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YOUNGO 粵香港
GUANGDONG – HONG KONG GREATER BAY AREA
HOLDINGS LIMITED
粵香港控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1396)

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET INTERESTS
AND
POSSIBLE MAJOR TRANSACTION IN RELATION TO THE PROVISION
OF FINANCIAL ASSISTANCE AFTER COMPLETION OF THE DISPOSAL**

THE DISPOSAL

On 28 January 2025 (after trading hours of the Stock Exchange), the Company (as the Vendor) and the Purchaser entered into the Share Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Target Interests, at the total Consideration of HK\$130.0 million.

Upon the Completion, the Group will no longer hold any equity interest in the Target Company. The Target Group will cease to be accounted as subsidiaries of the Group and the financial results of the Target Group will cease to be consolidated into the financial results of the Group.

THE POSSIBLE FINANCIAL ASSISTANCE

Upon Completion, with the Target Group ceases to be accounted as subsidiaries of the Group, the continuation of the Provision of Collaterals after Completion will constitute provision of financial assistance by the Group to a third party under Chapter 14 of the Listing Rules.

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.

As one or more of the applicable percentage ratios in respect of the Provision of Collaterals as calculated under Rule 14.07 of the Listing Rules exceed 25%, the Provision of Collaterals, as financial assistance to third party upon Completion, will constitute 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 and the Provision of Collaterals will be obtained from the controlling Shareholder respectively, China Guangdong – Hong Kong Greater Bay Area Holdings Limited, who is holding 414,665,566 Shares, representing approximately 50.94% of the issued share capital of the Company as at the date of this announcement. Moreover, 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 the Provision of Collaterals 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 and the Provision of Collaterals. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal and the Provision of Collaterals.

A circular containing, among other things, (i) details of the Disposal; (ii) details of the Provision of Collaterals; and (iii) other information as required under the Listing Rules is expected to be despatched on or before 21 February 2025.

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).

THE DISPOSAL

Introduction

On 28 January 2025 (after trading hours of the Stock Exchange), the Company (as the Vendor) and the Purchaser entered into the Share Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Target Interests, at the total Consideration of HK\$130.0 million.

Upon the Completion, the Group will no longer hold any equity interest in the Target Company. The Target Group will cease to be accounted as subsidiaries of the Group and the financial results of the Target Group will cease to be consolidated into the financial results of the Group.

The Share Transfer Agreement

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

Date:	28 January 2025
Parties:	(i) the Company (as the Vendor); and (ii) the Purchaser

Subject assets to be disposed

The Target Interests (representing the entire issued share capital of the Target Company and the equity interests in the subsidiaries owned by the Target Company).

Consideration

The total Consideration for the Target Interests is HK\$130.0 million.

The Consideration was arrived at after arm's length commercial negotiations between the Company and the Purchaser and on normal commercial terms, taking into account, (i) the business information and the financial information of the Target Group for the years ended 2022, 2023 and the eleven months ended 30 November 2024; (ii) the valuation of the Target Interests using asset-based approach as conducted by an independent valuer in the amount of RMB121.0 million (equivalent to approximately HK\$129.47 million) as at 30 November 2024; 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".

The Consideration is to be paid as follows:

- (a) as to HK\$13.0 million to be paid by the Purchaser to the Vendor in cash as the deposit (the "**Security Deposit**") within one month upon entering into the Share Transfer Agreement, which shall be equivalent to 10% of the Consideration;
- (b) as to HK\$26.0 million to be paid by the Purchaser to the Vendor in cash within four months upon entering into the Share Transfer Agreement, which shall be equivalent to 20% of the Consideration. The Security Deposit shall automatically be converted as part of the Consideration;
- (c) as to HK\$39.0 million to be paid by the Purchaser to the Vendor in cash within seven months upon entering into the Share Transfer Agreement, which shall be equivalent to 30% of the Consideration; and
- (d) as to HK\$52.0 million to be paid by the Purchaser to the Vendor in cash within one year upon entering into the Share Transfer Agreement, which shall be equivalent to 40% 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 at least 50% of the Consideration;
- (c) the Purchaser having registered as the owner of the Target Interests;
- (d) the Vendor, the Purchaser and the Target Group completing their respective legal procedures for the Disposal, including but not limited to obtaining resolutions approving the Share Transfer Agreement, the Disposal and the transactions contemplated thereunder in compliance with (i) the relevant laws, rules and regulations; and (ii) their respective articles of association; and
- (e) 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 it is the Vendor's failure to fulfill any of the conditions precedent above and it leads to the termination taken place as above mentioned, the Security Deposit shall be refunded in full without interest by the Vendor to the Purchaser, and alternatively, if it is the Purchaser's failure, the Security Deposit shall be forfeited by 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.

