

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 disclaim 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: 75)

MAJOR TRANSACTION

**ACQUISITION OF LAND USE RIGHTS
IN DAZHOU, SICHUAN PROVINCE, THE PRC**

THE ACQUISITIONS

The Board is pleased to announce that on 12 April 2021, the Bidder, an indirect wholly-owned subsidiary of the Company successfully bid the land use rights of (i) the Phase 1 Land Parcels at a consideration of RMB423,951,000 (equivalent to approximately HK\$502,552,000), and (ii) the Phase 2 Land Parcels at a consideration of RMB478,656,000 (equivalent to approximately HK\$567,399,000) through the Auction.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) are more than 25% but less than 100%, the Acquisitions constitute a major transaction for the Company under Chapter 14 of the Listing Rules.

As the Group's principal business activities include property development, the Company is regarded as a Qualified Issuer under Rule 14.04(10B), and the Acquisitions, being acquisitions of governmental land in the PRC from a PRC Governmental Body (as defined under the Listing Rules) through an auction are regarded as Qualified Property Acquisitions under Rule 14.04(10C) of the Listing Rules. As such, the Acquisitions are subject to the reporting and announcement requirements but are exempt from shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

A circular containing, among other things, further details of the Acquisitions is expected to be despatched to the Shareholders on or before 12 May 2021 as more time is required for preparing the information to be included in the circular. Should a delay be expected in the despatch of the circular beyond 12 May 2021, the Company will publish a further announcement in accordance with the Listing Rules.

INTRODUCTION

On 12 April 2021, the Bidder was notified by Dazhou City Natural Resources and Planning Bureau that it had successfully bid the land use rights of the Phase 1 Land Parcels at a consideration of RMB423,951,000 (equivalent to approximately HK\$502,552,000) through the Auction. The Bidder has obtained the bid confirmation letter from Dazhou City Natural Resources and Planning Bureau in relation to the Acquisition of Phase 1 Land Parcels. The Phase 1 Land Use Rights Grant Contract is expected to be entered into on or before 25 April 2021.

On the same date, the Bidder was notified by Dazhou City Natural Resources and Planning Bureau that it had successfully bid the land use rights of the Phase 2 Land Parcels at a consideration of RMB478,656,000 (equivalent to approximately HK\$567,399,000) through the Auction. The Bidder has obtained the bid confirmation letter from Dazhou City Natural Resources and Planning Bureau in relation to the Acquisition of Phase 2 Land Parcels. The Phase 2 Land Use Rights Grant Contract is expected to be entered into on or before 25 April 2021.

THE ACQUISITION OF PHASE 1 LAND PARCELS

The principal terms and conditions of the Acquisition of Phase 1 Land Parcels are summarized below:

Date of notification of successful bid : 12 April 2021

Parties : (i) Dazhou City Natural Resources and Planning Bureau, as transferor
(ii) The Bidder, an indirect wholly-owned subsidiary of the Company as successful bidder

Location of the Phase 1 Land Parcels : Phase 1 Land Parcels comprise two parcels of land numbered 08-02b and 08-04a for residential and commercial uses and one parcel of land numbered 13-01b for commercial use located at the Central Service District of Matadong District, Dazhou Municipality, Sichuan Province, the PRC*(中國四川省達州市馬踏洞片區中心服務區)

Total site area : 97,465 sqm (approximately 146.19 Mu)

Term of the land use rights : 70 years for residential use and 40 years for commercial use

Consideration and payment terms : RMB423,951,000 (equivalent to approximately HK\$502,552,000) payable in cash, which was the bid price of the Phase 1 Land Parcels submitted by the Bidder at the Auction.

The first installment amounting to 50% of Phase 1 Consideration is payable within 1 month from the date of the Phase 1 Land Use Rights Grant Contract. As at the date of this announcement, a deposit of RMB123,500,000 has been paid by the Bidder, which will be applied towards settlement of part of the first installment.

