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**GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED**

**大灣區聚變力量控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1189)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

The board (“Board”) of directors (“Directors”) of GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED (“Company”) announces the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as “Group”) for the six months ended 30 June 2022 together with comparative figures for the corresponding period in 2021 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2022*

		<b>Six months ended 30 June</b>	
		<b>2022</b>	<b>2021</b>
	<i>NOTES</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>			
Contracts with customers		<b>11,855</b>	18,276
Leases		<b>15,520</b>	15,642
		<hr/>	<hr/>
<b>Total revenue</b>	<b>3</b>	<b>27,375</b>	33,918
Direct operating costs		<b>(11,816)</b>	(12,268)
		<hr/>	<hr/>
Gross profit		<b>15,559</b>	21,650
Other income, gains and losses		<b>13,650</b>	14,277
Distribution and selling expenses		<b>(228)</b>	(175)
Administrative and other operating expenses		<b>(34,622)</b>	(46,994)
Fair value loss on investment properties	<i>10</i>	<b>(18,800)</b>	(18,093)
Impairment loss on financial asset at fair value through profit or loss	<i>9</i>	<b>(1,562)</b>	–
Finance costs		<b>(1,729)</b>	(1,716)
		<hr/>	<hr/>

		<b>Six months ended 30 June</b>	
		<b>2022</b>	2021
	<i>NOTES</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Loss before tax		(27,732)	(31,051)
Income tax credit	4	<u>191</u>	<u>248</u>
<b>Loss for the period</b>	5	<u>(27,541)</u>	<u>(30,803)</u>
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(351)</u>	<u>2,246</u>
<b>Total comprehensive expense for the period</b>		<u>(27,892)</u>	<u>(28,557)</u>
<b>Loss for the period attributable to:</b>			
Owners of the Company		(25,136)	(27,792)
Non-controlling interests		<u>(2,405)</u>	<u>(3,011)</u>
		<u>(27,541)</u>	<u>(30,803)</u>
<b>Total comprehensive expense for the period attributable to:</b>			
Owners of the Company		(25,563)	(26,184)
Non-controlling interests		<u>(2,329)</u>	<u>(2,373)</u>
		<u>(27,892)</u>	<u>(28,557)</u>
<b>LOSS PER SHARE</b>	7		
Basic (HK\$)		<u>(0.03)</u>	<u>(0.04)</u>
Diluted (HK\$)		<u>(0.03)</u>	<u>(0.04)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

		30 June 2022 <i>HK\$'000</i> (unaudited)	31 December 2021 <i>HK\$'000</i> (audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	178,651	189,993
Right-of-use assets		459	812
Financial asset at fair value through profit or loss	9	4,451	6,013
Investment properties	10	<u>3,200</u>	<u>22,000</u>
		<u>186,761</u>	<u>218,818</u>
<b>Current assets</b>			
Inventories		876	865
Trade and other receivables	11	66,636	70,043
Bank balances and cash		<u>1,777,143</u>	<u>1,782,734</u>
		<u>1,844,655</u>	<u>1,853,642</u>
<b>Current liabilities</b>			
Trade and other payables	12	36,063	46,559
Borrowing – amount due within one year		22,000	22,000
Tax liabilities		17,193	18,114
Lease liabilities		357	956
Contract liabilities		<u>646</u>	<u>660</u>
		<u>76,259</u>	<u>88,289</u>
<b>Net current assets</b>		<u>1,768,396</u>	<u>1,765,353</u>
<b>Total assets less current liabilities</b>		<u>1,955,157</u>	<u>1,984,171</u>

	<b>30 June 2022</b>	31 December 2021
<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>19,418</b>	20,709
Lease liabilities	<b>169</b>	–
	<u><b>19,587</b></u>	<u>20,709</u>
<b>Net assets</b>	<u><b>1,935,570</b></u>	<u>1,963,462</u>
<b>Capital and reserves</b>		
Share capital	<b>7,892</b>	7,892
Reserves	<b>1,753,804</b>	1,779,367
	<u><b>1,761,696</b></u>	<u>1,787,259</u>
Equity attributable to owners of the Company	<b>1,761,696</b>	1,787,259
Non-controlling interests	<b>173,874</b>	176,203
	<u><b>1,935,570</b></u>	<u>1,963,462</u>
<b>Total equity</b>	<u><b>1,935,570</b></u>	<u>1,963,462</u>

# **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## *FOR THE SIX MONTHS ENDED 30 JUNE 2022*

### **1. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED and its subsidiaries for the year ended 31 December 2021.

