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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

ANNUAL RESULTS

The board of directors (the "**Board**") of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the "**Company**" or "**GHKGBA Holdings**", together with its subsidiaries, collectively the "**Group**") hereby announce the consolidated results of the Group for the financial year ended 31 December 2023 ("**FY2023**" or the "**Year**") with comparative audited figures for the preceding financial year ended 31 December 2022 ("**FY2022**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2023
(Expressed in Renminbi)

	Note	**2023** *RMB'000*	2022 *RMB'000*
Revenue	2	**3,530,521**	3,168,080
Cost of sales		**(3,509,365)**	(3,214,054)
Gross profit/(loss)		**21,156**	(45,974)
Other net income/(loss)		**208,923**	(56,202)
Selling and distribution costs		**(115,769)**	(180,597)
Administrative and other operating expenses		**(161,935)**	(282,901)
Impairment loss on financial assets measured at amortised cost		**(292,436)**	(138,804)
Impairment loss on assets of disposal group classified as held for sale		**–**	(112,478)
Impairment loss on interests in joint ventures		**–**	(88,759)
Loss from operations before fair value loss on investment properties		**(340,061)**	(905,715)
Fair value loss on investment properties		**(419,200)**	(677,364)
Loss from operation after fair value loss on investment properties		**(759,261)**	(1,583,079)
Share of profits/(losses) of joint ventures		**8,247**	(273)
Share of loss of an associate		**(1,832)**	(525)
Finance income	3	**19,328**	67,511
Finance costs	3	**(293,190)**	(400,252)
Loss before taxation	3	**(1,026,708)**	(1,916,618)
Income tax	4	**(178,907)**	187,591
Loss for the year		**(1,205,615)**	(1,729,027)
Attributable to:			
Equity shareholders of the Company		**(1,214,747)**	(1,571,832)
Non-controlling interests		**9,132**	(157,195)
Loss for the year		**(1,205,615)**	(1,729,027)
Loss per share			
Basic and diluted *(RMB cents)*	5	**(267.7)**	(346.4)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2023
(Expressed in Renminbi)

	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(1,205,615)**	(1,729,027)
Other comprehensive income/(loss) for the year (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of subsidiaries outside the Mainland China	**25,521**	(140,548)
Item that will not be reclassified subsequently to profit or loss:		
– Gain on revaluation of property, plant and equipment upon transfer to investment properties	**17,639**	21,941
– Deferred tax liabilities on recognition of revaluation of property, plant and equipment upon transfer to investment properties	**(4,410)**	(5,485)
Other comprehensive income/(loss) for the year	**38,750**	(124,092)
Total comprehensive loss for the year	**(1,166,865)**	(1,853,119)
Attributable to:		
Equity shareholders of the Company	**(1,175,997)**	(1,691,305)
Non-controlling interests	**9,132**	(161,814)
Total comprehensive loss for the year	**(1,166,865)**	(1,853,119)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

(Expressed in Renminbi)

	Note	**2023**	2022
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**5,927**	189,203
Investment properties	6	**1,660,100**	1,901,500
Intangible assets		**9,697**	12,581
Goodwill		**–**	2,252
Interests in joint ventures		**–**	136,897
Interests in an associate		**4,682**	6,041
Deferred tax assets		**354,667**	460,193
		2,035,073	2,708,667
Current assets			
Inventories and other contract costs		**11,694,419**	14,445,046
Other investment		**150,888**	–
Other financial assets		**–**	2,009
Trade and other receivables	7	**3,468,927**	3,006,108
Prepaid tax		**278,237**	322,752
Pledged and restricted cash	8	**568,400**	1,864,240
Cash and cash equivalents		**25,956**	76,113
		16,186,827	19,716,268
Assets of disposal group classified as held for sale		**–**	282,466
Total current assets		**16,186,827**	19,998,734
Current liabilities			
Trade and other payables	9	**3,894,300**	4,437,238
Contract liabilities		**4,360,714**	4,684,621
Bank loans and other borrowings		**1,760,095**	592,345
Senior notes	10	**111,914**	2,609,780
Lease liabilities		**529**	3,736
Current tax liabilities		**799,562**	691,910
Deferred income		**182,135**	201,918
Other financial liabilities		**158,859**	–
Other current liabilities		**329,039**	1,022,614
Financial guarantee		**7,833**	–
		11,604,980	14,244,162
Liabilities directly associated with disposal group classified as held for sale		**–**	67,466
Total current liabilities		**11,604,980**	14,311,628

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

(Expressed in Renminbi)

	Note	**2023**	2022
		RMB'000	*RMB'000*
Net current assets		**4,581,847**	5,687,106
Total assets less current liabilities		**6,616,920**	8,395,773
Non-current liabilities			
Bank loans and other borrowings		**1,235,423**	4,317,352
Senior notes	10	**3,109,999**	–
Lease liabilities		**204**	626
Deferred tax liabilities		**26,861**	123,070
Other financial liabilities		**–**	440,120
		4,372,487	4,881,168
NET ASSETS		**2,244,433**	3,514,605
Capital and reserves			
Share capital		**36,598**	36,598
Reserves		**2,202,057**	3,384,945
Total equity attributable to equity shareholders of the Company		**2,238,655**	3,421,543
Non-controlling interests		**5,778**	93,062
TOTAL EQUITY		**2,244,433**	3,514,605

NOTES TO UNAUDITED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements of the Group for the year ended 31 December 2023 have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Board ("**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

(b) Basis of preparation of the financial statements

The consolidated financial statements have been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Management continues to closely monitor the liquidity position of the Group to ensure adequate liquidity is maintained.

