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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)

**UPDATE ON INSOLVENT LIQUIDATION APPLICATION
AGAINST
A SUBSIDIARY OF THE COMPANY**

Reference is made to (i) the announcements (“**Announcements**”) of Hang Tai Yue Group Holdings Limited (“**Company**”) dated 8 December 2015, 11 January 2016, 29 February 2016, 20 May 2016, 5 July 2016, 5 September 2016, 7 September 2016, 31 August 2017, 14 December 2018, 15 March 2019, 9 April 2019, 29 April 2019, 8 November 2019, 3 December 2019, 6 December 2019, 10 December 2019, 27 December 2019, 8 February 2021, 20 October 2021 and 7 February 2023 in relation to, among other matters, the disposal (“**Disposal**”) of the Group’s interest in 上海智趣廣告有限公司 (in English for identification purpose only, Shanghai Zhiqu Advertisement Co., Ltd.); (ii) the circular (“**Circular**”) of the Company dated 11 February 2016 in relation to, among other matters, the Disposal; and (iii) the quarterly report of the Company for the three months ended 31 March 2023 (“**2023 Q1 Report**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements, the Circular and the 2023 Q1 Report unless otherwise specified.

The Board announces that it recently came to the attention of the Company that on 10 May 2023, 上海市第三中級人民法院 (in English for identification purpose only, Shanghai Third Intermediate People’s Court) (“**Court**”) announced that Shanghai Well C.P.A. Partnership (上海華皓會計師事務所(普通合伙)) has been appointed as the administrator (“**Administrator**”) in respect of the insolvent liquidation of Jixiang, a wholly-owned subsidiary of the Company (“**Liquidation**”), following its acceptance of the application made by the Purchaser for the Liquidation, further details of which have been set out in the Company’s announcement dated 7 February 2023. On 15 May 2023, Jixiang received a list from the Administrator for the items that need to be handed over to the Administrator, including its assets, seals, and books and records (“**Handover**”).

The Company has sought the advice of its legal adviser as to PRC laws on the above-mentioned matter. Based on the applicable accounting standard, Jixiang shall be deemed to be deconsolidated from the consolidated financial statements of the Company upon the effective date of the Handover, given that the Company shall be considered to have lost its control over Jixiang since such date. On the effective date of the Handover, the Group will record a gain or loss on the deemed disposal of a subsidiary, which will be determined with reference to the amounts of the total assets and the total liabilities of Jixiang as at the effective date of the Handover. It is currently expected that the Handover will take place in June 2023. As at the date of this announcement, the principal assets held by Jixiang are 45,779,220 shares (“**LEO Shares**”) in LEO Group Co., Ltd (利歐集團有限公司), a company the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 002131), which have been pledged as security for a loan granted to the Group. It is currently estimated that the Group will record a gain of approximately HK\$70 million on the deemed disposal of a subsidiary, which is based on (i) the value of Jixiang’s total liabilities net of its total assets as at 18 May 2023; and (ii) the closing price of the LEO Shares of RMB2.33 per share as quoted on the Shenzhen Stock Exchange on 18 May 2023. The actual amount of the gain on the deemed disposal of a subsidiary to be recorded by the Group on the effective date of the Handover is subject to the then market value of the LEO Shares and is subject to the final audit to be performed by the Company’s auditor.

The Company will keep its shareholders and investors informed of any significant development of the Liquidation as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

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

19 May 2023

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 the 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 of Hong Kong Limited 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>.