

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



渝太地產集團有限公司*

Y. T. REALTY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 00075)

DISCLOSEABLE TRANSACTION DISPOSAL OF 100% EQUITY INTEREST IN THE TARGET COMPANY

INTRODUCTION

The Board is pleased to announce that on 22 November 2023 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Interest, which shall represent the entire equity interest in the Target Company at a Consideration of RMB1.96 million (equivalent to approximately HK\$2.14 million) in cash.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction exceed(s) 5% but all of which are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirement under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 22 November 2023 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Interest, which shall represent the entire equity interest in the Target Company at a Consideration of RMB1.96 million (equivalent to approximately HK\$2.14 million) in cash.

THE AGREEMENT

The principal terms of which are set out below:

Date : 22 November 2023

Parties : (i) the Vendor, an indirect wholly-owned subsidiary of the Company;
and
(ii) the Purchaser.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Group and its connected persons.

Subject matter

Pursuant to the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase the Sale Interest, which shall represent the entire equity interest in the Target Company subject to the terms and conditions therein.

Consideration and payment terms

The Consideration of RMB1.96 million (equivalent to approximately HK\$2.14 million) shall be payable by the Purchaser to the Vendor in cash within seven (7) Business Days on or after the date of the Agreement.

Basis of determining the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser mainly with reference to, (i) the valuation of the unsold properties as at 31 October 2023 by an independent valuer and the contracted value of the sold but undelivered properties in the Target Project as at 31 October 2023 in an aggregate sum of approximately RMB190.07 million (equivalent to approximately HK\$207.75 million) and (ii) the unaudited consolidated net liability value as at 16 November 2023 of approximately RMB47.63 million (equivalent to approximately HK\$52.06 million) resulting in the adjusted unaudited consolidated net liability value of the Target Group as at 16 November 2023 of approximately RMB3.59 million (equivalent to approximately HK\$3.92 million).

Conditions precedent

The Transaction is conditional upon the following key Conditions Precedent being fulfilled or waived:

- i. warranties given by the Vendor in the Agreement remaining true and accurate and not misleading from the date thereof up to Completion, and there being no incidents, facts or circumstances of the Vendor and/or the Target Group that constitute or may constitute a breach of any representation or warranties given by the Vendor or under the Agreement;
- ii. warranties given by the Purchaser in the Agreement remaining true and accurate and not misleading from the date thereof up to Completion, and there being no incidents, facts or circumstances of the Purchaser that constitute or may constitute a breach of any representation or warranties given by the Purchaser; and
- iii. the parties to the Agreement having performed and complied with all agreements, obligations and conditions contained in the Agreement that are required to be performed or complied with by each of them on or before Completion.

Completion

Completion of the Agreement will take place when the Consideration has been paid, all the conditions precedent to the Agreement as set out in the sub-section headed “Conditions precedent” above have either been fulfilled or (where applicable) waived and the transfer of the Sale Interest from the Vendor to the Purchaser pursuant to the Agreement is completed.

INFORMATION ABOUT THE PARTIES

The Group and the Vendor

The Group is principally engaged in property businesses, including property investment and property development.

The Vendor is a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company, and is principally engaged in investment holding and corporate management service.

The Target Group

The Target Company is a company incorporated in the PRC with limited liability, and is principally engaged in investment holding. Its principal asset is currently the entire equity interest in Chengdu Runqi. Chengdu Runqi is a company incorporated in the PRC with limited liability, and its principal business is property development and trading of the Target Project.

The Purchaser

The Purchaser is a company incorporated in the PRC with limited liability, and is principally engaged in investment holding and corporate management service. The ultimate beneficial owners of the Purchaser are Luo Peijun and Lai Xu.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board considers that the Transaction represents a good opportunity for the Group to realise its investment in the Target Group and to enhance its liquidity position. The Board (including the independent non-executive Directors) is of the view that the Agreement is on normal commercial terms, fair and reasonable and that the Transaction is in the interests of Company and its Shareholders as a whole.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the unaudited consolidated financial information of the Target Group for the financial years ended 31 December 2021 and 2022 respectively:

	2022 <i>HK\$ million</i>	2021 <i>HK\$ million</i>
Revenue	129.96	109.48
Net loss before taxation	9.04	16.27
Net loss after taxation	17.14	15.27

Based on the unaudited consolidated management accounts of the Target Group, the unaudited consolidated net liability value of the Target Group was approximately RMB47.63 million (equivalent to approximately HK\$52.06 million) as at 16 November 2023.

FINANCIAL EFFECT OF THE TRANSACTION

Upon Completion, the Company will cease to have any interest in the Target Group, 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 before tax of approximately RMB49.59 million (equivalent to approximately HK\$54.20 million) upon Completion, being the excess of the Consideration over the unaudited consolidated net liability value of the Target Group. The actual gain or loss (if any) as a result of the Transaction to be recorded by the Group will depend on the actual amounts of the above on Completion.

Upon Completion, the net proceeds expected to be received by the Group after deducting all associated costs and expenses are approximately RMB1.96 million (equivalent to approximately HK\$2.14 million). The Group intends to use the net proceeds for other investment opportunities that may be presented to the Group and/or for replenishing the general working capital of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed(s) 5% but all of which are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Agreement”	the sale and purchase agreement dated 22 November 2023 entered into between the Vendor and the Purchaser in respect of the Transaction
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or public holiday) on which commercial banks are generally open in Hong Kong for normal business
“Chengdu Runqi”	Chengdu Runqi Property Co. Ltd. * (成都潤其置業有限公司), a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of the Target Company
“Company”	Y. T. Realty Group Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 00075)
“Completion”	completion of the Transaction in accordance with the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conditions Precedent”	the conditions precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The Agreement” in this announcement
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Transaction
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan)
“Purchaser”	Chengdu Qizhu Enterprise Management Co., Ltd* (成都起築企業管理有限公司), a company incorporated in the PRC with limited liability
“RMB	Renminbi, the lawful currency of the PRC
“Sale Interest”	the entire equity interest in the Target Company, legally and beneficially held by the Vendor
“Share(s)”	ordinary share(s) of the Company of HK\$0.1 each
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chengdu Runbin Corporate Management Co. Ltd * (成都潤濱企業管理有限公司), a company incorporated in the PRC with limited liability, which is directly and wholly-owned by the Vendor
“Target Group”	the Target Company and Chengdu Runqi
“Target Project”	the development of a plot of land owned by Chengdu Runqi with an area of 42-mu for residential use located at the Chengdu Hi-Tech Industrial Development Zone, the PRC
“Transaction”	the sale of the Sale Interest by the Vendor to the Purchaser in accordance with the Agreement
“Vendor”	Chengdu Yutai Corporate Management Co. Ltd.* (成都渝太企業管理有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB1 = HK\$1.0930 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.

On behalf of the Board
Y. T. Realty Group Limited
Wong Hy Sky
Chairman and Managing Director

Hong Kong, 22 November 2023

As at the date hereof, the Board comprises Wong Hy Sky, Yuen Wing Shing and Liu Jie who are executive Directors; and Luk Yu King, James, Leung Yu Ming, Steven and Lai Degang who are independent non-executive Directors.

** For identification purposes only*