The Group incurred a loss of RMB1,205,615,000 for the year ended 31 December 2023 and, as of that date, the Group had net current assets of RMB4,581,847,000, and the Group's current portion of bank loans and other borrowings amounted to RMB1,760,095,000 and senior notes due in 2023 ("**October 2023 Senior Notes**") amounted to RMB111,914,000 while its cash and cash equivalents and bank balance of advanced proceed received from property purchasers amounted to RMB25,956,000 and RMB314,547,000, respectively. Moreover, in the opinion of the directors of the Company, certain holders of October 2023 Senior Notes were, for their own reason, not practical to tender for exchange and accept the exchange offer launched by the Company on 17 April 2023 (the "**Exchange Offer**") and the Group was not practical to repay the principal and interest on October 2023 Senior Notes of approximately US$15,801,000 and US$3,283,000 (equivalent to RMB111,914,000 and RMB23,252,500), respectively, as such holders of October 2023 Senior Notes cannot be effectively communicated. As at 31 December 2023 and up to the date of this announcement, the Group is not practical to effectively communicate with such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. In addition, as at 31 December 2023, two loan payables to third party of an aggregated amount of RMB63,000,000 were overdue ("**Overdue Payables**"), and the overdue of these loan payables entitled the lenders a right to demand immediate repayment. Further, in view of the current condition of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and/or have the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next twelve months, after taking into consideration of the measures and arrangements made by the Group as detailed below:

i. The Group has been successfully obtained support from most of the senior note holders in restructuring during the year.

   The Company has launched an Exchange Offer on 17 April 2023, and pursuant to the Company's announcement dated 26 April 2023, US$75,000,000, representing 100.0% of the total aggregate principal amount of the outstanding senior notes due in May 2023, and US$287,819,000, representing approximately 94.8% of the total aggregate principal amount of the outstanding senior notes due in October 2023, have been validly tendered for exchange and accepted pursuant to the Exchange Offer. The Company also launched a consent solicitation ("**Consent Solicitation**") for the new senior note due in 2029 ("**New Notes**") on 11 October 2023, and successfully completed the Consent Solicitation on 25 October 2023. The Company also made an upfront payment of 0.1% of the outstanding principal of the New Notes. Please refer details to announcements of the Company dated 17 April 2023, 26 April 2023, 28 April 2023, 4 May 2023, 11 October 2023, 23 October 2023, and 25 October 2023.

   The success of the Exchange Offer and Consent Solicitation result and enable the Company to effectively extend the maturity profile of most of its offshore indebtedness due from April 2023 to April 2029 with lower interest, and significantly ease the pressure on cash flow. The Company will continue to actively communicate with the remaining holders of October 2023 Senior Notes, and urges such holders of October 2023 Senior Notes to exchange the remaining October 2023 Senior Notes for the New Notes.

ii. Subsequent to the end of the reporting period, the Group has successfully been granted further extension or renewal of certain existing bank borrowings, which originally due within 12 months from end of the reporting period, of an aggregated amount of approximately RMB129.1 million.

   Besides, subsequent to the end of the reporting period, the Group has applied or started substantial negotiation with banks on extension or renewal of the remaining bank borrowings of approximately RMB1,647.5 million, which originally due within 12 months from end of the reporting period. In the opinion of the directors of the Company, the Group has good track records and relationship with banks which would enhance the Group's ability on extension and renewal of its bank borrowing or facilities. Besides, the Group will continue to monitor its compliance of financial covenants of the Group's bank borrowings and with the support of recent national and local government policies in PRC, it is confident that sufficient financing can be arranged from the refinancing or renewal of bank borrowings upon or before the maturity date.

iii. During the Year and subsequent to the reporting period, the Group has obtained continuous financial support from the controlling shareholder. The controlling shareholder has confirmed that it will not demand the Group for repayment of the shareholder loan within the next twelve months from the end of the reporting period should the Group not be in the financial position to make such repayment.

iv. Subsequent to the end of the reporting period, the Group have further received deposits or advanced sales proceed from property purchasers of approximately RMB380,000,000 from sales of properties in the normal course of business.

v. Regarding the existing Overdue Payables, the Group is actively negotiating with third parties for new financing or refinancing and aims to settle the Overdue Payables in the first half year of 2024.

vi. In September 2023, the executive meeting of the State Council of the PRC deliberated and approved the "Special Action Plan for Clearing Accounts in Arrears of Enterprises", aiming to solve the problem of arrears owed by the local government. With the support of this government policy and action plan, the Group has actively communicated and negotiated with local governments to settle the receivables.

vii. The Group will continue to take measures to accelerate the sales of its completed properties held for sale and to speed up the collection of sales proceeds.

viii. The directors of the Company are considering various proposals, including but not limited to pledges of the Group's properties for sales (included in inventory) and investment properties, in order to raising new borrowing facilities or seeking for sales in the market to improve liquidity and to obtain additional funds to support the Group's working capital needs. As of 31 December 2023, the net realizable value of properties for sale (included in inventory) expected to be sold and the fair value of investment properties of the Group amounted to approximately RMB1.5 billion and RMB1.7 billion, respectively.

ix. The Group will continue to take proactive measures to control selling and distribution expenses and administrative expenses.