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.

Information of the Parties to Disposal

The Purchaser

The Purchaser is a company incorporated in the BVI with limited liability which is principally engaged in the business of assets management. To the best knowledge, information and belief of the Director and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

The Company (as the Vendor) and The Group

The Company is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the development, sales and operation of residential properties, commercial trade and logistics centers in the PRC.

The Target Company and the Target Group

The Target Company is a company incorporated in the BVI with limited liability and principally engaged in investment holding. The Target Interests represent the entire issued share capital of the Target Company and the equity interests in the subsidiaries owned by the Target Company. As at the date of this announcement and prior to the Completion, the Target Company is a direct wholly-owned subsidiary of the Company. The Target Group is principally engaged in the business of property development and sales 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 2022 and 2023:

	For the year ended 31 December 2023 (RMB'000) (approximately) (unaudited)	For the year ended 31 December 2022 (RMB'000) (approximately) (unaudited)
Revenue	43,454	91,009
Loss before tax	288,861	559,521
Loss after tax	193,965	489,626

Based on the unaudited consolidated financial statements of the Target Group for the eleven months ended 30 November 2024, the unaudited consolidated net assets of the Target Group attributable to the Company was approximately RMB120.50 million (equivalent to approximately HK\$128.93 million) as at 30 November 2024.

Reasons For and Benefits of the Disposal

Generally, the real estates market of the PRC continues to decline despite the frequent implementation of housing support policies since 2023. The continuous drop of property price and prolonged capital recovery cycle in the domestic market has also presented severe challenges to all aspects of the local real estate industry, leading to the poor financial performance of the Target Group. As the Target Group currently owns a certain number of unsold properties, combining with the effect of current sales prices falling below cost and a prolonged sell-through cycle, the Target Group is unable to generate net operating cash flow on its own, requiring the Group to continuously inject funds to maintain the normal operation of the Target Group, putting further strain to the Group's cash flow situation. Furthermore, the Target Group recorded unaudited losses for the past two financial years.

In view of the dismal business prospect of the Target Group, and with prudent assessments on the above, the Disposal represents a good opportunity for the Company to realise its investment in the Target Group with the recovery of cash so as to improve the Group's liquidity, and given that subsequent to the Disposal, the Group will no longer record the operating losses of the Target Group, the overall financial performance and position of the Group is anticipated to improve.

Having considered the above, the Directors are of the view that the terms of the Share Transfer Agreement are on normal commercial terms and are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

Financial Impact of the Disposal and Use of Proceeds

Upon the Completion, it is estimated that the Group will record a gain of disposal of subsidiaries approximately RMB1.00 million (equivalent to approximately HK\$1.07 million). Such gain is estimated based on the difference between (i) the Consideration; and (ii) the unaudited total net assets of the Target Group in the amount of approximately RMB120.50 million (equivalent to approximately HK\$128.93 million) as at 30 November 2024.

The actual amount of gain or loss of disposal of subsidiaries to be recorded by the Group will be subject to the review by the auditor of the Company.

After deducting the expenses relating to the Disposal, it is expected that there will be net proceeds in the amount of approximately HK\$129.20 million from the Disposal. The Group currently intends to use the net proceeds derived from the Disposal as general working capital of the Group.

THE POSSIBLE FINANCIAL ASSISTANCE

Background

There were existing banking facilities obtained by certain subsidiaries of the Target Group. In addition to the Target Group's own assets already guaranteed to the bank, the Group has also pledged certain assets of the Group with an unaudited value of approximately RMB578.52 million (equivalent to approximately HK\$619.02 million) in aggregate as at 30 June 2024 in favour of the bank as collaterals to secure bank loans with the aggregate remaining principal amount of approximately RMB1,164.91 million (equivalent to approximately HK\$1,246.45 million) as at the date of this announcement. The bank is a licensed bank in the PRC and provides financial products and services to corporate and personal banking customers. To the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, the bank and its ultimate beneficial owner(s) are Independent Third Parties.

Therefore, upon Completion, with the Target Group ceases to be accounted as subsidiaries of the Group, the continuation of the Provision of Collaterals after Completion will constitute provision of financial assistance by the Group to a third party under Chapter 14 of the Listing Rules.

