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

THE SUBSCRIPTION

On 2 June 2022 (after trading hours), Dynamic Indonesia, an indirect non-wholly owned subsidiary of the Company, entered into the Subscription Agreement with the First Subscriber and the Second Subscriber, pursuant to which Dynamic Indonesia agreed to allot and issue 5,000 Subscription Shares in five tranches (with each tranche of 1,000 Subscription Shares) for the aggregate subscription price of US\$1,000,000.00. The Subscription Shares shall represent 20% of the enlarged issued share capital of Dynamic Indonesia upon completion of the Subscription.

Pursuant to the terms of the Subscription Agreement, the Second Subscriber has decided not to subscribe for the first tranche of the Subscription and the First Subscriber agreed to subscribe for all the 1,000 Subscription Shares under the first tranche of the Subscription and paid the first tranche Subscription Price of US\$200,000.00 to Dynamic Indonesia immediately after the entering into of the Subscription Agreement.

THE PUT OPTION

On 2 June 2022 (after trading hours), the Grantor, which wholly owns the First Subscriber, has entered into the Option Deed with the Second Subscriber, pursuant to which the Grantor agreed to grant to the Second Subscriber the right but not the obligation to require the Grantor (or its nominee) to acquire the Option Shares and all or part of the Shareholder's Loans from the Second Subscriber subject to and in accordance with the terms of the Option Deed.

GEM LISTING RULES IMPLICATIONS

Upon completion of the first tranche of the Subscription, Dynamic Indonesia is owned as to approximately 51.43% by the First Subscriber and approximately 48.57% by the Second Subscriber, respectively and therefore constitute a deemed disposal pursuant to Rule 19.29 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) exceed 5% but all are less than 25%, the Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

Immediately prior to the entering into of the Subscription Agreement, Dynamic Indonesia was owned as to 51.00% by the Second Subscriber and 49.00% by the First Subscriber, respectively. The First Subscriber is therefore a connected person of the Company at the subsidiary level (as defined under the GEM Listing Rules), by virtue of being a substantial shareholder of its non-wholly owned subsidiary. As the Board (including all independent non-executive Directors) has approved the transactions contemplated under the Subscription Agreement and confirmed that the terms and conditions of the transactions contemplated under the Subscription Agreement are fair and reasonable, on normal commercial terms (although not in the ordinary and usual course of business of the Group) and in the interests of the Company and its Shareholders as a whole, the Subscription Agreement being a connected transaction between the Company and a connected person at the subsidiary level (as defined under the GEM Listing Rules) on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

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 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.

On 2 June 2022 (after trading hours), Dynamic Indonesia, an indirect non-wholly owned subsidiary of the Company, entered into the Subscription Agreement with the First Subscriber and the Second Subscriber, pursuant to which Dynamic Indonesia agreed to allot and issue 5,000 Subscription Shares in five tranches (with each tranche of 1,000 Subscription Shares) for the aggregate subscription price of US\$1,000,000.00. The Subscription Shares shall represent 20% of the enlarged issued share capital of Dynamic Indonesia upon completion of the Subscription.

Pursuant to the terms of the Subscription Agreement, the Second Subscriber has decided not to subscribe for the first tranche of the Subscription and the First Subscriber agreed to subscribe for all the 1,000 Subscription Shares under the first tranche of the Subscription and paid the first tranche Subscription Price of US\$200,000.00 to Dynamic Indonesia immediately after the entering into of the Subscription Agreement.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date

2 June 2022

Parties

- (i) Dynamic Indonesia (as issuer);
- (ii) First Subscriber (as one of the subscribers); and
- (iii) Second Subscriber (as one of the subscribers)

The Subscription

Pursuant to the Subscription Agreement, the Subscribers have agreed to subscribe for and Dynamic Indonesia has agreed to allot and issue a total of 5,000 Subscription Shares in five tranches (with each tranche of 1,000 Subscription Shares). The Subscription Shares shall represent 20% of the issued share capital of Dynamic Indonesia as enlarged by the Subscription and on a fully diluted basis upon completion of the Subscription.

The Subscribers shall subscribe for the Subscription Shares in cash at the Subscription Price upon Completion and Dynamic Indonesia shall allot and issue the Subscription Shares at the Subscription Price to the Subscribers in five tranches (with each tranche of 1,000 Subscription Shares) as set out in the table below:

Subscription	Date of Completion	Number of Subscription Shares to be subscribed	Total Subscription Price (US\$)	The Subscribers
First tranche	Simultaneously upon the signing of the Subscription Agreement by the parties to the Subscription Agreement	1,000	200,000	The First Subscriber only
Second tranche	The next Business Day after 4 months from the date of completion of first tranche of Subscription	1,000	200,000	The Subscribers <i>(Note)</i>
Third tranche	The next Business Day after 4 months from the date of completion of second tranche of Subscription	1,000	200,000	The Subscribers <i>(Note)</i>
Fourth tranche	The next Business Day after 4 months from the date of completion of third tranche of Subscription	1,000	200,000	The Subscribers <i>(Note)</i>
Fifth tranche	The next Business Day after 4 months from the date of completion of fourth tranche of Subscription	1,000	200,000	The Subscribers <i>(Note)</i>
Total		5,000	1,000,000	

Note:

Subject to the terms of the of the Subscription Agreement, the relevant Subscription Shares to be subscribed by the Subscribers would be in proportion to their respective shareholding interests in Dynamic Indonesia immediately prior to the entering into of the Subscription Agreement (i.e. 49% by the First Subscriber and 51% by the Second Subscriber).

