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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)**

**UNAUDITED ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the announcements of GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED (the “Company”) dated 22 March 2021, 31 March 2021 and 14 April 2021 in relation to, among other things, the delay in publication of the 2020 Annual Results (collectively the “Announcements”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The board (the “Board”) of directors (the “Directors”) of the Company announces the unaudited consolidated results and financial position of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 31 December 2020 together with the comparative figures for the corresponding year ended 31 December 2019 as follows:

# UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited) (Restated)
<b>CONTINUING OPERATIONS</b>			
Revenue	3	63,337	139,949
Cost of sales		<u>(55,322)</u>	<u>(77,992)</u>
<b>Gross profit</b>		<b>8,015</b>	61,957
Other income, gains and losses, net		12,336	2,590
Gain on disposal of subsidiaries		48,835	–
Loss on fair value changes of investment properties		(16,209)	(37,743)
Impairment loss on property, plant and equipment		(28,992)	(7,356)
Selling and distribution expenses		(284)	(972)
Administrative and other operating expenses		(80,390)	(94,099)
Finance costs		<u>(1,762)</u>	<u>(150)</u>
<b>Loss before tax</b>		<u><b>(58,451)</b></u>	<u>(75,773)</u>
Income tax credit (expense)	5	<u>6,859</u>	<u>(1,398)</u>
<b>Loss for the year from continuing operations</b>	7	<u><b>(51,592)</b></u>	<u>(77,171)</u>
<b>DISCONTINUED OPERATION</b>			
<b>Loss for the year from discontinued operation</b>	6	<u><b>(15,892)</b></u>	<u>(33,725)</u>
<b>Loss for the year</b>		<b>(67,484)</b>	(110,896)
<b>Other comprehensive income (expense) for the year</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		15,648	(12,118)
Exchange differences reclassified to profit or loss upon disposal of a subsidiaries		<u>(19,153)</u>	<u>–</u>
Other comprehensive expense for the year		<u>(3,505)</u>	<u>(12,118)</u>
<b>Total comprehensive expense for the year</b>		<u><b>(70,989)</b></u>	<u>(123,014)</u>

	<i>Notes</i>	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 <i>HK\$'000</i> <i>(Audited)</i> <i>(Restated)</i>
<b>Loss for the year attributable to:</b>			
Owners of the Company			
Loss for the year from the continuing operations		<b>(41,494)</b>	(65,285)
Loss for the year from the discontinued operation		<b>(14,208)</b>	(30,150)
		<b>(55,702)</b>	(95,435)
Non-controlling interests			
Loss for the year from the continuing operations		<b>(10,098)</b>	(11,886)
Loss for the year from the discontinued operation		<b>(1,684)</b>	(3,575)
		<b>(11,782)</b>	(15,461)
		<b>(67,484)</b>	(110,896)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		<b>(55,599)</b>	(106,287)
Non-controlling interests		<b>(15,390)</b>	(16,727)
		<b>(70,989)</b>	(123,014)
<b>Loss per share (HK\$) from continuing and discontinued operations</b>			
Basic and diluted	8	<b>(0.07)</b>	(0.12)
<b>Loss per share (HK\$) from continuing operations</b>			
Basic and diluted	8	<b>(0.05)</b>	(0.08)

# UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment		211,996	253,961
Right-of-use assets		2,609	33,746
Investment properties		75,000	90,000
		<u>289,605</u>	<u>377,707</u>
<b>Current assets</b>			
Inventories		908	1,488
Trade and other receivables	9	32,576	56,500
Investments held for trading		116	189
Bank balances and cash		1,814,081	1,816,076
		<u>1,847,681</u>	<u>1,874,253</u>
Assets classified as held for sale	6	2,951	49,910
		<u>1,850,632</u>	<u>1,924,163</u>
<b>Current liabilities</b>			
Trade and other payables	10	45,853	81,875
Interest-bearing borrowing		22,000	—
Tax payables		11,263	9,859
Lease liabilities		1,863	40,462
Contract liabilities		2,030	1,883
		<u>83,009</u>	<u>134,079</u>
Liabilities associated with assets classified as held for sale	6	1,376	37,053
		<u>84,385</u>	<u>171,132</u>
<b>Net current assets</b>		<u>1,766,247</u>	<u>1,753,031</u>
<b>Total assets less current liabilities</b>		<u>2,055,852</u>	<u>2,130,738</u>

