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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)

**POTENTIAL ACQUISITION OF
URBAN RENEWAL PROJECT IN SHENZHEN
AND
UPDATES ON HUMEN PROJECT IN DONGGUAN**

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POTENTIAL
ACQUISITION**

The board (the “**Board**”) of directors (the “**Directors**”) of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”, together with its subsidiaries the “**Group**”) is pleased to announce that on 16 September 2020 (after trading hours), an indirect wholly-owned subsidiary of the Company and Potential Vendors (as defined below) entered into a legally binding memorandum of understanding (the “**MOU**”) whereby the parties agreed to negotiate in good faith to enter into a formal agreement on the Potential Acquisition (as defined below). A summary of the major terms of the MOU is set out below:

- Parties:
- (i) Zhongbao Harbour Land Co., Ltd. (中寶港灣置地有限公司) which is a wholly-owned subsidiary of the Company (the “**Potential Purchaser**”); and
 - (ii) Shenzhen Jiaxinfa Industrial Group Co., Ltd. (深圳市嘉信福實業集團有限公司), Shenzhen Xinlihong Investment Co., Ltd. (深圳市新立鴻投資有限公司), and Mr. Zhou Zheng (周正) (collectively, the “**Potential Vendors**”)

Target Company and
Target Project: Shenzhen Zhonghongxin Real Estate Development Co., Ltd. (深圳市中鴻信房地產開發有限公司) (the “**Target Company**”)

As at the date of this announcement, the Target Company is a limited liability company incorporated in the People's Republic of China (the “**PRC**”) and is principally engaged in real estate development and management, real estate brokerage, consultancy and investment.

Based on the information provided by the Potential Vendors, the Target Company currently controls and follows up on the Shanquan Residential District Urban Renewal Unit Project (山泉小區城市更新單元項目) (the “**Target Project**” or “**Yantian Project**”) which is located in the north of Shatoujiao Street of Yantian District in Shenzhen (深圳市鹽田區沙頭角街道北部). According to the 2018 Shenzhen Urban Renewal Unit Plan Yantian District Third Batch Plan (《2018年深圳市城市更新單元計劃鹽田區第三批計劃》) announced by the Yantian District Government of Shenzhen, the land area intended for redevelopment is approximately 15,600 square meters with an intention for residential and commercial use, among which not less than approximately 3,370 square meters of land is intended for urban infrastructure, public service facilities or other urban public interest use. The Target Project is situated within 500 meters of Shatoujiao station along the Line 8 of the Shenzhen Metro under construction.

Subject matter and consideration:	Subject to further negotiations and the terms and conditions to be set out in a formal agreement, the Potential Purchaser intends to acquire and the Potential Vendors intend to sell the entire issued share capital of the Target Company (the “ Potential Acquisition ”), at a total consideration of approximately RMB 58 million.
Earnest Money:	The Potential Purchaser and Potential Vendors shall set up a commonly controlled bank account upon signing of the MOU. The Potential Purchaser shall pay an earnest money of RMB 5 million (the “ Earnest Money ”) into the account within 3 working days upon setting up of the account.
Exclusivity and due diligence review:	During the period commencing from the date of the MOU to 30 September 2020 (the “ Exclusive Period ”), the Potential Vendors shall not sign any agreement with any other party relating to the Potential Acquisition or any possible disposal of any equity interest, assets or business undertaking of the Target Company. If there is a breach of the exclusivity by the Potential Vendors, the Potential Vendors shall pay twice of the amount of the Earnest Money to the Potential Purchaser as liquidated damages.

The Potential Purchaser shall conduct the due diligence review in respect of the Potential Acquisition during the Exclusive Period. Subject to the Potential Purchaser's satisfaction with the due diligence review, the Potential Purchaser and the Potential Vendors agree to proceed to negotiate with the view to finalise detailed terms and conditions of the Potential Acquisition and to execute a formal share transfer agreement.

