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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Guangdong – Hong Kong Greater Bay Area Holdings Limited**, you should at once hand the Prospectus Documents, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “(16) DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents or other documents referred to above.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the risks of dealings in the existing Shares and nil-paid Rights Shares” in the “Letter from the Board” in this Prospectus.

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**YOUNGO** 粵港灣

## 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)**

### **RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE**

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Capitalised terms used in this cover page shall have the same meaning as those defined in this Prospectus.

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Tuesday, 22 October 2024. The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Proposed Rights Issue – Procedures for acceptance, splitting of PAL and payment and/or transfer” in the “Letter from the Board” of this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Wednesday, 25 September 2024. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 9 October 2024 to Thursday, 17 October 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (where applicable), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. **Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. The Rights Issue is subject to fulfillment or satisfaction of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this Prospectus. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

7 October 2024

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## EXPECTED TIMETABLE

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*Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that the conditions of the Rights Issue will be fulfilled:*

<b>Events</b>	<b>Time and Date</b>
Despatch of the Prospectus Documents to the Qualifying Shareholders (in the case of Excluded Shareholders, the Prospectus only) . . . . .	Monday, 7 October 2024
Effective date of change in board lot size from 2,000 Shares to 8,000 Shares . . . . .	Monday, 7 October 2024
Designated broker starts to stand in the market to provide matching services for odd lots of Shares . . . . .	9:00 a.m. on Monday, 7 October 2024
First day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 9 October 2024
Latest time for splitting of the PALs. . . . .	4:30 p.m. on Monday, 14 October 2024
Last day of dealings in nil-paid Rights Shares . . . . .	Thursday, 17 October 2024
<b>Latest time for acceptance and payment for rights shares and application for excess rights shares . . . . .</b>	<b>4:00 p.m. on Tuesday, 22 October 2024</b>
Latest time for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Monday, 28 October 2024
Announcement of the allotment results of the Rights Issue . . . . .	Tuesday, 29 October 2024
Despatch of Share certificates for fully-paid Rights Shares . . . . .	Wednesday, 30 October 2024
Refund cheques, if any, to be despatched . . . . .	Wednesday, 30 October 2024
Expected commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 31 October 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares . . . . .	4:00 p.m. on Wednesday, 20 November 2024

All times and dates in this Prospectus refer to Hong Kong local times and dates.

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## **EXPECTED TIMETABLE**

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Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above or “extreme conditions” announced by the Government of Hong Kong in force in Hong Kong on Tuesday, 22 October 2024, being the date of the Latest Time of Acceptance:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 22 October 2024. The latest time for acceptance of and payment for the Rights Shares will instead be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 22 October 2024. The latest time for acceptance of and payment for the Rights Shares will instead be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place by 4:00 p.m. on Tuesday, 22 October 2024, the dates mentioned in the “EXPECTED TIMETABLE” above may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable of the Rights Issue as soon as practicable.

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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms or expressions shall have the following meanings:*

“Announcement”	the announcement of the Company dated 2 September 2024 in relation to, among other things, the Rights Issue and Change in Board Lot Size
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and any day on which “extreme conditions” is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon or on which a “black” rainstorm warning is in effect or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares per board lot to 8,000 Shares per board lot
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1396)

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## DEFINITIONS

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“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess of their entitlements under the Rights Issue
“EGM”	extraordinary general meeting of the Company held and convened on 23 September 2024 to consider and approve the Increase in Authorised Share Capital
“Excluded Shareholder(s)”	such Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)

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## DEFINITIONS

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“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	2 September 2024, being the last full trading day for the Shares prior to the release of the announcement of the Company dated 2 September 2024, in relation to, among other things, the Rights Issue
“Latest Practicable Date”	27 September 2024, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 22 October 2024, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	the Shareholder(s) (whose names appears on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	this prospectus to be issued to the Shareholders containing, among other things, details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)

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## DEFINITIONS

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“Prospectus Posting Date”	Monday, 7 October 2024 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 4 October 2024 or such other date as the Company may determine, being the date by reference to which the Shareholders’ entitlements to the Rights Shares pursuant to the Rights Issue are to be determined
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the pursuant to the Prospectus Documents
“Rights Share(s)”	up to 271,367,700 new Shares (assuming no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares) to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares in the issued share capital of the Company, with a par value of HK\$0.10 each
“Share Option(s)”	the share options granted by the Company pursuant to the Share Option Scheme



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## DEFINITIONS

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“Share Option Scheme”	the share option scheme of the Company adopted on 30 May 2019
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.23 per Rights Share
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“trading day”	means a day on which the Stock Exchange is open for the trading of securities
“USA”	United States of America
“%”	per cent

*The English text of this Prospectus and accompanying PAL and EAF shall prevail over their respective Chinese text in case of inconsistency.*

**YOUNGO** 粵港灣

**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)**

*Executive Directors:*

Mr. Luo Jieping (*Chairman*)  
Mr. Wong Choi Hing (*Co-Chairman*)  
Mr. Cai Hongwen (*Co-Chairman*)  
Mr. He Fei (*Chief Executive Officer*)  
Ms. Wei Haiyan

*Registered office:*

PO Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

*Non-executive Director:*

Mr. Zeng Yunshu

*Headquarters:*

Level 32, Block A  
Hong Long Century Plaza  
Luohu District  
Shenzhen, PRC

*Independent non-executive Directors:*

Mr. Guan Huanfei  
Mr. Han Qinchun  
Mr. Chen Yangsheng

*Principal place of business in Hong Kong:*

Unit 916, 9/F  
China Merchants Tower  
Shun Tak Centre  
168–200 Connaught Road Central  
Hong Kong

7 October 2024

*To: the Qualifying Shareholders and,  
for information purpose only, the Excluded Shareholders*

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement in relation to, amongst other things, the Rights Issue and the Change in Board Lot Size. In the Announcement, it is stated that the Company proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2)

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## LETTER FROM THE BOARD

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existing Shares held by the Qualifying Shareholders on the Record Date, at the Subscription Price of HK\$0.23 per Rights Share, to raise gross proceeds of approximately HK\$62.41 million before deducting the costs and expenses by way of issuing up to 271,367,700 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares).

The Rights Issue is not underwritten and will not be extended to the Excluded Shareholder(s) (if any).

The purposes of this Prospectus are to provide you with, among other things, (i) further information on the Rights Issue; and (ii) certain financial and other general information of the Group as required under the Listing Rules.