The directors of the Company are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from 31 December 2023. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2023 on a going concern basis.

Notwithstanding the above, material uncertainty exists as to whether sufficient financing can be arranged from the refinancing or renewal of bank borrowings and operating cash flows generated from the sales of properties depending on the market condition. Should the Group be unable to operate as a going concern, adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify its non-current assets and non-current liabilities as current assets and current liabilities respectively, or to make provision for any contractual commitments that have become onerous, where appropriate.

The financial statements of the Group for FY2023 comprise the Company and its subsidiaries and the Group's interest in joint ventures and associates.

These financial statements are presented in Renminbi ("**RMB**") rounded to the nearest thousand. The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– equity investments other than investments in subsidiaries, associates and joint ventures;

– other investments in debt and equity securities;

– derivative financial instruments;

– investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the registered owner of the property interest; and

– other financial assets and liabilities.

Non-current assets held for sale are stated at the lower of carrying amount and fair value less costs to sell.

(c) Changes in accounting policies

The IASB has issued the following new and amendments to IFRSs that are first effective for the current accounting period of the Group:

- IFRS 17 (including the June 2020 and December 2021 Amendments), Insurance contracts
- Amendments to IAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
- Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of accounting policies
- Amendments to IAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
- Amendments to IAS 12, Income taxes: International tax reform – Pillar two model rules

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these financial statements.

(d) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or and Joint Venture*[3]
Amendments to IRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[1, 4]
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[1, 4]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 No mandatory effective date yet determined but available for adoption
4 As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are development, sales and operation of commercial trade and logistics centers and residential properties, and trading business in the Mainland China.

Revenue represents income from sales of properties, trading business, property management services income and rental income net of sales related taxes and is after deduction of any trade discounts. Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2023	2022
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
– Sales of properties	**1,562,939**	1,003,043
– Property management services	**82,476**	81,874
– Trading business	**1,859,852**	2,046,588
– Others	**4,620**	12,205
	3,509,887	3,143,710
Revenue from other sources		
Rental Income	**20,634**	24,370
	3,530,521	3,168,080

3 LOSS BEFORE TAXATION

Loss before taxation is arrived at after (crediting)/charging

(a) Finance income and finance costs

	2023	2022
	RMB'000	*RMB'000*
Finance income		
Bank interest income	**(11,756)**	(37,530)
Other interest income	**(7,572)**	(24,367)
	(19,328)	(61,897)
Net foreign exchange gain	**–**	(5,614)
	(19,328)	(67,511)
Finance costs		
Interest on bank loans and other borrowings	**194,965**	273,051
Interest on amount due to a non-controlling interests	**47,895**	97,747
Interest on senior notes	**180,982**	354,766
Interest on lease liabilities	**46**	1,683
Accrued interest on significant financing component of contract liabilities	**6,528**	15,210
Other borrowing costs	**35,771**	64,039
	466,187	806,496
Add: net foreign exchange loss	**71,994**	–
Less: interest expense capitalised into properties under development*	**(244,991)**	(406,244)
	293,190	400,252

* The borrowing costs have been(continued) capitalised at a weighed average rate of 4.27%–14% per annum (2022: 4.3%–14.00%).

(b) Staff costs

	2023	2022
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**93,798**	151,787
Equity settled share-based payment expenses	**848**	5,434
Contributions to defined contribution retirement plans	**8,937**	18,982
	103,583	176,203

(c) Other items

	2023	2022
	RMB'000	*RMB'000*
Depreciation and amortisation		
– plant and equipment	**3,006**	3,439
– right-of-use assets	**9,994**	10,756
– intangible assets	**2,667**	2,729
	15,667	16,924
Impairment losses recognised/(reversed)		
– trade and other receivables	**283,984**	112,499
– finance lease receivables	**–**	(2,315)
– amounts due from joint ventures	**8,452**	28,620
	292,436	138,804
Impairment losses recognised		
– assets of disposal group classified as held for sale	**–**	112,478
– interests in joint ventures	**–**	88,759
Auditor's remuneration		
– audit service	**1,800**	1,800
– other services	**750**	750
	2,550	2,550
Rentals income from investment properties less direct outgoings	**(10,370)**	(12,876)
Cost of inventories sold		
– properties	**1,260,987**	851,741
– commodities	**1,855,652**	2,046,054
– Write-down of inventories	**330,803**	245,373
	3,447,442	3,143,168

4 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2023	2022
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax ("**PRC CIT**") (iii)	**66,160**	31,530
PRC Land Appreciation Tax ("**PRC LAT**") (iv)	**108,282**	89,249
	174,442	120,779
Deferred tax		
Reversal and origination of temporary differences	**4,465**	(308,370)
	178,907	(187,591)

(i) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in this jurisdiction.