The unaudited consolidated financial statements for the period ended 30 June 2022 (the “Period”) have not been audited by the Company’s independent auditor, but have been reviewed by the Company’s audit committee.

### **2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the six months ended 30 June 2022. The Group is assessing the full impact of the new standards, amendments and interpretations. According to the preliminary assessment, there have been no material impact on the accounting policies applied in these financial statements for the current and prior accounting periods presented as a result of these developments.

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided and activities carried out by the Group’s operating divisions.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” are as follows:

1. Hotel operations – hotel accommodation, food and banquet operations and rental income from rentals of shop units situated in the hotels of the Group and from rentals of investment properties; and
2. Securities trading – trading of equity securities

No operating segments have been aggregated in arriving at the reportable segments of the Group.

#### Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

#### Six months ended 30 June 2022 (unaudited)

	<b>Hotel operations HK\$’000</b>	<b>Securities trading HK\$’000</b>	<b>Consolidated HK\$’000</b>
<b>REVENUE</b>	<b>27,375</b>	–	<b>27,375</b>
<b>RESULTS</b>			
Segment profit excluding depreciation of property, plant and equipment and fair value loss on investments held for trading	2,126	–	2,126
Depreciation of property, plant and equipment	(11,600)	–	(11,600)
Segment loss	(9,474)	–	(9,474)
Directors’ emoluments			(1,619)
Interest income on bank deposits			9,941
Fair value loss on investment properties			(18,800)
Impairment loss on financial asset at fair value through profit or loss			(1,562)
Central administrative costs and other unallocated corporate expenses			(6,218)
Loss before tax			(27,732)

**Six months ended 30 June 2021 (unaudited)**

	Hotel operations <i>HK\$'000</i>	Securities trading <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>REVENUE</b>	<u>33,918</u>	<u>–</u>	<u>33,918</u>
<b>RESULTS</b>			
Segment profit excluding depreciation of property, plant and equipment and fair value gain on investments held for trading	991	–	991
Depreciation of property, plant and equipment	(14,474)	–	(14,474)
Fair value gain on investments held for trading	<u>–</u>	<u>87</u>	<u>87</u>
Segment (loss) profit	<u>(13,483)</u>	<u>87</u>	(13,396)
Directors' emoluments			(1,174)
Interest income on bank deposits			10,048
Fair value loss on investment properties			(18,093)
Central administrative costs and other unallocated corporate expenses			<u>(8,436)</u>
Loss before tax			<u>(31,051)</u>

Segment result represents the (loss) profit from each segment without allocation of directors' emoluments, interest income on bank deposits, fair value loss on investment properties, impairment loss on financial asset at fair value through profit or loss, central administrative costs and other unallocated corporate expenses. This is the measure reported to the Group's CODM for the purposes of resource allocation and performance assessment.

#### 4. INCOME TAX CREDIT

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
People's Republic of China ("PRC") taxes	1,378	1,717
Deferred tax	<u>(1,569)</u>	<u>(1,965)</u>
Income tax credit	<u><u>(191)</u></u>	<u><u>(248)</u></u>

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

#### 5. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of property, plant and equipment	11,600	14,612
Depreciation of right-of-use assets	854	906
Electricity, water and utilities	3,895	3,320
Lease payments for short-term leases	<u>21</u>	<u>782</u>

#### 6. DIVIDENDS

The directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2022 (Six months ended 30 June 2021: nil).



## 7. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(25,136)</u>	<u>(27,792)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>789,211,046</u>	<u>789,211,046</u>

The computation of diluted loss per share for both periods does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share.

## 8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately HK\$100,886 for acquisition of leasehold improvement and furniture and fixtures (Six months ended 30 June 2021: approximately HK\$375,737 for acquisition of leasehold improvement and furniture and fixtures).

### **Rosedale Hotel Guangzhou Co., Ltd. ("Rosedale Guangzhou")**

Included in the hotel properties in the PRC is a hotel property with carrying value of HK\$83,644,000, net of accumulated impairment loss of HK\$6,322,000 (31 December 2021: carrying value of HK\$89,735,000, net of accumulated impairment loss of HK\$6,322,000) situated in Guangzhou, in which the Group holds land use rights and property right of the hotel property for a term expiring in January 2037, under the name of Rosedale Guangzhou.

Pursuant to a co-operative agreement entered into between Allied Glory Investment Limited ("Allied Glory"), an indirect non-wholly owned subsidiary of the Company, and the minority shareholder of Rosedale Guangzhou, the co-operative period for Rosedale Guangzhou is 50 years commencing from 15 January 1987.