The remaining 50% of Phase 1 Consideration (non-interest bearing) is payable within 7 months from the date of the Phase 1 Land Use Rights Grant Contract.

The Phase 1 Consideration was arrived at as a result of successful bidding of the Phase 1 Land Parcels by the Bidder at the Auction, which was conducted in accordance with the relevant PRC laws and regulations. The Phase 1 Consideration was determined after taking into account, among other things, (i) the base price of approximately RMB416,642,000 calculated with reference to the unit base price set by Dazhou City Natural Resources and Planning Bureau of RMB2,850,000 per Mu; (ii) current property market conditions the vicinity of the Central Service District of Matadong District, Dazhou Municipality, Sichuan Province, the PRC; and (iii) the location and development potential of the Land Parcels as a whole. No independent valuation has been taken as reference for setting the bid price.

The Phase 1 Consideration will be entirely funded by the internal resources of the Group.

Transaction Service Fee : The Bidder shall pay the transaction service fee in the amount of approximately RMB3,000,000 to Dazhou Public Resources Exchange Service Centre* (達州市公共資源交易服務中心) within 8 Working Days from the date on which the Bidder signs the bid confirmation letter.

Planning conditions imposed by tender document : The Bidder shall construct: -

- (a) a single building with a gross floor area of not less than 43,000 sqm (of which not less than 40,000 sqm shall be used for convention and exhibition) on the land parcel numbered 13-01b, and maintain 100% ownership of the convention and exhibition centre constructed thereon for a period of ten years from the date of its completion and commencement of operation;
- (b) commercial service housing on the land parcel numbered 08-02b with a plot ratio of not more than 10% and a gross floor area of not less than 10,000 sqm;
- (c) commercial service housing on the land parcel numbered 08-04a with a plot ratio of not more than 10% and a gross floor area of not less than 8,500 sqm; and
- (d) one or more community comprehensive service centre(s) at a rate of 0.3% of the residential gross floor area on the land parcels numbered 08-02b and 08-04a free of charge. The building area of the community comprehensive service centre(s) shall not be included in the project's plot ratio, and the ownership and right of use thereof shall belong to the local government.

Delivery of the Phase 1 Land Parcels : Vacant possession of the Phase 1 Land Parcels will be delivered in accordance with the subsisting land use conditions within 30 days from the date on which the Bidder settles the Phase 1 Consideration.

THE ACQUISITION OF PHASE 2 LAND PARCELS

The principal terms and conditions of the Acquisition of Phase 2 Land Parcels are summarized below:

Date of notification of successful bid : 12 April 2021

Parties : (i) Dazhou City Natural Resources and Planning Bureau, as transferor
(ii) The Bidder, an indirect wholly-owned subsidiary of the Company as successful bidder

Location of the Phase 2 Land Parcels : Phase 2 Land Parcels comprise two parcels of land numbered 08-01b and 08-03b for residential and commercial uses and two parcels of land numbered 11-03b and 12-04a for commercial use located at the Central Service District of Matadong District, Dazhou Municipality, Sichuan Province, the PRC*(中國四川省達州市馬踏洞片區中心服務區).

Total site area : 132,963 sqm (approximately 199.44 Mu)

Term of the land use rights : 70 years for residential use and 40 years for commercial use

Consideration and payment terms : RMB478,656,000 (equivalent to approximately HK\$567,399,000) payable in cash, which was the bid price of the Phase 2 Land Parcels submitted by the Bidder at the Auction.

The first installment amounting to 50% of the Phase 2 Consideration is payable within 1 month from the date of the Phase 2 Land Use Rights Grant Contract. As at the date of this announcement, a deposit of RMB141,000,000 has been paid by the Bidder, which will be applied towards settlement of part of the first installment.

The remaining 50% of the Phase 2 Consideration (non-interest bearing) is payable within 7 months from the date of the Phase 2 Land Use Rights Grant Contract.

