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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)

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET INTERESTS**

THE DISPOSAL

On 15 November 2023 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into the Share Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Target Interests, at the total Consideration of RMB52.0 million (equivalent to approximately HK\$55.6 million).

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

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of resolutions to be passed at a general meeting of the Company, written Shareholders' approval for the Disposal will be obtained from the controlling Shareholder, China Guangdong – Hong Kong Greater Bay Area Holdings Limited, who is holding 276,443,711 Shares of the Company, representing approximately 60.93% of the issued share capital of the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Disposal; and (ii) other information as required under the Listing Rules shall be despatched within 15 business days after publication of this announcement.

Completion is conditional upon the satisfaction of the conditions set out in the section headed "Conditions Precedent" in this announcement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company and, if in any doubt, are recommended to consult their professional adviser(s).

INTRODUCTION

On 15 November 2023 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into the Share Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Target Interests, at the total Consideration of RMB52.0 million (equivalent to approximately HK\$55.6 million).

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

THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are summarised as follows:

Date: 15 November 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 interest in the Target Company.

Consideration

The total Consideration for the Target Interests is RMB52.0 million (equivalent to approximately HK\$55.6 million).

The Consideration was arrived at after arm's length commercial negotiations between the Vendor and the Purchaser and on normal commercial terms, taking into consideration, without limitation, (i) the business information and the financial information of the Target Group for the years ended 2021, 2022 and the ten months ended 31 October 2023; (ii) the due diligence work of the Target Group being completed by the Purchaser; (iii) the valuation of the Target Interests as at 30 June 2023 prepared by an independent valuer; and (iv) 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".

The Consideration is to be paid as follows:

- (a) as to RMB5.2 million (equivalent to approximately HK\$5.6 million) to be paid by the Purchaser to the Vendor in cash as the deposit (the "**Security Deposit**") within 1 month upon entering into the Share Transfer Agreement, which shall be equivalent to 10% of the Consideration;
- (b) as to RMB46.8 million (equivalent to approximately HK\$50.0 million) to be paid by the Purchaser to the Vendor in cash within 3 months upon entering into the Share Transfer Agreement, which shall be equivalent to 90% of the Consideration (the "**Remainder of the Consideration**"). The Security Deposit shall automatically be converted as part of the Consideration.

Conditions Precedent

Completion shall be conditional upon and subject to the fulfillment and satisfaction of the following Conditions Precedent:

- (a) the Purchaser having completed and being satisfied with the due diligence on the Target Group;
- (b) the Purchaser having paid the Consideration;
- (c) the Purchaser having registered as the owner of the Target Interests;
- (d) the Vendor and the Purchaser having agreed on the staff arrangement for the Target Group;

- (e) the Vendor, the Purchaser and the Target Group completing their respective legal procedures for the Disposal, including but not limited to obtaining internal resolutions approving the Disposal and the Share Transfer Agreement in accordance with the law and their respective articles of association and compliance with the relevant laws and regulations;
- (f) the Company completing and obtaining all necessary internal and external approval procedures or approvals in accordance with the articles of association and Listing Rules, including the written Shareholder's approval from its controlling Shareholders approving the Disposal and the Share Transfer Agreement;
- (g) the Vendor and the Purchaser obtaining all necessary consents, approvals, registration and filings from the third parties and such consents, approvals, registration and filings are in full force and effect;
- (h) from the date of the Share Transfer Agreement up to the Completion Date, no event or fact unrelated to the Purchaser has caused or may cause a material adverse change to the Target Group;
- (i) from the date of the Share Transfer Agreement up to the Completion Date, there are no lawsuit, arbitration, government investigation, compulsory measures or other similar proceedings that have been or may be initiated against the Vendor, the Purchaser or the Target Group and has or may have a material adverse effect on the Disposal and no governmental department shall have enacted, issued, promulgated, implemented, or passed any law or governmental order which would render the Disposal be restricted, prohibited or illegal;
- (j) from the date of the Share Transfer Agreement up to the Completion Date, neither party has in breach of its obligations as stipulated in the Share Transfer Agreement; and
- (k) any warranties to be given by the Vendor and the Purchaser remaining true, accurate and not misleading.

The Vendor and the Purchaser shall use their respective reasonable endeavours to ensure that the Conditions Precedent above shall be fulfilled on or before the Long Stop Date. If the Conditions Precedent have not been satisfied or waived (as the case may be) on or before the Long Stop Date or a postponed date as may be agreed in writing among the Vendor and the Purchaser, the Share Transfer Agreement shall be automatically terminated, save and except for certain provisions which shall remain in full force and effect including confidentiality, liability for breach of contract, liability of taxes and expenses, applicable laws and dispute resolution. If the Vendor failed to fulfil any Conditions Precedent, the Security Deposit shall be refunded in full without interest by the Vendor to the Purchaser. If the Purchaser failed to fulfil any Conditions Precedent, the Security Deposit shall be forfeited to the Vendor as damages.