On 3 May 2017, Allied Glory received an Arbitral Award issued by the China International Economic and Trade Arbitration Commission (the "CIETAC") pursuant to which the co-operative period for Rosedale Guangzhou under the co-operative agreement made shall be extended until 15 January 2027.

## **Rosedale Hotel Shenyang Co., Ltd. (“Rosedale Shenyang”)**

Included in the hotel properties in the PRC is also a hotel property with carrying value of HK\$87,420,000, net of accumulated impairment loss of HK.\$34,469,000 as at 30 June 2022 (31 December 2021: carrying value of HK\$91,857,000, net of accumulated impairment loss of HK\$34,469,000) situated in Shenyang. The Group holds land use rights and property right of the hotel property for a term expiring on 28 April 2046.

### **Impairment assessment on hotel properties**

The Group incurred operating losses in its hotel operations segment in the PRC, and there were certain adverse changes in the market and economic environment in the PRC in which the hotel operations of the Group are located. Accordingly, management has reviewed the recoverability of the relevant carrying amounts of the cash generating units (“CGU(s)”) in the hotel operations segment in the PRC and the recoverability of the relevant carrying amounts of the individual assets of property, plant and equipment if their fair values less costs of disposal are available, as appropriate. Each CGU represents each of the hotel operations that generate independent cash flows.

The recoverable amounts have been determined based on higher of fair value less cost of disposal or value-in-use calculations. The recoverable amount of the CGU of each hotel operation in the PRC was based on its value in use and was determined by management. The value in use calculation is a discounted cash flow model using cash flow projections based on five-year financial budgets, with reference to past performance and expectations for market development, approved by management and using a discount rate of 10.50% (31 December 2021: 10.50%). Cash flows after the 5-year period were extrapolated using a 2% (31 December 2021: 2%) growth rate in considering the economic condition of the market.

As at 30 June 2022, from the above assessment on each of the hotel operations located in the PRC, there is no impairment for the six months ended 30 June 2022 in respect of the hotel properties or the CGUs to which these hotel properties relate. Further, the Group did not identify objective evidence of reversal of impairment loss for the current interim period.

## **9. MOVEMENTS IN FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

During the current interim period, the Group has recognised the decrease in fair value of financial asset at fair value through profit or loss of HK\$1,562,000 directly in profit or loss for the six months ended 30 June 2022 (Six months ended 30 June 2021: nil).

The above unlisted equity investment represent the Group’s equity interest in a private entity established in PRC, 廣州市翹豐企業發展有限公司 (“翹豐發展”). The directors of the Company have elected to designate this investment in equity instrument as at FVTOCI as they believe that recognizing short-term fluctuations in the investment in profit or loss would not be consistent with the Group’s strategy of holding the investment for long term investment purpose and realizing the performance potential in the long run.

The directors of the Company assessed whether the Group has control over 翹豐發展 based on whether the Group has the practical ability to direct the relevant activities of 翹豐發展 unilaterally. After assessment, the directors of the Company concluded that the Group does not have control over 翹豐發展.

## 10. MOVEMENTS IN INVESTMENT PROPERTIES

The Group's investment properties as at the end of the current interim period were determined based on the income capitalization approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in the lettable units of the properties as well as other lettings of similar properties in the neighbourhood. The resulting decrease in fair value of investment properties of HK\$18,800,000 has been recognised directly in profit or loss for the six months ended 30 June 2022 (Six months ended 30 June 2021: HK\$18,093,000).

## 11. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 days to its trade customers.

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximated the revenue recognition date.

	<b>30 June 2022 HK\$'000 (unaudited)</b>	31 December 2021 HK\$'000 (audited)
0 – 30 days	552	749
31 – 60 days	7	5
61 – 90 days	–	6
Over 90 days	–	–
	<u>559</u>	<u>760</u>

At 30 June 2022, included in other receivable are unsecured loan to 翹豐發展 of HK\$22,718,000 (2021: HK\$39,631,000). Remaining other receivables mainly comprise rental and utility deposits, sundry receivables and prepaid operating expenses in relation to hotels operations and investment properties.

## 12. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the invoice date.

	<b>30 June 2021 HK\$'000 (unaudited)</b>	31 December 2020 HK\$'000 (audited)
0 – 30 days	552	1,123
31 – 60 days	833	542
61 – 90 days	119	187
Over 90 days	959	885
	<u>2,463</u>	<u>2,737</u>

The credit period on purchases of goods ranges from 30 to 60 days.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MARKET REVIEW**

The first half of 2022 has been challenging. Being the third year of the COVID-19 pandemic, its impact continued to be severe for the hospitality industry globally. Although certain major economies show a recovery momentum consequent to a widespread vaccination coverage and community immunity, the high inflection rate still hinder international travel. Global hotel sector continued to face severe disruption and demand remained subdued.

