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**渝太地產集團有限公司\***

**Y. T. REALTY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 75)**

**(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION  
IN RELATION TO THE PROPOSED DISPOSAL OF  
THE PRESTIGE TOWER PROPERTY,  
THE CENTURY SQUARE PROPERTY AND  
Y. T. PROPERTY SERVICES LIMITED**

**(2) DISCLOSEABLE TRANSACTION  
IN RELATION TO THE BUYOUT OF  
THE REMAINING INTEREST IN THE LONDON PROPERTY**

**AND**

**(3) SPECIAL CASH DIVIDEND**

The Board is pleased to announce that, on 17 December 2015, YT Investment and Access Power entered into the Disposal Agreement and Sunrise Metro and Castro Global entered into the Acquisition Agreement in respect of the Transactions.

**The Proposed Disposal**

Under the Disposal Agreement, YT Investment conditionally agreed to sell to Access Power the Prestige Tower Property, the Century Square Property and the company providing property management services thereto through the sale of the Sale Shares, representing the entire issued share capital of HK PropCo and HK ServiceCo respectively, and the assignment of the Sale Loans at the Disposal Consideration of approximately HK\$4,020.9 million.

HK PropCo holds the entire interests in the property-holding companies which own the Prestige Tower Property and the Century Square Property, while HK ServiceCo and its subsidiary are the property management services providers for the said properties. As Access Power is wholly-owned by Mr. Cheung, the Chairman and an executive Director of the Company and a connected person of the Company, Access Power is an associate of Mr. Cheung and a connected person of the Company.

The Proposed Disposal will constitute a very substantial disposal and a connected transaction of the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

**The Acquisition**

Under the Acquisition Agreement, Sunrise Metro conditionally agreed to acquire from Castro Global the Purchase Share, representing 50% of the existing issued share capital of London PropCo, at the Acquisition Consideration of approximately HK\$7.3 million. London PropCo is held by Sunrise Metro and Castro Global in equal shares and holds the entire interest in Cypress Dynasty, the property-holding company which owns the London Property.

Sunrise Metro will also finance the full repayment of the Castro Global Loans by London PropCo upon Acquisition Completion, which is currently expected to be in the sum of HK\$117.5 million (after repayment by internal resources of London PropCo in the sum of HK\$2.5 million before Acquisition Completion) and the full repayment of the Bank Borrowings by Cypress Dynasty on or before Acquisition Completion. As at 31 October 2015, the Castro Global Loans amounted to approximately HK\$120 million, whereas the Bank Borrowings amounted to approximately GBP40.4 million (equivalent to approximately HK\$471.4 million) as at 30 November 2015. Payment for the Acquisition Consideration and the repayment of the Castro Global Loans and the Bank Borrowings are expected to be funded by the proceeds from the Proposed Disposal.

The Acquisition together with the repayment of the Castro Global Loans and the Bank Borrowings to be financed by Sunrise Metro will constitute a discloseable transaction of the Company subject to the notification and announcement requirements under the Listing Rules.

### **Special Cash Dividend**

Conditional upon Disposal Completion and Acquisition Completion having taken place, the Special Cash Dividend will be paid to all Shareholders whose names appear in the register of members of the Company on a record date to be fixed and announced on the following basis:

**For each Share held.....not less than HK\$3.75**

*(based on the number of Shares in issue as at the date of this announcement for purpose of illustration)*

The Special Cash Dividend will be paid out of the proceeds from the Proposed Disposal after taking into account the future investment and working capital needs of the Group, and will represent not less than 74.6% of the proceeds from the Proposed Disposal. The Special Cash Dividend will allow the Shareholders to immediately realise the value from their shareholdings in the Company. Further details of the record date, the actual amount of the Special Cash Dividend, the payout date of the Special Cash Dividend and the book closure date will be announced in the circular containing the notice convening the SGM.

### **Intended resignation of Directors**

In view of the Post-Completion Group's reduced operations in Hong Kong, it is anticipated that certain executive and non-executive Directors may resign after completion of the Transactions. A further announcement will be made in this regard as soon as possible following the resignation of any of the Directors in accordance with the requirements under the Listing Rules.

### **The SGM for considering the Proposed Disposal**

The SGM will be held for the Independent Shareholders to consider and, if thought fit, approve the Proposed Disposal. Shareholders with a material interest in the transactions contemplated under the Disposal Agreement will be required to abstain from voting at the SGM.

A circular containing information on the Proposed Disposal, financial information of each of the Group, the Post-Completion Group, HK PropCo and HK ServiceCo, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal Agreement and the transactions contemplated thereunder and a notice convening the SGM is expected to be despatched to the Shareholders on or before 11 January 2016.