### PROPOSED RIGHTS ISSUE

Details of the Rights Issue are set out as follows:

#### Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.23 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	542,735,400 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 271,367,700 Rights Shares (assuming no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares)
Aggregate nominal value of the Rights Shares	:	Up to HK\$27,136,770.00 (assuming no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares)
Number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 814,103,100 Shares (assuming (i) the passing of the ordinary resolution at the EGM in approving the Increase in Authorised Share Capital; and (ii) no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares)

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## LETTER FROM THE BOARD

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- Amount to be raised by the Rights Issue before expenses : Up to approximately HK\$62.41 million (assuming no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares and all the Rights Shares will be taken up)
- Right of excess applications : Qualifying Shareholders are entitled to apply for the Rights Shares in excess of their provisional allotment pursuant to Rule 7.21(1)(a) of the Listing Rules

Assuming that there is no change in the issued share capital of the Company up to the Record Date other than the allotment and issue of the Rights Shares, the maximum number of 271,367,700 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent 50.00% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of the Company of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

### **Subscription Price**

The Subscription Price of HK\$0.23 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price of HK\$0.23 per Rights Share represents:

- (i) a premium/discount of approximately 42.50% to the closing price of HK\$0.40 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 22.03% to the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on 2 September 2024, being the Last Trading Day;
- (iii) a discount of approximately 21.77% to the average closing price of HK\$0.294 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 26.63% to the average closing price of approximately HK\$0.314 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

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## LETTER FROM THE BOARD

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- (v) a discount of approximately 15.85% to the theoretical ex-rights price of approximately HK\$0.273 per Share based on the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 8.28%, represented by the theoretical diluted price of approximately HK\$0.281 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.306 per Share, taking into account the closing price on the Last Trading Day of HK\$0.295 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.306 per Share;
- (vii) a discount of approximately 94.87% to the consolidated net asset value per Share of approximately RMB4.125 (representing approximately HK\$4.484) based on the latest published audited net asset value attributable to owners of the Company of approximately RMB2,238.66 million (representing approximately HK\$2,433.33 million as disclosed in the annual report of the Company for the year ended 31 December 2023 and 542,735,400 Shares in issue as at the Latest Practicable Date); and
- (viii) a discount of approximately 90.50% to the consolidated net asset value per Share of approximately RMB2.226 (representing approximately HK\$2.420) based on the latest published unaudited net asset value attributable to owners of the Company of approximately RMB1,208.37 million (representing approximately HK\$1,313.44 million) as disclosed in the interim report of the Company for the six (6) months ended 30 June 2024 and 542,735,400 Shares in issue as at the date of the Latest Practicable Date).

The Subscription Price was determined with reference to (i) the market price of the Shares under the prevailing market conditions and the Shares' recent trading volume; (ii) the financial position of the Group (particularly in respect of the Company recorded a net loss before taxation of approximately RMB1.027 billion (representing approximately HK\$1.116 billion) for the year ended 31 December 2023); and (iii) the reasons as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this Prospectus.

With respect to the Subscription Price, the Directors are of the view that the Subscription Price is set at a level considerably lower than that of the price of the Shares as at the Latest Practicable Date, which enhances the attractiveness of the Rights Issue, and in turn encourages the Qualifying Shareholders to participate in the Rights Issue and subscribe for the Rights Shares in proportion to such Qualifying Shareholders' existing shareholding in the Company.

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## LETTER FROM THE BOARD

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With the relatively large discount noted from (vii) and (viii) above, the Board has also taken into account of the prevailing market price of the Company price for (1) the period from 2 January 2024 up to the Last Trading Day; and (2) the six-month period up to the Last Trading Day.

For the period mentioned in (1), being a period three months longer than that of (2), the closing price of the Shares ranged from HK\$0.238 to HK\$0.750, representing a discount ranging from approximately 83.27% to 94.69%, resulting in an average discount of approximately 88.98% to the consolidated net asset value per Share based on the latest published audited net asset value attributable to owners of the Company. Such range of closing price also represents a discount ranging from approximately 69.01% to 90.17%, resulting in an average discount of approximately 79.59% to the consolidated net asset value per Share based on the latest published unaudited net asset value attributable to owners of the Company.

For the period mentioned in (2), the closing price of the Shares ranged from HK\$0.088 to HK\$0.750, representing a discount ranging from approximately 83.27% to 98.04%, resulting in an average discount of approximately 90.66% to the consolidated net asset value per Share based on the latest published audited net asset value attributable to owners of the Company. Such range of closing price also represents a discount ranging from approximately 69.01% to 96.36%, resulting in an average discount of approximately 82.69% to the consolidated net asset value per Share based on the latest published unaudited net asset value attributable to owners of the Company.

Given that the Shares have been consistently traded at a level substantially below the consolidated net asset value attributable to the Shareholders per Share since the commencement of 2024 up to the Last Trading Day as mentioned above, the Directors consider that, in determining the Subscription Price, it is fair and reasonable to make reference primarily to the market price of the Shares, which reflects the fair market value of the Shares, rather than the net asset value attributable to the Shareholders per Share.

Therefore, with respect to the above factors, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares is estimated to be approximately HK\$0.226 (assuming no change in the issued share capital of the Company on or before the Record Date other than the allotment and issue of the Rights Shares).

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## LETTER FROM THE BOARD

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### **Non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the ultimate level of acceptances of the provisionally allotted Rights Shares.

In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue, and there are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) or applies for excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code.

Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue under the PAL or for excess Rights Shares under the EAF will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) does not result in the non-compliance of the public float requirements under Rule 8.08 of the Listing Rules on the part of the Company.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholder as at the close of business on the Record Date.

The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance by cheque or banker's cashier order for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

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## LETTER FROM THE BOARD

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Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed “Fractional entitlements to the Rights Shares” below.

### Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders and will not be available to the Excluded Shareholders on the Record Date. The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, despatch the Prospectus (without the PAL or the EAF) to the Excluded Shareholders (if any) for their information only.

To qualify for the Rights Issue, a Shareholder (i) must be registered as a member of the Company on the Record Date; and (ii) is not an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, a Shareholder must have lodged the relevant transfer(s) of Share(s) (with the relevant share certificates and instruments of transfer) with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 4:30 p.m. on Thursday, 26 September 2024.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 26 September 2024.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be accordingly diluted.**



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## LETTER FROM THE BOARD

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### **Rights of Overseas Shareholders (if any)**

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

As at the Latest Practicable Date, with reference to the most updated information available from the Registrar regarding the Shareholders, there are a total of two (2) Overseas Shareholder(s) with registered addresses situated outside Hong Kong and all of such Overseas Shareholders' registered addresses are situated in the BVI, and who are interested in aggregate of 87,208,711 Shares, representing approximately 16.07% of the total number of the issued Shares.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders.

