed Share Premium Cancellation and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company, thereby giving the Company greater flexibility in making distributions to the Shareholders out of the Contributed Surplus Account in the future as the Board considers appropriate. Subject to approval by the Shareholders of the Proposed Share Premium Cancellation, the amount standing to the credit of the Contributed Surplus Account may be used to set off the accumulated losses of the Company that may arise from time to time.

The Board therefore considers that the Proposed Share Premium Cancellation is in the interests of the Company and the Shareholders as a whole.

EFFECTS OF THE PROPOSED SHARE PREMIUM CANCELLATION

The implementation of the Proposed Share Premium Cancellation does not involve any reduction in the authorised or issued share capital of the Company, or any reduction in the nominal value of the Shares or alteration of the trading arrangements concerning the Shares.

Save for the expenses to be incurred by the Company in relation to the Proposed Share Premium Cancellation, the Board considers that the implementation of the Proposed Share Premium Cancellation will not, in itself, have a material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

Based on the audited financial statements of the Company as at 31 December 2021, the amounts standing to the credit of the Share Premium Account and the Contributed Surplus Account as at 31 December 2021 were approximately HK\$510,233,000 and HK\$693,308,000 respectively while the accumulated losses of the Company as at 31 December 2021 amounted to approximately HK\$1,161,684,000. The balances of the Share Premium Account and the Contributed Surplus Account have not changed since 31 December 2021 and up to the date of this announcement.

CONDITIONS OF THE PROPOSED SHARE PREMIUM CANCELLATION

The Proposed Share Premium Cancellation will be conditional upon:

- (a) the passing of a special resolution by the Shareholders approving the Proposed Share Premium Cancellation at the AGM;
- (b) compliance with the requirements of section 46(2) of the Companies Act to effect the Proposed Share Premium Cancellation; and
- (c) the Directors having satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date will be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the conditions above, the Proposed Share Premium Cancellation will be completed and become effective on the Effective Date.

GENERAL

The Proposed Share Premium Cancellation is subject to, among other matters, the passing of a special resolution by the Shareholders at the AGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the special resolution approving the Proposed Share Premium Cancellation.

A circular of the Company containing, among other matters, details of the Proposed Share Premium Cancellation and a notice convening the AGM will be despatched to the Shareholders on or before 3 May 2022.

Shareholders and potential investors of the Company should note that the Proposed Share Premium Cancellation is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Proposed Share Premium Cancellation may or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“AGM”	an annual general meeting of the Company to be convened and held at which, among others, the special resolution approving the Proposed Share Premium Cancellation will be considered and, if thought fit, approved by the Shareholders
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company (as amended from time to time)
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Company”	Hang Tai Yue Group Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on GEM
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Director(s)”	the director(s) of the Company

“Effective Date”	the first business day immediately following the date of the AGM (subject to the passing of the relevant special resolution approving the Proposed Share Premium Cancellation and the fulfillment of the other conditions set forth in the paragraph headed “Conditions of the Proposed Share Premium Cancellation” in this announcement)
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Proposed Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be transferred to the Contributed Surplus Account and be applied in such manner as permitted under the laws of Bermuda and the Byelaws
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Share Premium Account”	the share premium account of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Hang Tai Yue Group Holdings Limited
Lam Ching Yee
Chief Executive Officer and Executive Director

26 April 2022

As at the date of this announcement, the Board comprises (i) one non-executive Director, namely Mr. Ng Ting Ho; (ii) two executive Directors, namely Ms. Lam Ching Yee and Mr. Fong Chak Kiu; and (iii) three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Chan Ming Kit and Mr. Tong Hin Sum Paul.

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 Listed Company Information” 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>.