**Warning: The completion of the Disposal Agreement and the Acquisition Agreement are inter-conditional on each other, and completion of each of the agreements is conditional upon the fulfillment of their respective conditions, and may or may not proceed. The payment of the Special Cash Dividend will be conditional upon the Disposal Completion and the Acquisition Completion having taken place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares.**

The Board is pleased to announce that, on 17 December 2015, YT Investment and Access Power entered into the Disposal Agreement and Sunrise Metro and Castro Global entered into the Acquisition Agreement in respect of the Transactions, the material terms of which are summarised below.

## **A. THE PROPOSED DISPOSAL**

**Date:** 17 December 2015

**Parties:** YT Investment, as the vendor;

Access Power, as the purchaser; and

Mr. Cheung, as the purchaser's guarantor.

Mr. Cheung is the Chairman and an executive Director of the Company and a connected person of the Company. Access Power, which is wholly-owned by Mr. Cheung, is an associate of Mr. Cheung and a connected person of the Company.

### **1. The Disposal Agreement**

Under the Disposal Agreement, YT Investment conditionally agreed to sell and assign to Access Power the Sale Shares, representing the entire issued share capital of HK PropCo and HK ServiceCo respectively, and the Sale Loans.

HK PropCo holds the entire interests in the property-holding companies which own the Prestige Tower Property and the Century Square Property, while HK ServiceCo and its subsidiary are the property management services providers for the said properties.

#### *Disposal Conditions*

Disposal Completion is conditional upon the fulfillment of all of the following conditions: -

- (a) the passing of an ordinary resolution by the Independent Shareholders at the SGM to approve the Disposal Agreement and the transactions contemplated thereunder in compliance with the Listing Rules; and
- (b) the Acquisition Completion having occurred simultaneously with the Disposal Completion.

#### *Disposal Consideration*

The Disposal Consideration will be the initial amount of approximately HK\$4,020.9 million, comprising approximately: -

- (i) HK\$3,394.4 million, for the shares of HK PropCo, and HK\$601.5 million, for the HK PropCo Sale Loan, subject to the adjustment as disclosed in the section headed "*Adjustment to the Disposal Consideration*" below; and
- (ii) HK\$25 million, for the shares of HK ServiceCo and the HK ServiceCo Sale Loan.

The Disposal Consideration will be paid by Access Power to YT Investment in cash in 2 installments: (i) HK\$600 million, within 5 business days after the fulfilment of Disposal Condition (a); and (ii) HK\$3,420.9 million, at Disposal Completion.

#### *Adjustment to the Disposal Consideration*

The consideration for the shares of HK PropCo and the HK PropCo Sale Loan will be adjusted on a dollar to dollar basis based on the consolidated net asset value of HK PropCo (with the book value of the Prestige Tower Property and the Century Square Property comprised therein to be replaced with HK\$2,040 million and HK\$2,030 million respectively, being the value of such property interests as agreed between YT Investment and Access Power, and not taking into account any deferred tax liabilities (i.e. to be added back in the computation of consolidated net asset value) of HK PropCo) and the amount of the HK PropCo Sale Loan, as to be disclosed in the Disposal Completion Accounts. YT Investment will indemnify Access Power for any claims suffered by Access Power and/or HK PropCo in respect of any deferred tax liabilities of HK PropCo and its subsidiaries not taken into account (i.e. have been added back in the computation of consolidated net asset value of HK PropCo) in the computation of the Disposal Consideration up to the amount of deferred tax liabilities in the Disposal Completion Accounts.

The Disposal Completion Accounts will be delivered to Access Power within 7 business days after Disposal Completion (or such later date as YT Investment and Access Power may agree) and if the amount of the consideration paid for the shares of HK PropCo and the HK PropCo Sale Loan is different from the adjusted consideration amount based on the Disposal Completion Accounts, any shortfall will be paid by Access Power to YT Investment or any surplus will be refunded by YT Investment to Access Power (as the case may be) within 5 business days thereafter.

The Disposal Consideration was determined after arm's length negotiations between YT Investment and Access Power, with reference to the market valuation of the Prestige Tower Property and the Century Square Property of HK\$2,040 million and HK\$2,030 million respectively as at 31 October 2015 and the unaudited consolidated financial information of HK PropCo and HK ServiceCo respectively as at 31 October 2015. For reference, the initial consideration for the shares of HK PropCo, being approximately HK\$3,394.4 million, was derived from the unaudited consolidated net asset value of HK PropCo of approximately HK\$3,294 million by (a) replacing the book value of the Prestige Tower Property and the Century Tower Property of approximately HK\$4,051 million comprised in such net asset value, with the value of such property interests as agreed between YT Investment and Access Power of HK\$2,040 million and HK\$2,030 million respectively; and (b) adding back the amount of deferred tax liabilities of approximately HK\$81 million, as shown in the unaudited consolidated accounts of HK PropCo as at 31 October 2015; whereas, the initial consideration for the shares of HK ServiceCo and the HK ServiceCo Sale Loan, being approximately HK\$25 million, was determined with reference to a price multiple of 6.5 (taking into account the limited growth potential of HK ServiceCo and its subsidiary as the Group's management service providers primarily for the Prestige Tower Property and the Century Square Property) of the average annual consolidated net profits of HK ServiceCo for the three years ended 31 December 2014 of approximately HK\$3.85 million.