(ii) No provision for Hong Kong Profits Tax was made as the Group did not earn any income subject to Hong Kong Profits Tax for the year (2022: Nil).

(iii) PRC CIT

The Group's PRC subsidiaries are subject to statutory tax rate of 25% on their assessable profits.

(iv) PRC LAT

PRC LAT which is levied on properties developed for sale by the Group in the Mainland China, at progressive rates ranging from 30% to 60% on the appreciation value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all qualified property development expenditures. Deferred tax assets arising from PRC LAT accrued are calculated based on the applicable income tax rates when they are expected to be cleared.

In addition, certain subsidiaries of the Group were subject to PRC LAT which were calculated based on 6% to 8% of their revenue in accordance with the authorised tax valuation method approved by respective local tax bureau.

The directors of the Company are of the opinion that the authorised tax valuation method is one of the allowable taxation methods in the Mainland China and the respective local tax bureaus are the competent tax authorities to approve the authorised tax valuation method in charging PRC LAT to the respective PRC subsidiaries of the Group, and the risk of being challenged by the State Administration of Taxation or any tax bureau of higher authority is remote.

5 LOSS PER SHARE

Basic earnings and diluted loss per share

The calculation of basic loss per share is based on loss attributable to equity shareholders of the Company of RMB1,214,747,000 (2022: loss of RMB1,571,832,000) and the weighted average of 453,735,400 ordinary shares (2022: 453,735,400 ordinary shares) during the year, calculated as follows:

Weighted average number of ordinary shares

	2023	2022
	'000	*'000*
Issued ordinary shares at 1 January and 31 December	**453,735**	453,735
Weighted average number of shares	**453,735**	453,735

Diluted loss per share is the same as basic loss per share for the years ended 31 December 2023 and 2022, as the share options had anti-dilutive effect on ordinary shares for the year because the exercise price of the Company's share options was higher than the average market price of the Company's shares in the year, and the effect of deemed issue of shares under the Company's employee share option scheme for nil consideration was anti-dilutive.

6 INVESTMENT PROPERTIES

Reconciliation of carrying amount of investment properties

	Completed properties	**Other properties leased for own use carried at fair cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	2,733,000	17,900	2,750,900
Transfer from inventories	103,700	–	103,700
Disposal of subsidiaries	(229,836)	(13,600)	(243,436)
Fair value adjustments	(674,364)	(3,000)	(677,364)
Disposals	(31,000)	(1,300)	(32,300)
At 31 December 2022 and 1 January 2023	1,901,500	–	1,901,500
Transfer from inventories	177,800	–	177,800
Fair value adjustments	(419,200)	–	(419,200)
At 31 December 2023	**1,660,100**	**–**	**1,660,100**
Representing			
Valuation – 2023	**1,660,100**	**–**	**1,660,100**
Valuation – 2022	1,901,500	–	1,901,500
Book value			
At 31 December 2023	**1,660,100**	**–**	**1,660,100**
At 31 December 2022	1,901,500	–	1,901,500

7 TRADE AND OTHER RECEIVABLES

	2023	2022
	RMB'000	*RMB'000*
Within 1 month	**1,191**	2,202
1 to 3 months	**3,706**	464
3 to 6 months	**2,928**	3,793
6 to 12 months	**14,970**	5,057
Over 12 months	**199,110**	198,004
Trade and bill receivables, net of loss allowance	**221,905**	209,520
Finance lease receivables	**–**	11,314
Less: loss allowance	**–**	(9,767)
	–	1,547
Amounts due from joint ventures	**59,475**	78,888
Less: loss allowance	**(37,072)**	(48,233)
	22,403	30,655
Other debtors, net of loss allowance	**1,106,438**	1,115,023
Financial assets measured at amortised cost	**1,350,746**	1,356,745
Prepaid sales related tax and other taxes	**345,698**	388,349
Deposits and prepayments	**1,772,483**	1,261,014
	3,468,927	3,006,108

8 PLEDGED AND RESTRICTED CASH

	2023	2022
	RMB'000	*RMB'000*
Pledged to banks for certain mortgage facilities	**101,294**	121,824
Pledged for bills payables and discounted bills	**130,002**	940,177
Deposits for advanced proceeds received from property purchasers	**314,547**	756,659
Others	**22,557**	45,580
	568,400	1,864,240

9 TRADE AND OTHER PAYABLES

	2023	2022
	RMB'000	*RMB'000*
Due within 1 month or on demand	**6,293**	300,102
Due after 1 month but within 3 months	**29,106**	107,815
Due after 3 months but within 6 months	**9,048**	317,548
Due after 6 months	**2,037,312**	1,927,533
Trade and bills payables	**2,081,759**	2,652,998
Other payables and accruals	**1,475,115**	1,200,257
Financial liabilities measured at amortised cost	**3,556,874**	3,853,255
Deposits	**181,212**	312,079
Receipts in advance	**117,885**	55,746
Interest payable of senior notes	**38,329**	216,158
	3,894,300	4,437,238