	<i>Note</i>	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>24,033</b>	30,055
Lease liabilities		<b>871</b>	2,691
		<b>24,904</b>	32,746
<b>NET ASSETS</b>		<b>2,030,948</b>	2,097,992
<b>Capital and reserves</b>			
Share capital	<i>11</i>	<b>7,892</b>	7,892
Reserves		<b>1,840,252</b>	1,915,580
Equity attributable to owners of the Company		<b>1,848,144</b>	1,923,472
Non-controlling interests		<b>182,804</b>	174,520
<b>TOTAL EQUITY</b>		<b>2,030,948</b>	2,097,992

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

## 1. GENERAL INFORMATION

GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company acts as an investment holding company and its subsidiaries (together with the Company collectively referred to as the “Group”) are principally engaged in the businesses of hotel operations, leasing and trading of securities.

Other than those subsidiaries established in the People’s Republic of China (the “PRC”) which functional currency is Renminbi (“RMB”), the functional currency of the Company and its other subsidiaries is Hong Kong dollars (“HK\$”). The unaudited consolidated financial statements are presented in HK\$ and rounded to the nearest thousands unless otherwise indicated.

Certain comparative figures are reclassified to conform with presentation for the current year.

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the unaudited consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the unaudited consolidated financial statements.

### 3. REVENUE

The Group owns/leases and operates hotels and provides hotel management and related services. The Group also owns investment properties for property rental business. Revenue recognised in the unaudited consolidated financial statements during the year are as follows:

<b>Continuing operations</b>	<b>2020</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2019</b> <i>HK\$'000</i> <b>(Audited)</b> <i>(Restated)</i>
Hotel operations		
– Hotel rooms	<b>26,884</b>	70,890
– Food & beverage	<b>8,622</b>	21,165
	<hr/>	<hr/>
Revenue from contract with customers	<b>35,506</b>	92,055
Rental income	<b>27,831</b>	47,655
Dividend income	<b>–</b>	239
	<hr/>	<hr/>
Total revenue	<b>63,337</b>	139,949
	<hr/> <hr/>	<hr/> <hr/>
<b>Geographical markets</b>		
– PRC	<b>35,506</b>	92,055
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of recognition of revenue from contract with customers</b>		
– At a point in time	<b>8,622</b>	21,165
– Over time	<b>26,884</b>	70,890
	<hr/>	<hr/>
	<b>35,506</b>	92,055
	<hr/> <hr/>	<hr/> <hr/>
<b>Discontinued operation (note 6)</b>		
Hotel operations		
– Hotel rooms	<b>22,110</b>	67,785
– Food & beverage	<b>654</b>	7,642
	<hr/>	<hr/>
	<b>22,764</b>	75,427
	<hr/> <hr/>	<hr/> <hr/>

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 <i>HK\$'000</i> (Audited) <i>(Restated)</i>
<b>Discontinued operation (note 6) (continued)</b>		
<b>Geographical markets</b>		
– Hong Kong	<b>22,764</b>	75,427
	<hr/> <hr/>	<hr/> <hr/>
<b>Timing of recognition of revenue from contract with customers</b>		
– At a point in time	<b>654</b>	7,642
– Over time	<b>22,110</b>	67,785
	<hr/>	<hr/>
	<b>22,764</b>	75,427
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#### **Performance obligations for contracts with customers**

The Group's revenue from contracts with customers consist of hotel rooms and food and beverage.

The transaction price of hotel rooms and food and beverage is the net amount collected from the customer for such goods and services. The transaction price for such transactions is recorded as revenue when the good or service is transferred or rendered to the customer during their stay at the hotel or when the delivery is made for food and beverage.

The Group has certain contracts that include multiple goods and services, such as packages that bundle food and beverage and other services with hotel stays. For such arrangements, the Group allocates revenue to each good or service based upon its relative standalone selling price. The Group primarily determines the standalone selling price of hotel rooms and food and beverage based upon the amount that the Group charges when each is sold separately in similar circumstances to similar customers.

The Group elects to apply the practical expedient under HKFRS 15 and does not disclose the amount of the transaction price allocated to the remaining obligations for contracts with an expected duration for one year or less or contracts for hotel operations.