#### *Disposal Completion*

Disposal Completion will take place within 14 business days (or such later date as may be agreed by YT Investment and Access Power in writing) after the fulfilment of Disposal Condition (a) (Disposal Condition (b) will be satisfied at Disposal Completion).

If Disposal Completion has not occurred on or before 30 June 2016 (or such later date as YT Investment may agree with Access Power), the Disposal Agreement will lapse.

### *Guarantee by Access Power's shareholder*

The obligations of and performance of the terms of the Disposal Agreement and the transactions contemplated thereunder by Access Power are guaranteed by Mr. Cheung.

## **2. Information on HK PropCo, HK ServiceCo and Access Power**

### *HK PropCo*

HK PropCo, through its subsidiaries, principally engages in the holding and leasing of properties. According to the unaudited consolidated accounts of HK PropCo, the consolidated net asset value of HK PropCo was approximately HK\$3,294 million as at 31 October 2015. For the two financial years ended 31 December 2014, the unaudited consolidated net profits before and after taxation of HK PropCo were approximately: -

	<b>2014</b>	<b>2013</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net profit before taxation	299.4	407.1
Net profit after taxation	275.2	383.8

### *HK ServiceCo*

According to the unaudited consolidated accounts of HK ServiceCo, the consolidated net asset value of HK ServiceCo was approximately HK\$0.63 million as at 31 October 2015. For the two financial years ended 31 December 2014, the unaudited consolidated net profits before and after taxation of HK ServiceCo were approximately: -

	<b>2014</b>	<b>2013</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net profit before taxation	5.0	4.4
Net profit after taxation	4.2	3.7

### *Access Power*

The principal business activity of Access Power is investment holding.

## **B. THE ACQUISITION**

**Date:** 17 December 2015

**Parties:** Sunrise Metro, as the purchaser; and  
Castro Global, as the vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Castro Global and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

### **1. The Acquisition Agreement**

Under the Acquisition Agreement, Sunrise Metro conditionally agreed to acquire from Castro Global the Purchase Share, representing 50% of the existing issued share capital of London PropCo. London PropCo is held by Sunrise Metro and Castro Global in equal shares and holds the entire interest in Cypress Dynasty, the property-holding company which owns the London Property.

### *Acquisition Condition*

Acquisition Completion is conditional upon Disposal Completion having occurred simultaneously with Acquisition Completion.

### *Acquisition Consideration*

The Acquisition Consideration will be the initial amount of approximately HK\$7.3 million which will be paid by Sunrise Metro to Castro Global in cash upon Acquisition Completion, subject to the adjustment as disclosed in the section headed “*Adjustment to the Acquisition Consideration*” below.

For reference, the initial amount of Acquisition Consideration was derived from 50% of the unaudited consolidated net asset value of London PropCo of approximately HK\$2.8 million by (a) replacing the book value of the London Property comprised in such net asset value of approximately HK\$713.9 million as shown in its unaudited consolidated accounts as at 31 October 2015, with the value of such property interest as agreed between Sunrise Metro and Castro Global (i.e. approximately HK\$724.2 million); and (b) adjusting for the difference in the sum of approximately HK\$1.5 million resulting from the different exchange rates used under the unaudited consolidated accounts as at 31 October 2015 and for computing the initial amount of Acquisition Consideration under the Acquisition Agreement.

### *Adjustment to the Acquisition Consideration*

The consideration for the 50% of the existing issued share capital of London PropCo will be adjusted on a dollar to dollar basis based on 50% of the consolidated net asset value of London PropCo (with the book value of the interest in the London Property comprised therein to be replaced with GBP62 million (equivalent to approximately HK\$724.2 million) being the value of such property interest as agreed between Sunrise Metro and Castro Global), as to be disclosed in the Acquisition Completion Accounts.

The Acquisition Completion Accounts will be delivered to Sunrise Metro within 7 business days after Acquisition Completion (or such later date as Sunrise Metro and Castro Global may agree) and if the amount of the consideration paid at Acquisition Completion is different from the Acquisition Consideration calculated based on the Acquisition Completion Accounts, any shortfall will be paid by Sunrise Metro to Castro Global or any surplus will be refunded by Castro Global to Sunrise Metro (as the case may be) within 5 business days thereafter or such later date as the parties to the Acquisition Agreement may agree.