10 SENIOR NOTES

	2023	2022
	RMB'000	*RMB'000*
Current		
US$75 million senior notes due in 2023 (i)	**–**	511,898
US$303.62 million senior notes due in 2023 (i), (ii)	**111,914**	2,097,882
	111,914	2,609,780
Non-current		
US$439.1 million New Notes due in 2029 (iii)	**3,109,999**	–
	3,221,913	2,609,780

(i) The Company has launched an exchange offer in relation to the outstanding senior notes on 17 April 2023 (the "**Exchange Offer**"), and completed the Exchange Offer on 28 April 2023. 100% of the total aggregate principal amount of the outstanding US$75 million senior notes due in May 2023 (the "**May 2023 Senior Notes**"), and approximately 94.8% of the total aggregate principal amount of the outstanding US$303.62 million senior notes due in October 2023 (the "**October 2023 Senior Notes**"), have been validly tendered for exchange and accepted pursuant to the Exchange Offer. In exchange of the validly tendered May 2023 Senior Notes and October 2023 Senior Notes, the Company has issued an aggregate principal amount of US$413,578,609 of the new notes pursuant to the Exchange Offer on 28 April 2023 (the "**New Notes**"). The New Notes bear interest at 7.0% per annum and will mature on 28 April 2026 pursuant to the terms and conditions of the relevant indenture.

For further details, please refer to the Company's announcements dated 17 April 2023, 26 April 2023, 28 April 2023 and 4 May 2023.

(ii) The holders of the remaining October 2023 Senior Notes of US$15,801,000, for their own reason, not practical to tender for exchange for the New Notes which was due on 12 October 2023, and as at 31 December 2023, the Group was not practical to repay the principal and interest on October 2023 Senior Notes of approximately US$15,801,000 and US$3,283,000 (equivalent to RMB111,914,000 and RMB23,252,500), respectively, as such holders of October 2023 Senior Notes cannot be effectively communicated. Such non-payment of the interest and principal of October 2023 Senior Notes may caused an event of default pursuant to the terms and conditions of the relevant indenture, and may lead to demand for immediate repayment. However, up to the date of this announcement, there is no redemption notice received in respect of the October 2023 Senior Notes.

(iii) On 11 October 2023, the Company had launched a consent solicitation ("**Consent Solicitation**") for the New Notes and completed the Consent Solicitation on 25 October 2023 and the Company also made an upfront payment of 0.1% of the outstanding principal of the New Notes. Following the completion of Consent Solicitation and payment of the upfront principal payment, (i) the outstanding principal amount of the New Notes was US$439,097,982 ; (ii) the interest rate of the New Notes was reduced from 7.0% per annum to 4.5% per annum; (iii) the interest shall be paid annually; (iv) the New Notes shall bear no interest from (and including) April 28, 2023 to (but excluding) April 28. 2024; (v) the interest on the New Notes shall be paid in PIK Interest from and including April 28, 2024 to (but not including) April 28, 2025; and (vi) the interest accrued from (and including) April 28, 2025 to the maturity date shall be paid in cash and (vii) the maturity of the New Notes was extended from April 28, 2026 to April 28, 2029.

For further details of the Consent Solicitation, please refer to the Company's announcements dated 11 October 2023, 23 October 2023 and 25 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2023, amid the lingering impact of the prolonged COVID-19 pandemic, escalating geopolitical conflicts, complex changes in the international situation, and multiple countries facing high inflation, the global economy presents a trend of weak recovery. China's economic operation has successfully navigated through risks and challenges from abroad, as well as the downward pressure brought about by a combination of various domestic factors in this challenging environment. China's GDP reached RMB126 trillion in 2023, with a year-on-year increase of 5.2%, with a growth rate 2.2% faster than in 2022.

Various levels of the Chinese government frequently optimized real estate policies, striving to ensure the stable operation of the real estate market in 2023. However, factors such as residents' insufficient confidence in future income and persistent expectations of a decline in housing prices continue to hinder the pace of the real estate market recovery. The effectiveness of policy adjustments has been limited, and the market has not shown significant improvement.

In 2023, in the context of the economic environment and industry development trends, our Group has tried its best to coordinate resources from all parties, utilize various policies, reduce costs and increase efficiency, and move forward pragmatically based on our own conditions. By optimizing the terms of overseas US dollar bonds, extending and reducing interest rates on loans to domestic financial institutions, accelerating sales and collection, increasing efforts to recover various receivables, asset disposal, cost savings, and other means, the liquidity of the Group has been improved, ensuring the normal operation of the Group.

In 2023, regarding the extension and interest rate reduction work of the Group, i) the comprehensive interest rate of the Group's interest bearing liabilities decreased from 8.9% in 2022 to 4.9% in 2023, effectively saving the Group's interest expenses; ii) the maturity date of approximately $439.1 million of overseas bonds has been extended for 6 years, and the domestic financial institution loan with a principal of approximately RMB380 million has been extended for 1 to 3 years, greatly alleviating the Group's liquidity pressure.

