

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**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)

DISCLOSEABLE TRANSACTIONS

ACQUISITIONS OF URBAN RENEWAL PROJECTS IN DONGGUAN CITY

ACQUISITIONS OF EQUITY INTERESTS IN THE TARGET COMPANIES

The Board is pleased to announce that on 23 October 2020 (after trading hours), the Company, through its indirect wholly-owned subsidiaries, had entered into the Sale and Purchase Agreements, details of which are as follows:

- (1) the Dahu Purchaser (an indirect wholly-owned subsidiary of the Company) and the Dahu Vendor had entered into the Dahu Property Development Sale and Purchase Agreement, pursuant to which the Dahu Purchaser has agreed to acquire, and the Dahu Vendor has agreed to sell, the Dahu Property Development Sale Interest (representing 51% of equity interests in Dahu Property Development) at a consideration of RMB70,543,037. Dahu Property Development holds the Dahu Target Land.
- (2) the Huahai Purchaser (an indirect wholly-owned subsidiary of the Company) and the Huahai Vendor had entered into the Huahai Enterprise Sale and Purchase Agreement, pursuant to which the Huahai Purchaser has agreed to acquire, and the Huahai Vendor has agreed to sell, the Huahai Enterprise Sale Interest (representing 51% of equity interests in Huahai Enterprise) at a consideration of RMB153,310,027. Huahai Enterprise holds the Huahai Target Land.

Upon completion of the Acquisitions, each of Dahu Property Development and Huahai Enterprise will become a subsidiary of the Company and their financial results will be consolidated into the Group's consolidated financial statements.

TARGET LANDS

The Target Companies hold the Target Lands, which are part of the “Three-old” transformation (三 舊 改 造) plan of Dongguan City. The Target Lands were originally designated for industrial use. According to the Dongguan Construction Land Planning Conditions (《東莞市建設用地規劃條件》) issued by the Dongguan Natural Resources Bureau, the Dahu Target Land had been approved for residential use and the Huahai Target Land had been approved for residential and commercial use. The transformation and redevelopment plans had been approved by the Dongguan Natural Resources Bureau and the Target Companies had been confirmed as the entities to implement the plans.

LISTING RULES IMPLICATIONS

As the Dahu Vendor and the Huahai Vendor are controlled by the same ultimate beneficial owners, the Acquisitions are aggregated pursuant to Rule 14.22 of the Listing Rules as if they were one transaction. The highest of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisitions (as aggregated) exceeds 5% but is lower than 25%. Therefore, the Acquisitions constitute a discloseable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 23 October 2020 (after trading hours), the Dahu Purchaser (an indirect wholly-owned subsidiary of the Company) and the Dahu Vendor entered into the Dahu Property Development Sale and Purchase Agreement, pursuant to which the Dahu Purchaser has agreed to acquire, and the Dahu Vendor has agreed to sell, the Dahu Property Development Sale Interest (representing 51% of equity interests in Dahu Property Development) at a consideration of RMB70,543,037.

On the same day (after trading hours), the Huahai Purchaser (an indirect wholly-owned subsidiary of the Company) and the Huahai Vendor entered into the Huahai Enterprise Sale and Purchase Agreement, pursuant to which the Huatai Purchaser has agreed to acquire, and the Huahai Vendor has agreed to sell, the Huahai Enterprise Sale Interest (representing 51% of equity interests in Huahai Enterprise) at a consideration of RMB153,310,027.

MAJOR TERMS OF THE SALE AND PURCHASE AGREEMENTS

(I) The Dahu Property Development Sale and Purchase Agreement

The principal terms of the Dahu Property Development Sale and Purchase Agreement are set out below:

Date : 23 October 2020

Parties : (i) Dahu Purchaser (an indirect wholly-owned subsidiary of the Company); and
(ii) Dahu Vendor

To the best knowledge of the Directors after making all reasonable enquiries, the Dahu Vendor and its ultimate beneficial owners are Independent Third Parties.

