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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)**

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
DISCLOSEABLE AND EXEMPTED CONNECTED TRANSACTION  
IN RELATION TO THE DEEMED DISPOSAL OF INTEREST IN  
DYNAMIC INDONESIA HOLDINGS LIMITED**

Reference is made to the announcement (the “**Announcement**”) of Hang Tai Yue Group Holdings Limited (the “**Company**”) dated 2 June 2022. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement. This announcement is made to provide supplemental information in relation to the Subscription and the Put Option.

**REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Board noted that the Company’s shareholding interest in Dynamic Indonesia would be diluted if they would not participate in the first tranche of the Subscription. It was the intention of the First Subscriber to fully subscribe for the first tranche of the Subscription and the Grantor would grant a Put Option to the Second Subscriber only if the Second Subscriber decided not to participate in the first tranche of the Subscription. In order to safeguard the Group’s best interest, the Second Subscriber negotiated with the First Subscriber that (i) the Second Subscriber has the rights to participate in all the remaining tranches of the Subscription depending on the future growth of Dynamic Indonesia and to avoid the Group’s shareholding interests in Dynamic Indonesia being further diluted; and (ii) by the Second Subscriber not participating in the first tranche of the Subscription, the Grantor was required by the Second Subscriber and the Grantor agreed to enter into the Option Deed to ensure the Second Subscriber has its own discretion to require the Grantor (or its nominee) to acquire the Option Shares and all or part of the Shareholder’s Loan for a period of two years from the date of the Option Deed, which provides the Second Subscriber an opportunity to realise all its investment in Dynamic Indonesia and the Put Option granted by the Grantor can safeguard the initial investment of the Group based on the option price (the “**Option Price**”) agreed between the parties to the Option Deed.

Before entering into the Subscription Agreement and the Option Deed, the Board has considered the factors below:

**(a) the Put Option granted by the Grantor can safeguard the initial investment of the Group**

The Option Price payable by the Grantor (or its nominee) upon exercise of the Put Option by the Second Subscriber shall be determined in accordance with the terms of the Option Deed by the following formula:

Option Price = A + interest on A at an interest rate of 12% per annum accruing from the date of the Option Deed up to the date falling on the third business day after the date of exercise of the Put Option (“**Completion Date**”) + B + interest on B at an interest rate of 12 % per annum accruing from the date of grant of the Shareholder’s Loan up to the Completion Date

A = (US\$2 million + the total subscription money paid by the Grantee for Subscription Shares under the Subscription Agreement (if any)) x the number of Option Shares to be acquired by the Grantor/the total number of Shares held by the Second Subscriber as at the Completion Date

B = the principal amount of the Shareholder’s Loan to be acquired by the Grantor (or its nominee) upon exercise of the Put Option

The above formula for determining the value of the Option Price which includes the value of the Option Shares with interest and the outstanding Shareholder’s Loan with interest was offered by the Grantor and the Board considers that it is fair and reasonable and is in the interests of the Company and its shareholders as a whole based on the facts that the Second Subscriber would receive at least US\$2 million plus the repayment of Shareholder’s Loan from the Grantor assuming the Board decides to exercise the Put Option to require the Grantor (or its nominee) to acquire all its shareholding interests in Dynamic Indonesia. As compared with the US\$1 million of the initial investment cost paid by the Second Subscriber for the subscription of then 51% of the issued share capital of Dynamic Indonesia at the consideration of US\$1 million (details of which please refer to the announcement of the Company dated 9 March 2021) (“**2021 Subscription**”), the Second Subscriber would secure a gain of at least US\$1 million (which is 100% premium over the initial investment cost) and recover the initial investment cost plus aforesaid interest (an interest rate of 12% per annum accruing from the date of the Option Deed up to Completion Date) as well as recover the Shareholder’s Loan with aforesaid interest (an interest rate of 12 % per annum accruing from the date of grant of the Shareholder’s Loan up to the Completion Date). In determining the fairness and reasonableness of the interest rate of 12% per annum as stated in the above formula, the Board made reference to the latest Hong Kong dollar best lending rate quoted by The Hong Kong and Shanghai Banking Corporation Limited, which is 5% per annum and therefore the Board is of the view that the interest rates of 12% is in the interests of the Company and its shareholders as a whole. Based on the above, the Board is of the view that the Option Price (including the value of the Option Shares and the interest rate thereunder) is fair and reasonable and in the interest of the Company and its shareholders as a whole. The actual gain expected to be recognised by the Group may vary depending on several variable factors such as the time that the Group exercise the Put Option and the future performance of Dynamic Indonesia Group.

The Board is of the view that taking into account (i) no premium was paid by the Company in the grant of the Put Option from the Grantor, the terms of the Option Deed could safeguard the investments of the Group; and (ii) the fairness and reasonableness of the Option Price as stated above, it is in the interest of the Company and its shareholders as a whole to enter into the Subscription Agreement and the Option Deed.

