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天譽置業 (控股) 有限公司
SKYFAME REALTY (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 00059)

**FURTHER INFORMATION AND CLARIFICATION ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTEREST
AND SHAREHOLDER LOAN OF ZHUHAI REAL ESTATE**

Reference is made to the announcement of the Company dated 31 December 2019 in relation to the Acquisition of the entire equity interest and shareholders loan of Zhuhai Real Estate (the “**Announcement**”). Terms used herein have the same meanings as those defined in the Announcement unless the context requires otherwise.

This announcement is made to provide further information on (i) the basis on consideration; (ii) the major assets of Zhuhai Real Estate; (iii) more background information of the transaction; and clarification of Zhuhai Real Estate’s total asset value as at 31 October 2019.

THE BASIS OF CONSIDERATION

Upon completion of the transaction, Tianyu Jurong will indirectly hold the Zhuhai Land through holding the entire equity interest of Zhuhai Real Estate and total approximately RMB1,180 million shareholder loan which is the funds Zhuhai Real Estate used to buy the Zhuhai Land for RMB1,048 million from the Zhuhai City government on 19 December 2017. Except the above shareholder loan, Zhuhai Real Estate bears no other material liabilities.

The Company is an investment holding company and its principal subsidiaries are engaged in property development, property investment, property management and commercial operations in youth community projects. The Acquisition for development is in the ordinary and usual course of business of the Group. The Company’s management are familiar with Zhuhai property market and this purchase price is lower than the surrounding land auction prices. The land costs in land market of Zhuhai is recently stable.

In the light of the above, the board of directors believes that this land’s preliminary valuation is more than the purchase consideration of RMB880 million, but is, however, subject to the valuation of independent valuer engaged by the Company and the auditor’s endorsement. The Board considers that the RMB880 million consideration is fair and reasonable.

THE MAJOR ASSETS OF ZHUHAI REAL ESTATE

Based on the unaudited management accounts as at 31 October 2019, Zhuhai Real Estate's total assets amounted to RMB1,290 million comprising mainly cash of RMB91 million, and development costs of RMB1,188 million (including RMB1,048 million for the land) incurred on the Zhuhai Land.

MORE BACKGROUND INFORMATION OF THE TRANSACTION

1. The role of Acorn Alpha in the Acquisition

Heshen Real Estate's controlling shareholder as vendor is making a package asset transaction with Acorn Alpha as purchaser, Zhuhai Real Estate as the transaction Target is only one of the aforesaid package asset. In order to spinoff and sell the package asset which acquired from the aforesaid transaction to different buyers, Acorn Alpha has designated Tianyu Jurong as the consignee of the Zhuhai Real Estate to achieve one of the above goal.

2. The ultimate beneficial owner of Acorn Alpha

All Acorn Alpha's ultimate shareholders are individual, namely Pan Weisi, Li Jianhui, Rozario Bobby Roberto and Liu Xiumei.

3. The background of the vendor, Heshen Real Estate

The controlling shareholder of Heshen Real Estate is a PRC property developer whose shares are listed on the Stock Exchange.

CLARIFICATION OF ZHUHAI REAL ESTATE'S TOTAL ASSET VALUE AS AT 31 OCTOBER 2019

Based on the unaudited management accounts as at 31 October 2019, Zhuhai Real Estate's total assets amounted to RMB1,290 million while not RMB129 million. Zhuhai Real Estate's total asset value as stated in the Chinese version of the Announcement is correct.

By order of the Board
Skycastle Realty (Holdings) Limited
YU Pan
Chairman

Hong Kong, 9 January 2020

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. YU Pan (Chairman), Mr. WEN Xiaobing, Mr. WANG Chenghua and Mr. JIN Zhifeng; one non-executive Director, namely Mr. WONG Lok; and three independent non-executive Directors, namely Mr. CHOY Shu Kwan, Mr. CHENG Wing Keung, Raymond and Ms. CHUNG Lai Fong.