Although the Group recorded a loss of approximately RMB1,205.6 million in 2023, the loss has significantly narrowed compared to last year's loss of approximately RMB1,729.0 million, and the Group's loss for year 2023 was mainly due to further provision of asset impairment (including impairment loss on financial asset of approximately RMB292.4 million, fair value loss on investment properties of approximately RMB419.2 million, and write-down of inventories of approximately RMB330.8 million). And the Group achieved a turnaround from gross loss to gross profit in 2023. While taking multiple measures to accelerate sales of properties, the administrative and selling expenses of the Group have significantly decreased from RMB463.5 million in 2022 to RMB277.7 million in 2023, reflecting the Group's determination and execution to practice thrift, self rescue and self-improvement.

The Group recorded contracted sales amount of approximately RMB2,143.8 million for the year ended 31 December 2023, which had decreased by approximately 12.5% as compared to FY2022 (FY2022: RMB2,450.4 million). As at 31 December 2023, the total land bank of the Group with land use rights confirmed was approximately 7.3 million sq.m. (31 December 2022: 8.2 million sq.m.).

OUTLOOK FOR 2024

For the world economy in 2024, not only are there persistent issues such as the Russia-Ukraine conflict, Israel-Palestine conflict, and the reconstruction of industrial and supply chains, but there are also uncertainties related to the "super election year." Internally, China's economic environment faces challenges such as insufficient effective demand, overcapacity in certain industries, weak social expectations, and numerous hidden risks. The Central Economic Work Conference has proposed policies for 2024, emphasizing a commitment to stability while seeking progress, promoting stability through progress, adopting a proactive approach in transformation, structural adjustment, quality enhancement, and efficiency improvement to consolidate the foundation of stable and positive economic development.

Looking ahead to 2024, the real estate market may continue to be weak, with residents still lacking sufficient leverage and willingness to buy homes under weak expectations. The demand-side situation is expected to remain challenging. However, a series of real estate financial supply-side reform measures, such as the "White List" for real estate financing, are expected to gradually take effect in 2024, easing the financing pressure on real estate enterprises. The "three major projects" in real estate (guaranteed housing, urban village transformation, and dual-use emergency and public infrastructure construction) are expected to open up new incremental space for the development of the real estate industry.

Facing the new situation in the future development of real estate, the Group will embrace change, embark on a new journey, and seek progress through transformation. On the sales side, the Group will continue to strengthen sales collections, accelerate inventory turnover through optimized and innovative sales strategies, and dedicate specialized efforts to revitalize bulk asset projects to ensure operational cash flow and return on investment. On the operational side, the Company will enhance the execution of quality improvement strategies, achieve a significant increase in product and service quality, while rigorously controlling various costs and expenses to reduce costs and enhance efficiency, ensuring coordinated development. On the financing side, the Company will strive to actively expand financing channels, improve maturity profile and reduce financing cost. The Group will ride the tide of time to keep on actively exploring investment opportunities in the Greater Bay Area, grasp the potential of regional economic and industrial development and population policy, and achieve balance between the development of scale and profit enhancement in order to steadily forge ahead.

FINANCIAL REVIEW

Revenue

In FY2023, the Group's revenue was approximately RMB3,530.5 million (FY2022: approximately RMB3,168.1 million), which mainly generated from property development and related services and trading business, amongst which, revenue generated from property development and related services was approximately RMB1,670.7 million (FY2022: approximately RMB1,121.5 million), representing an increase of 49.0%, which was mainly due to the increase in delivered area of properties during the Year.

Cost of Sales

In FY2023, the Group's cost of sales was approximately RMB3,509.4 million (FY2022: approximately RMB3,214.1 million), which mainly encompassed land cost, construction cost, cost generated from trading business, capitalized interest and government grants credited to cost of sales. Amongst the total cost of sales of the Group for the Year, the cost of sales for the property development and related services was approximately RMB1,653.7 million (FY2022: approximately RMB1,168.0 million), representing an increase of 41.6%, which was mainly due to the increase in delivered area of properties during the Year.

Gross Profit

In FY2023, the Group recorded gross profit of approximately RMB21.2 million, while the Group recorded gross loss of approximately RMB46.0 million for FY2022. The recognition of gross profit for FY2023 by the Group was mainly due to the delivery of properties in the Greater Bay Area which generated gross profit during the FY2023.

Other Net Income

Affected by various unfavorable factors such as macroeconomic environment, real estate market environment and financial environment, the Group has experienced enormous operating, financing and cash flow pressure. Against the backdrop of the adverse market conditions, the Group actively implemented various measures to improve its liquidity, including collecting the project income in advance through disposal of project subsidiaries, which resulted in a net income of approximately RMB208.9 million during the Period (FY2022: loss of approximately RMB56.2 million).

Cost Control

The total amount of distribution and administration expense were approximately RMB277.7 million for FY2023, representing a decrease of 40.1% from approximately RMB463.5 million in FY2022. The decrease was mainly due to that the Group actively implemented various measures including reducing non-core and unessential operations and expenses and reducing the remuneration and benefits of the directors, senior management team and employees, to against the backdrop of the adverse market conditions.