The Acquisition Consideration was determined after arm’s length negotiations between Sunrise Metro and Castro Global, with reference to the indicative market value of the London Property at GBP62 million (equivalent to approximately HK\$724.2 million) as at 31 October 2015 and the unaudited consolidated financial information of London PropCo as at 31 October 2015.

### *Acquisition Completion*

Acquisition Completion will take place simultaneously with Disposal Completion, when the Acquisition Condition is fulfilled.

If Acquisition Completion has not occurred on or before 30 June 2016 (or such later date as Sunrise Metro may agree with Castro Global), the Acquisition Agreement will lapse.

## **2. *Repayment of the Castro Global Loans and the Bank Borrowings***

Sunrise Metro will finance the full repayment of the Castro Global Loans by London PropCo upon Acquisition Completion with reference to the book value of the same as will be shown in the Acquisition Completion Accounts which is currently expected to be in the sum of HK\$117.5 million (after repayment by internal resources of London PropCo in the sum of

HK\$2.5 million before Acquisition Completion). As at 31 October 2015, the Castro Global Loans amounted to approximately HK\$120 million.

Sunrise Metro will finance the full repayment of the Bank Borrowings by Cypress Dynasty on or before Acquisition Completion. As at 30 November 2015, the Bank Borrowings amounted to approximately GBP40.4 million (equivalent to approximately HK\$471.4 million).

Payment for the Acquisition Consideration and the repayment of the Castro Global Loans and the Bank Borrowings are expected to be funded by the proceeds from the Proposed Disposal.

### **3. Information on London PropCo and Castro Global**

#### *London PropCo*

London PropCo holds directly the entire interest in Cypress Dynasty which holds the London Property originally held for sale. The London Property is a 4-storey building offering approximately 34,000 square feet of grade A office and retail space at 5, 6 and 7 Vere Street and 10 Chapel Place, London, England, a prime central London business location. Upon Acquisition Completion, the London Property will be held for leasing by the Post-Completion Group. The London Property yields a gross rental income of approximately GBP1.54 million (equivalent to approximately HK\$18 million) for the period since its acquisition by Cypress Dynasty in February 2015 and up to 31 October 2015.

According to the unaudited consolidated accounts of London PropCo, the consolidated net asset value of London PropCo was approximately GBP0.24 million (equivalent to approximately HK\$2.8 million) as at 31 October 2015 and its consolidated net profits for the period since its incorporation on 13 October 2014 and ended 31 October 2015 was approximately GBP0.55 million (equivalent to approximately HK\$6.5 million).

#### *Castro Global*

Castro Global is principally engaged in investment holding.

### **C. SPECIAL CASH DIVIDEND**

Conditional upon Disposal Completion and Acquisition Completion having taken place, the Special Cash Dividend will be paid to all Shareholders whose names appear in the register of members of the Company on a record date to be fixed and announced on the following basis:

**For each Share held.....not less than HK\$3.75**

*(based on the number of Shares in issue as at the date of this announcement for purpose of illustration)*

The Special Cash Dividend will be paid out of the proceeds from the Proposed Disposal after taking into account the future investment and working capital needs of the Group, and will represent not less than 74.6% of the proceeds from the Proposed Disposal. The Special Cash Dividend will allow the Shareholders to immediately realise the value from their shareholdings in the Company. Further details of the record date, the actual amount of the Special Cash Dividend, the payout date of the Special Cash Dividend and the book closure date will be announced in the circular containing the notice convening the SGM.

### **D. REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

In light of the uncertain and challenging economic environment in Hong Kong and the risk of market correction for the property market in Hong Kong, the Group is currently looking for possible investment opportunities in other well-developed markets such as the United Kingdom, the United States, Australia and Japan. The Transactions will enable the Group to expand its overseas property portfolio, while at the same time reducing its exposure to the Hong Kong property market.

Through the Proposed Disposal, the Group will be able to unlock the value of its investments in properties in Hong Kong, namely, the Prestige Tower Property and the Century Square Property, and to utilise proceeds from the same to fund the Acquisition Consideration and the repayment of the Castro Global Loans and the Bank Borrowings, as general working capital, as well as to expand its overseas property portfolio. The Special Cash Dividend will be paid out of the proceeds from the Transactions after taking into account the future investment and working capital needs of the Group. The Shareholders will be able to realise the intrinsic value of the Shares in the form of the Special Cash Dividend.

In line with the Group's cautious development strategy, after Acquisition Completion, the Group will have expanded its investment in the London property market, and will wholly own the London Property which will then be held for leasing and will provide a steady income stream in the form of recurring gross rental income for the Group. In addition, the Group will still have approximately 41.66% interest in Cross-Harbour, its principal associated company since 2001, which the Group currently has no intention to dispose of in the near future.

