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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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF URBAN RENEWAL PROJECT IN
DONGGUAN CITY BY CAPITAL INJECTION**

THE SUBSCRIPTION BY CAPITAL INJECTION

The Board is pleased to announce that on 1 February 2021 (after trading hours), Hydoo Shunhe, an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with the Target Company, pursuant to which Hydoo Shunhe has agreed to subscribe for 51% of the equity interest in the Target Company by injecting capital of RMB222 million into the Target Company. The Target Company, through its subsidiary, is operating an urban renewal project in Humen Town, Dongguan City.

Upon completion of the Subscription by Capital Injection, the Target Company will become a subsidiary of the Company and the financial statements of the Target Group will be consolidated into the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) for the Subscription by Capital Injection are more than 5% but all of them are less than 25%, the Subscription by Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 16 September 2020 relating to the potential urban renewal project in Humen Town of Dongguan City.

The Board is pleased to announce that on 1 February 2021 (after trading hours), Hydoo Shunhe, an indirect wholly-owned subsidiary of the Company, entered into the Capital Injection Agreement with the Target Company, pursuant to which Hydoo Shunhe has agreed to subscribe for 51% of the equity interest in the Target Company by injecting capital of RMB222 million into the Target Company, among which approximately RMB104 million will be used for the capital increase of the Target Company while the remaining amount will be used for the capital reserve of the Target Company.

As at the date of this announcement and before completion of the Subscription by Capital Injection, the Target Company has a registered capital of RMB100 million and is 100% held by Xingtong Property. Immediately upon completion of the Subscription by Capital Injection, the registered capital of the Target Company would increase to approximately RMB204 million, and Hydoo Shunhe and Xingtong Property would be interested in 51% and 49% of the equity interest (on an enlarged basis) of the Target Company, respectively. Upon completion of the Subscription by Capital Injection, the Target Company will become a subsidiary of the Company and the financial statements of the Target Group will be consolidated into the Group's consolidated financial statements.

CAPITAL INJECTION AGREEMENT

Set out below is a summary of the principal terms of the Capital Injection Agreement:

Date:	1 February 2021
Parties:	(i) Hydoo Shunhe (an indirect wholly-owned subsidiary of the Company); and (ii) Target Company
Consideration:	The consideration of the Capital Injection Agreement is RMB222 million, which shall be satisfied by the Group's internal resources
Equity Interest to be held by Hydoo Shunhe upon completion of the Subscription by Capital Injection:	51% equity interest in the Target Company (on an enlarged basis)
Completion:	The completion of the Subscription by Capital Injection shall take place on or before 28 February 2021

DETAILS OF THE HUMEN PROJECT

The Target Company, through its subsidiary, is operating the Humen Project which is an urban renewal project located at the Cuntou Community of Humen Town, the junction of Daning East Area and Chang'an of Humen Town of Dongguan City. Dongguan Natural Resources Bureau has issued its final approval in relation to the Humen Project. The land of the Humen Project is for residential use with a site area of approximately 30,000 square meters and a gross floor area of approximately of 124,000 square meters. The Humen Project aims to become a significant, intellectual, and quality life community brand in Humen Town of Dongguan City.

BASIS OF CONSIDERATION

The consideration of the Capital Injection Agreement was arrived at after arm's length negotiations between the parties to the Capital Injection Agreement with reference to (i) the valuation of 51% of the equity interest in the Target Company as at 31 December 2020 prepared by an independent valuer, being approximately RMB222.2 million and (ii) the benefits and development prospects of the businesses of the Target Group as set out in the paragraph headed "Reasons and Benefits for the Subscription by Capital Injection".

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the unaudited consolidated financial information of the Target Group for the years ended 31 December 2019 and 2020 based on the unaudited management accounts of the Target Group:

	For the year ended 31 December	
	2019	2020
	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (unaudited)
Revenue	1,634	136
(Loss) before and after taxation	(5,711)	(10,219)

Based on the unaudited management accounts of the Target Group, the unaudited consolidated net liability of the Target Group as at 31 December 2020 was approximately RMB73,583,000.

REASONS AND BENEFITS FOR THE SUBSCRIPTION BY CAPITAL INJECTION

Recently, the Company has upgraded its business strategy, which involves developing urban renewal projects in the Greater Bay Area. The Humen Project is located at Dongguan City of the Guangdong Province, which is part of the Greater Bay Area. The Board believes that the Subscription by Capital Injection will enable the Group to acquire the Humen Project of the Target Company, which shall be a major milestone in the Group's development of urban renewal projects in the Greater Bay Area. This marks that the Group has taken another solid step on the road to achieve strategic focus on the Greater Bay Area.

The Board is of the view that the Subscription by Capital Injection can enhance the Group's existing business in developing quality and attractive urban renewal projects. It is expected that the Group will benefit from the Humen Project to exert its strength, grasp the market opportunities and enhance its competitiveness in the property market in the PRC.

Taking into consideration the benefits of the Subscription by Capital Injection to the Company, the Directors consider that the terms of the Capital Injection Agreement (including the consideration) are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

(I) Hydoo Shunhe

Hydoo Shunhe is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company which is principally engaged in investment holding.

(II) The Target Company and the Target Group

The Target Company is a company established in the PRC with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Target Company is wholly-owned by Xingtong Property. The subsidiary of the Target Company is principally engaged in property development. To the best knowledge of the Directors after making all reasonable enquiries, the Target Company is an Independent Third Party as at the date of the announcement and before completion of the Subscription by Capital Injection.

The Target Group is currently holding the Humen Project, which is an urban renewal project in Humen Town, Dongguan City.

(III) 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.

(IV) Xingtong Property

Xingtong Property is a company established in the PRC with limited liability, and is principally engaged in investment holding. To the best knowledge of the Directors after making all reasonable enquiries, Xingtong Property and its ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) for the Subscription by Capital Injection are more than 5% but all of them are less than 25%, the Subscription by Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement 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:

“Board”	board of Directors
“Capital Injection Agreement”	the capital injection agreement dated 1 February 2021 entered into between Hydoo Shunhe and the Target Company in relation to the Subscription by Capital Injection
“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)
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Humen Project”	an urban renewal project which is located at the Cuntou Community of Humen Town, the junction of Daning East Area and Chang’an of Humen Town of Dongguan City
“Hydoo Shunhe”	Shenzhen Hydoo Shunhe Investment Development Co., Ltd., a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Independent Third Parties”	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 the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription by Capital Injection”	the subscription of the registered capital of approximately RMB104 million in the Target Company (representing approximately 51% of the equity interest in the Target Company) by injecting capital of RMB222 million into the Target Company by Hydoo Shunhe in accordance with the terms of the Capital Injection Agreement
“Target Company”	Dongguan Bohe Industrial Investment Co., Ltd., a company established in the PRC with limited liability and is wholly-owned by Xingtong Property as at the date of this announcement
“Target Group”	the Target Company and its subsidiary
“Xingtong Property”	Dongguan Xingtong Property Investment Co., Ltd., a company established in the PRC with limited liability, which is ultimately controlled by Deng Qunying and Huang Shaohui
“%”	per cent.

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

Hong Kong, 1 February 2021

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