## Leases

### Continuing operations

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
<b>For operating leases:</b>		
Lease payments that are fixed	<u>27,831</u>	<u>47,655</u>

No contingent rental is included in operating lease income.

The Group leases out various offices, warehouses, advertising spaces, restaurants and retail stores under operating leases. The leases typically run for an initial period of one to eight years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of the group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

## 4. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the chief operating decision makers ("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.

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

Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

- (1) Hotel operations – hotel accommodation, food and beverage services 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.

## Segment revenues and results

The following is analysis of the Group's revenue and results by reportable segments:

Year ended 31 December 2020 (Unaudited)	Continuing operations			Discontinued Operation	Consolidated <i>HK\$'000</i>
	Hotel	Securities	Subtotal	Hotel	
	operations <i>HK\$'000</i>	trading <i>HK\$'000</i>		operations <i>HK\$'000</i>	
Segment revenue	<u>63,337</u>	<u>–</u>	<u>63,337</u>	<u>22,764</u>	<u>86,101</u>
Segment (loss)/profit excluding depreciation of property, plant and equipment and right-of-use assets, impairment loss on property, plant and equipment and loss on fair value changes of investments held for trading	(9,494)	(11)	(9,505)	13,643	4,138
Depreciation of property, plant and equipment	(28,803)	–	(28,803)	(142)	(28,945)
Depreciation of right-of-use assets	(382)	–	(382)	(29,393)	(29,775)
Impairment loss on property, plant and equipment	(28,992)	–	(28,992)	–	(28,992)
Loss on fair value changes of investments held for trading	<u>–</u>	<u>(73)</u>	<u>(73)</u>	<u>–</u>	<u>(73)</u>
Segment loss	<u>(67,671)</u>	<u>(84)</u>	<u>(67,755)</u>	<u>(15,892)</u>	<u>(83,647)</u>
<i>Unallocated income and expenses</i>					
Directors' emoluments					(3,321)
Interest income on bank deposits					20,133
Loss on fair value changes of investment properties					(16,209)
Gain on disposal of subsidiaries					48,835
Central administrative costs and unallocated corporate expenses					<u>(40,134)</u>
Loss before tax					<u><u>(74,343)</u></u>

Year ended 31 December 2019 (Audited)	Continuing operations			Discontinued Operation	Consolidated HK\$'000
	Hotel operations HK\$'000	Securities trading HK\$'000	Subtotal HK\$'000	Hotel operations HK\$'000	
Segment revenue	139,710	239	139,949	75,427	215,376
Segment profit excluding depreciation of property, plant and equipment and right-of-use assets, impairment loss on property, plant and equipment and right-of-use assets and loss on fair value changes of investments held for trading	14,796	228	15,024	14,464	29,488
Depreciation of property, plant and equipment	(29,097)	–	(29,097)	(447)	(29,544)
Depreciation of right-of-use assets	(161)	–	(161)	(38,542)	(38,703)
Impairment loss on property, plant and equipment	(7,356)	–	(7,356)	–	(7,356)
Impairment loss on right-of-use assets	–	–	–	(9,200)	(9,200)
Loss on fair value changes of investments held for trading	–	(3,089)	(3,089)	–	(3,089)
Segment loss	(21,818)	(2,861)	(24,679)	(33,725)	(58,404)
<i>Unallocated income and expenses</i>					
Directors' emoluments					(3,548)
Interest income on bank deposits					7,623
Loss on fair value changes of investment properties					(37,743)
Central administrative costs and unallocated corporate expenses					(17,426)
Loss before tax					(109,498)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss from each segment without allocation of directors' emoluments, interest income on bank deposits, loss on fair value changes of investment properties, gain on disposal of subsidiaries and central administrative costs and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
<b>Segment assets</b>		
Hotel operations	237,454	334,899
Securities trading	123	200
Total segment assets	<u>237,577</u>	<u>335,099</u>
Investment properties	75,000	90,000
Bank balances and cash	1,814,081	1,816,076
Assets classified as held for sale ( <i>note 6</i> )	2,951	49,910
Other unallocated assets	<u>10,628</u>	<u>10,785</u>
Consolidated assets	<u><u>2,140,237</u></u>	<u><u>2,301,870</u></u>
<b>Segment liabilities</b>		
Hotel operations	50,617	126,426
Securities trading	–	485
Total segment liabilities	<u>50,617</u>	<u>126,911</u>
Tax payables	11,263	9,859
Deferred tax liabilities	24,033	30,055
Interest-bearing borrowing	22,000	–
Liabilities associated with assets classified as held for sale ( <i>note 6</i> )	<u>1,376</u>	<u>37,053</u>
Consolidated liabilities	<u><u>109,289</u></u>	<u><u>203,878</u></u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, bank balances and cash, assets classified as held for sale and other unallocated assets; and
- all liabilities are allocated to operating segments other than tax payables, deferred tax liabilities, interest-bearing borrowing and liabilities associated with assets classified as held for sale.

