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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  
DISPOSAL OF THE TARGET INTEREST**

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On 4 December 2024 (after trading hours of the Stock Exchange), the Company (as the Vendor) entered into the SPA with the Purchaser in relation to the Disposal, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the Target Interest, at the consideration of HK\$36.0 million.

Upon the Completion, the Group no longer 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.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

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## THE SPA

The principal terms of the SPA are set out as follows:

<b>Date</b>	4 December 2024 (after trading hours of the Stock Exchange)
<b>Parties</b>	Vendor: The Company Purchaser: Elegance Rich Global Limited
<b>Subject assets to be disposed</b>	The Target Interest (representing the entire issued share capital of the Target Company and the equity interests in the subsidiaries owned by the Target Company).
<b>Consideration</b>	The consideration of HK\$36.0 million for the Disposal was determined after arm's length negotiations between the Company and the Purchaser and on normal commercial terms with reference to (i) the financial results of the Target Group as set out in the sub-section headed "The Target Company and the Target Group" under the section headed "INFORMATION OF THE PARTIES" of this announcement; (ii) the unaudited net liabilities in the amount of approximately RMB151.0 million (equivalent to approximately HK\$161.6 million) as at 30 September 2024 with respect to the Target Group; (iii) the valuation of the consolidated net asset value of the Target Group attributable to the Company as at 30 September 2024 prepared by an independent valuer using the asset-based approach, being approximately RMB33.9 million (equivalent to approximately HK\$36.3 million); and (iv) the benefits that will be brought to the Group by the Disposal as provided in the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" in this announcement.

The Consideration should be paid in cash according to the following stages:

- (a) as to HK\$7.2 million to be paid as the deposit (the "Security Deposit") within one month upon entering into the SPA, such amount will be equivalent to 20% of the Consideration; and
- (b) as to HK\$28.8 million to be paid within four months upon entering into the SPA, such amount will be equivalent to 80% 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 of the SPA, unless the fulfilling party of the relevant condition(s) precedent is granted waiver of its fulfilment in writing by the other party of the SPA:

- (a) the Purchaser having completed and being satisfied with the due diligence on the Target Group;
- (b) the Purchaser having paid the Consideration for the Disposal;
- (c) the Purchaser having been registered as the owner of the Target Interest;

- (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 resolutions approving the SPA, the Disposal and the transactions contemplated thereunder in compliance with (i) the relevant laws, rules and regulations; and (ii) their respective articles of association;
- (f) from the date of the SPA 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; and
- (g) 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 of the SPA 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 SPA 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 abovementioned, 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 shall take place on the date of the fulfilment (or waiver, as the case may be) of all the conditions precedent under the SPA, which is expected to take place on or before the end of March 2025.

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.

## **INFORMATION OF THE PARTIES**

### **The Company (the Vendor of the SPA) 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 Purchaser**

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

## 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 Interest 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 development, sales and operation of properties in the city of Ganzhou, located in the province of Jiangxi, PRC.

Set out below is the financial information of the Target Group as extracted from its unaudited consolidated financial statements for the financial year ended 31 December 2022 and the financial year ended 31 December 2023:

	<b>For the year ended 31 December 2023 (RMB'000) (approximately) (unaudited)</b>	<b>For the year ended 31 December 2022 (RMB'000) (approximately) (unaudited)</b>
(Loss) before tax	(257,946)	(281,845)
(Loss) after tax	(236,507)	(247,555)

Based on the unaudited consolidated financial statements of the Target Group for the nine months ended 30 September 2024, the Target Group recorded net liabilities in the amount of approximately RMB151.0 million (equivalent to approximately HK\$161.6 million) as at 30 September 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. A continuous drop of property price in Ganzhou 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 enormous area of undeveloped land, it requires significant capital investment to development and prolongs capital recovery cycle. In addition, the Target Group recorded unaudited losses for the past two years and net liabilities in the amount of approximately RMB151.0 million (equivalent to approximately HK\$161.6 million) as at 30 September 2024.

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 SPA 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 RMB184.7 million (equivalent to approximately HK\$197.6 million). Such gain is estimated based on the difference between (i) the Consideration; and (ii) the unaudited total net liabilities of the Target Group in the amount of approximately RMB151.0 million (equivalent to approximately HK\$161.6 million) as at 30 September 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\$35.9 million from the Disposal. The Group currently intends to use the net proceeds derived from the Disposal as general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

## 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 in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1396)
“Completion”	the completion of the Disposal under the SPA
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the total consideration for the Disposal pursuant to the SPA
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Target Interest by the Vendor to the Purchaser pursuant to the terms of the SPA
“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)”	person(s) or company(ies) who/which is/are not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial shareholders of the Group or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	one hundred and eighty (180) days after entering into the SPA
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Elegance Rich Global Limited, a company incorporated in the BVI with limited liability principally engaged in investment holding and is ultimately and beneficially owned by Ms. Wu Juan (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(s)”	the ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“SPA”	the agreement dated 4 December 2024 entered into between the Purchaser and the Company in relation to the Disposal
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Sail Day 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 Interest”	the entire issued share capital in the Target Company and the equity interests in the subsidiaries owned by the Target Company
“%”	per cent

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

Hong Kong, 4 December 2024

*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. 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.*