The Directors (excluding members of the Independent Board Committee whose views will be provided after taking into account the advice and recommendations from the Independent Financial Adviser) consider that the terms and conditions of the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **E. FINANCIAL EFFECT OF THE TRANSACTIONS**

Upon Disposal Completion, the Company will cease to have any interest in HK PropCo and HK ServiceCo, and all members of which will cease to be subsidiaries of the Company. Their assets, liabilities, profits and losses will no longer be accounted for in the consolidated financial statements of the Company.

The Company expects to record a gain of approximately HK\$124.5 million on the Proposed Disposal, being the excess of the Disposal Consideration over the consolidated respective book net asset value of HK PropCo and HK ServiceCo and the aggregate amounts of the HK PropCo Sale Loan and HK ServiceCo Sale Loan. The calculation is only an estimate based on the initial amount of the Disposal Consideration to be received upon Disposal Completion before any adjustment and provided for illustration purposes. The actual gain on the Proposed Disposal that the Company is able to realise will depend on the actual consolidated net asset value of HK PropCo and HK ServiceCo on Disposal Completion and the transaction costs arising from the Proposed Disposal.

Upon Acquisition Completion, London PropCo and its subsidiaries will become wholly-owned subsidiaries of the Company and their assets, liabilities, profits and losses will be accounted for in the consolidated financial statements of the Company.

Save for the transaction costs, the Company expects that there will be no gain or loss arising from the Acquisition as the Acquisition Consideration is based on the consolidated net asset value of London PropCo (taking into account the indicative market value of the London Property) as at Acquisition Completion.

Proceeds from the Proposed Disposal will be utilised to fund the Acquisition, for the repayment of the Castro Global Loans and the Bank Borrowings, and all ancillary costs and expenses. The same will also be used to increase the Post-Completion Group's cash in bank to at least HK\$600 million (for reference, as at 30 June 2015, the Group's cash in bank amounted to approximately HK\$321 million, and its outstanding bank loan owed in relation to the Prestige Tower Property and the Century Square Property amounted to approximately HK\$91.6 million which will be repaid prior to Disposal Completion), which will be used for further expansion of the Post-Completion Group's property portfolio and as working capital of the Group. The remainder of the proceeds (which is estimated to be not less than approximately HK\$3,000 million) will be paid to the Shareholders in the form of the Special Cash Dividend.



## **F. INFORMATION ON THE GROUP**

The Company is an investment holding company and the principal activities of its subsidiaries are property investment, property trading, the provision of property management and related services and its principal associated company, Cross-Harbour, will continue to principally engage in investment in and management of tunnels, motoring schools and highway and tunnel toll system in Hong Kong.

## **G. INFORMATION ON THE POST-COMPLETION GROUP**

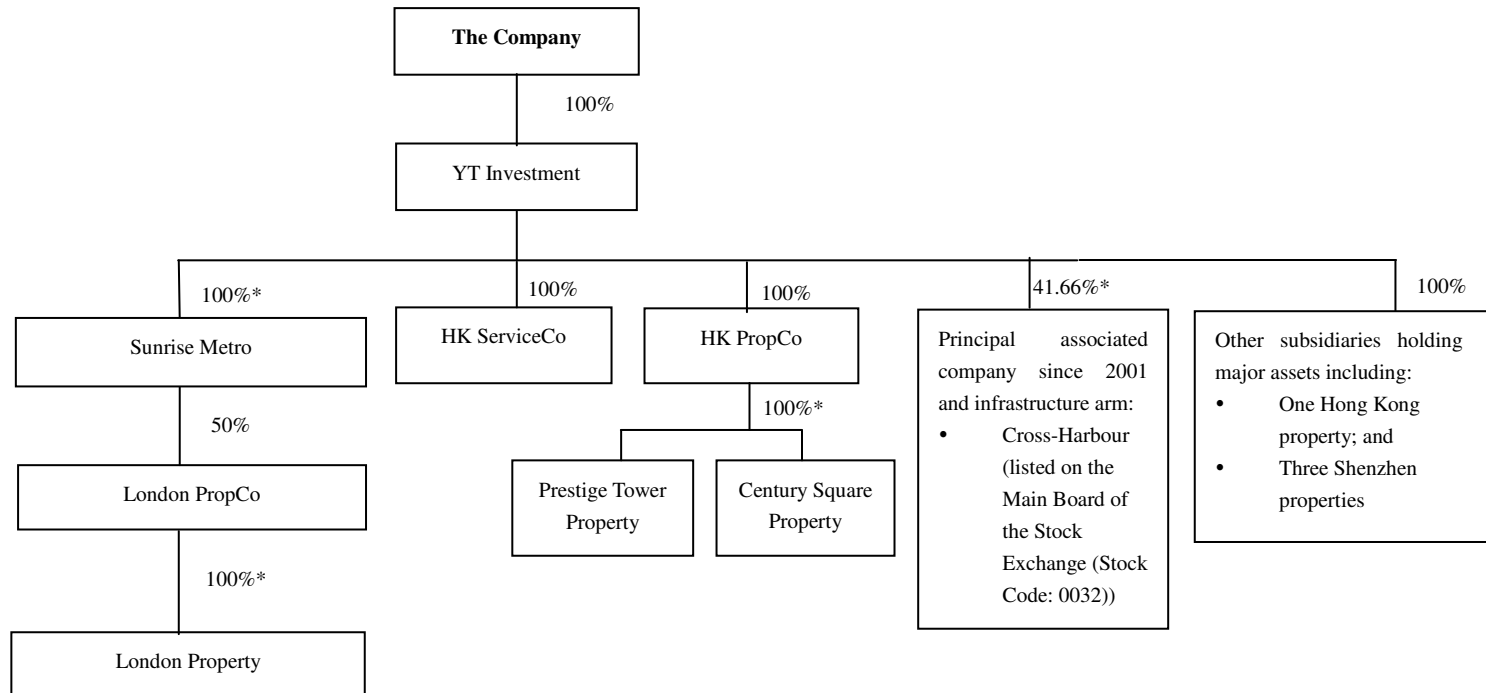
Upon completion of the Transactions and the payment of the Special Cash Dividend, the assets of the Post-Completion Group will mainly comprise the London Property preliminarily valued at approximately HK\$724.2 million, approximately 41.66% of the existing share capital of Cross-Harbour with a book value of HK\$2,116.8 million as at 30 June 2015, over HK\$600 million cash in bank available for business expansion, and one Hong Kong property and three properties in Shenzhen, the PRC, valued in total of approximately HK\$27 million as at 30 June 2015. The Post-Completion Group will continue to leverage on its resources and expertise to seek out suitable investment opportunities overseas and in China and to broaden the Group's income and create value for the Shareholders.