Subject assets to be acquired : The Dahu Purchaser has agreed to acquire, and the Dahu Vendor has agreed to sell, the Dahu Property Development Sale Interest (representing 51% equity interests in Dahu Property Development)

Consideration : The consideration of the acquisition of the Dahu Property Development Sale Interest is RMB70,543,037, which shall be satisfied by the Group's internal resources

Completion : The completion of the acquisition of the Dahu Property Development Sale Interest shall take place on or before 31 October 2020

The consideration of the acquisition of the Dahu Property Development Sale Interest was arrived at after arm's length negotiations between the Dahu Purchaser and the Dahu Vendor on normal commercial terms, without limitation, with reference to (i) the unaudited financial statements of Dahu Property Development for the nine months ended 30 September 2020; (ii) the prevailing market prices of comparable land parcels; and (iii) the anticipated economic benefits that would be brought to the Group by the acquisition as set out in the paragraph headed "Reasons for and Benefits of the Acquisitions" below.

(II) The Huahai Enterprise Sale and Purchase Agreement

The principal terms of the Huahai Enterprise Sale and Purchase Agreement are set out below:

Date : 23 October 2020

Parties : (i) Huahai Purchaser (an indirect wholly-owned subsidiary of the Company); and

(ii) Huahai Vendor

To the best knowledge of the Directors after making all reasonable enquiries, the Huahai Vendor and its ultimate beneficial owners are Independent Third Parties.

Subject assets to be acquired : The Huahai Purchaser has agreed to acquire, and the Huahai Vendor has agreed to sell, the Huahai Enterprise Sale Interest (representing 51% equity interests in Huahai Enterprise)

Consideration : The consideration of the acquisition of the Huahai Enterprise Sale Interest is RMB153,310,027, which shall be satisfied by the Group's internal resources

Completion : The completion of the acquisition of the Huahai Enterprise Sale Interest shall take place on or before 31 October 2020

The consideration of the acquisition of the Huahai Enterprise Sale Interest was arrived at after arm's length negotiations between the Huahai Purchaser and the Huahai Vendor on normal commercial terms, without limitation, with reference to (i) the unaudited financial statements of Huahai Enterprise for the nine months ended 30 September 2020; (ii) the prevailing market prices of comparable land parcels; and (iii) the anticipated economic benefits that would be brought to the Group by the acquisition as set out in the paragraph headed "Reasons for and Benefits of the Acquisitions" below.

DETAILS OF THE TARGET LANDS

(I) The Dahu Target Land

Dahu Property Development holds the Dahu Target Land, which is situated at Sicun Community, Tangxia Town, Dongguan City* (東莞市塘廈鎮四村社區地塊). The Dahu Target Land was originally designated for industrial use. According to the Dongguan Construction Land Planning Conditions (《東莞市建設用地規劃條件》) issued by the Dongguan Natural Resources Bureau, the Dahu Target Land had been approved for residential use, with a site area of approximately 19,000 square meters, and a gross floor area of approximately 64,000 square meters. The Dahu Target Land is a part of the “Three-old” transformation (三舊改造) plan of Dongguan City, and the transformation and redevelopment plan had been approved by the Dongguan Natural Resources Bureau. Dahu Property Development had been confirmed as the entity to implement the plan.

(II) The Huahai Target Land

Huahai Enterprise holds the Huahai Target Land, which is situated at the urban renewal land parcel of Yuanhongda Electronics Factory, 138 Industrial Area, Tangxia Community, Tangxia Town, Dongguan City* (東莞市塘廈鎮塘廈社區，138工業區原鴻達電子廠舊改地塊). The Huahai Target Land was originally designated for industrial use. According to the Dongguan Construction Land Planning Conditions (《東莞市建設用地規劃條件》) issued by the Dongguan Natural Resources Bureau, the Huahai Target Land had been approved for residential and commercial use, with a site area of approximately 15,300 square meters, and a gross floor area of approximately 62,000 square meters. The Huahai Target Land is a part of the “Three-old” transformation (三舊改造) plan of Dongguan City, and the transformation and redevelopment plan had been approved by the Dongguan Natural Resources Bureau. Huahai Enterprise had been confirmed as the entity to implement the plan.

