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**GUANGDONG - HONG KONG GREATER BAY AREA
HOLDINGS LIMITED**

粵港灣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1396)

DISPOSAL OF THE TARGET INTERESTS

INTRODUCTION

The Board is pleased to announce that on 13 June 2023, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Purchaser, pursuant to which the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Vendor, the Target Interests for a Consideration of RMB60.0 million (equivalent to approximately HK\$66.0 million).

Upon Completion, the Vendor will cease to hold any equity interest in the Target Group, and the Target Company will cease to be a subsidiary of the Company, and the financial results of the Target Group will no longer be consolidated into the Group's consolidated financial statements.

THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are set out below:

Date:	13 June 2023
Parties:	(i) the Vendor, an indirect wholly-owned subsidiary of the Company; and (ii) the Purchaser
Subject assets to be disposed:	The Target Interests, representing the entire equity interests in the Target Company and the equity interests in the subsidiaries owned by the Target Company
Consideration:	RMB60.0 million (equivalent to approximately HK\$66.0 million), to be paid by the Purchaser in cash before the end of August 2023.

Completion: The Completion is expected to take place on or before the end of August 2023.

BASIS OF THE CONSIDERATION

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor and on normal commercial terms, taking into consideration, without limitation, (i) the unaudited consolidated net liabilities of the Target Group attributable to the Company as at 30 April 2023, amounting to approximately RMB58.4 million (equivalent to approximately HK\$64.2 million); (ii) the valuation of the consolidated net asset value of the Target Group attributable to the Company as at 30 April 2023 prepared by an independent valuer using the asset-based approach, being approximately RMB60.0 million (equivalent to approximately HK\$66.0 million); and (iii) the benefits that will be brought to the Group by the Disposal as set out in the paragraph headed "Reasons for and Benefits of the Disposal".

GENERAL INFORMATION OF THE PARTIES

(I) The Purchaser

The Purchaser is a company established under the laws of the PRC with limited liability and is principally engaged in the business of industrial investment. As at the date of this announcement, the Purchaser is ultimately and beneficially owned as to 50% and 50% by Mr. Gong Xiaoru and Mr. Gong Longhua, respectively. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

(II) The Vendor

The Vendor is an indirect wholly-owned subsidiary of the Company, established under the laws of the PRC with limited liability, and is principally engaged in the business of investment management.

(III) The Target Company and the Target Group

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in investment consulting. As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company and a wholly-owned subsidiary of the Vendor. The Target Group is operating a residential project in Shenzhen, Guangdong Province.

FINANCIAL INFORMATION OF THE TARGET GROUP

Based on the unaudited management accounts of the Target Group, the unaudited consolidated loss before and after taxation attributable to the Company was approximately RMB23.5 million

and RMB24.8 million for years ended 31 December 2021 and 2022, respectively (equivalent to approximately HK\$25.9 million and HK\$27.3 million, respectively); and the unaudited consolidated net liabilities of the Target Group attributable to the Company as at 30 April 2023 was approximately RMB58.4 million (equivalent to approximately HK\$64.2 million).

REASONS FOR AND BENEFITS OF THE DISPOSAL

Since the second half of 2021, the whole Chinese real estate industry has been facing severe difficulties and challenges. Due to continuous adverse changes in the market condition, the selling prices in the residential project developed by the Target Group had decreased significantly as compared to its initial expectation. As at 30 April 2023, the Target Group had recorded an unaudited consolidated net liabilities attributable to the Company of approximately RMB58.4 million (equivalent to approximately HK\$64.2 million), and had a high gearing ratio (which is calculated by dividing interest-bearing debt by total assets) of 54.3% as compared to the average gearing ratio of the Group of 34.7% which was recorded as at 31 December 2022.

Under the unfavorable market conditions, the Directors consider that the Disposal provides a good opportunity for the Group to realise its investment in the Target Group and can help the Group to improve its overall financial position. The Directors consider that the Share Transfer Agreement has been made on normal commercial terms and in the ordinary and usual course of business of the Group; and that its terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

Upon the Completion, a gain of approximately RMB118.4 million (equivalent to approximately HK\$130.2 million) arising from the Disposal is expected to be recognized by the Group in its consolidated income statement, being the difference between (i) the Consideration; and (ii) the unaudited consolidated net liabilities of the Target Group attributable to the Company as at 30 April 2023. Such calculation is only an estimate provided for illustrative purposes and the accounting treatment of the Disposal will be subject to further review by the auditors of the Company.

The net proceeds from the Disposal of approximately HK\$60.0 million (after deducting expenses and relevant taxes) is intended to be used for general working capital purpose.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements only.

DEFINITIONS

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

“Share Transfer Agreement”	the agreement dated 13 June 2023 entered into between the Purchaser and the Vendor in relation to the Disposal
“Board”	board of Directors
“Company”	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability principally engaged in the development of residential and urban renewal projects in the Greater Bay Area, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1396)
“Completion”	the completion of the proposed transactions contemplated under the Share Transfer Agreement
“Consideration”	the consideration for the transfer of the Target Interest in respect of the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	The disposal of the Target Interests by the Vendor to the Purchaser in accordance with the terms and conditions of the Share Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region
“Independent Third Party(ies)”	parties not connected with the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, which for the sole purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Purchaser”	Shenzhen Chengzhu Industrial Co., Ltd., a company established under the laws of the PRC with limited liability and is ultimately and beneficially owned by Mr. Gong Xiaoru and Mr. Gong Longhua

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shenzhen Baichuan Century Investment Consulting Co., Ltd., a company established under the laws of the PRC with limited liability which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries which are established in the PRC
“Target Interests”	the entire equity interests in the Target Company and the equity interests in the subsidiaries owned by the Target Company
“Vendor”	Shenzhen Hydoo Investment Management Company Limited, a company established under the laws of the PRC with limited liability which is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

For the purpose of this announcement, the exchange rate of RMB1.00 to HK\$1.10 have been used for currency translation, where applicable. Such exchange rate has been used, where applicable, for illustrative purposes only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the Board
Guangdong – Hong Kong Greater Bay Area Holdings Limited
ZENG Yunshu
Chairman and Executive Director

Hong Kong, 13 June 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Zeng Yunshu, Mr. Wong Choi Hing, Mr. Cai Hongwen, Mr. He Fei and Ms. Wei Haiyan; and the independent non-executive Directors of the Company are Mr. Guan Huanfei and Mr. Han Qinchun.