Based on the legal advice provided by the legal advisers as to the BVI law engaged by the Company as at the Latest Practicable Date and having considered the circumstances, the Directors are of the opinion that there is no legal restriction or requirement of any relevant regulatory body or stock exchange in BVI with respect to extending the Rights Issue to the Overseas Shareholders with registered address in the BVI. Based upon such legal advice, the Directors have decided to extend the Rights Issue to the BVI Shareholder(s), and the BVI Shareholder(s) shall therefore be Qualifying Shareholders.

It is the responsibility of the BVI Shareholder(s) to observe the local legal and regulatory requirements applicable to them for taking up and onward sale (if applicable) of the Rights Shares.

As at the Latest Practicable Date, there was no Excluded Shareholder. Given the register of members is closed from Friday, 27 September 2024 to Friday, 4 October 2024, the Company confirms the above information regarding Overseas Shareholder(s) and their shareholding are true and accurate as at the Record Date, and there will be no Excluded Shareholder as at the Record Date for the purpose of the Rights Issue.

It should be remarked that, if a Shareholder resides outside Hong Kong and/or any other overseas resident (including both individuals and companies) wish to invest in the Rights Shares (whether in nil-paid or fully-paid form), he/she/it shall be responsible for complying with the relevant laws of the relevant territory or jurisdiction. The Company will not be responsible for verifying the legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the laws of the relevant territory or jurisdiction by any such Shareholder and/or resident, the Company shall not be obliged to issue the Rights Shares (whether in nil-paid or fully-paid form) to any such Shareholder and/or resident, if issuing the Rights Shares (whether in

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## LETTER FROM THE BOARD

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nil-paid or fully-paid form) to them is not compliant with the relevant laws or requirements of the of the relevant territory or jurisdiction.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

**The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

**The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, Rights Shares (whether in nil-paid or fully-paid form) or to take up any entitlements to Rights Shares (whether in nil-paid or fully-paid form) in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.**

### **Fractional entitlements to the Rights Shares**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) and sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the dealings in nil-paid Rights Shares end, for the benefit of the Company if a premium in excess of all expenses of sale can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the section headed "Application for Excess Rights Shares" below.

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## LETTER FROM THE BOARD

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### **Application for the Rights Shares**

The PALs and the EAFs relating to the Rights Shares will be enclosed with this Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein and application by Qualifying Shareholders shall be made by completing such form(s) and lodging the same with separate remittance for the Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

### **Procedures for acceptance, splitting of PAL and payment and/or transfer**

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by not later than 4:00 p.m. on Tuesday, 22 October 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “Effect Of Bad Weather on the Latest Time For Acceptance of and Payment for the Rights Shares” in “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED – PAL**” and crossed “**ACCOUNT PAYEE ONLY**”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 22 October 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage. Qualifying Shareholder(s) must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 14 October 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights

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Shares. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully.

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” of this Prospectus is not fulfilled on Monday, 28 October 2024 or such later date as may be considered by the Company, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 30 October 2024.

### *Cheques and cashier orders*

All cheques and cashier’s orders accompanying completed PALs will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier’s order in payment for the Rights Shares, whether by a Qualifying Shareholder or any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier’s order is dishonoured on first presentation, and in that event the relevant provisional allotment of Rights Shares and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for Rights Shares, and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque, without interest, will be made out to you only if the overpaid amount is HK\$100 or above. No receipt will be issued in respect of any PAL and/or relevant remittance received.

### *Beneficial owners’ instructions to their Intermediary*

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially

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interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

### **Application for Excess Rights Shares**

The Company shall make the excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the excess Rights Shares represent:

- (i) any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (ii) any Rights Share(s) (in nil-paid form) provisionally allotted but not accepted by any of the Qualifying Shareholders prior to the Latest Time for Acceptance; and
- (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker’s cashier order for the sum payable for the excess Rights Shares being applied for with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Tuesday, 22 October 2024 (Hong Kong time).

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is expected to be at 4:00 p.m. on Tuesday, 22 October 2024 (Hong Kong time).

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Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “EXPECTED TIMETABLE” as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

Beneficial owners who are HKSCC participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for Excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant HKSCC participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate. The procedures for application for excess Rights Shares shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by not later than 4:00 p.m. on Tuesday, 22 October 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED – EAF**” and crossed “**ACCOUNT PAYEE ONLY**”.

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Tuesday, 29 October 2024. If no Excess rights shares are allotted and issued to a Qualified Shareholder, the amount tendered on application is expected to be refunded to that Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at risk of such Qualified Shareholder on or before Wednesday, 30 October 2024. If the



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number of Excess rights shares allotted and issued to a Qualified Shareholder is less than the number applied for, the surplus application monies are also expected to be refunded to such Qualified Shareholder without any interest by means of cheque(s) despatched by ordinary post and at risk of such Qualified Shareholder on or before Wednesday, 30 October 2024.

All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Excess Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Completion and return of the EAF together with a cheque or a banker's cashier order in payment for the Excess rights shares applied for will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereto, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation, and in that event, all rights thereunder will be deemed to have been declined and will be cancelled.

The EAF is for use only by the Qualifying Shareholders to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If any of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in this "Letter from the Board" of this Prospectus is not fulfilled on Monday, 28 October 2024 or such later date as may be considered by the Company, the Rights Issue will not proceed, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheque(s) despatched by ordinary post and at risk of such Qualified Shareholder on or before Wednesday, 30 October 2024. It should be noted that no receipt will be issued in respect of any EAF and/or remittances received.

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## LETTER FROM THE BOARD

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### **Distribution of the Prospectus Documents**

The Prospectus Documents are not intended to be, have not been and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will only send this Prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this Prospectus, for information purposes only, to the Excluded Shareholders (if any). The Company will not send any PALs and EAFs to the Excluded Shareholders (if any).

Distribution of this Prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or beneficial owner of the Shares who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Receipt of this Prospectus and/or a PAL and/or a EAF or the crediting of nil-paid rights to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or a EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or a EAF or whose stock account in CCASS is credited with nil-paid rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil-paid rights to any person in, into or from, any such jurisdiction. If a PAL or an EAF or a credit of nil-paid rights in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL and/or the EAF or transfer the PAL or transfer the nil-paid rights in CCASS unless the Company determines that such action would not violate any applicable legal or regulatory requirements.

Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this Prospectus or a PAL or an EAF in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the written consent of the Company.

Beneficial owners of the Shares who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or



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## LETTER FROM THE BOARD

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any solicitation of any offer to acquire, nil-paid rights or fully-paid Rights Shares or to take up any entitlements to nil-paid rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions:

- (i) the passing by the Shareholders at the EGM of the necessary resolution(s) to approve the Increase in Authorised Share Capital;
- (ii) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iii) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance by no later than the Prospectus Posting Date; and
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders (and where applicable, the posting of the Prospectus to the Excluded Shareholders, if any, for information purposes only) by the Prospectus Posting Date.

None of the above conditions precedent can be waived. As at the Latest Practicable Date save and except for condition under paragraph (i) having been fulfilled, none of the above conditions has been fulfilled. If any of the conditions precedent are not satisfied by Monday, 28 October 2024 (or where time is specified, such condition(s) precedent is not satisfied at or prior to such time stipulated therein), the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, such Rights Issue may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

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## LETTER FROM THE BOARD

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### **Application for listing of the Rights Shares**

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms will be in the new board lots of 8,000 Rights Shares.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Odd lots arrangements and matching services**

To alleviate the difficulties in trading odd lots of the Shares arising from the Rights Issue, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 7 October 2024 to 4:00 p.m. on Wednesday, 20 November 2024 (both days inclusive).

Holders of the Shares in odd lot who wish to take advantage of this facility to either dispose of their odd lots of the Shares or top up their odd lots to a full board lot may directly or through their brokers contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: (852) 2862 8555) during office hours, i.e. 9:00 a.m. to 4:30 p.m., within such period. Shareholders would like to match odd lots are recommended to make an appointment in advance by dialing the telephone number of Computershare Hong Kong Investor Services Limited set forth above.

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## LETTER FROM THE BOARD

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Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangements.

### **Stamp duty and other applicable fees**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of (i) stamp duty; (ii) the Stock Exchange trading fee; (iii) SFC transaction levy; and (iv) any other applicable fees and charges in Hong Kong.

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Taxation**

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out in the sub-section headed “Conditions of the Rights Issue” in this Prospectus, share certificates for all fully-paid Rights Shares are expected to be posted on or about Wednesday, 30 October 2024 by ordinary post to the allottees (i.e. those who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares), at their own risk, to their registered addresses.

If the Rights Issue does not become unconditional, refund cheques will be posted on or before Wednesday, 30 October 2024 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Wednesday, 30 October 2024 by ordinary post to the addresses as aforesaid at the respective Shareholders’ own risks.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the development, sales and operation of residential properties, commercial trade and logistics centers in the PRC.

The real estates market of the PRC is currently undergoing a period of fundamental adjustment. Despite the frequent implementation of housing support policies since 2023, the real estates market continued to decline in the first half of 2024. Affected by various unfavorable factors such as macro economy, real estate market environment and financial environment, the Group has been under enormous operating, financial and cash flow pressure. In light of this, the Group has implemented a wide range of measures including 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 in order to bolster liquidity. Despite the efforts, the sales performance has remained unsatisfying and persistently declined, and the Group has incurred net loss for three consecutive years since 2021, asset disposals and collection of other receivables had been difficult and slow in light of the adverse market condition.

In order to ensure the delivery of properties and the operation and long-term development of the Group, as part of these efforts, the Directors have considered various ways of raising funds and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer.

Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as it may be subject to lengthy due diligence and negotiations with financial institutions, it may as well require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

On the other hand, the Board considers that the Rights Issue, being pre-emptive in nature, would allow all Qualifying Shareholders to participate in the future growth and development of

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## LETTER FROM THE BOARD

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the Group and at the same time offer the Qualifying Shareholders to maintain their respective proportional shareholdings in the Company by taking up their respective rights entitlement, especially in view of the incentive for participating in the Rights Issue and subscribing for the Rights Shares given the substantial discount of the Subscription Price as compared to the current market price of the Shares. Furthermore, the Qualifying Shareholders are offered more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

The Rights Issue, if substantiated, will be able to strengthen the financial position of the Group by raising additional funds and thereby providing a higher liquidity to increase the Group's operational flexibility and to sustain its capability for financing any of its potential business development opportunities upon the Group's existing businesses and/or anticipated expansion, as and when suitable opportunity arises.

Therefore, the Directors are of the view that the Rights Issue, as a fundraising method, is in the best interests of the Company and the Shareholders as a whole for the purposes of strengthening the capital base of the Company, and in turn supporting the Company's continuing development and business growth. In addition, the Company had preliminarily consulted brokerage companies for the Rights Issue to be conducted by an underwriter, but due to the relatively weak market sentiments, no favorable feedback is received. As such, the Company, having considered the other fund-raising alternatives, the costs and unfavourable feedback of underwriting services and the proposed terms of the Rights Issue and the Subscription Price, subsequently decided that the conducting of the Rights Issue on a non-underwritten basis with the option opened to Qualifying Shareholders to subscribe for excess Rights Shares, is an arrangement which is in the interest of the Company and its Shareholders as a whole.

With respect to the Rights Issue, the Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements), and it would provide an opportunity to the Qualified Shareholders to apply for the Rights Shares on a pro rata basis at the Subscription Price and, subject to market demand, would provide the Qualifying Shareholders with the flexibility to sell some or all their provisional allotment in the open market and realise the cash value therefrom.

The Company may raise, through the Rights Issue, gross proceeds of up to approximately HK\$62.41 million and the net proceeds (after deducting the relevant costs and expenses of the Rights Issue) of up to approximately HK\$61.30 million, assuming the full acceptance of the Rights Issue and no new Shares will be allotted or issued on or before the Record Date. If there is an under-subscription of the Rights Issue, the amount of the net proceeds of the Rights Issue will reduce accordingly. The Company intends to apply the net proceeds from the Rights Issue for general working capital purpose including the payment of construction amount to ensure the

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## LETTER FROM THE BOARD

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property deliveries, the payment of tax expenses, the payment of interests for bank loans, and other daily operating expenses such as the staff cost, the rental expense and other maintenance expense.