GENERAL INFORMATION OF THE PARTIES

(I) The Dahu Purchaser

The Dahu Purchaser is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company which is principally engaged in investment management.

(II) The Dahu Vendor

The Dahu Vendor is a company established under the laws of the PRC with limited liability and is principally engaged in investment management. The Dahu Vendor and the Huahai Vendor have the same ultimate beneficial owners, namely, Ye Huiquan* (葉惠全) and Yu Danyun* (余丹雲).

(III) Dahu Property Development

Dahu Property Development is a company established under the laws of the PRC with limited liability and is principally engaged in property development. As at the date of this announcement, Dahu Property Development is held as to 51% and 49% by the Dahu Vendor and Dongguan Dahu Property Limited* (東莞市大湖置業有限公司), an Independent Third Party, respectively. Dahu Property Development holds the Dahu Target Land.

Upon completion of the acquisition of the Dahu Property Development Sale Interest, the Dahu Purchaser will hold 51% equity interest in Dahu Property Development and Dahu Property Development will become a subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

(IV) The Huahai Purchaser

The Huahai Purchaser is a company established under the laws of the PRC with limited liability and is a wholly-owned subsidiary of the Company which is principally engaged in investment management.

(V) The Huahai Vendor

The Huahai Vendor is a company established under the laws of the PRC with limited liability and is principally engaged in investment management. The Huahai Vendor and the Dahu Vendor have the same ultimate beneficial owners, namely, Ye Huiquan* (葉惠全) and Yu Danyun* (余丹雲).

(VI) Huahai Enterprise

Huahai Enterprise is a company established under the laws of the PRC with limited liability and is principally engaged in property development. As at the date of this announcement, Huahai Enterprise is held as to 51% and 49% by the Huahai Vendor and Dongguan Guanwen Property Limited* (東莞市莞文置業有限公司), an Independent Third Party, respectively. Huahai Enterprise holds the Huahai Target Land.

Upon completion of the acquisition of the Huahai Enterprise Sale Interest, the Huahai Purchaser will hold 51% equity interest in Huahai Enterprise and Huahai Enterprise will become a subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements.

(VII) The Group

The Group is a “new ecological industrial city service provider” and aims to take “industrial leadership” as development philosophy and actively integrate technological innovation, cultural tourism, commerce, health care service, education, medical treatment and other diversified industrial resources to form five main business models of “urban renewal, industrial parks, featured towns, residential communities and commercial service”. With the three operation service platforms of “industry, community and commerce” as back up, the Group will construct a new ecological industrial city service system of “1+5+3” that is unique to the Group.

FINANCIAL INFORMATION OF THE TARGET COMPANIES

Set out below is the unaudited financial information for the years ended 31 December 2018 and 2019 of the Target Companies based on the unaudited management accounts of the Target Companies in accordance with the accounting principles generally accepted in the PRC:

(I) Dahu Property Development

	For the year ended 31 December	
	2018	2019
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Revenue	—	—
(Loss) before and after taxation	(2,152)	(2,492)

Based on the unaudited management accounts of Dahu Property Development, the unaudited net asset value of Dahu Property Development as at 30 September 2020 was approximately RMB21,129,000.

(II) Huahai Enterprise

	For the year ended 31 December	
	2018	2019
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Revenue	—	—
(Loss)/Profit before taxation	2,436	(93)
(Loss)/Profit after taxation	1,827	(93)

Based on the unaudited management accounts of Huahai Enterprise, the unaudited net asset value of Huahai Enterprise as at 30 September 2020 was approximately RMB7,663,000.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Recently, the Company has upgraded its business strategy, which involves developing urban renewal projects in the Greater Bay Area. The Target Lands are located at Dongguan City which is part of the Greater Bay Area, and the redevelopments of the Target Lands will be another milestone to the Group to strengthen its presence in the Great Bay Area.