The London Property has been generating a recurring rental income of an amount equivalent to approximately HK\$18 million for the period since its acquisition by Cypress Dynasty in February 2015 and up to 31 October 2015. The Post-Completion Group will continue to share the profits of Cross-Harbour (the Group's share of profits after taxation from Cross-Harbour for the year ended 31 December 2014 being HK\$196.7 million and for the six months ended 30 June 2015 being HK\$131.3 million). The aggregate amount of dividends distributed by Cross-Harbour to and received by the Group for the year ended 31 December 2014 is approximately HK\$46 million. The Post-Completion Group currently has no intention to dispose of its interest in Cross-Harbour in the near future.

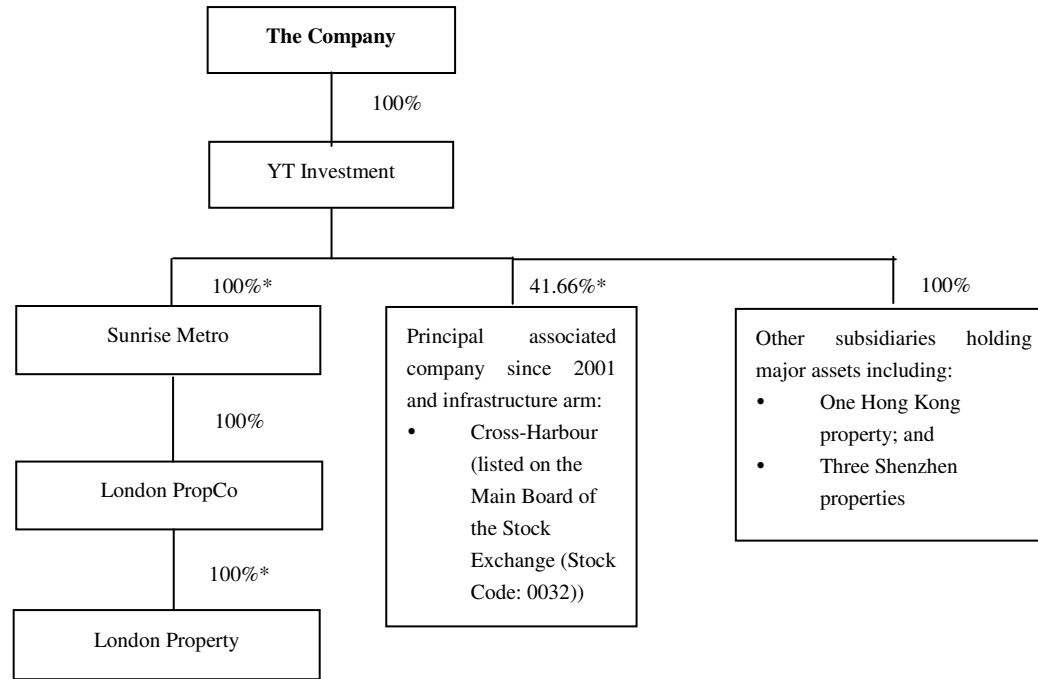
It is also expected that the Post-Completion Group will benefit from significant costs-savings and efficiency gains through streamlined operations and its operating and financing expenses and overall payroll expenditures will be reduced following the completion of the Transactions as all the property management and related technical consultancy staff servicing the Prestige Tower Property and the Century Square Property will remain with HK ServiceCo.