Based on the above, the Board considers that raising capital through the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**For the avoidance of doubt, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s) (if any) should note that their shareholdings will be diluted.**

### **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

The following are fund raising activities of the Company during the past 12 months immediately preceding the Latest Practicable Date:

<b>Date of announcements</b>	<b>Fundraising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of net proceeds</b>	<b>Actual use of net proceeds</b>
13 May 2024, 14 May 2024 and 28 May 2024	Subscription of new shares	HK\$8,400,000.00	General working capital of the Group	Used as intended

## LETTER FROM THE BOARD

### EFFECTS OF THE RIGHTS ISSUE ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares from the date of this Prospectus up to and including the date of completion of the Rights Issue, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, for illustrative purpose only, set out below is the shareholding structure of the Company (i) as at the date of this Prospectus; and (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders	
	No. of Shares	Approximate %	No. of Shares	Approximate %
China Guangdong – Hong Kong Greater Bay Area Holdings Limited (“China GBA Holdings”) (Note 1)	276,443,711	50.94	414,665,566	50.94
Eminent Ascend Limited (Note 2)	33,280,000	6.13	49,920,000	6.13
Mr. He Fei (Note 3)	22,686,770	4.18	34,030,155	4.18
Other Public Shareholders	210,324,919	38.75	315,487,379	38.75
Total (Note 4)	<u>542,735,400</u>	<u>100.00</u>	<u>814,103,100</u>	<u>100.00</u>

*Notes:*

- China GBA Holdings is owned as to 84% by Ruixinhaide Holdings Limited (“**RXHD Holdings**”), RXHD Holdings is owned as to 100% by Solid Wealth Holdings Limited (“**Solid Wealth**”), and Solid Wealth is owned as to 90% by Rich Grain Investments Limited (“**Rich Grain**”), which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 276,443,711 Shares through China GBA Holdings, RXHD Holdings, Solid Wealth and Rich Grain, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan (Mr. Luo Jieping, an executive Director) is also deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.
- Eminent Ascend Limited is wholly-owned by Sunet Global Limited, which in turn wholly-owned by Mr. Wong Kim, hence each of Sunet Global Limited and Mr. Wong Kim is deemed to be interested in all the Shares held by Eminent Ascend Limited, and the spouse of Mr. Wong Kim is deemed to be interested in the Shares which Mr. Wong Kim is interested in under Part XV of the SFO.
- Mr. He Fei, an executive Director, beneficially owns 22,686,770 shares of the Company, and the spouse of Mr. He Fei is deemed to be interested in the Shares which Mr. He Fei is interested in under Part XV of the SFO. Furthermore, Mr. He Fei also holds 1,200,000 share options of the Company.
- Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

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## LETTER FROM THE BOARD

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The public float requirements under the Listing Rules shall be maintained by the Company at all times, and the Company will take all appropriate steps to ensure that sufficient public float shall be at all times in compliance with Rule 8.08 of the Listing Rules. As set out in the section headed “Proposed Rights Issue – Non-underwritten basis”, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue under the PAL or for excess Rights Shares under the EAF will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) does not result in the non-compliance of the said public float requirements on the part of the Company.

### **PROPOSED CHANGE IN BOARD LOT SIZE**

As at the Latest Practicable Date, the Shares are traded on the Stock Exchange in board lot size of 2,000 Shares.

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 8,000 Shares with effect from 9:00 a.m. on Monday, 7 October 2024. Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by The Hong Kong Exchange and Clearing Limited, the expected value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the Change in Board Lot Size is in the interests of the Company and its Shareholders as a whole. Shareholders should take note that Shareholders’ approval is not required for the Change in Board Lot Size.

Based on the theoretical ex-rights price of approximately HK\$0.273 per Share (calculated based on the closing price of HK\$0.295 per Share as quoted on the Stock Exchange on the Last Trading Day), the market value of each existing board lot is HK\$546 and the estimated market value of each proposed new board lot is HK\$2,184.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 7 October 2024 to 4:00 p.m. on Wednesday, 20 November 2024 (both days inclusive).



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## LETTER FROM THE BOARD

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Holders of the Shares in odd lot who wish to take advantage of this facility to either dispose of their odd lots of the Shares or top up their odd lots to a full board lot may directly or through their brokers contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: (852) 2862 8555) during office hours within such period. Shareholders would like to match odd lots are recommended to make an appointment in advance by dialing the telephone number of Computershare Hong Kong Investor Services Limited set forth above.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement.

All existing share certificates in board lot of 2,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in the board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 2,000 Shares to new share certificate in board lot size of 8,000 Shares is necessary.

### **POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME**

As at the Latest Practicable Date, there are 1,200,000 outstanding Share Options granted by the Company exercisable into 1,200,000 Shares. Pursuant to the terms of the Share Option Scheme, the subscription prices on the exercise of the Share Options and/or number of Shares related to the Share Options under the Share Option Scheme may be adjusted in accordance with the Share Option Scheme upon the Rights Issue becoming unconditional.

With respect to the outstanding Share Options aforementioned, these Share Options will only be vested on 1 April 2025 with the capability of being exercised within three (3) months from the vesting date (i.e. up to 1 July 2025). Therefore, these Share Options have not yet vested and not exercisable as at the Latest Practicable Date.

The Company will notify the holders (if any) of the Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed Rights Issue; or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not conditional upon approval by the Shareholders. The Rights Issue will be carried out in compliance with Rule 7.21(1)(a) of the Listing Rules.

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as those terms are defined under Rule 7.27B of the Listing Rules) for the Rights Issue are approximately HK\$0.281 per Share, HK\$0.306 per Share and approximately 8.28%, respectively. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

### WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

**The Rights Issue is subject to the fulfilment of conditions including, amongst other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this Prospectus. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.**

**Any dealings in the Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.**

**Shareholders and potential investors of the Company contemplating any dealings in the Shares and/or Rights Shares in their nil-paid form are advised to exercise caution and recommended to consult their professional advisers.**

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is drawn to the drawn to the additional information set out in the appendices to this Prospectus.

