
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold all your shares in Y. T. Realty Group Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes 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 document.



Y. T. REALTY GROUP LIMITED

(incorporated in Bermuda with limited liability)

GENERAL MANDATE TO ISSUE SHARES

AND

GENERAL MANDATE TO REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

This circular explains the repurchase mandate to be passed as an ordinary resolution at the Annual General Meeting of the Company to be held on 26th May, 2003.

The notice convening an Annual General Meeting of Y. T. Realty Group Limited to be held at Grand Rooms III & IV, Ground Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Monday, 26th May, 2003 at 10:30 a.m. is contained in the Annual Report for the year ended 31st December, 2002. Whether or not you propose to attend the meeting, you are advised to read the notice and to complete the accompanying form of proxy enclosed with the Annual Report in accordance with the instructions printed thereon and return the same to the Company's Principal Place of Business of the Company in Hong Kong at Rooms 3301-3307 China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not later than 10:30 a.m. on Saturday, 24th May, 2003.

17th April, 2003

Y. T. Realty Group Limited

LETTER FROM THE CHAIRMAN



Y. T. REALTY GROUP LIMITED

(incorporated in Bermuda with limited liability)

(the “Company”)

Directors:

Cheung Chung Kiu — *Chairman*

Wong Chi Keung — *Managing Director*

Yuen Wing Shing

Tung Wai Lan, Iris

Lee Ka Sze, Carmelo*

Wong Wai Kwong, David*

** Independent Non-Executive Directors*

Registered office:

Clarendon House

Church Street

Hamilton HM11

Bermuda

*Head office and principal
place of business:*

Rooms 3301-7

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

17th April, 2003

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the annual general meeting (the “Annual General Meeting”) of the Company to be held on Monday, 26th May, 2003 at 10:30 a.m. at Grand Room III & IV, Ground Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong relating to the following matters:

- A. General mandate to issue shares;
- B. General mandate to repurchase its own securities by the Company; and
- C. General extension mandate.

LETTER FROM THE CHAIRMAN

A. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting held on 29th May, 2002 a general mandate (the “Existing General Mandate”) was granted to the directors of the Company (the “Directors”) to exercise all the powers of the Company to allot and issue additional shares of the Company up to a maximum of 20 per cent of the then issued share capital of the Company. The said powers will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will therefore be proposed to the Annual General Meeting to approve the grant of a new general mandate to the Directors to allot and issue additional shares of the Company up to a maximum of 20 per cent of the issued share capital of the Company as at the date of the resolution (the “New General Mandate”). Exercise in full of the New General Mandate, on the basis of 797,157,415 existing Shares of HK\$0.10 each of the Company in issue as at 10th April, 2003 (the “Latest Practicable Date”) and on the basis that no new Shares of the Company are issued or repurchased prior to the date of the resolution approving the New General Mandate could accordingly result in up to 159,431,483 Shares of the Company being allotted and issued by the Company during the course of the period from the date of resolution granting the New General Mandate until the earlier of the conclusion of the first annual general meeting of the Company following the passing of the said resolution or the revocation or variation of the existing general mandate by shareholders of the Company in general meeting.

B. GENERAL MANDATE TO REPURCHASE SECURITIES

Incidental to the proposed New General Mandate, it is recommended that a new general mandate (the “Repurchase Mandate”) be granted to the Directors to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) securities of the Company up to a maximum of 10 per cent of the share capital of the Company in issue as at the date of passing the relevant resolution.

C. GENERAL EXTENSION MANDATE

It is recommended that a new mandate (the “General Extension Mandate”) be granted to the Directors permitting them, after the grant of the Repurchase Mandate referred to above, to add to the New General Mandate any shares representing the aggregate nominal value of the shares in the Company repurchased pursuant to the Repurchase Mandate.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of Y. T. Realty Group Limited to be held at 10:30 a.m. on Monday, 26th May, 2003 is set out on page 58 to page 60 of the Annual Report of the Company which has been despatched to you together with this circular. Whether or not you are able to attend the meeting, shareholders should please complete and return the enclosed form of proxy to the Company’s Head Office and Principal Place of Business at Rooms 3301-3307, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong as soon as possible but in any event not later than 10:30 a.m. on Saturday, 24th May, 2003. Completion and delivery of the form of proxy will not prevent shareholders from attending and voting at the Annual General Meeting if they so wish.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors consider that the New General Mandate, the Repurchase Mandate and the General Extension Mandate are all in the best interests of the Company and its shareholders and accordingly recommend that you should vote in favour of the resolutions referred to above to be proposed at the Annual General Meeting.