Impairment Loss

During 2023, the whole market continued facing severe difficulties and challenges and the fair value of the financial assets of the Group further decreased, which resulted in impairment loss of 292.4 million (FY2022: RMB340.0 million) during the Year.

Fair Value Loss on Investment Properties

The Group's investment properties carried at fair value as at 31 December 2023 were valued by Moore Transaction Services Limited, an independent firm of surveyors.

In FY2023, due to unfavorable effect of the overall slowdown of real estate market, a fair value loss of RMB419.2 million was recognised for the existing investment properties by the Group (FY2022: approximately RMB677.4 million).

Finance Costs

Financial costs mainly included interest expense on bank loans, senior notes and other borrowings. In FY2023, the finance costs of the Group were approximately RMB293.2 million, representing a decrease of 26.8% from approximately RMB400.3 million for the last year. The decrease was mainly due to that the Group made a consent solicitation in October 2023 to amend the terms of the senior notes which include that the senior notes bear no interest from (and including) 28 April 2023 to (but excluding) 28 April 2024.

Taxation

Income tax expenses comprised PRC CIT, PRC LAT and deferred taxation. The Group recorded a minus tax expense for FY2023, which was mainly due to that the Group recorded operating loss and fair value loss in investment properties for the Year.

Liquidity and Capital Resources

In 2023, the Group's capital resources primarily included cash flow generated from business operations, cash from bank loans and other borrowings, and advances from controlling shareholders, which were used in our business operations and investment in development of projects.

The Group expects that cash flow generated from business operations and borrowings will continue to be the main sources of funds in the coming year. Therefore, the Group will continue to strengthen cash flow management, improve the efficiency of capital returns of projects and stringently control the cost and various expenses. Meanwhile, the Group will make investment only after conducting stringent scientific assessment and considering changes in policies and markets. Besides, the Group will continue to explore the opportunities to cooperate with foreign and domestic investors, in order to provide other sources of funding for the business development.

Cash Position

As at 31 December 2023, the Group's total cash balances (including pledged and restricted cash) amounted to approximately RMB594.4 million (31 December 2022: approximately RMB1,940.4 million). The pledged and restricted cash was mainly pledged to banks for certain mortgage facilities granted to purchasers of the Group's properties, pledged for bank loans and pledged for bills payables.

Borrowings

The Group adopts a prudent financial policy for proactive conduct of debt management and optimizing debt structure to ensure balance in financial risks and cut-down of finance costs. As at 31 December 2023, the Group had bank loans and other borrowings of approximately RMB2,995.5 million (31 December 2022: approximately RMB4,909.7 million), senior notes of approximately RMB3,221.9 million (31 December 2022: approximately RMB2,609.8 million) and financial liabilities measured at amortised cost of approximately RMB158.9 million (31 December 2022: RMB352.6 million) as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Repayment Period		
Repayable on demand and within one year	**2,030,868**	3,202,125
Repayable after 1 year but within 2 years	**337,858**	2,211,009
Repayable after 2 years but within 5 years	**791,260**	2,310,419
Repayable after 5 years	**3,216,304**	148,529
Total	**6,376,290**	7,872,082

A portion of the bank loans and other borrowings were secured by a pledge of properties and equipment, land use rights, investment properties, properties under development, completed properties held for sale and cash at bank of the Group.

Contingent Liabilities

As at 31 December 2023, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB2,449.6 million (31 December 2022: approximately RMB3,255.5 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, the Group would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but the Group would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the due registration of the mortgage interest held by the commercial bank upon the subject property; or (ii) the satisfaction of the mortgage loan by the purchaser of the property.

Commitments

Capital commitments outstanding as at 31 December 2023 contracted but not provided for in the financial statements were as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Construction and development contracts	**2,883,733**	1,348,488

Key Financial Ratios

The following table sets out our key financial ratios as of the dates indicated:

	As at 31 December	
	2023	2022
Current ratio[(1)]	**1.39**	1.40
Gearing ratio[(2)]	**35.0%**	34.7%

Notes:

(1) Current ratio is calculated by dividing current assets by current liabilities.

(2) Gearing ratio is calculated by dividing bank loans and other borrowings, senior notes and other financial liabilities by total assets.

Foreign Exchange Exposure

The Group's businesses are principally conducted in Renminbi. Other than certain overseas bank deposits and the senior notes denominated in foreign currencies, the Group does not have any material exposure directly due to foreign exchange fluctuations. The management will continue to closely monitor foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

On 13 June 2023, the Group entered into an agreement to dispose the entire equity interests in Shenzhen Baichuan Century Investment Consulting Co., Ltd. to an independent third party at a consideration of RMB60.0 million. For details, please refer to the Company's announcement dated 13 June 2023.

On 15 November 2023, the Group entered into an agreement to dispose the entire equity interests in Shenzhen Jingzhen Industrial Company Limited to an independent third party at a consideration of RMB52.0 million. For details, please refer to the Company's announcement dated 15 November 2023 and the Company's circular dated 30 November 2023.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries, associated companies or joint ventures during FY2023.