## Other segment information

### Year ended 31 December 2020 (Unaudited)

	Continuing operations		Discontinued operation		
	Hotel operations	Securities trading	Hotel operations	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts included in the measure of segment (loss)/profit or segment assets:					
Addition to property, plant and equipment	213	–	–	–	213
Depreciation of property, plant and equipment	28,803	–	142	315	29,260
Depreciation of right-of-use assets	382	–	29,393	1,405	31,180
Impairment loss on property, plant and equipment	28,992	–	–	–	28,992
Loss on disposal of property, plant and equipment	15	–	–	–	15
	<u>213</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>213</u>

### Year ended 31 December 2019 (Audited)

	Continuing operations		Discontinued Operation		
	Hotel operations	Securities trading	Hotel operations	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Restated)		(Restated)		
Amounts included in the measure of segment profit (loss) or segment assets:					
Addition to property, plant and equipment	476	–	–	–	476
Depreciation of property, plant and equipment	29,097	–	447	276	29,820
Depreciation of right-of-use assets	161	–	38,542	803	39,506
Impairment loss on property, plant and equipment	7,356	–	–	–	7,356
Loss on disposal of property, plant and equipment	29	–	–	–	29
Write-off of trade receivables	934	–	–	–	934
	<u>476</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>934</u>

## Geographical information

The Group's operations are located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the location of operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited) <i>Restated</i>	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Discontinued hotel operation – Hong Kong	<b>22,764</b>	75,427	–	33,359
Continuing hotel operations – The PRC	<b>63,337</b>	139,710	<b>287,755</b>	344,348
Continuing securities trading operations – Hong Kong	<u>–</u>	<u>239</u>	<u><b>1,850</b></u>	<u>–</u>
	<u><b>86,101</b></u>	<u>215,376</u>	<u><b>289,605</b></u>	<u>377,707</u>

## Information about major customers

No single customer contributed over 10% of the total revenue of the Group for both years.

## 5. INCOME TAX (CREDIT)/EXPENSE

	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Audited)
<b>Continuing operations</b>		
Current tax:		
PRC Enterprise Income Tax	<u>963</u>	<u>3,504</u>
Under provision in prior years:		
PRC Enterprise Income Tax	<u>98</u>	<u>179</u>
	<u>1,061</u>	<u>3,683</u>
Deferred tax:		
Current year	<u>(7,920)</u>	<u>(2,285)</u>
	<u><u>(6,859)</u></u>	<u><u>1,398</u></u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the unaudited consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2020 and 2019.

No provision for taxation in Hong Kong has been made as the Group has no assessable profit arising in Hong Kong for the years ended 31 December 2020 and 2019.

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 the years ended 31 December 2020 and 2019.

## **6. DISCONTINUED OPERATION/DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE**

On 23 November 2018, Shropshire Property Limited (“Shropshire Property”), an indirect wholly-owned subsidiary of the Company, and Luoyang Dinghe Electric Construction Company Limited (洛陽鼎和電力建設有限公司) (the “Purchaser”) entered into a sale and purchase agreement (the “Disposal Agreement”), pursuant to which Shropshire Property has conditionally agreed to dispose to the Purchaser of its entire equity interest in Luoyang Golden Gulf Hotel Company Limited (洛陽金水灣大酒店有限公司) (“Luoyang Golden Gulf”), a 60% owned subsidiary of Shropshire Property, at a consideration of RMB61,000,000 (equivalent to approximately HK\$68,500,000). On 22 May 2019, the Purchaser and Shropshire Property entered into a supplemental agreement to extend the long stop date to 10 months from the date of the Disposal Agreement, with all terms and conditions remain unchanged. A deposit of RMB21,000,000 (equivalent to approximately HK\$23,906,000) was received by the Company in November 2018 and included in “trade and other payables” as at 31 December 2019.