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

**1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP**

The financial information of the Group for (i) each of the three financial years ended 31 December 2021, 2022 and 2023 were disclosed in the annual reports of the Company for the years ended 31 December 2021 (pages 64 to 232), 2022 (pages 68 to 240) and 2023 (pages 116 to 284) respectively; and the financial information of the Group for the 6-month ended 30 June 2024 was disclosed in the interim report of the Company for the 6-month period ended 30 June 2024. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.youngogroup.com](http://www.youngogroup.com)). Please refer to the hyperlinks as stated below:

**Annual Report for the year ended 31 December 2021**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042904607.pdf>

**Annual Report for the year ended 31 December 2022**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802765.pdf>

**Annual Report for the year ended 31 December 2023**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041902264.pdf>

**Interim Report for the six months ended 30 June 2024**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0829/2024082900017.pdf>

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the indebtedness of the Group was as follows:

	<b>31 August 2024</b> <i>RMB'000</i>
<b>Current</b>	
<b>Secured</b>	
– short-term bank loans and other borrowings	48,970
– current portion of non-current bank loans and other borrowings	982,885
<b>Unsecured</b>	
US\$ senior notes due in 2023	112,383
<b>Non-current</b>	
<b>Secured</b>	
Bank loans and other borrowing	
– repayable after 1 year but within 2 years	880,582
– repayable after 2 years but within 5 years	750,970
– repayable after 5 years	90,473
<b>Unsecured</b>	
US\$ senior notes due in 2029	<u>3,148,025</u>
<b>Total</b>	<u><u>6,014,288</u></u>

As at 31 August 2024, the above bank loans and other borrowings and US\$ senior notes with an aggregate amount of approximately RMB6,014,288,000 are guaranteed indebtedness of the Group.

As at 31 August 2024, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB2,891.40 million.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, at the close of business on 31 August 2024, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

**3. WORKING CAPITAL STATEMENT**

The Directors, after due and careful consideration, are of the opinion that, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this Prospectus. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Although local governments of many cities of the PRC provide support by means of implementing policies on the demand side to boost sentiment to acquire properties and have been loosening the supply side restrictions gradually, the management believes it takes time to restore the confidence of creditors and home buyers. In the short term, the pressure of deleveraging inventories still exists and the suppressed sentiment to acquire properties will take time to recover. Delivery of properties on time is the priority target of the Group at this stage. The Group will work relentlessly to achieve “three guarantees” (“guarantee delivery of properties”, “guarantee sales” and “guarantee repayment”) and strive for long-term “survival”.

The Group will continue to implement a strict construction progress supervision system and utilize the precious financial resources for payment of construction amount to ensure that property projects under sales are delivered on schedule.

Although the current sales environment remains weak, the Group will continue to increase sales efforts and adopt all marketing strategies to promote sales de-marketing, and increase efforts to collect sales receivables. Moreover, the Group will continue to strive for enhancing the Group’s cash inflow to meet the Company’s debt repayment obligations, including promoting sales, increase sales collections, increase collections of other receivables, seeking debt refinancing, project sales, etc., so as to the Company to operate stably.

*For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue.*

*Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.*

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 (the “Unaudited Pro Forma Financial Information”) which has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and on the basis of the notes set out below for the purpose of illustrating the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2023 or at any future date.

The following Unaudited Pro Forma Financial Information of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023, extracted from the published annual report of the Group for the year ended 31 December 2023, with adjustment described below:

Adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at December 2023 immediately upon completion of the Rights Issue	Adjusted consolidated net tangible assets of the Group per Share attributable to owners of the Company immediately before the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share upon completion of the Rights Issue
<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i> <i>(Note 3)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 4)</i>	<i>RMB</i> <i>(Note 5)</i>
Based on proposed 271,367,700 Rights Shares at subscription price of HK\$0.23 per Rights Share <i>(Note 1)</i>	2,234,736	55,555	2,290,291	4.1175
<u>2,234,736</u>	<u>55,555</u>	<u>2,290,291</u>	<u>4.1175</u>	<u>2.8133</u>

*Notes:*

- (1) Proposed 271,367,700 Rights Shares (assuming there is no change in the number of Shares in issue on or before the Record Date) with an aggregate nominal value of HK\$27,136,770.
- (2) The adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2023 was approximately RMB2,234,736,000, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2023 of RMB2,244,433,000, adjusted by intangible assets of RMB9,697,000 as shown on the audited consolidated statement of financial position of the Group as at 31 December 2023, as extracted from the published annual report of the Company for the year ended 31 December 2023.



- (3) The estimated net proceeds from the Rights Issue is approximately HK\$61,305,000 (equivalent to approximately RMB55,555,000) are based on 271,367,700 Rights Shares to be issued at the Subscription Price of HK\$0.23 per Rights Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$1,110,000 (equivalent to approximately RMB1,006,000).
- (4) The adjusted consolidated net tangible assets of the Group per share attributable to the owners of the Company per share before the completion of the Rights Issue is determined based on the adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2023 of approximately RMB2,234,736,000 as disclosed in note 2 above, divided by 542,735,400 Shares of the Company in issue as at 31 December 2023.
- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately RMB2,290,291,000 which is arrived at after aggregating the adjusted consolidated net tangible assets of the Group attributable to owners of the Company of approximately RMB2,234,736,000 and the estimated net proceeds of approximately RMB55,555,000 from the Rights Issue (note 2 above) divided by 814,103,100 Shares which comprise 542,735,400 Shares in issue before completion of the Rights Issue and 271,367,700 Rights Shares (assuming no change in the number of Shares on or before the Record Date) were issued immediately after completion of the Rights Issue, assuming the Rights Issue had been completed on 31 December 2023.
- (6) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 March 2024.

*Set out below is the text of a letter received from Elite Partners CPA Limited, the Independent Reporting Accountants to the Board of Directors in respect of the Rights Issue for the purpose of inclusion in this Prospectus.*

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**



**TO THE BOARD OF DIRECTORS OF  
GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (“Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets as at 31 December 2023, and related notes (the “Unaudited Pro Forma Financial Information”) as set out in Appendix II of the prospectus issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of this prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share at the subscription price of HK\$0.23 per rights share (the “Rights Share”) for every two existing shares held on the record date (the “Rights Issue”) as if the transaction had taken place as at 31 December 2023. As part of this process, information about the audited consolidated statement of financial position of the Group as at 31 December 2023, as extracted by the Directors from the Group’s consolidated financial statements as included in the annual report for the year ended 31 December 2023, on which audit report has been published.