Employment and Remuneration Policy

Human resource has always been the most valuable resource of the Group. In terms of the remuneration system, the Group built comprehensive value chains and diversified incentive mechanism, and formed a comprehensive remuneration system with basic salary, performance based salary, short-term incentives as well as medium and long term incentives covering various businesses, which have greatly enhanced the enthusiasm of operation units and employees. The remuneration committee of the Company reviews such packages annually, or when occasion requires. The Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

As at 31 December 2023, the Group had 241 employees (31 December 2022: 855 employees). For FY2023, total staff costs of the Group were approximately RMB103.6 million (FY2022: approximately RMB176.2 million).

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for FY2023 (FY2022: nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float (i.e. at least 25% of the issued Shares has been held in public hands) as required under the Listing Rules during the Year and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company and its subsidiaries have not purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange.

EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events between the end of the Year and the date of this announcement that would have a material impact on the Group.

CORPORATE GOVERNANCE

Save as disclosed in the paragraphs below, the Board is of the opinion that the Company had complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules during the Year.

Compliance with Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules

According to Rules 3.10(1) and 3.10A of the Listing Rules, the Board must include at least three independent non-executive directors and the Company must appoint independent non-executive directors representing one-third of the Board. In addition, Rule 3.21 of the Listing Rules requires, among others, an audit committee to comprise a minimum of three members. Rule 3.27A of the Listing Rules provides that the nomination committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive director.

Following the resignation of Mr. Dai Yiyi ("**Mr. Dai**") as an independent non-executive Director with effect from 7 April 2023, the Board included only two independent non-executive Directors, each of the audit committee (the "**Audit Committee**") and the nomination committee (the "**Nomination Committee**") of the Company comprised only two members. The Nomination Committee did not have a chairman nor a majority of independent non-executive directors. Following the appointment of Mr. Chen Yangsheng as an independent non-executive Director, a member of Audit Committee and the chairman of Nomination Committee of the Company on 5 July 2023, the Company has fully complied with the requirements of under Rules 3.10(1), 3.10A, 3.21 and 3.27A of the Listing Rules. For details, please refer to the announcements of the Company dated 6 April 2023 and 5 July 2023.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions Conducted by the Directors of Listed Issuers (the "**Model Code**") set forth in Appendix C3 of the Listing Rules as the code of conduct of the Company for Directors' securities transactions. Having made specific enquiry to all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code during the Year. Employees who are, or likely to be, in possession of unpublished inside information in relation to the Company or its shares are prohibited from dealing in the shares of the Company during the black-out period.

CONNECTED TRANSACTION

The Board confirmed that, during FY2023, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this announcement pursuant to the Listing Rules.

REVIEW OF ANNUAL RESULTS

The Company's annual results for the year ended 31 December 2023 have been reviewed by the Audit Committee, which opines that applicable accounting standards and requirements have been complied with and that adequate disclosures have been made.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of independent auditor's report issued by the Group's independent auditor:

OPINION

We have audited the consolidated financial statements of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 2 to 17, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1(b)(i) to the consolidated financial statements which states that, the Group incurred a loss of RMB1,205,615,000 for the year ended 31 December 2023 and, as of that date, the Group had net current assets of RMB4,581,846,000, and the Group's current portion of bank loans and other borrowings amounted to RMB1,760,095,000 and senior notes due in 2023 ("**October 2023 Senior Notes**") amounted to RMB111,914,000 while its cash and cash equivalents and bank balance of advanced proceed received from property purchasers amounted to RMB25,956,000 and RMB314,547,000, respectively. Moreover, in the opinion of the directors of the Company, certain holders of October 2023 Senior Notes was, for their own reason, not practical to tender for exchange and accept the exchange offer launched by the Company on 17 April 2023 (the "**Exchange Offer**") and the Group was not practical to repay the principal and interest on October 2023 Senior Notes of approximately US$15,801,000 and US$3,283,000 (equivalent to RMB111,914,000 and RMB23,252,500), respectively, as such holders of October 2023 Senior Notes cannot be effectively communicated. As at 31 December 2023 and up to the date of this report, the Group is not practical to effectively communicate with such holders of October 2023 Senior Notes to negotiate for settlement or repayment, and no redemption notice received in respect of the October 2023 Senior Notes. Such non-payment of the principal and interest on October 2023 Senior Notes may cause an event of default, and may lead to demand for immediate repayment. In addition, as at 31 December 2023, two loan payables to third party of an aggregated amount of RMB63,000,000 were overdue ("**Overdue Payables**"), and the overdue of these loan payables entitled the lenders a right to demand immediate repayment. Besides, subsequent to the end of the reporting period, the Group has applied or started substantial negotiation with banks on extension or renewal of the remaining bank borrowings of approximately RMB1,647.5 million, which originally due within 12 months from end of the reporting period. Further, in view of the current condition of the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its inventories and/or have the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the directors of the Company, the Group can meet its financial obligations as and when they fall due within the next twelve months, after taking into consideration of the measures and arrangements made by the Group as set out in note 1(b)(i) to the consolidated financial statements. Our opinion is not modified in respect of this matter."

PUBLICATION OF AUDITED ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.youngogroup.com. The annual report of the Company for FY2023 will be available on the above websites in due course.

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

Hong Kong, 28 March 2024

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.