The major asset of Luoyang Golden Gulf is Luoyang Golden Gulf Hotel situated in Luoyang in the PRC. The assets and liabilities attributable to Luoyang Golden Gulf, which was expected to be sold within twelve months subsequent to the end of reporting period 31 December 2019, had been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position at 31 December 2019.

On 26 February 2020, the disposal of Luoyang Golden Gulf was completed.



On 31 December 2020, Rosedale Hotel Group Limited (“Rosedale Hotel Group”), an indirect wholly-owned subsidiary of the Company, and Kocan Investment Limited (“Kocan”) entered into a sale and purchase agreement, pursuant to which Rosedale Hotel Group has agreed to dispose to Kocan of its entire equity interest in Rosedale Park Limited (“Rosedale Park”), a 100% owned subsidiary of Rosedale Hotel Group, at a consideration of the aggregate of HK\$1,106,300 and net current asset value of Rosedale Park at the completion date.

The assets and liabilities attributable to Rosedale Park which is expected to be sold within twelve months subsequent to the end of reporting period 31 December 2020, have been classified as a disposal company held for sale and are presented separately in the unaudited consolidated statement of financial position at 31 December 2020.

Since the operation of Rosedale Park represents a separate major geographical area of operations, i.e. hotel operation in Hong Kong, it is therefore reclassified to discontinued operation in the unaudited consolidated statement of profit or loss and other comprehensive income. Comparative figures have been restated to conform with the presentation where applicable.

Profit or loss arising from the discontinued operation:

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 HK\$'000 (Audited)
Revenue	<b>22,764</b>	75,427
Direct operating costs	<b>(42,138)</b>	(76,157)
Gross loss	<b>(19,374)</b>	(730)
Other income and losses	<b>17,585</b>	1,359
Impairment losses on right-of-use assets	–	(9,200)
Distribution and selling expense	<b>(169)</b>	(312)
Administrative and other operating expenses	<b>(12,744)</b>	(21,544)
Finance costs	<b>(1,190)</b>	(3,298)
Loss before tax	<b>(15,892)</b>	(33,725)
Income tax expense	–	–
Loss for the year from discontinued operation	<b>(15,892)</b>	(33,725)

**Cash flows from discontinued operation**

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2019</b> <b>HK\$'000</b> <b>(Audited)</b>
Net cash inflows from operating activities	<b>9,724</b>	15,458
Net cash inflows from investing activities	–	7
Net cash outflows from financing activities	<b>(13,475)</b>	(22,344)
Net cash outflows	<b>(3,751)</b>	(6,879)

**Assets and liabilities classified as held for sale**

The major classes of assets and liabilities of Rosedale Park as at 31 December 2020, which have been classified as held for sale and presented separately in the unaudited consolidated statement of financial position, are as follows:

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Inventories	<b>80</b>
Trade and other receivables	<b>1,398</b>
Bank balances and cash	<b>1,473</b>
Assets classified as held for sale	<b>2,951</b>
Trade and other payables	<b>1,319</b>
Contract liabilities	<b>57</b>
Liabilities associated with assets classified as held for sale	<b>1,376</b>

The disposal was completed after the end of reporting period on 1 January 2021.

The major classes of assets and liabilities of the Luoyang Golden Gulf as at 31 December 2019, which have been classified as held for sale and presented separately in the consolidated statement of financial position, are as follows:

	2019 HK\$'000 (Audited)
Property, plant and equipment	45,328
Inventories	650
Trade and other receivables	2,906
Bank balances and cash	<u>1,026</u>
Assets classified as held for sale	<u><u>49,910</u></u>
Trade and other payables	36,191
Tax payables	130
Deferred tax liabilities	<u>732</u>
Liabilities associated with assets classified as held for sale	<u><u>37,053</u></u>

## 7. LOSS FOR THE YEAR

### Continuing operations

Loss for the year has been arrived at after charging (crediting):

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 <i>HK\$'000</i> (Audited) <i>(Restated)</i>
Depreciation of property, plant and equipment	<b>29,118</b>	29,373
Depreciation of right-of-use assets	<b>1,787</b>	964
Total depreciation	<b>30,905</b>	30,337
Auditor's remuneration	<b>2,100</b>	2,847
Employee benefits expenses	<b>42,065</b>	51,116
Expense relating to short-term leases and other leases with lease terms ending within 12 months of the date of initial application of HKFRS 16	–	990
Hotel management fee	<b>10,308</b>	25,565

## 8. LOSS PER SHARE

### From continuing operation and discontinued operation

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

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	<u>55,702</u>	<u>95,435</u>

### Number of shares

	2020 (Unaudited)	2019 (Audited)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>789,211,046</u>	<u>789,211,046</u>

The computation of diluted loss per share for years ended 31 December 2020 and 2019 does not assume the exercise of the Company's share options since their assumed exercise would result in decrease in loss per share.

