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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
IN RELATION TO THE DISPOSAL OF
THE SALE SHARES**

THE DISPOSAL

On 23 December 2022 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing approximately 7.69% equity interest in the Target Company at the Consideration of US\$5,120,623 (equivalent to approximately HK\$39,838,000).

As at the date of this announcement, the Group indirectly holds (i) the Sale Shares, representing approximately 7.69% equity interest in the Target Company; and (ii) the Call Option, all of which are classified as financial assets at fair value through profit and loss in the consolidated financial statement of the Company. Immediately after the Completion, the Group will no longer hold any equity interest or derivative financial assets in the Target Company.

IMPLICATIONS UNDER 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 Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the GEM Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

On 23 December 2022 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing approximately 7.69% equity interest in the Target Company at the Consideration of US\$5,120,623 (equivalent to approximately HK\$39,838,000).

PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENT

Date

23 December 2022

Parties

- (i) the Vendor, being Absolutely Talent Technology Limited, a direct wholly-owned subsidiary of the Company, as vendor; and
- (ii) the Purchaser, being Heals Treasury Company Limited, as purchaser

The Disposal

Under the Equity Transfer Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing approximately 7.69% equity interest in the Target Company.

Consideration

The Consideration payable by the Purchaser under the Equity Transfer Agreement is US\$5,120,623 (equivalent to approximately HK\$39,838,000) and shall be settled in cash upon Completion.

The Consideration was determined and arrived at after arm's length negotiations between the parties to the Equity Transfer Agreement on normal commercial terms with reference to the aggregate fair value of the equity interest and the Call Option in the Target Company held by the Vendor.

Completion

Both parties agreed that the Completion is conditional upon the cancellation of the Call Option, which cannot be waived by any party to the Equity Transfer Agreement and if it is not fully fulfilled by 31 January 2023, the Equity Transfer Agreement and the terms and conditions thereof will immediately and automatically terminate, in which case, no party to the Equity Transfer Agreement shall have any further obligations or liabilities under or arising from the Equity Transfer Agreement, save for the accrued rights or liabilities of any party to the other party in respect of the terms herein at or before such termination.

GENERAL INFORMATION

Information of the Group and the Vendor

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

Information of the Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The ultimate beneficial owner of the Purchaser is Mr. Cheng Chi Heng, a businessman and directors of several subsidiaries of the Target Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are not connected persons of the Company under the GEM Listing Rules.

Information of the Target Group

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The Target Group is principally engaged in the operations of a healthcare technology platform. The healthcare technology platform provides solutions for its users to access and manage their healthcare from doctor searching, making appointments and keeping medical records for claiming medical insurance.

Information of the Call Option

On 8 October 2021, the Vendor and the Target Company entered into a share deed, pursuant to which the Target Company agreed to grant the Call Option, at nil consideration, to the Vendor to subscribe for up to 638,880 series B shares of the Target Company at a price of US\$31.30 per share which shall be exercisable from 8 October 2021 to 31 December 2023 (both days inclusive). As at the date of this announcement, the Call Option has not been exercised by the Vendor.

FINANCIAL INFORMATION OF TARGET GROUP

The audited and unaudited consolidated financial information of the Target Group for each of the two financial years ended 31 March 2021 and 31 March 2022 is set out below:

	Years ended 31 March	
	2022 (unaudited) <i>HK\$'000</i>	2021 (audited) <i>HK\$'000</i>
Loss before taxation	21,288	23,128
Loss after taxation	21,803	23,140

The audited and unaudited total asset of the Target Group as at 31 March 2021 and 31 March 2022 amounted to approximately HK\$139.1 million and HK\$166.4 million, respectively. The audited and unaudited net asset of the Target Group as at 31 March 2021 and 31 March 2022 amounted to approximately HK\$109.1 million and HK\$123.0 million, respectively.

FINANCIAL IMPACT OF THE DISPOSAL

As at the date of this announcement, the Group indirectly holds (i) the Sale Shares, representing approximately 7.69% equity interest in the Target Company; and (ii) the Call Option, all of which are classified as financial assets at fair value through profit and loss in the consolidated financial statement of the Company. Immediately after the Completion, the Group will no longer hold any equity interest or derivative financial assets in the Target Company.

For illustrative purpose, the Company expects to record a gain of up to approximately HK\$0.6 million (before tax and expenses) from the Disposal upon Completion, which is calculated based on (i) the aggregate fair value of the equity interest and the derivative financial assets in the Target Company held by the Group amounting to approximately HK\$39,205,000 as at 30 June 2022; and (ii) the Consideration of US\$5,120,623 (equivalent to approximately HK\$39,838,000). The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to audit.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

As disclosed in the annual report of the Company for the year ended 31 December 2021, on 8 October 2021, the Group subscribed for the Sale Shares and the investment cost of which was approximately HK\$38,962,000. The Group considered that the Disposal would offer an opportunity to realise its investment in the Target Company with an expected gain on disposal, and to focus its resources on its existing business that will best serve the interests of the Company and its shareholders in the long run. Taking into account of the above, the Directors consider that the terms of the Equity Transfer Agreement, including the Consideration, are fair and reasonable and on normal commercial terms and the Disposal is in the interest of the Company and the Shareholders as a whole.

It is expected that the net proceeds from the Disposal of approximately HK\$39.7 million will be utilised for (i) repayment of borrowings of the Group; (ii) general working capital of the Group; and (iii) potential investment opportunities of the Group.

GEM LISTING RULES IMPLICATIONS

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 Equity Transfer Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under the GEM Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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
“Call Option”	the right granted by the Target Company to the Vendor to subscribe for up to 638,880 series B shares of the Target Company at a price of US\$31.30 per share pursuant to a share deed entered into between the Vendor and the Target Company dated 8 October 2021, which shall be exercisable from 8 October 2021 to 31 December 2023 (both days inclusive)
“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”	the completion of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 23 December 2022 entered into between the Vendor and the Purchaser in relation to the Disposal
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Purchaser”	Heals Treasury Company Limited, a company incorporated in Hong Kong with limited liability
“Sale Shares”	159,720 series B shares of the Target Company, representing approximately 7.69% equity interest in the Target 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Heals Healthcare (Asia) Limited, a company incorporated in Hong Kong with limited liability
“Target Group”	the Target Company and its subsidiaries

“Vendor”	Absolutely Talent Technology Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“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\$7.78 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

23 December 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 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>.