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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 HUIZHOU CITY OF GUANGDONG PROVINCE

THE LAND ACQUISITION

The Board is pleased to announce that on 27 March 2023, the Company has, through the PRC Subsidiary, won a bid at the Auction for the Land Acquisition at a consideration of approximately RMB582 million (before applicable tax). It is intended that the Land will be developed into a residential area with commercial facilities in the vicinity to an industrial park currently under development by the Group.

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 27 March 2023, the Company has, through the PRC Subsidiary, won a bid at the Auction for the Land Acquisition at a consideration of approximately RMB582 million (before applicable tax). The transfer of the land use right underlying the Land will be undertaken in accordance with the relevant procedures as prescribed by the Vendor.

The Land is designated for residential use with commercial facilities and it is intended that the Land will be developed into a residential area with commercial facilities in the vicinity to an industrial park currently under development by the Group.

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

Date of Auction:	27 March 2023
Transferor of the Land:	Huizhou Bureau of Natural Resources* (惠州市自然資源局)
Location of the Land:	East of Wucun River Area, Tonghu Ecological and Smart Zone, Zhongkai District High-Tech Zone, Huizhou City, the PRC (Land Parcel no.: ZKC-063-16)* (中國惠州仲愷高新區潼湖生態智慧區梧村河東片區(用地編號: ZKC-063-16))
Site Area:	56,447 sq.m.
Term of Land Use Right:	70 years for the area designated for residential use and 40 years for the area designated for commercial use
Land Use:	Residential use with commercial amenities
Consideration:	Approximately RMB582 million plus applicable deed tax payable as part of the Land Acquisition, which is estimated to be approximately RMB600 million in the aggregate

CONSIDERATION AND PAYMENT

The total consideration for the Land Acquisition (inclusive of the deed tax payable thereon) is approximately RMB600 million. The winning bid shall be paid within 30 days after the date of signing of the land use right transfer agreement in relation to the Land Acquisition. 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 right after the consideration of the Land Acquisition and the related tax have 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

Huizhou Bureau of Natural Resources* (惠州市自然資源劃局) 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 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 Group, comprising the Company and its subsidiaries, is principally engaged in manufacture and sales of smart TV systems, home access systems, smart white appliances, intelligent manufacturing, internet value-added services, property development, property holding, photovoltaic products, modern services and trading of other products.

Having taken into account, among other things, the location of the Land and its development potential in light of the designated use and planning requirements as prescribed by the Vendor, the Directors (including the independent non-executive 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 normal commercial terms that 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 right of the Land conducted by the Vendor which took place on 27 March 2023;
“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”	Land parcels located at the East of Wucun River Area, Tonghu Ecological and Smart Zone, Zhongkai District High-Tech Zone, Huizhou City, the PRC (Land Parcel no.: ZKC-063-16)* (中國惠州仲愷高新區潼湖生態智慧區梧村河東片區 (用地編號：ZKC-063-16)) with a site area of 56,447 sq. m.;
“Land Acquisition”	the acquisition of the land use right in respect of the Land by the PRC Subsidiary;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“PRC Subsidiary”	Huizhou Skyworth Construction and Development Company Limited* (惠州創維建設發展有限公司), a company established in the PRC and an indirect non wholly-owned 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;
“Vendor”	Huizhou Bureau of Natural Resources* (惠州市自然資源局); and
“%”	per cent.

By order of the Board
Skyworth Group Limited
Lin Jin
Chairman of the Board

Hong Kong, 27 March 2023

As at the date of this announcement, the Board of the Company comprises five executive Directors, namely Mr. Lin Jin (Chairman), Mr. Liu Tangzhi (Vice Chairman), Mr. Shi Chi (Chief Executive Officer), Ms. Lin Wei Ping and Mr. Lam Shing Choi, Eric; and three independent non-executive Directors, namely Mr. Li Weibin, Mr. Cheong Ying Chew, Henry and Mr. Hung Ka Hai, Clement.

** For identification purposes only*