In view of the grant of the Put Option by the Grantor only on the condition that the Second Subscriber decided not to participate in the first tranche of the Subscription as mentioned above, which provides the Second Subscriber an opportunity to realise all its investment in Dynamic Indonesia, the Company decided not to participate in the first tranche of the Subscription. However, if the financial performance of Dynamic Indonesia Group improves in the future (i.e. within the period of the remaining tranches of the Subscription), the Company has the discretion to participate in the remaining tranches of the Subscription.

**(b) the shareholder's loans provided to Dynamic Indonesia and its financial condition**

Upon completion of the 2021 Subscription and up to the date of this announcement, the First Subscriber and the Second Subscriber have already granted shareholder loans of total outstanding amount of US\$3.8 million (equivalent to approximately HK\$29.6 million) to Dynamic Indonesia for its general working capital. As at the date of this announcement, the total outstanding Shareholder's Loans amounted to approximately US\$2.1 million.

According to the unaudited management account of Dynamic Indonesia Group for the year ended 31 December 2020 (“FY2020”) and for the year ended 31 December 2021 (“FY2021”), although Dynamic Indonesia recorded increase of unaudited revenue from approximately HK\$77.0 million for FY2020 to approximately HK\$168.2 million for FY2021, (i) Dynamic Indonesia Group still recorded unaudited loss after taxation of approximately HK\$6.9 million for FY2021 as compared to approximately HK\$8.0 million for FY2020; and (ii) Dynamic Indonesia Group recorded unaudited total consolidated deficit of approximately HK\$15.3 million as at 31 December 2021. According to the unaudited management account of Dynamic Indonesia Group for the four months ended 30 April 2022, the unaudited net current liabilities amounted to approximately HK\$1.8 million and unaudited total consolidated deficit amounted to approximately HK\$15.6 million as at 30 April 2022 (unaudited net current liabilities of approximately HK\$1.0 million and unaudited total consolidated deficit of approximately HK\$15.3 million as at 31 December 2021). Given the aforesaid facts, Dynamic Indonesia Group might not be able to finance its general working capital and/or development plan from third parties such as financial institution and banks.

Although the Company has positive outlook on the prospects of the mobile internet business which Dynamic Indonesia is engaged in (as disclosed in the first quarterly report of the Company for the three months ended 31 March 2022), the Board foresees that (i) the Second Subscriber will have to provide further financial assistance for general working capital and development plan of Dynamic Indonesia Group in the near future given its current unfavourable financial performance and financial position; and (ii) the foreseeable gain that could be recognised from the improving financial performance and position of Dynamic Indonesia in the short run would not outrun the benefit from the overall effect of exercise of Put Option.

**(c) financial effect of completion of the first tranche of the Subscription to the Company as the Second Subscriber decided not to participate**

Upon completion of the first tranche of the Subscription, the cash position of Dynamic Indonesia would improve and the net liabilities per share of Dynamic Indonesia would decrease. The dollar value of the net deficit of the Company's shareholding in Dynamic Indonesia would also decrease upon the completion of the first tranche of the Subscription.

Based on the above factors including (i) the potential benefits of the exercise of Put Option; and (ii) the performance of Dynamic Indonesia that were considered by the Board, even though the Company's outlook on the prospect of mobile internet business which Dynamic Indonesia is engaged in is positive and the result of losing the controlling stake in Dynamic Indonesia, the Company decided to enter into the Subscription Agreement and the Option Deed and not to participate in the first tranche of the Subscription which the Company is of the view that it is in the interests of the Company and its shareholders as a whole.

Save as disclosed above, all other information and content set out in the Announcement remain unchanged and shall continue to be valid for all purposes. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement.

The exercise of the Put Option is at the discretion of the Second Subscriber. According to Rule 19.75(1) of the GEM Listing Rules, only the premium will be taken into consideration for the purpose of transaction classification at the time of the grant of the Put Option to the Second Subscriber. As no premium was paid by the Second Subscriber in grant of the Put Option from the Grantor, the Put Option granted by the Grantor to the Second Subscriber does not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules and are exempt from the reporting, announcement and Shareholders' approval requirements. When the Put Option is exercised, the transaction may constitute notifiable transaction(s) under Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant notification, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules and further announcement(s) will be made by the Company in this regard as and when necessary.

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.80 per US1.00. 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.

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

21 July 2022

*As at the date of this announcement, the Board comprises (i) one non-executive Director, namely Mr. Ng Ting Ho; (ii) three executive Directors, namely Ms. Lam Ching Yee, Mr. Fong Chak Kiu and Mr. Liu Jinquan; 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 website of the Stock Exchange at <http://www.hkexnews.hk> for a minimum period of seven days from the date of publication and on the website of the Company at <http://www.hangtaiyue.com>.*