### From continuing operations

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

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Loss for the year attributable to owners of the Company	55,702	95,435
Less:		
Loss for the year attributable to owners of the Company from discontinued operations	<u>(14,208)</u>	<u>(30,150)</u>
Loss for the purpose of calculating basic and diluted loss per share from continuing operations	<u>41,494</u>	<u>65,285</u>

The denominators used are the number of shares as those detailed above for basic and diluted loss per share.

## 9. TRADE AND OTHER RECEIVABLES

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
Trade receivables		
– contracts with customers	1,140	2,644
– operating lease receivables	242	426
	<u>1,382</u>	<u>3,070</u>
Rental and utility deposits	1,250	21,025
Other receivables and prepayments for operating expenses	29,944	32,405
	<u>29,944</u>	<u>32,405</u>
Total trade and other receivables	<u>32,576</u>	<u>56,500</u>

The following is an aged analysis of trade receivables presented based on the invoice dates.

	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Audited)
0 – 30 days	1,063	2,673
31 – 60 days	272	184
61 – 90 days	43	68
Over 90 days	4	145
	<u>1,382</u>	<u>3,070</u>

The Group grants credit period up to 30 days to its customers upon issuance of invoice. The aged analysis of trade receivables presented based on due dates is as follows:

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 <i>HK\$'000</i> (Audited)
Not yet due	<b>1,063</b>	2,673
Past due:		
Within 30 days	<b>272</b>	184
31 to 60 days	<b>40</b>	60
61 to 90 days	<b>3</b>	8
Over 90 days	<b>4</b>	145
	<b>1,382</b>	3,070

At 31 December 2020, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$319,000 (2019: HK\$397,000) which are past due as at the reporting date. Out of the past due balances, HK\$4,000 (2019: HK\$145,000) has been past due 90 days or more and is not considered as in default since the Group has reasonable information to support the accounts and fully recoverable.

#### 10. TRADE AND OTHER PAYABLES

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 <i>HK\$'000</i> (Audited)
Trade payables	<b>4,411</b>	5,189
Other payables and accruals		
Deposit received	<b>6,870</b>	29,947
Accrued expenses	<b>16,352</b>	11,854
Other tax payables	<b>556</b>	682
Other payables	<b>17,664</b>	34,203
	<b>41,442</b>	76,686
	<b>45,853</b>	81,875

The following is an aged analysis of trade payables presented based on the invoice date.

	<b>2020</b> <b>HK\$'000</b> <b>(Unaudited)</b>	2019 <i>HK\$'000</i> (Audited)
0 – 30 days	<b>1,062</b>	2,507
31 – 60 days	<b>762</b>	1,388
61 – 90 days	<b>442</b>	461
Over 90 days	<b>2,145</b>	833
	<u><b>4,411</b></u>	<u>5,189</u>

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

# **11. SHARE CAPITAL OF THE COMPANY**

	<b>Number of shares</b>	<b>Share capital HK\$'000</b>
Ordinary shares of HK\$0.01 each		
<b>Authorised</b>		
At 1 January 2019,		
31 December 2019 (audited) and 2020 (unaudited)	<u>150,000,000,000</u>	<u>1,500,000</u>
<b>Issued and fully paid</b>		
At 1 January 2019,		
31 December 2019 (audited) and 2020 (unaudited)	<u>789,211,046</u>	<u>7,892</u>



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MARKET REVIEW**

Year 2020 was challenging disorderly for the world, with the COVID-19 pandemic and the related containment measure took a drastic toll across businesses. Almost no industry was unaffected by the pandemic. For the year ended 31 December 2020 under review, the continuous upgrade of the highly infectious pandemic has led to a ‘home-based’ economy with substantial travel restrictions and lockdowns across the People’s Republic of China (the “PRC”), and many countries have drastically reduced or even closed air travel with the PRC, particularly delivered a hard hit to the hotel sector, some of our hotels in the PRC which have witnessed significantly lowered occupancies in the first quarter of 2020 amid the lockdowns imposed by the government of the PRC. In addition to the United States (the “US”)-PRC trade & political tensions and the demonstrations on Hong Kong anti-extradition bill protests, together with the pandemic of COVID-19 meant a triple blow to Hong Kong and the PRC’s economy.