The Board is of the view that the Acquisitions can enhance the Group's existing business in developing quality and attractive urban renewal projects, and generate sales revenue and cashflow for the Group in a short-run.

In light of the above, the Directors consider that the terms of the Acquisitions are fair and reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Dahu Vendor and the Huahai Vendor are controlled by the same ultimate beneficial owners, the Acquisitions are aggregated pursuant to Rule 14.22 of the Listing Rules as if they were one transaction. The highest of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisitions (as aggregated) exceeds 5% but is lower than 25%. Therefore, the Acquisitions constitute a discloseable transaction of the Company and is subject to the reporting and disclosure requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisitions”	the acquisitions of the Dahu Property Development Sale Interest and the Huahai Enterprise Sale Interest
“Board”	the board of Directors

“Company”	Guangdong – Hong Kong Greater Bay Area Holdings Limited (粵港灣控股有限公司), 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)
“Dahu Property Development”	Dongguan City Dahu Property Development Limited* (東莞市大湖房地產開發有限公司), a company established under the laws of the PRC with limited liability
“Dahu Property Development Sale and Purchase Agreement”	the sale and purchase agreement dated 23 October 2020 entered into between the Dahu Purchaser and the Dahu Vendor in relation to the acquisition of the Dahu Property Development Sale Interest
“Dahu Property Development Sale Interest”	the 51% of the equity interests in Dahu Property Development
“Dahu Purchaser”	Shenzhen Hydoo Yishun Investment Limited* (深圳市毅德毅順投資有限公司), a company established under the laws of the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Dahu Target Land”	the land parcel situated at Sicun Community, Tangxia Town, Dongguan City* (東莞市塘廈鎮四村社區地塊)
“Dahu Vendor”	Dongguan Dahui Investment Limited* (東莞達慧投資有限公司), a company established under the laws of the PRC with limited liability. As at the date of the announcement, Dahu Vendor owns 51% of the equity interests in Dahu Property Development
“Directors”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Huahai Enterprise”	Dongguan City Huahai Enterprise Investment Limited* (東莞市華海實業投資有限公司), a company established under the laws of the PRC with limited liability

“Huahai Enterprise Sale and Purchase Agreement”	the sale and purchase agreement dated 23 October 2020 entered into between the Huahai Purchaser and the Huahai Vendor in relation to the acquisition of the Huahai Enterprise Interest
“Huahai Enterprise Sale Interest”	the 51% of the equity interests in Huahai Enterprise
“Huahai Purchaser”	Shenzhen City Zhongbao Bay Holdings Limited* (深圳市中寶港灣控股有限公司), a company established under the laws of the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Huahai Target Land”	the land parcel situated at urban renewal land parcel of Yuanhongda Electronics Factory, 138 Industrial Area, Tangxia Community, Tangxia Town, Dongguan City* (東莞市塘廈鎮塘廈社區，138工業區原鴻達電子廠舊改地塊)
“Huahai Vendor”	Dongguan City Taijia Investmnet Limited* (東莞市泰嘉投資有限公司), a company established under the laws of the PRC with limited liability. As at the date of the announcement, Huahai Vendor owns 51% of the equity interests in Huahai Enterprise
“Independent Third Parties”	parties not connected with any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement, shall exclude the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreements”	the Dahu Property Development Sale and Purchase Agreement and the Huahai Enterprise Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Companies”	Dahu Property Development and Huahai Enterprise
“Target Lands”	the Dahu Target Land and the Huahai Target Land
“%”	per cent

* *for identification purpose only*

By order of the Board of
Guangdong – Hong Kong Greater Bay Area Holdings Limited
WONG Choi Hing
Chairman and Executive Director

Hong Kong, 23 October 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.