The Subscription Shares, when issued and fully paid or credited as fully paid, shall rank pari passu in all respects among themselves and with all the shares of Dynamic Indonesia in issue on the date of allotment and issue of the Subscription Shares.

Unconditional agreement

The Subscription is unconditional and completion of the first tranche of the Subscription took place simultaneously upon the signing of the Subscription Agreement by the parties to the Subscription Agreement.

The Subscription Price

The total Subscription Price for the Subscription is US\$1 million (i.e. US\$200 per Subscription Share), which has been paid or shall be payable by the Subscriber(s) to Dynamic Indonesia upon Completion in accordance with the terms of the Subscription Agreement.

The total Subscription Price was arrived at after arm's length negotiations between the parties to the Subscription Agreement with reference to the financial position and the expected working capital requirement of Dynamic Indonesia Group for the near future.

Completion

Completion shall take place on the date of Completion as set out in the table above.

Acknowledgement and undertaking

Each of the First Subscriber and Dynamic Indonesia acknowledges, confirms and agrees that the Second Subscriber has its own discretion to decide whether or not to subscribe for the Subscription Shares under the Subscription Agreement and the failure of the Second Subscriber to subscribe for all or part of the Subscription Shares under the Subscription Agreement will not constitute a breach of the Subscription Agreement and each of the First Subscriber and Dynamic Indonesia agrees to fully release, acquit and discharge the Second Subscriber from any and all of its obligations, duties and liability of any nature whatsoever and from any and all claims, demands, causes of actions or liens of any nature whatsoever arising out of or in connection with the Subscription Agreement for failure to subscribe for all or part of the Subscription Shares under the Subscription Agreement.

If the Second Subscriber decides not to subscribe for all or part of the Subscription Shares under the Subscription Agreement, it shall inform the First Subscriber and Dynamic Indonesia by a notice in writing at least three (3) Business Days prior to the date of Completion.

The First Subscriber irrevocably and unconditionally undertakes to Dynamic Indonesia and the Second Subscriber that if the Second Subscriber decides not to subscribe for all or part of the Subscription Shares (“**Untaken Subscription Shares**”) under the Subscription Agreement, it shall subscribe for all the Untaken Subscription Shares and pay the total Subscription Price to Dynamic Indonesia in accordance with the terms of the Subscription Agreement.

THE PUT OPTION

On 2 June 2022 (after trading hours), the Grantor, which wholly owns the First Subscriber, has entered into the Option Deed with the Second Subscriber, pursuant to which the Grantor agreed to grant to the Second Subscriber the right but not the obligation to require the Grantor (or its nominee) to acquire the Option Shares and all or part of the Shareholder’s Loans from the Second Subscriber subject to and in accordance with the terms of the Option Deed.

The Second Subscriber has the discretion to determine the number of Option Shares and the amount of the Shareholder’s Loans to be acquired by the Grantor (or its nominee) upon exercise of the Put Option and the Second Subscriber shall notify the Grantor such number of Option Shares and amount of the Shareholder’s Loans to be acquired by the Grantor (or its nominee) in the option notice to be served by the Second Subscriber.

GENERAL INFORMATION

Information of the Group and the Second Subscriber

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

The Second Subscriber is a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Information of the First Subscriber

The First Subscriber is an exempted company incorporated in the Cayman Islands and is a wholly-owned subsidiary of the Grantor. It is principally engaged in investment holding.

Information of Dynamic Indonesia Group

Dynamic Indonesia is an exempted company incorporated in the Cayman Islands with limited liability and it is an investment holding company. Its subsidiaries are principally engaged in three main categories of services, namely (i) Walletku Digital application, which is an electronic wallet for deposit of money as well as offline and online payment to merchants in Indonesia; (ii) sales of products of Indosat Ooredoo Hutchison, which is the second largest mobile network operator in Indonesia by market share; and (iii) Walletku Ecommerce, which is an online shopping platform in Indonesia.

FINANCIAL INFORMATION OF DYNAMIC INDONESIA GROUP

The unaudited consolidated financial information of the Dynamic Indonesia Group for each of the two financial years ended 31 December 2020 and 2021 is set out below:

	Years ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	6,850	7,955
Loss after taxation	6,850	7,955

The unaudited total consolidated asset value of the Dynamic Indonesia Group as at 31 December 2020 and 2021 amounted to approximately HK\$29.89 million and HK\$16.93 million, respectively. The unaudited total consolidated deficit of the Dynamic Indonesia Group as at 31 December 2020 and 2021 amounted to approximately HK\$13.51 million and HK\$15.27 million, respectively.

