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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)

**DISCLOSEABLE TRANSACTION –
RENOVATION AGREEMENT**

RENOVATION AGREEMENT

The Board announced that on 21 July 2023, Balgownie, a wholly-owned subsidiary of the Company, and the Contractor entered into the Renovation Agreement, pursuant to which the Contractor has agreed to carry out the Renovation Work at the Resort at the Contract Price of approximately AUD5.71 million (equivalent to approximately HK\$30 million) (exclusive of GST and subject to the Adjustment).

GEM LISTING RULES IMPLICATIONS

As more than one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Renovation Agreement are more than 5% but all relevant percentage ratios in respect of the Renovation Agreement are less than 25%, the Renovation Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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The principal terms of the Renovation Agreements are as follows:

RENOVATION AGREEMENT

Date

21 July 2023

Parties

- (i) Balgownie as the principal; and
- (ii) the Contractor as the contractor.

The Contractor is a company incorporated in Australia with limited liability, which is principally engaged in the provision of hotel and hospitality consultancy and project delivery services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, (i) the Contractor is ultimately owned as to 80% by Brett Patterson and 20% by Paul Devlin; and (ii) each of the Contractor and its ultimate beneficial owners is an Independent Third Party.

Subject matter of the Renovation Agreement

Pursuant to the Renovation Agreement, the Contractor has agreed to carry out the Renovation Work at the Contract Price of approximately AUD5.71 million (equivalent to approximately HK\$30 million) (exclusive of GST and subject to the Adjustment).

The Renovation Work which consists of the refurbishment and upgrade of all of the 70 guestrooms of the Resort (located in six building blocks), shall be carried out and completed in two stages. While the first and second stages of the Renovation Work shall cover 34 guestrooms (located in four building blocks) and 36 guestrooms (located in two building blocks), respectively, their Practical Completion shall take place in October 2023 and October 2024, respectively.

Contract Price

The Contract Price of approximately AUD5.71 million (equivalent to approximately HK\$30 million) (exclusive of GST) shall be paid by Balgownie to the Contractor in cash, subject to a cost risk adjustment (“**Adjustment**”) to be determined and added to the Contract Price in early 2024 based on the procurement of light fittings, stone and tiles. The cost risk to be re-priced in early 2024 is currently assessed to be approximately AUD0.3 million (equivalent to approximately HK\$1.3 million) and has been included in the Renovation Agreement.

Balgownie shall pay to the Contractor each month in cash, the amount billed by the Contractor based on the progress and completion of the Renovation Work, subject to 10% thereof (and up to 5% of the Contract Price) being retained by Balgownie as the Security Money. The Security Money shall be released by Balgownie to the Contractor in accordance with the schedule stipulated in the Renovation Agreement and subject to the Superintendent’s satisfaction of the Renovation Work completed by the Contractor at the relevant time.

Basis of the Contract Price

The Contract Price was determined after arm’s length negotiations between Balgownie and the Contractor with reference to the standard and materials required under the Renovation Work, the extent and complexity of the Renovation Work, the location of the Resort, the reputation and experience of the Contractor and the expected quality of the Renovation Work to be delivered by the Contractor.

It is expected that the Contract Price will be funded by bank financing and the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE RENOVATION WORK

The Group is principally engaged in (i) provision of hospitality and related services in Australia; (ii) provision of services through network media; (iii) money lending business; and (iv) assets investments business.

The Group provides its hospitality and related services in Australia through the Resort, which is in the Yarra Valley, a popular winery and tourism destination in Victoria, Australia. The Resort consists of a piece of freehold land of approximately 29 hectares with a 7-hectare vineyard growing Pinot and Chardonnay wine grapes and offers 70 luxury accommodation rooms, including a restaurant, a cellar door, conference and function facilities, health club facilities and a day spa. As the Group intends to brand the Resort as an integrated resort-based travel destination for travelling and event-hosting resort, it has been striving to improve the quality of the facilities and services offered by the Resort to its guests. The Resort has been partnering with Australia's largest day spa brand, Endota Spa, which has a network of over 120 day spas in Australia and New Zealand, for its day spa since 2022. The Resort will also launch holistic or alternative healing and medical/rehabilitation spa experiences in the second half of 2023, subject to the approval of the relevant authorities and the availability of the medical/health practitioners required to support the provision of the services. With the business of the Resort having returned to its pre-pandemic level during the first quarter of 2023, the Board is of the view that it is now time for the Resort to undergo the Renovation Work, as the refurbishment and upgrade of the guestrooms of the Resort will improve the experience of its guests and maintain its competitiveness, which will increase the average daily rate (i.e. the ADR, being the average rental revenue earned for an occupied room on a given day) of the Resort and drive revenue growth for the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Renovation Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As more than one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Renovation Agreement are more than 5% but all relevant percentage ratios in respect of the Renovation Agreement are less than 25%, the Renovation Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Adjustment”	the adjustment to the Contract Price as defined in the paragraph headed “Renovation Agreement – Contract Price”
“AUD”	Australian dollars, the lawful currency of Australia
“Balgownie”	Balgownie Estate Resort Operations Pty Limited, a wholly-owned subsidiary of the Company operating the Resort
“Board”	the board of Directors
“Company”	Hang Tai Yue Group Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Contract Price”	the aggregate price for the Renovation Work pursuant to the Renovation Agreement
“Contractor”	Chroma Group Pty Limited, a company incorporated in Australia with limited liability
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“GST”	the goods and services tax in Australia at the rate of 10%
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Practical Completion”	the stage in the carrying out and completion of the Renovation Work by the Contractor when (i) the Renovation Work is complete except for the minor defects stipulated in the Renovation Agreement; (ii) the tests required by the Renovation Agreement to be carried out and passed having been carried out and passed; and (iii) the documents and other information required under the Renovation Agreement which, in the opinion of the Superintendent, are essential for the use, operation and maintenance of the Renovation Work have been supplied
“Renovation Agreement”	the renovation agreement dated 21 July 2023 and entered into between Balgownie and the Contractor in relation to the Renovation Work
“Renovation Work”	the renovation work to be carried out by the Contractor under the Renovation Agreement as set out under the paragraph headed “Renovation Agreement – Subject matter of the Renovation Agreement”
“Resort”	Balgownie Estate Vineyard Resort & Spa Yarra Valley, a resort in Victoria, Australia, owned by the Group
“Security Money”	up to 5% of the Contract Price to be retained by Balgownie as security pursuant to the Renovation Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Superintendent”	the superintendent in relation to the Renovation Work appointed by Balgownie pursuant to the Renovation Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in AUD have been converted into HK\$ at the rate of HK\$1 to AUD0.18893. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute representations 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

Hong Kong, 21 July 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 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>.