The Phase 2 Consideration was arrived at as a result of successful bidding of the Phase 2 Land Parcels by the Bidder at the Auction, which was conducted in accordance with the relevant PRC laws and regulations. The Phase 2 Consideration was determined after taking into account, among other things, (i) the base price of approximately RMB468,684,000, calculated with reference to the unit base price set by Dazhou City Natural Resources and Planning Bureau of RMB2,350,000 per Mu; (ii) current property market conditions the vicinity of the Central Service

District of Matadong District, Dazhou Municipality, Sichuan Province, the PRC; and (iii) the location and development potential of the Land Parcels as a whole. No independent valuation has been taken as reference for setting the bid price.

The Phase 2 Consideration will be entirely funded by the internal resources of the Group.

Transaction Service Fee : The Bidder shall pay the transaction service fee in the amount of approximately RMB3,273,000 to Dazhou Public Resources Exchange Service Centre* (達州市公共資源交易服務中心) within 8 working days from the date on which the Bidder signs the bid confirmation letter.

Planning conditions imposed by tender document : The Bidder shall construct: -

- (a) a single building to be used as commercial mall on the land parcel numbered 11-03b with a gross floor area of approximately 30,000 sqm (which is capable of serving as a commercial complex and related functions);
- (b) commercial service housing on the land parcel numbered 08-01b with a plot ratio of not more than 10% and a gross floor area of not less than 10,000 sqm;
- (c) commercial service housing on the land parcel numbered 08-03b with a gross floor area of not less 7,500 sqm;
- (d) a five-star hotel (equipped with conference facilities) with a gross floor area of not less than 40,000 sqm and providing not less than 300 guest rooms shall be constructed on the land parcel numbered 12-04a; and
- (e) one or more community comprehensive service centre(s) at a rate of 0.3% of the residential gross floor area on the land parcels numbered 08-01b and 08-03b free of charge. The building area of the community comprehensive service centre(s) shall not be included in the project's plot ratio, and the ownership and right of use thereof shall belong to the local government.

For a period of ten years commencing from the date of completion and commencement of operation, the Bidder shall maintain 100% ownership of the hotel constructed on the land parcel numbered 12-04a, at least 30% ownership of the commercial complex constructed on the land parcel numbered 11-03b and shall continue to own at least 50% of total commercial gross floor area on the Phase 2 Land Parcels.

Delivery of the Phase 2 Land Parcels : Vacant possession of the Phase 2 Land Parcels will be delivered in accordance with the subsisting land use conditions within 30 days from the date on which the Bidder settles the Phase 2 Consideration.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in property businesses, including property investment and property development, and has considerable experience in the property market.

The Acquisitions offer the Group an opportunity to further expand its property development business in the PRC and capture the benefits from PRC property market. Situated in a strategic and prime location in Dazhou Municipality, the Land Parcels are only 800 metres from Dazhou Railway Station and 6.5 kilometres from Dazhou Heshi Airport* (達州河市機場). This provides a favourable condition for the development of the Land Parcels into a complex that integrates convention and exhibition centre, five-star hotel, offices, and commercial and residential properties. The total gross floor area of the complex is currently expected to be 566,500 sqm, of which a gross floor area of approximately 111,800 sqm will be developed into a convention and exhibition centre and a hotel with ancillary facilities and the remainder will be developed into properties for sale.

The Directors are of the view that the Acquisitions are in the ordinary and usual course of business of the Group and that the terms of the Acquisitions 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 (as defined in the Listing Rules) are more than 25% but less than 100%, the Acquisitions constitute a major transaction for the Company under Chapter 14 of the Listing Rules.

As the Group's principal business activities include property development, the Company is regarded as a Qualified Issuer under Rule 14.04(10B), and the Acquisitions, being acquisitions of governmental land in the PRC from a PRC Governmental Body (as defined under the Listing Rules) through an auction are regarded as Qualified Property Acquisitions under Rule 14.04(10C) of the Listing Rules. As such, the Acquisitions are subject to the reporting and announcement requirements but are exempt from shareholders' approval requirement pursuant to Rule 14.33A of the Listing Rules.