Termination of the MOU:	If the parties fail to reach any consensus on the Potential Acquisition or have not executed any formal share transfer agreement before 30 September 2020, the MOU shall automatically be terminated. If the MOU is automatically terminated or the Potential Purchaser unilaterally terminates the MOU, the Potential Vendors shall return the Earnest Money to the Potential Purchaser.
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To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Potential Vendors and their ultimate beneficial owners are independent third parties of and not connected with the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As all the applicable ratios under Rule 14.07 of the Listing Rules in relation to the Potential Acquisition are below 5%, the Potential Acquisition does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE POTENTIAL ACQUISITION

Recently, the Company changed the company name under a strategic upgrade move. The new company name implies that the Group has a foothold in the Greater Bay Area to form the strategic layout of “1+3+N”, that is, taking the Greater Bay Area as its headquarters and strategic value highland, focusing on the in-depth development of the three areas of “Jiangxi, Hunan and Guangxi” radiated by the Greater Bay Area, and selected development of potential cities in Bohai Bay, the Yangtze River Delta region, central and western China and Shandong Province.

The Target Company and the Target Project are located in Shenzhen (part of the Greater Bay Area), which offer opportunities of urban renewal project which is in line with the Company's latest business strategy in exploring urban renewal projects in the Greater Bay Area. In view of above, the Board is of the view that the Potential Acquisition, if materialised, is in the interests of the Company and the Shareholders as a whole.

UPDATES ON HUMEN PROJECT IN DONGGUAN

Since the second quarter of year 2020, the Company has started a series of urban renewal works in respect of the potential project in Dongguan Humen. The potential project is located at the Cuntou Community of Humen Town, the junction of Daning East Area and Chang'an of Humen Town of Dongguan City (東莞市虎門鎮大寧東片區與長安交界處、虎門鎮村頭社區) (the “**Humen Project**”). The Humen Project has obtained the Dongguan Construction Land Planning Conditions (《東莞市建設用地規劃條件》) issued by the Dongguan Urban and Rural Planning Bureau which approves the land is for residential land use, with land area for development of approximately 30,000 square meters. At present, the urban renewal proposal for Humen Project has been submitted to Dongguan Natural Resources Bureau for approval. It is expected that the final approval will be obtained in November 2020, and the Land Transfer Contract is expected to be signed in December 2020 to complete the rights confirmation of Humen Project. The Humen Project is expected to have a plot ratio of 2.76, a plot ratio-based area of approximately 80,000 square meters, and a gross floor area of approximately 120,000 square meters. The Humen Project aims to become a significant, intellectual, and quality life community brand in Humen Town of Dongguan City.

The Humen Project (if materialised) and the Yantian Project (if materialised) shall be a major milestone in the Group's development of urban renewal projects in the Greater Bay Area, which marks that the Group has taken another solid step on the road to achieve strategic focus on the Greater Bay Area.

The Group strives to keep its growth momentum and is confident in the future business development guided by its new business strategy. The Group estimates that there will be an increase of approximately 30%–40% in the annual contracted sales as compared to last year and the Group will recognize revenue of approximately RMB3 billion for year 2020. The Group also estimates that it will deliver a compound growth rate of approximately of 70%–80% in the annual contracted sales for year 2021 and year 2022.

The data disclosed above are preliminary estimate by the management of the Company, which may differ from the figures in the audited consolidated financial statements to be published by the Company. The above data are not intended to, nor should they constitute any investment advice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Guangdong – Hong Kong Greater Bay Area Holdings Limited
WONG Choi Hing

Chairman and Executive Director

Hong Kong, 16 September 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Choi Hing, Mr. Cai Hongwen, Mr. Zeng Yunshu, Mr. Wang Dewen and Mr. Yang Sanming; and the independent non-executive Directors of the Company are Mr. Zhao Lihua, Mr. Lam Chi Yuen Nelson and Mr. Yue Zheng.