Despite signs of global slowdown, with a challenging operating environment as the COVID-19 pandemic and the pressures posed by the US trade negotiation, the PRC has adopted hardcore prevention measures with a series of positive fiscal policies to contain the pandemic spread and to strengthen counter-cyclical adjustment. Judging from that, the execution of these policies went well and the PRC still managed a growth in 2020. The PRC’s gross domestic product (“GDP”) increased by 2.3% in 2020, reflecting a decrease of about 3.7% as compared to 2019, the lowest figure since records began in 1992. Even during the global financial crisis in 2009, the PRC’s quarterly GDP growth did not dip below 6.4%. In the meanwhile, Hong Kong’s economic performance had been shrunk severely, struggling under the prolonged pandemic situation with the labour market conditions deteriorated, which was led to the steep crash in visitors arrivals from Mainland China. Major exhibitions, conferences and events have been cancelled or postponed, heaping further pressure pushed Hong Kong to a technical recession. Hong Kong’s GDP dropped by 6.1% year-over-year in real terms in 2020, after contracted 1.2% in 2019.

Starting from 2019, tourist arrivals to Hong Kong plunged over 50% in its sharpest decline since 2003 SARS crisis. In 2020, total visitors arrivals to Hong Kong amounted to approximately 3.6 million, representing an decrease of 93.6% year-on-year, after dropping by 14.2% in 2019, which accounting for 75.8% of the total were visitors from Mainland China, and those visitors from Mainland China also dropped by 93.8% year-on-year, after decreasing by 14.2% in 2019. Visitors from the traditional short haul markets (excluding Mainland China) dropped by 93.7% year-on-year in 2020. Of the total visitors' arrivals, overnight visitors accounted for approximately 1.4 million, which was a decrease of 94.3% when compared on a year-on-year basis. According to the Hong Kong Tourism Board, the average hotel room occupancy level for all the surveyed hotels under different categories in Hong Kong for the year ended 31 December 2020 decreased from approximately 79.1% to 46.1%, recorded a significant occupancy loss. Compared to occupancy, the overall room rate dropped by approximately 26.5% yearly in 2020.

## **FINANCIAL REVIEW**

During the year ended 31 December 2020, the Group's business and financial performance had been significantly and adversely by the pandemic of COVID-19 with the travel restrictions, revenue of the Group attained Hong Kong Dollars ("HK\$") 63.3 million for the year ended 31 December 2020, representing a decrease of 54.8% as compared to HK\$140.0 million for the year ended 31 December 2019. The results of the Group for the year ended 31 December 2020 was a loss of HK\$67.5 million (Year ended 31 December 2019: loss of HK\$110.9 million) which was mainly attributable to gross profit of HK\$8.0 million (Year ended 31 December 2019: gross profit of HK\$62.0 million) and other income and gains of HK\$12.3 million (Year ended 31 December 2019: HK\$2.6 million), gain on disposal of subsidiaries of HK\$48.8 million (year ended 31 December 2019: nil) offset by administrative and other operating expenses of HK\$80.4 million (Year ended 31 December 2019: HK\$94.1 million) ; selling and distribution expenses of HK\$0.3 million (Year ended 31 December 2019: HK\$1.0 million) ; finance costs of HK\$1.8 million (Year ended 31 December 2019: HK\$0.2 million) ; impairment loss on property, plant and equipment of HK\$29.0 million (Year ended 31 December 2019: HK\$7.4 million); loss on fair value changes of investment properties of HK\$16.2 million (Year ended 31 December 2019: HK\$37.7 million) and income tax credit of HK\$6.9 million (Year ended 31 December 2019: income tax expense of HK\$1.4 million).

The performance of the Group's hotel operations and securities trading during the year ended 31 December 2020 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".