In face of tough conditions over the period, the mainland China still remained as the key growth driver of the world. The PRC's gross domestic product ("GDP") increased by approximately 2.5% as compared to year-over-year in 2021. In the meanwhile, there were approximately 62.4 million of people entered/exited through the immigration clearance in the PRC during the six months ended 30 June 2022, which represented a decrease of approximately 6.9% as compared to year-over-year of 2021. The mainland China continues to lead the global economic recovery during the period with effective epidemic prevention mechanism, the complete production chain and rising domestic demand and has successfully avoided the adverse impact of newer wave of Omicron infection.

### **FINANCIAL REVIEW**

During the six months ended 30 June 2022, the Group's business and financial performance had been impacted significantly and adversely by the COVID-19 pandemic with the travel restrictions, revenue of the Group attained HK\$27.4 million, representing a decrease of 19.2% as compared to HK\$33.9 million for the six months ended 30 June 2021. The results of the Group for the six months ended 30 June 2022 was a loss of HK\$27.5 million (Six months ended 30 June 2021: HK\$30.8 million) which was mainly attributable to administrative and other operating expenses of HK\$34.6 million (Six months ended 30 June 2021: HK\$47.0 million); finance costs of HK\$1.7 million (Six months ended 30 June 2021: HK\$1.7 million); fair value loss on investment properties of HK\$18.8 million (Six months ended 30 June 2021: HK\$18.1 million); impairment loss on financial asset at fair value through profit or loss of HK\$1.6 million (Six months ended 30 June 2021: nil) partially offset by gross profit of HK\$15.6 million (Six months ended 30 June 2021: HK\$21.7 million); other income, gains and losses net of HK\$13.7 million (Six months ended 30 June 2021: HK\$14.3 million) and income tax credit of HK\$0.2 million (Six months ended 30 June 2021: HK\$0.2 million).

The performance of the Group's hotel operations and securities trading during the six months ended 30 June 2022 under review, the commentary on the hotel sector and the changes in general market conditions and the potential impact on their operating performance and future prospects are contained in the succeeding sections headed "BUSINESS REVIEW" and "PROSPECTS".

## **BUSINESS REVIEW**

### **(a) Hotel Operations**

During the six months ended 30 June 2022, the hotel operations comprise the operations of two "Rosedale" branded 4-star rated hotels located in Guangzhou and Shenyang. Under the aforesaid challenging operating environment in the period under review, overall revenue generated from hotel operations decreased by 19.2% to HK\$27.4 million for the six months ended 30 June 2022 (Six months ended 30 June 2021: HK\$33.9 million). The combined average occupancy rate of the Group decreased by 7.3% to 24.5% for the six months ended 30 June 2022 (Six months ended 30 June 2021: 31.8%). The gross margin was maintained at 56.9% or decreased by 6.9% when compared with the corresponding period in 2021 of 63.8%. To combat the competitive environment, the Group will continue to invest resources to enhancing its market network and positioning and, in the meantime, will further streamline its business operations to contain costs efficiently.

### **(b) Securities Trading**

No segment profit or loss being recorded for the six months ended 30 June 2022 (Six months ended 30 June 2021: segment profit of HK\$0.1 million), mainly representing fair value gain of investments held for trading.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The COVID-19 pandemic has impacted and will continue to impact materially our business, financial condition and results of operations. While we believe strong liquidity position will enable us to fund our current obligations for the foreseeable future. As at 30 June 2022, the Group's cash and bank balances amounted to HK\$1,777.1 million (31 December 2021: HK\$1,782.7 million). The Group has interest-bearing borrowings amounted to HK\$22.0 million (31 December 2021: HK\$22.0 million).

The Group's current assets and current liabilities as at 30 June 2022 were HK\$1,844.7 million and HK\$76.3 million (31 December 2021: HK\$1,853.6 million and HK\$88.3 million), respectively. As a result, the current ratio of the Group as at 30 June 2022 was 24.2 (31 December 2021: 21.0). The gearing ratio as at 30 June 2022, expressed as a percentage of total borrowings to equity attributable to owners of the Company, was 1.2% (31 December 2021: 1.2%).

## **CHARGE OF ASSETS**

The borrowing (current liabilities) was secured by the Group's interest over certain subsidiaries as at each of 30 June 2022 and 31 December 2021.