## H. GROUP STRUCTURE

The Group structure immediately prior to completion of the Transactions is as follows: -



The Group structure immediately after completion of the Transactions is as follows: -



\* denotes indirect interests

## **I. INTENDED RESIGNATION OF DIRECTORS**

In view of the Post-Completion Group's reduced operation in Hong Kong, it is anticipated that certain Directors may resign after completion of the Transactions. A further announcement will be made in this regard as soon as possible following the resignation of any of the Directors in accordance with the requirements under the Listing Rules.

## **J. GENERAL**

### ***Implications of the Listing Rules in respect of the Transactions***

#### *The Proposed Disposal*

As one or more of the percentage ratios in respect of the Proposed Disposal exceed(s) 75%, the Proposed Disposal will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules. As Mr. Cheung is the Chairman and an executive Director of the Company and a connected person of the Company and Access Power, which is wholly-owned by Mr. Cheung, is an associate of Mr. Cheung and a connected person of the Company, the Proposed Disposal will also constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Proposed Disposal will be subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

#### *The Acquisition*

As the applicable percentage ratios in respect of the Acquisition together with the repayment of the Castro Global Loans and the Bank Borrowings to be financed by Sunrise Metro are higher than 5% but lower than 25%, the Acquisition Agreement and the transactions contemplated will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and will therefore be subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### ***The SGM for considering the Proposed Disposal***

The SGM will be held for the Independent Shareholders to consider and, if thought fit, approve the Proposed Disposal. Shareholders with a material interest in the transactions contemplated under the Disposal Agreement will be required to abstain from voting at the SGM.

#### ***Independent Board Committee and Independent Financial Adviser***

The Independent Board Committee comprising all the independent non-executive Directors has been formed to make a recommendation to the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder to be voted by the Independent Shareholders at the SGM.

Independent Financial Adviser will be approved and appointed to advise and make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder to be voted by the Independent Shareholders at the SGM.

#### ***The circular***

A circular containing information on the Proposed Disposal, financial information of each of the Group, the Post-Completion Group, HK PropCo and HK ServiceCo, the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal Agreement and the transactions contemplated thereunder

and a notice convening the SGM is expected to be despatched to the Shareholders on or before 11 January 2016.

**Warning: The completion of the Disposal Agreement and the Acquisition Agreement are inter-conditional on each other, and completion of each of the agreements is conditional upon the fulfillment of their respective conditions, and may or may not proceed. The payment of the Special Cash Dividend will be conditional upon the Disposal Completion and the Acquisition Completion having taken place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“Access Power”	means Access Power Group Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Cheung
“Acquisition”	means the conditional acquisition of the Purchase Share pursuant to the Acquisition Agreement
“Acquisition Agreement”	means the sale and purchase agreement dated 17 December 2015 entered into between Sunrise Metro as purchaser and Castro Global as vendor in respect of the Acquisition
“Acquisition Completion”	means the completion of the sale and purchase of the Purchase Share pursuant to the Acquisition Agreement
“Acquisition Completion Accounts”	means the unaudited consolidated accounts of London PropCo as at Acquisition Completion to be prepared in accordance with the Acquisition Agreement
“Acquisition Condition”	means the condition precedent under the Acquisition Agreement as set out in the section headed “ <i>B. The Acquisition – 1. The Acquisition Agreement – Acquisition Condition</i> ”
“Acquisition Consideration”	means the consideration under the Acquisition Agreement as set out in the section headed “ <i>B. The Acquisition – 1. The Acquisition Agreement – Acquisition Consideration</i> ”
“Bank Borrowings”	means the aggregate amount of indebtedness comprising all amounts whether principal, interest, penalties or otherwise then outstanding and owing at or immediately prior to Acquisition Completion by Cypress Dynasty to the Bank of East Asia, Limited