## **BUSINESS REVIEW**

### **(a) Hotel Investment**

During the year ended 31 December 2020, the continuing hotel operations mainly comprises the operations of two “Rosedale” branded 4-star rated hotels located in Guangzhou and Shenyang. Overall revenue generated from hotel investment decreased by 54.8% to HK\$63.3 million for the year ended 31 December 2020 (Year ended 31 December 2019: HK\$140 million). 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**

The segment recorded a loss of HK\$0.1 million for the year ended 31 December 2020 (Year ended 31 December 2019: segment loss of HK\$2.9 million), mainly representing fair value loss of investments held for trading, as a result of mark to market valuations as at the balance sheet date.

## **Material Acquisitions and Disposals**

On 23 November 2018, an indirect wholly-owned subsidiary of the Company (the “Subsidiary”) and an independent third party (the “Purchaser”) entered into a disposal agreement (the “Disposal Agreement”), in relation to the possible disposal of 60% equity interests in Luoyang Golden Gulf Hotel Company Limited (the “Target Company”), a limited liability company established in the PRC and owned as to 60% by the Subsidiary at a consideration of Renminbi (“RMB”) 61 million (equivalent to approximately HK\$68.5 million) (the “Consideration”). The Purchaser paid the Subsidiary RMB21 million (equivalent to approximately HK\$23.9 million) (the “Deposit”) upon both parties signed the Disposal Agreement. The Purchaser and the Subsidiary shall enter into an escrow agreement and open an escrow account (the “Escrow Account”) within 3 business days after the shareholders of the Company at the special general meeting have approved the Disposal Agreement. The remaining balance of the Consideration of RMB40 million (equivalent to approximately HK\$44.6 million), shall be deposited into the Escrow Account by the Purchaser within 3 business days upon opening of such account. As at the date of Disposal Agreement, the Target Company has leased out certain spaces to tenants. Pursuant to the Disposal Agreement, the Subsidiary has undertaken not to request the tenants for any advanced rental for the next year. In the event the Target Company has received any such advanced rental payment, the amount of the Consideration payable by the Purchaser to the Subsidiary shall be reduced accordingly. On 22 May 2019, the Purchaser and the Subsidiary entered into a supplemental agreement to extend the long stop date to 10 months from the date of the Disposal Agreement, with all terms and conditions remain unchanged. Further details were set out in the announcements of the Company dated 26 November 2018, 17 December 2018, 31 December 2018, 18 January 2019, 4 February 2019, 8 March 2019, 4 April 2019, 26 April 2019, 24 May 2019, 21 June 2019, 19 July 2019, 23 August 2019, 20 September 2019, 25 September 2019, 25 October 2019 and 4 November 2019. The Disposal Agreement was approved by the shareholders of the Company at the special general meeting held on 10 December 2019 and it was completed on 26 February 2020.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2020, the Group's cash and bank balances and investments held for trading amounted to HK\$1,814.1 million (31 December 2019: HK\$1,816.1 million). The Group has an interest-bearing borrowings amounted to HK\$22.0 million (31 December 2019: nil)

The Group's current assets and current liabilities as at 31 December 2020 were HK\$1,850.6 million and HK\$84.4 million (31 December 2019: HK\$1,924.2 million and HK\$171.1 million), respectively. As a result, the current ratio of the Group as at 31 December 2020 was 21.9 (31 December 2019: 11.2).

As at each of 31 December 2020 and 31 December 2019, over 95% of the Group's cash and bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, and the balance of approximately 3.9% (31 December 2019: 4.2%) were in Renminbi.

## **CONTINGENT LIABILITIES**

The Group did not have any significant contingent liabilities as at each of 31 December 2020 and 31 December 2019.

## **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 year ended 31 December 2020, 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 year ended 31 December 2020, 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.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until the release of the 2020 Annual Results.

By order of the Board  
**GREATER BAY AREA DYNAMIC  
GROWTH HOLDING LIMITED**  
**Lai Tsz Wah**  
*Managing Director*

Hong Kong, 19 April 2021

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

*Executive Directors:*

Mr. Tam Chung Sun (*Chairman*)  
Mr. Lai Tsz Wah (*Managing Director*)  
Mr. Liu Hao

*Independent Non-executive Directors:*

Mr. Kwok Ka Lap, Alva  
Mr. Poon Kwok Hing, Albert  
Mr. Sin Chi Fai