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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: 00075)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF THE ENTIRE SHARE CAPITAL OF A SUBSIDIARY**

The Board would like to announce that on 30 May 2024 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser (an Independent Third Party) entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company (which indirectly owns the London Property, a six-storey hotel complex located in London), at a consideration of HK\$33,750,000. Upon Completion, the Target Company will cease to be a subsidiary of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but all of them are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing with the Shares and other securities of the Company.

THE SALE AND PURCHASE AGREEMENT

The Board would like to announce that on 30 May 2024 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company) and the Purchaser (an Independent Third Party) entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, at a consideration of HK\$33,750,000.

The principal terms of the Sale and Purchase Agreement are set out below:

Date

30 May 2024 (after trading hours)

Parties

- (1) the Vendor
- (2) the Purchaser

For further details, please refer to the paragraph headed “Information of the Group and Other Parties of the Sale and Purchase Agreement”.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company.

The Consideration

The Consideration for the Disposal is HK\$33,750,000, which shall be settled in cash in the following manner:

- (1) HK\$30,000,000 shall be paid by the Purchaser in cash to the Vendor upon the signing of the Sale and Purchase Agreement; and
- (2) the remaining amount of HK\$3,750,000 shall be paid by the Purchaser in cash to the Vendor on the date of the Completion.

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser, taking into account, among other things, (i) the unaudited consolidated net asset value of the Target Group of approximately HK\$19,274,000 as at 31 December 2023; (ii) the willingness of the Purchaser, being an Independent Third Party, to acquire the Target Company by full settlement in cash under the prevailing market conditions; and (iii) the release of the Company from its guarantee obligations for a revolving loan facility of up to HK\$480,000,000 granted by an independent financial institution to the Target Company upon the Completion.

The proceeds from the Disposal will be used for other investment opportunities that may be presented to the Group and/or replenishing the general working capital of the Group.

Conditions precedent

The Disposal is conditional upon and subject to the following conditions:

- (1) all necessary approvals, confirmations, waiver or consents required in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder from the relevant government or regulatory authorities or financial institutions or any third parties shall have been obtained;

- (2) the Company shall have been fully released and discharged from the guarantee provided by the Company as a security for a revolving loan facility of up to HK\$480,000,000 granted by an independent financial institution to the Target Company;
- (3) the warranties respectively given by the Vendor and the Purchaser remaining true and accurate in all material respects and not misleading in any material respect as at Completion;
- (4) the new service provider handling the administration and management of the Trustees of the Unit Trust shall have been engaged and confirmed with the consent of the Purchaser; and
- (5) the specified service provider handling the administration and management of Grove Asset shall have been engaged and confirmed with the consent of the Purchaser

Completion

Completion shall take place on the next Business Day following the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement or such other date as the Vendor and the Purchase may agree.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial information of the Target Group will cease to be consolidated into the consolidated financial statements of the Group upon Completion.

If the above conditions precedent have not been fulfilled or waived (as the case may be) on or before the Long Stop Date, the Sale and Purchase Agreement would terminate immediately and the Vendor shall return the first instalment payment of the Consideration (i.e. HK\$30,000,000) to the Purchaser within five Business Days after the parties confirming in writing the termination of the Sale and Purchase Agreement due to non-fulfilment of the conditions precedent by the Long Stop Date.

Deed of tax indemnity

At Completion, the Vendor shall also execute a deed of tax indemnity with and in favour of the Purchaser and the Target Company, pursuant to which the Vendor shall indemnify the Purchaser and the Target Company from and against (i) certain tax liabilities of the Target Group on or before the Completion and (ii) reasonable losses, liabilities, costs, charges and expenses which are properly incurred by the Purchaser and/or the Target Company in connection with the enforcement of the said deed of tax indemnity, subject to the terms and limitations therein.

FINANCIAL EFFECT OF THE DISPOSAL

After taking into the Consideration (i.e. HK\$33,750,000) and the unaudited consolidated net asset value of the Target Group in the sum of approximately HK\$3,349,000 as at 30 April 2024, the Company expects to record a gain of approximately HK\$30,401,000 from the Disposal at Completion (without deduction of transaction cost related to the Disposal). Apart from the above, the Disposal is not expected to have immediate material impact on the financial position of the Group.