Completion

The Completion is expected to take place after the fulfillment of the Conditions Precedent and shall be no later than the Long Stop Date.

INFORMATION OF THE PARTIES

The Purchaser

The Purchaser is a company established under the laws of the PRC with limited liability and principally engaged in investment management business. As at the date of this announcement, the Purchaser is ultimately and beneficially owned as to 100% by Liu Min.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

The Vendor

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

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 industrial investment. 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 principally engaged in the business of provision of property management services and commercial management services, and has several commercial property management projects and residential property management projects in the PRC.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the financial information of the Target Group as extracted from its unaudited consolidated financial statements for the two financial years ended 31 December 2021 and 2022:

	For the year ended 31 December 2022 RMB'000 (approximately) (unaudited)	For the year ended 31 December 2021 RMB'000 (approximately) (unaudited)
Profit before taxation	12,920	16,348
Profit after taxation	12,917	16,300
Profit excluded non-recurring items	8,935	13,864

As at 31 October 2023, the unaudited consolidated net liabilities of the Target Group was approximately RMB18.0 million (equivalent to approximately HK\$19.3 million).

REASONS FOR AND BENEFITS OF THE DISPOSAL

Affected by various unfavorable factors such as macro economy, real estate market environment and financial environment, and multiple rounds of epidemics, the Group's liquidity has experienced periodic problems. In light of this, the Group has enacted a wide range of measures including acceleration of sales and payment collection, acceleration of other receivables, disposal of assets, implementing stringent cost saving measures, and also launching several exchange offers and consent solicitations in relation to the oversea US\$ senior notes in order to bolster liquidity.

While delivery of properties on time is the priority target of the Group at this stage and several projects of the Group should be delivered to the purchasers in the first half of the coming year according to the contracts. In order to settle the construction amounts to ensure the delivery of properties on time, as part of the efforts, the Group, therefore, is conducting the Disposal to provide more cash flow to pay the construction amounts and ensure timely delivery of the properties to purchasers. The Board considers that the Disposal is in line with the Group's strategy to improve its liquidity and stability.

In respect of the property development business of the Group, the Company will keep looking for appropriate potential property development project(s) which will benefit to the Company and Shareholders as a whole. However, due to uncertainty of the global economy, the uncertainty in the future PRC property market and the resources of the Company, the Company will consider carefully for any investment in the property development business which requires a significant amount of financial supporting, capital expenditure and time for completion.

In view of the above, the Directors (including the independent non-executive 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 its terms are fair and reasonable and as such the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

Upon the Completion, a gain of approximately RMB70.0 million (equivalent to approximately HK\$74.9 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 31 October 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 arising from the Disposal will be approximately RMB51.5 million (after deducting other expenses in relation thereto) (equivalent to approximately HK\$55.1 million), in which approximately 80% is intended to be used to pay for the construction amounts for the delivery of properties on time and approximately 20% is intended to be used for general working capital purpose.

LISTING RULES IMPLICATIONS

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Pursuant to Rule 14.44 of the Listing Rules, in lieu of resolutions to be passed at a general meeting of the Company, written Shareholders' approval for the Disposal will be obtained from the controlling Shareholder, China Guangdong – Hong Kong Greater Bay Area Holdings Limited, which is holding 276,443,711 Shares of the Company, representing approximately 60.93% of the issued share capital of the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Disposal.

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DEFINITIONS

Unless otherwise specified, the following terms have the following meaning in this announcement:

“Board”	the 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, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1396);
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Share Transfer Agreement;
“Completion Date”	the date of Completion;
“Conditions Precedent”	the conditions precedent as set out in the Share Transfer Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration for the Disposal pursuant to the Share Transfer Agreement;
“Directors”	the directors of the Company;
“Disposal”	the sale of the Target Interests by the Vendor to the Purchaser pursuant to the terms of the Share Transfer Agreement;
“Group”	the Company and its subsidiaries;
“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)”	third party(ies) 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 of Hong Kong Limited;
“Long Stop Date”	120 days after entering into the Share Transfer Agreement;

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan);
“Purchaser”	Shenzhen Hong Zhan Investment Company Limited (深圳市弘展投資有限公司), a company established in the PRC with limited liability, and is ultimately and beneficially owned as to 100% by Liu Min, who is an Independent Third Party;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share Transfer Agreement”	the share transfer agreement dated 15 November entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Target Interests;
“Shareholders”	holder(s) of the Share(s);
“Shares”	the ordinary shares with nominal value of HK\$0.1 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	深圳市景真實業有限公司 (Shenzhen Jingzhen Industrial Company Limited), a company established in the PRC with limited liability, and 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;
“Vendor”	深圳市毅德投資管理有限公司 (Shenzhen Hydoo Investment Management Company Limited), a company established in the PRC with limited liability, and is an indirect wholly-owned subsidiary of the Company;
“%”	per cent.

For the purpose of this announcement, the exchange rate of RMB1.00 to HK\$1.07 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
LUO Jieping
Chairman and Executive Director

Hong Kong, 15 November 2023

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