**Directors’ Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of the significant transaction on consolidated net tangible assets of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Elite Partners CPA Limited**  
*Certified Public Accountants*

Hong Kong, 7 October 2024

**1. RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

**2. SHARE CAPITAL**

The authorised and issued share capital of the Company (A) as at the Latest Practicable Date; and (B) immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Rights Issue (other than the Rights Shares) and full acceptance by the Qualifying Shareholders) are as follows:

(A) As at the Latest Practicable Date:

HK\$

*Authorised:*

<u>5,000,000,000</u>	Shares of HK\$0.10 each	<u>500,000,000.0</u>
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*Issued and fully paid:*

<u>542,735,400</u>	Shares of HK\$0.10 each	<u>54,273,540.0</u>
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(B) Immediately following the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Rights Issue (other than the Rights Shares) and full acceptance by the Qualifying Shareholders):

HK\$

*Authorised:*

<u>5,000,000,000</u>	Shares of HK\$0.10 each	<u>500,000,000.0</u>
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*Issued and fully paid:*

542,735,400	Shares of HK\$0.10 each	54,273,540.0
<u>271,367,700</u>	Rights Shares to be issued pursuant to the Rights Issue of HK\$0.10 each	<u>27,136,770.0</u>
<u>814,103,100</u>	Issued Shares immediately upon completion of the Rights Issue	<u>81,410,310.0</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. The Rights Shares to be issued will be listed on the Stock Exchange. No Share or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange, other than the Company's 4.5% senior notes due 2029 listed on the Singapore Exchange Securities Trading Limited, details of which can be referred from the content on such senior notes as disclosed and described under the paragraph headed "Senior Notes" of the annual report of the Company for the year ended 31 December 2023.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. Save as disclosed below, the Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert or exchange into the Shares.

**Share Option Scheme**

The Company has adopted the Share Option Scheme. As of the Latest Practicable Date, save for an aggregate of 1,200,000 Share Options exercisable into 1,200,000 Shares, the Company had no outstanding convertible securities, debt securities, derivatives, options, warrants or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, debt securities, derivatives, options and warrants on or before the Record Date.

Details of the outstanding Share Options of the Company as of the Latest Practicable Date are set forth below:

<b>Name of grantee</b>	<b>Date of grant</b>	<b>Exercise Price per Share under the outstanding Share Options</b>	<b>Exercise period of the outstanding Share Options</b>	<b>Number of the Outstanding Share Options as of the Latest Practicable Date</b>
Mr. He Fei (an executive Director)	26 June 2022	HK\$5.0	1 April 2025– 1 July 2025	1,200,000

### 3. DISCLOSURE OF INTERESTS

#### (a) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules, were as follows:

#### (i) Long positions in Shares and underlying Shares of the Company as at the Latest Practicable Date

Name of Directors	Class of Shares/ underlying Shares	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares	Approximate Percentage of the issued share capital of the Company (Note 1)	
					Total	
Mr. Luo Jieping (an executive Director)	Ordinary Shares	Spousal interests (Note 2)	276,443,711	–	276,443,711	50.94
Mr. He Fei (an executive Director)	Ordinary Shares and share options	Beneficial owner	22,686,770	1,200,000	23,886,770 (Note 3)	4.40

*Notes:*

- (1) The percentage of shareholding was calculated on the basis of the Company’s issued share capital of 542,735,400 Shares as at the Latest Practicable Date.
- (2) China Guangdong – Hong Kong Greater Bay Area Holdings Limited (“**China GBA Holdings**”) is owned as to 84% by Ruixinhaide Holdings Limited, Ruixinhaide Holdings Limited (“**RXHD Holdings**”) is owned as to 100% by Solid Wealth Holdings Limited (“**Solid Wealth**”), and Solid Wealth Holdings Limited is owned as to 90% by Rich Grain Investments Limited (“**Rich Grain**”), which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 276,443,711 Shares through the aforementioned holding companies, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan, Mr. Luo Jieping (an executive director of the Company) is deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.



- (3) As at the Latest Practicable Date, Mr. He Fei, an executive Director, beneficially owns 22,686,770 shares of the Company, and the spouse of Mr. He Fei is deemed to be interested in the Shares which Mr. He Fei is interested in under Part XV of the SFO. Furthermore, Mr. He Fei also holds 1,200,000 share options of the Company. Therefore, pursuant to Part XV of the SFO, Mr. He Fei and his spouse are deemed to be interested in 23,886,770 Shares of the Company, representing approximately 4.40% of the issued Shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders**

So far as is known to the Directors and the chief executive, as at the Latest Practicable Date, the following person (not being Director or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

*(i) Long positions in Shares*

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares	Total	Approximate Percentage of the issued share capital of the Company (Note 1)
China GBA Holdings	Beneficial owner	276,443,711 (Note 2)	N/A	276,443,711	50.94
RXHD Holdings	Interest in controlled corporation	276,443,711	N/A	276,443,711	50.94
Solid Wealth	Interest in controlled corporation	276,443,711	N/A	276,443,711	50.94
Rich Grain	Interest in controlled corporation	276,443,711	N/A	276,443,711	50.94
Mr. Zeng Yan	Interest in controlled corporation	276,443,711	N/A	276,443,711	50.94
Eminent Ascend Limited	Beneficial owner	33,280,000 (Note 3)	N/A	33,280,000	6.13
Sunet Global Limited	Interest in controlled corporation	33,280,000	N/A	33,280,000	6.13
Mr. Wong Kim	Interest in controlled corporation	33,280,000	N/A	33,280,000	6.13

*Notes:*

1. The percentage of shareholding was calculated on the basis of the Company's issued share capital of 542,735,400 Shares as at the Latest Practicable Date.
2. China GBA Holdings is owned as to 84% by RXHD Holdings, RXHD Holdings is owned as to 100% by Solid Wealth, and Solid Wealth is owned as to 90% by Rich Grain, which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 276,443,711 Shares through China GBA Holdings, RXHD Holdings, Solid Wealth and Rich Grain, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan, Mr. Luo Jieping (an executive director of the Company) is deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.
3. Eminent Ascend Limited is wholly-owned by Sunet Global Limited, which in turn wholly-owned by Mr. Wong Kim, hence each of Sunet Global Limited and Mr. Wong Kim is deemed to be interested in all the Shares held by Eminent Ascend Limited, and the spouse of Mr. Wong Kim is deemed to be interested in the Shares which Mr. Wong Kim is interested in under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group. Moreover, as at the Latest Practicable Date, save and except Ms. Wei Haiyan (an executive Director), who is the director of each of Solid Wealth and RXHD Holdings, Mr. Zeng Yunshu (a non-executive Director), who is the director of each of RXHD Holdings and China GBA Holdings and Mr. Cai Hongwen (an executive Director), who is the director of China GBA Holdings, the Directors were also not aware of any Director or proposed Director who is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **4. DIRECTORS' COMPETING INTERESTS**

As at the Latest Practicable Date, the following Directors were considered to have interests in the following businesses, which compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to Rule 8.10 of the Listing Rules:

- (a) Mr. Zeng Yunshu is a director of each of Heyuan Guangrun Investment Co., Ltd. and Heyuan Guangrun Industrial Development Co., Ltd.; and
- (b) Mr. Cai Hongwen is a director of each of Heyuan Guangrun Investment Co., Ltd. and Heyuan Guangrun Industrial Development Co., Ltd.