A circular containing, among other things, further details of the Acquisitions is expected to be despatched to the Shareholders on or before 12 May 2021 as more time is required for preparing the information to be included in the circular. Should a delay be expected in the despatch of the circular beyond 12 May 2021, the Company will publish a further announcement in accordance with the Listing Rules.

DEFINITIONS

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

“Acquisition of Phase 1 Land Parcels”	Acquisition of land use rights of the Phase 1 Land Parcels through bidding process at the Auction
---------------------------------------	---

“Acquisition of Phase 2 Land Parcels”	Acquisition of land use rights of the Phase 2 Land Parcels through bidding process at the Auction
“Acquisitions”	collectively, Acquisition of Phase 1 Land Parcels and Acquisition of Phase 2 Land Parcels
“Auction”	the public auction held by Dazhou City Natural Resources and Planning Bureau at which the Land Parcels were offered for sale
“Bidder”	達州潤渝置業有限公司 (Dazhou Runyu Real Estate Co., Ltd.*), a company incorporated in the PRC, an indirect wholly-owned subsidiary of the Company , and is principally engaged in property development
“Board”	the board of Directors
“Company”	Y. T. Realty Group Limited, a company incorporated in Bermuda with limited liability with Shares listed on the Main Board of the Stock Exchange (Stock Code: 0075)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Dazhou City Natural Resources and Planning Bureau”	達州市自然資源和規劃局 (Natural Resources and Planning Bureau in Dazhou Municipality*), a bureau under the local government of Dazhou Municipality and a PRC Governmental Body within the meaning of Rule 19A.04 of the Listing Rules. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Dazhou City Natural Resources and Planning Bureau and its ultimate beneficial owner(s) are Independent Third Parties.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of and not connected with the Company and its connected persons
“Land Parcels”	collectively, the Phase 1 Land Parcels and the Phase 2 Land Parcels
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mu”	a mu under 《中華人民共和國法定計量單位使用方法》 (the Method of Uniform Legal Measures in the People’s Republic of China *)
“percentage ratios”	has the meaning ascribed to it under the Listing Rules

“Phase 1 Consideration”	RMB423,951,000, being the bid price submitted by the Bidder for the Acquisition of Phase 1 Land Parcels
“Phase 2 Consideration”	RMB478,656,000, being the bid price submitted by the Bidder for the Acquisition of Phase 2 Land Parcels
“Phase 1 Land Parcels”	collectively, the three parcels of land described under the section headed “ <i>Acquisition of Phase 1 Land Parcels</i> ” in this announcement
“Phase 2 Land Parcels”	collectively, the four parcels of land described under the section headed “ <i>Acquisition of Phase 2 Land Parcels</i> ” in this announcement
“Phase 1 Land Use Rights Grant Contract”	the land use rights grant contract to be entered into between Dazhou City Natural Resources and Planning Bureau as transferor and the Bidder as transferee in relation to the Acquisition of Phase 1 Land Parcels
“Phase 2 Land Use Rights Grant Contract”	the land use rights grant contract to be entered into between Dazhou City Natural Resources and Planning Bureau as transferor and the Bidder as transferee in relation to the Acquisition of Phase 2 Land Parcels
“PRC”	The People’s Republic of China, which shall, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company of HK\$0.1 each
“Shareholder(s)”	the holder(s) of the Shares
“sqm”	square metres
“Working Days”	the statutory working days in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For identification purposes only

The English names of Chinese entities and locations marked with “” are translations of their Chinese names and are included in this announcement for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1:HK\$1.1854. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

By order of the Board
Y. T. Realty Group Limited
Cheung Chung Kiu
Chairman and Managing Director

Hong Kong, 12 April 2021

As at the date hereof, the Board comprises Cheung Chung Kiu, Yuen Wing Shing, Tung Wai Lan, Iris and Wong Hy Sky who are executive directors; and Ng Kwok Fu, Luk Yu King, James and Leung Yu Ming, Steven who are independent non-executive directors