“Board”	means the board of Directors
“Castro Global”	means Castro Global Limited, a company incorporated in the British Virgin Islands with limited liability
“Castro Global Loans”	means the aggregate amount of shareholders’ loans owing from London PropCo to Castro Global (including any interest accrued thereon) as at Acquisition Completion
“Century Square Property”	means the shops and offices at Century Square, a commercial building located at 1-13 D’Aguilar Street, Central, Hong Kong
“Company”	means Y. T. Realty Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0075)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Cross-Harbour”	means The Cross-Harbour (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0032)
“Cypress Dynasty”	means Cypress Dynasty Limited, a company incorporated in the British Virgin Islands with limited liability, and a direct wholly-owned subsidiary of London PropCo
“Director(s)”	means the director(s) of the Company
“Disposal Agreement”	means the sale and purchase agreement dated 17 December 2015 entered into amongst YT Investment as vendor, Access Power as purchaser and Mr. Cheung as purchaser’s guarantor in respect of the Proposed Disposal
“Disposal Completion”	means the completion of the sale and purchase of the Sale Shares and the assignment and taking up of the Sale Loans pursuant to the Disposal Agreement
“Disposal Completion Accounts”	means the unaudited consolidated accounts of HK PropCo as at Disposal Completion to be prepared in accordance with the Disposal Agreement

“Disposal Conditions”	means the conditions precedent under the Disposal Agreement as set out in the section headed “A. <i>The Proposed Disposal – 1. The Disposal Agreement – Disposal Conditions</i> ”
“Disposal Consideration”	means the consideration under the Disposal Agreement as set out in the section headed “A. <i>The Proposed Disposal – 1. The Disposal Agreement – Disposal Consideration</i> ”
“GBP”	means British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland
“Group”	means the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“HK PropCo”	means Y. T. Properties International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“HK PropCo Sale Loan”	means the aggregate amount of shareholders’ loan owing from HK PropCo to YT Investment (including any rights and benefits of and interest therein) as at Disposal Completion, the value of which was approximately HK\$601.5 million as shown on the unaudited consolidated management accounts of HK PropCo as at 31 October 2015
“HK ServiceCo”	means Y. T. Property Services Limited (滙太物業管理有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“HK ServiceCo Sale Loan”	means the aggregate amount of shareholders’ loan owing from HK ServiceCo to YT Investment (including any rights and benefits of and interest therein) as at Disposal Completion, the value of which was approximately HK\$0.3 million as shown on the unaudited consolidated management accounts of HK ServiceCo as at 31 October 2015
“Independent Board Committee”	means the independent committee of the Board comprising all the independent non-executive Directors, namely, Mr. Ng Kwok Fu, Mr. Luk Yu King, James and Mr. Leung Yu Ming, Steven, which has been established by the Company to make recommendations to the Independent

	Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder to be voted by the Independent Shareholders at the SGM
“Independent Financial Adviser”	means an independent financial adviser to be appointed to advise the Independent Board Committee to make recommendation to the Independent Shareholders in respect of the Disposal Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	means Shareholder(s) other than Shareholders with a material interest in the transactions contemplated under the Disposal Agreement, who is required to abstain from voting at the SGM pursuant to the Listing Rules
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“London Property”	means One Chapel Place, a commercial building located at 5, 6 and 7 Vere Street and 10 Chapel Place, London, England, W1G 0BG
“London PropCo”	means Solent Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, and a joint venture company owned as to 50% by Sunrise Metro and 50% by Castro Global as at the date of this announcement
“Mr. Cheung”	means Mr. Cheung Chung Kiu, the Chairman and an executive Director of the Company
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“Post-Completion Group”	means the Group (excluding HK PropCo and HK ServiceCo and their subsidiaries, but including London PropCo and its subsidiaries) immediately following the Disposal Completion and the Acquisition Completion
“PRC”	means the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prestige Tower Property”	means Prestige Tower, a commercial building located at 23 and 25 Nathan Road, Tsimshatsui, Hong Kong



“Proposed Disposal”	means the conditional disposal of the Sale Shares and the Sale Loans pursuant to the Disposal Agreement
“Purchase Share”	means 1 share of London PropCo, representing 50% of its entire issued share capital
“Sale Loans”	means the HK PropCo Sale Loan and the HK ServiceCo Sale Loan
“Sale Shares”	means the entire issued share capital of HK PropCo and HK ServiceCo respectively
“SGM”	means a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder
“Share(s)”	means the ordinary share(s) of nominal value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	means holder(s) of Share(s)
“Special Cash Dividend”	means the special cash dividend as set out in the section headed “ <i>C. Special Cash Dividend</i> ”
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Sunrise Metro”	means Sunrise Metro Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company
“Transactions”	means the Proposed Disposal and the Acquisition
“YT Investment”	means Y. T. Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“%”	means per cent

*For the purpose of this announcement, the exchange rate of GBP 1 = HK\$11.681 has been used which is an approximate and for illustration only. It does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.*

By Order of the Board  
**Y. T. REALTY GROUP LIMITED**  
**WONG CHI KEUNG**  
*Managing Director*

Hong Kong, 17 December 2015

*As at the date hereof, the board of directors of the Company comprises Cheung Chung Kiu, Wong Chi Keung, Yuen Wing Shing and Tung Wai Lan, Iris who are executive directors; Lee Ka Sze, Carmelo and Wong Yat Fai who are non-executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors.*

*\* For identification purposes only*