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at each of 30 June 2022 and 31 December 2021.

## **FOREIGN CURRENCY EXPOSURE**

The majority of the Group's assets and liabilities and business transactions were denominated in Hong Kong dollar and Renminbi. During the six months ended 30 June 2022, the Group has not entered into any hedging arrangements. However, the Group will actively consider the use of relevant financial instruments to manage currency exchange risks in line with our business development.

## **INTEREST RATE EXPOSURE**

During the six months ended 30 June 2022, the Group was not subject to the risk of significant interest rate volatility. The Company will continue to monitor the interest rate markets and actively consider the application of relevant financial instruments to manage risks associated with interest rates.

## **EMPLOYEE AND REMUNERATION POLICY**

At 30 June 2022, the Group had 362 employees of which 352 employees were stationed in the PRC. Employees' remuneration packages were determined in accordance with individual's responsibility, competence and skills, qualifications, experience and performance as well as market pay-level. Staff benefits include training programs, provident fund scheme, medical insurance and other competitive fringe benefits.

In face of the COVID-19 pandemic, the Group has implemented certain protocols to protect our employees. These measures include: (i) remote working arrangements and flexible working hours; (ii) restrictions on access to the offices and temperature screening; (iii) meeting are held by video conference or conference call if possible; (iv) self-isolation with in cases of developing symptoms or close contact with suspected cases of COVID-19; and (v) granting of paid on necessary vaccination leave.

To provide incentives and rewards to employees, the Company has adopted a share option scheme for the eligible participants (including employees).

## **PROSPECTS**

The global pandemic persists as of this announcement at the third quarter of 2022, the hospitality industry was still under the midst of COVID-19 because of the resurgence of its variants in various areas.

Looking forward, with the COVID-19 pandemic continuing and the full market impact of the new Omicron variant is yet to be felt, it is generally expected that international travel shall be resumed normal in 2024 via high vaccination rates and community immunity. Furthermore, under the dynamic clearing policy and with the help of the stringent prevention measures implemented domestically and the mainland, the number of infection cases is expected be under control soon during the year. Meanwhile, we will talk strict precautionary measures to ensure the health and safety of our employees and continue to cooperate with the government and participate in any other government schemes and plans available to our hotels from time to time to battle the pandemic. Besides seeking further high-quality hotel investment opportunities, the Group shall look into other business segments with high growth potentials including commercial and residential property development projects in the PRC to enhance the return of the Company and shareholders of the Company as a whole.

## **UPDATE ON AUDITOR’S QUALIFIED OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2021**

The auditor of the Company had issued a qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2021. Details of the qualification, the related impact on the Group’s financial statements and the Company’s action plan to remove the qualification were set out respectively in the Independent Auditor’s Report and the section headed “ACCOUNTABILITY AND AUDIT” of the Corporate Governance Report included in the 2021 Annual Report of the Company.

The Company would like to provide an update of the removal of the qualified opinion.

### **(i) Disposal of 翹豐發展**

A disposal agreement (“Disposal Agreement”) was entered into by the Company and an independent third party in June 2022 for the disposal of the Company’s 65% interest held in 翹豐發展. The Disposal Agreement has not completed up to the date of this announcement.

### **(ii) Recovery of advance to 翹豐發展**

Up to the date of this announcement, of the RMB32,748,000 advanced to 翹豐發展, approximately RMB16,580,000 has been settled by 翹豐發展 to the Company.

The Company is in the opinion that the qualified opinion shall not have any significant impact on the results of the Company for the year ending 31 December 2022 and the financial position of the Company as at 31 December 2022 upon completion of the Disposal Agreement and the recovery of the advance to 翹豐發展。



## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2022 (Six months ended 30 June 2021: nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2022.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2022.

## **CORPORATE GOVERNANCE**

In the opinion of the Board, the Company had complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2022.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as its own code for dealing in securities of the Company by the Directors. The Company has made specific enquiry of all Directors and they have confirmed their compliance with the required standard set out in the Model Code during the six months ended 30 June 2022.

By order of the Board  
**GREATER BAY AREA DYNAMIC  
GROWTH HOLDING LIMITED**  
**Tam Chung Sun**  
*Chairman*

Hong Kong, 31 August 2022

As at the date of this announcement, the Board comprises:

*Executive Directors:*

Mr. Tam Chung Sun (*Chairman*)  
Dr. Ho Chuk Man, James

*Independent Non-executive Directors:*

Mr. Chen Zeng Guang  
Mr. Poon Kwok Hing, Albert  
Mr. Sin Chi Fai