FINANCIAL IMPACT OF THE DEEMED DISPOSAL OF EQUITY INTEREST IN DYNAMIC INDONESIA

Upon completion of first tranche of the Subscription, Dynamic Indonesia is owned as to approximately 51.43% by the First Subscriber and approximately 48.57% by the Second Subscriber, respectively. Accordingly, Dynamic Indonesia has ceased to be a subsidiary of the Company and its financial results will cease to be consolidated into the consolidated financial statements of the Company.

The Company expects to record a gain of approximately HK\$24.93 million (before tax and expenses and subject to audit) from the deemed disposal of Dynamic Indonesia upon Completion of the first tranche of the Subscription with reference to the financial position of the Dynamic Indonesia Group and the valuation of value for each of the Dynamic Indonesia Group and the Put Option. Since the fair values of the identifiable assets and liabilities of the Dynamic Indonesia Group and the Put Option at the date of Subscription may be different from the above figures, the actual gain/loss recognised at the date of the Subscription may be different from the amount presented above.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The proceeds from the Subscription will be applied towards the replenishment of the working capital of Dynamic Indonesia Group for the coming 16 months based on its historical working capital expenditure of approximately HK\$0.49 million per month. Given the current financial resources available, the Company decided not to participate in the first tranche of the Subscription so as to allocate its capital on other core business of the Group. Notwithstanding the decision of not participating in the first tranche of the Subscription, the Second Subscriber can still participate in the later tranches if the Company intends to maintain the shareholding in Dynamic Indonesia to take advantage of its future growth, or can exercise the Put Option to require the Grantor (or its nominee) to acquire the Option Shares and all or part of the Shareholder's Loans from the Second Subscriber if the Company decides to realise its investment in Dynamic Indonesia and allocate resources for the development of existing business of the Group. In light of the above, the Directors (including independent non-executive Directors) are of the view that the transactions contemplated under the Subscription Agreement are on normal commercial terms, and the terms contained herein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Upon completion of the first tranche of the Subscription, Dynamic Indonesia is owned as to approximately 51.43% by the First Subscriber and approximately 48.57% by the Second Subscriber, respectively and therefore constitute a deemed disposal pursuant to Rule 19.29 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) exceed 5% but all are less than 25%, the Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

Immediately prior to the entering into of the Subscription Agreement, Dynamic Indonesia was owned as to 51.00% by the Second Subscriber and 49.00% by the First Subscriber, respectively. The First Subscriber is therefore a connected person of the Company at the subsidiary level (as defined under the GEM Listing Rules), by virtue of being a substantial shareholder of its non-wholly owned subsidiary. As the Board (including all independent non-executive Directors) has approved the transactions contemplated under the Subscription Agreement and confirmed that the terms and conditions of the transactions contemplated under the Subscription Agreement are fair and reasonable, on normal commercial terms (although not in the ordinary and usual course of business of the Group) and in the interests of the Company and its Shareholders as a whole, the Subscription Agreement being a connected transaction between the Company and a connected person at the subsidiary level (as defined under the GEM Listing Rules) on normal commercial terms or better is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

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 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	a day other than a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for business throughout their normal business hours
“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 (stock code: 8081)
“Completion”	completion of subscription of each tranche of the Subscription Shares in accordance with the terms and conditions of the Subscription Agreement
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Dynamic Indonesia”	Dynamic Indonesia Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability
“Dynamic Indonesia Group”	Dynamic Indonesia and its subsidiaries

“First Subscriber”	Dynamic Investment Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and is wholly owned by the Grantor
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantor”	Seamless Group Inc., a company incorporated in the Cayman Islands with limited liability which wholly owns the First Subscriber
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Option Deed”	the option deed dated 2 June 2022 entered into between the Grantor and the Second Subscriber in relation to the grant of the Put Option
“Option Share(s)”	all or part of the ordinary shares of Dynamic Indonesia held by the Second Subscriber upon exercise of the Put Option
“Put Option”	the option granted by the Grantor to the Second Subscriber and exercisable at the discretion of the Second Subscriber to require the Grantor (or its nominee) to acquire the Option Shares and all or part of the Shareholder’s Loans from the Second Subscriber subject to and in accordance with the terms of the Option Deed
“Second Subscriber”	Noble Tack International Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Shareholder’s Loans”	the shareholder’s loans granted by the Second Subscriber to Dynamic Indonesia in 2021 and 2022 and in the total outstanding amount of US\$2,050,000 as at the date of the Option Deed
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the First Subscriber and the Second Subscriber
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreement
“Subscription Agreement”	the share subscription agreement dated 2 June 2022 entered into between Dynamic Indonesia and the Subscribers in relation to the Subscription
“Subscription Price”	US\$200 per Subscription Share
“Subscription Shares”	a total of 5,000 new shares of Dynamic Indonesia to be allotted and issued by Dynamic Indonesia to the Subscribers pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

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

2 June 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 Company’s website at <http://www.hangtaiyue.com>.