On Behalf of the Board

WONG CHI KEUNG

Managing Director

This explanatory statement contains all the information required pursuant to rule 10.06(1)(b) and other relevant provisions of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

EXERCISE OF THE REPURCHASE MANDATE

Subject to passing of the resolution granting to the Directors the Repurchase Mandate at the Annual General Meeting, the Directors may repurchase on the Stock Exchange securities of the Company up to a maximum of 10 per cent of the share capital of the Company in issue as at the date of passing the said resolution. Exercise in full of the Repurchase Mandate, on the basis of 797,157,415 existing Shares of HK\$0.10 each of the Company in issue as at the Latest Practicable Date, and on the basis that no new Shares of the Company are issued or repurchased prior to the date of the resolution approving the Repurchase Mandate could accordingly result in up to 79,715,741 Shares of the Company being repurchased by the Company during the course of the period from the date of resolution granting the Repurchase Mandate until the earlier of the conclusion of the first annual general meeting of the Company following the passing of the said resolution or the revocation or variation of the existing repurchase mandate by shareholders of the Company in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares of the Company in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made if the Directors believe that such repurchases will benefit the Company and its shareholders.

FUNDING OF REPURCHASES

In repurchasing its Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities which will be funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the laws of Bermuda.

Under Bermuda law, purchases may only be effected out of the capital paid up on the purchased shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

As compared with the position as disclosed in the Company's most recent published audited accounts for the year ended 31st December, 2002, and taking into account the current working capital position of the Company, the Directors consider that no material adverse effect on the working capital and gearing position of the Company may result in the event that the Repurchase Mandate was to be exercised in full in the period before the Repurchase Mandate expires. The Directors however do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, any associates of any Director, have any present intention in the event that the Repurchase Mandate is approved by shareholders of the Company to sell any of the Company's Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If, as a result of a Share repurchase, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("Takeover Code"). In certain circumstances, a shareholder or a group of shareholders acting in concert could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Funrise Limited holds 273,000,000 shares representing 34.25% of the issued share capital of the Company and Mr. Chan Chun Wai holds 123,293,201 shares representing 15.47% of issued share capital of the Company. Apart from Funrise Limited and Mr. Chan Chun Wai, the Directors are not aware of any single shareholder who holds more than 10% of the issued share capital of the Company. If, which is not presently contemplated, the Company was to exercise the Repurchase Mandate in full, the percentage shareholding of Funrise Limited and Mr. Chan Chun Wai would increase to 38% and 17% respectively. As Funrise Limited and Mr. Chan Chun Wai are not parties acting in concert, only Funrise Limited would then be obligated to make a mandatory offer in accordance with Rule 26 of the Takeover Code. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would in the circumstances cause Funrise Limited to become obligated to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares of the Company to the Company, or has undertaken not to do so, if the Repurchase Mandate was approved by shareholders of the Company.

APPENDIX I

EXPLANATORY STATEMENT ON REPURCHASE
OF THE COMPANY’S SHARES

The Company has not repurchased any of its Shares, whether on the Stock Exchange or otherwise, during the previous six months from the Latest Practicable Date.

The highest and lowest prices at which the Shares of the Company have traded on the Stock Exchange during the previous twelve months prior to the date of this circular were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2002	0.4500	0.3900
May 2002	0.4600	0.3800
June 2002	0.3800	0.3100
July 2002	0.3700	0.0510
August 2002	0.3300	0.2500
September 2002	0.3800	0.2800
October 2002	0.3800	0.3000
November 2002	0.3600	0.2800
December 2002	0.3000	0.2700
January 2003	0.3100	0.2600
February 2003	0.3200	0.2800
March 2003	[0.3650]	[0.2500]