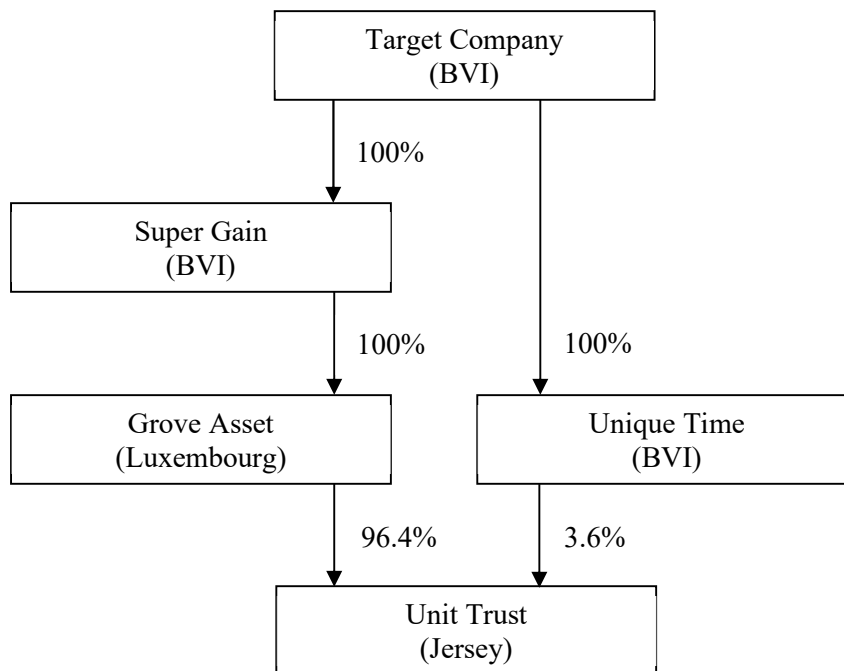
The above figure is for illustrative purpose only. The actual gain in connection with the Disposal will be subject to the review and final audit by the independent auditors of the Company.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability, and it is directly and wholly-owned by the Vendor as at the date of this announcement.

At the date of this announcement, the Target Company directly holds the entire issued share capital of (i) Super Gain (an investment holding company incorporated in the BVI with limited liability), which in turn directly holds the entire share capital of Grove Asset (an investment holding company incorporated in Luxembourg with limited liability) and (ii) Unique Time (an investment holding company incorporated in the BVI with limited liability). Grove Asset and Unique Time directly hold approximately 96.4% and 3.6% interests in the Unit Trust respectively.

Below is the corporate chart of the Target Group as at the date of this announcement:



The Trustees (being the trustees of the Unit Trust) hold the London Property on trust for Grove Asset and Unique Time (being the beneficiaries of the Unit Trust). The London Property, which is a hotel complex located in London, has been recognized by the Group as investment property for rental income in the financial statements of the Group. It comprises six storeys with a total area of approximately 45,528 square feet. The London Property has been leased to Travelodge Hotels Limited (an Independent Third Party) for operating hotel business for a term of 35 years from 26 April 2007.

Set out below are certain financial information of the Target Group (as prepared in accordance with the accounting principles generally accepted in Hong Kong):

For the year ended 31 December

	2023 (unaudited) <i>Approximately</i> <i>HK\$'000</i>	2022 (unaudited) <i>Approximately</i> <i>HK\$'000</i>
Net profit/(loss) before taxation	(206,552)	10,053
Net profit/(loss) after taxation	(197,772)	942

Based on the unaudited consolidated financial information of the Target Group, the unaudited consolidated total asset value and net asset value of the Target Group as at 31 December 2023 were approximately HK\$474,057,000 and HK\$19,274,000, respectively.

INFORMATION OF THE GROUP AND OTHER PARTIES OF THE SALE AND PURCHASE AGREEMENT

The Group

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

The Vendor

The Vendor is a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holdings.

The Purchaser

The Purchaser is a company incorporated in the BVI with limited liability. The Purchaser is principally engaged in investment holdings. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the ultimate beneficial owner of the Purchaser is Mr. Suen Cho Hung, Paul; and (ii) both the Purchaser and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

After considering the prevailing market conditions, the Board considers that the Disposal represents a good opportunity for the Group to realise its investment in the Target Group at a reasonable price and to enhance the Group's liquidity position and financial position to better pursue other business opportunities. The Directors consider that the Sale and Purchase Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but all of them are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that the Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing with the Shares and other securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“Business Day”	a day that is not a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for normal banking business
“BVI”	British Virgin Islands
“Company”	Y. T. Realty Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00075)
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration in the amount of HK\$33,750,000 payable by the Purchaser to the Vendor for the Disposal
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement

“Group”	the Company and its subsidiaries
“Grove Asset”	Grove Asset 4 S.à r.l., a company incorporated in Luxembourg with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Property”	the property located at 1 Harrow Place and 11 White Kennett Street, London, United Kingdom
“Long Stop Date”	30 June 2024 or such later date as the parties may agree in writing
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	TOP INTEGRATED HOLDINGS LIMITED, a company incorporated in the BVI with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 May 2024 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Share”	one ordinary share of US\$1.00 each in the share capital of the Target Company, representing the entire issued capital of the Target Company
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Gain”	Super Gain Ventures Limited, a company incorporated in the BVI with limited liability
“Target Company”	Hillstar Corporate Limited, a company incorporated in the BVI with limited liability, which is directly and wholly-owned by the Vendor
“Target Group”	the Target Company, Super Gain, Grove Asset, Unique Time and the Unit Trust

“Trustees”	YT Property Trustee 1 Limited and YT Property Trustees 2 Limited, each incorporated under the laws of Jersey, acting in their capacity as the joint trustees of the Unit Trust
“Unique Time”	Unique Time Investments Limited, a company incorporated in the BVI with limited liability
“Unit Trust”	Grove Property Unit Trust 4, a unit trust established under the laws of Jersey and administered by the Trustees
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Radiance Ventures Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 30 May 2024

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*