The Purchaser's Undertaking and Counter Guarantee

Pursuant to the Share Transfer Agreement, the Purchaser undertake to procure the Target Group to (i) repay in full the remaining principal amount together with interest accrued with respect to the bank loans; and (ii) cause the release and discharge of the collaterals pledged to secure bank loans contemplated above, upon the maturity of such bank loans.

In addition, upon Completion, the Purchaser and the Target Group shall execute a counter guarantee in favour of the Group, pursuant to which the Purchaser shall fully indemnify the Vendor's loss and obligations which may be suffered by the Target Group in connection with the collaterals pledged to secure bank loans contemplated above, until such collaterals are fully released and discharged. The rights of the Vendor under the counter guarantee could be exercised independently without the consent of the other.

Consideration

The Group will receive an annual fee (payable by the Target Group on a pro-rata basis) in the amount of RMB11.57 million (equivalent to approximately HK\$12.38 million) for the period from the date of the Share Transfer Agreement up to the maturity date of the bank loans as consideration of the Provision of the Collaterals.

The said consideration was arrived at after arm's length commercial negotiations between the Company and the Purchaser and on normal commercial terms, taking into consideration, (i) the total value of the collaterals under the Provision of Collaterals; (ii) the counter guarantee in favour of the Group to be given by the Purchaser and the Target Group upon Completion; and (iii) the benefits that will be brought to the Group by the Provision of Collaterals as set out in the paragraph headed "Reasons for and Benefits of the Provision of Collaterals".

Reasons for and benefits of the Provision of Collaterals

Although the Group will maintain the Provision of Collaterals after Completion, the Company still consider the Provision of Collaterals after Completion is fair and reasonable to the Company because (i) it facilitates the agreement between the Vendor and the Purchaser to agree on the Disposal; (ii) the Group will receive an annual fee payable by the Target Group for its Provision of Collaterals which will generate additional revenue and increase cash flows for the Group; (iii) certain bank borrowings of the Group are currently secured by various assets of the Target Group, the Target Group will also maintain the provision of such security after Completion; and (iv) the risk of the Company for the Provision of Collaterals could be minimised by the undertaking of the Purchaser and the counter guarantee of the Purchaser and the Target Group.

Having considered the above, the Directors are of the view that the Provision of Collaterals after Completion is on normal commercial terms and are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

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 is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Provision of Collaterals as calculated under Rule 14.07 of the Listing Rules exceed 25%, the Provision of Collaterals, as financial assistance to third party upon Completion, will constitute 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 and the Provision of Collaterals will be obtained from the controlling Shareholder, China Guangdong – Hong Kong Greater Bay Area Holdings Limited, which is holding 414,665,566 Shares, representing approximately 50.94% of the issued share capital of the Company as at the date of this announcement. Moreover, 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 the Provision of Collaterals 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 and the Provision of Collaterals. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal and the Provision of Collaterals.

A circular containing, among other things, (i) details of the Disposal; (ii) details of the Provision of Collaterals; and (iii) other information as required under the Listing Rules is expected to be despatched on or before 21 February 2025.

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).

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company” / “Vendor”	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 (defined as Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	210 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);
“Provisional of Collaterals”	the pledging of the assets by the Group in favour of the bank;

“Purchaser”	Guotai Cinda Investment Management Ltd., a company incorporated in the BVI with limited liability principally engaged in assets management and is ultimately and beneficially owned by Mr. Zhao Chuan (a PRC resident and a merchant) as at the date of this announcement. To the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share Transfer Agreement”	the share transfer agreement dated 28 January 2025 entered into between the Purchaser and the Company (as the Vendor) in relation to the Disposal;
“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”	Zhuo Ying Limited, a company incorporated in the BVI with limited liability and principally engaged in investment holding, and the direct wholly-owned subsidiary of the Company as at the date of this announcement;
“Target Group”	Target Company and its subsidiaries as at the date of this announcement;
“Target Interests”	the entire issued share capital in the Target Company and the equity interests in the subsidiaries owned by the Target Company; and
“%”	per cent.

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

Hong Kong, 28 January 2025

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 is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

As at the date of this announcement, the executive Directors of the Company are Mr. Luo Jieping, Mr. He Fei and Ms. Wei Haiyan, and the independent non-executive Directors of the Company are Mr. Guan Huanfei, Mr. Han Qinchun and Mr. Chen Yangsheng.