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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the annual report of GREATER BAY AREA DYNAMIC GROWTH HOLDING LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 (the “**Annual Report**”) published on 21 May 2021. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Annual Report.

In addition to the information provided in the Annual Report, the Board would like to provide further information in relation to the qualified opinion issued by the auditor of the Company (the “**Auditor**”) in relation to the consolidated financial statements of the Group for the year ended 31 December 2020.

#### **DETAILS OF THE AUDIT QUALIFICATION AND THE PRACTICAL DIFFICULTIES IN OBTAINING THE SPECIFIC RECORDS**

As disclosed in notes 10 and 31(a) to the consolidated financial statements, the Group completed the disposal of the Disposal Group on 26 February 2020 (the “**Disposal Date**”) with a gain on disposal of HK\$44,912,000 recognised in the profit or loss in the current year. The Auditor was unable to obtain sufficient appropriate audit evidence to satisfy itself concerning those opening balances of the Disposal Group as at 31 December 2019. As the opening balances of the Disposal Group significantly affected the determination of the Group’s performance, the Auditor was unable to determine whether adjustments to the Group’s loss for the year ended 31 December 2020, the opening accumulated losses of the Group, the opening balances of assets and liabilities classified as held for sale, the non-controlling interests and translation reserve attributable to the Disposal Group as at 31 December 2019 might be necessary.

The Company had a gentlemen agreement with the purchaser of the Disposal Group (the “**Purchaser**”) whereas the Purchaser shall provide its best effort to assist the Company’s auditor to carry out the necessary audit procedures after completion of the Disposal. The Company has retained the Basic Records as mentioned in the annual results announcement of the Company dated 30 April 2021 (the “**Annual Results Announcement**”) while the Specific Records (as defined in the Annual Results Announcement) were in sheer volume and were used to be kept by the Disposal Group in the PRC. After completion of the Disposal, the Company understood that the Purchaser and the Disposal Group was in a process of an internal organisation restructuring and it came to the Company’s attention that the business license of the Purchaser was cancelled on 30 December 2020.

The Company announced on 2 March 2021 for the appointment of the Auditor for the year ended 31 December 2020. As explained in the Annual Results Announcement, the Auditor needed to obtain the Specific Records whilst the Basic Records kept by the Company are not at the sufficient level for audit purpose. The Company had tried a number of attempts to contact the Purchaser and the Disposal Group but not receiving any positive response to access the Specific Records.

#### **THE IMPACT OF THE AUDIT QUALIFICATION FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

The management of the Company went through an in-depth discussion with the Auditor in the course of audit regarding the impact of the Audit Qualification. Based on the information obtained from the Auditor up to the date of the Auditor’s report, it is expected that there is no material carry forward effect regarding the Audit Qualification to the financial year ending 31 December 2021, except for the Company’s performance reflected in the income statement, the balance sheet and the cash flow statement might not be comparable.

#### **THE PREPARATION OF THE FINANCIAL INFORMATION IN RESPECT OF THE DISPOSAL GROUP**

Consistent with the previous reporting periods, the financial information in respect of the Disposal Group, which was consolidated into the Company’s financial statements for the year ended 31 December 2020 up to the Disposal Date, was prepared in accordance with Hong Kong Financial Reporting Standards and the accounting policies of the Group. The Board and the Audit Committee considered the financial information in respect of Disposal Group does not involve any significant judgements.

## **AUDIT COMMITTEE AND MANAGEMENT'S VIEW TO THE AUDIT QUALIFICATION**

As disclosed in the Annual Results announcement, with regard to the Audit Qualification, (i) the Audit Committee had communicated with the Auditor in details during the Audit Committee meeting on 30 April 2021; (ii) the basis of Audit Qualification was also reported to the Board during the Board meeting on the same date. There is no different views in regard to the Audit Qualification among the Auditor, the Board, the management and the Audit Committee.

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

Hong Kong, 28 May 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