The principal business activities of Heyuan Guangrun Investment Co., Ltd. and Heyuan Guangrun Industrial Development Co., Ltd. are real estate development. The Board considers that the business of aforesaid companies may compete with the business of the Group.

A deed of non-competition (the “**Non-Competition Deed**”) was entered into by Mr. Zeng YunShu, Mr. Cai Hongwen, RXHD Holdings, Hakka Park International Group Co Ltd., Guang Yitong Technology Limited and China GBA Holdings (collectively, the “**Covenantors**”) in favour of the Company. Each of the Covenantors has unconditionally and irrevocably undertaken to the Company that he/it would not, and would procure that his/its associates (other than any members of the Group) would not, during the restricted period, directly or indirectly, either on his/its own account or in conjunction with or on behalf of any person, firm or company, enterprise or organisation, to carry on, develop, be engaged in, operate, participate in, or interest in or render any services to or otherwise be involved in (in each case whether as a shareholder, director, agent, partner, employee or otherwise) any business which is in competition with the business carried on by the Group.

For details of the Non-Competition Deed, reference can be made to the paragraph headed “Enforcement of the Deed of Non-competition” of the annual report of the Company for the year ended 31 December 2023. Further, when making decisions on the business of the Group, the abovementioned Directors, in the performance of his duty as a director of the Company, shall fulfil his fiduciary duties and act in the best commercial interest of the Group as a whole.

## **5. DIRECTORS’ INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased, or which were proposed to be acquired, disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## **6. DIRECTORS’ INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE**

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

## **7. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

## 8. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## 9. MATERIAL CONTRACTS

Save and except for the following agreement, no material contract(s) (not being contracts in the ordinary course of business) has been entered into by members of the Group within the two years preceding the date of the Announcement and up to the Latest Practicable Date and is or may be material:

- (a) the share transfer agreement dated 15 November 2023 entered into between an indirect wholly-owned subsidiary of the Company as vendor and Shenzhen Hong Zhan Investment Company Limited (深圳市弘展投資有限公司) as purchaser, in relation to the disposal of the entire equity interests in a target company.

## 10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors	:	<b>Executive Directors</b> Mr. LUO Jieping ( <i>Chairman</i> ) Mr. WONG Choi Hing ( <i>Co-Chairman</i> ) Mr. CAI Hongwen ( <i>Co-Chairman</i> ) Mr. HE Fei ( <i>Chief Executive Officer</i> ) Ms. WEI Haiyan  <b>Non-executive Director</b> Mr. ZENG Yunshu  <b>Independent non-executive Directors</b> Mr. GUAN Huanfei Mr. HAN Qinchun Mr. CHEN Yangsheng
Registered Office	:	P.O. Box 309, Uglan House Grand Cayman KY1-1104 Cayman Islands
Principal place of business in Hong Kong	:	Unit 916, 9/F China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Hong Kong

Authorised Representatives	:	Mr. Luo Jieping Ms. Liang Lina
Company Secretary	:	Ms. Liang Lina
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue	:	<b>Patrick Mak &amp; Tse</b> Rooms 901–905, 9/F Wing On Centre 111 Connaught Road Central Hong Kong
Reporting accountant	:	<b>Elite Partners CPA Limited</b> <i>Certified Public Accountants and Registered Public Interest Entity Auditor</i> Level 23, YF Life Tower 33 Lockhart Road, Wan Chai, Hong Kong
Principal bankers	:	<b>Agricultural Bank of China</b> 25/F., Agricultural Bank of China Tower 50 Connaught Road Central, Hong Kong  <b>Bank of China (Hong Kong) Limited</b> Bank of China Tower 1 Garden Road, Central, Hong Kong  <b>China Merchants Bank Co., Ltd.</b> 28/F, Three Exchange Square 8 Connaught Place, Hong Kong
Principal share registrar and transfer office in the Cayman Islands	:	<b>Maples Fund Services (Cayman) Limited</b> P.O. Box 1093, Boundary Hall Cricket Square Grand Cayman, KY1-1102 Cayman Islands
Branch share registrar and transfer office in Hong Kong	:	<b>Computershare Hong Kong Investor Services Limited</b> Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen’s Road East Wanchai, Hong Kong

**11. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY****Executive Directors**

**Mr. LUO Jieping** (“**Mr. Luo**”), aged 42, has been appointed as an executive Director and Chairman of the Company since July 2023. Mr. Luo graduated from Zhongnan University of Economics and Law with a Bachelor’s degree in Economics in June 2003, and obtained his Master of Laws degree from Wuhan University in June 2011. Mr. Luo joined the Communist Party of China in December 2000. Mr. Luo has been the vice general manager and the party member of Shenzhen Smart City Technology Development Group Co., Ltd. (深圳市智慧城市科技發展集團有限公司) since May 2021. Mr. Luo served as the director of the Office of Shenzhen Finance Bureau (Comprehensive Approval Department) from July 2019 to May 2021, and as the director of Shenzhen Finance Bureau Treasury Payment Center from November 2018 to July 2019. Mr. Luo had been the director of the Electronic Tax Management Center of Shenzhen Local Taxation Bureau from February 2018 to November 2018, and served as the deputy director of the Electronic Tax Management Center of Shenzhen Local Taxation Bureau from July 2015 to February 2018. Mr. Luo successively served as a staff member, deputy chief staff member and chief staff member of the Office of Shenzhen Local Taxation Bureau from September 2005 to July 2015, and served as a staff member of the Comprehensive Department of Shenzhen Finance Bureau and a staff member of the Office of Shenzhen Finance Bureau from July 2003 to September 2005.

Mr. Luo is the son-in-law of Mr. Zeng Yunshu, a non-executive Director. Mr. Luo is also the spouse of Ms. Zheng Yan, a controlling Shareholder of the Company.

**Mr. WONG Choi Hing** (“**Mr. Wong**”), aged 72, had been appointed as the Chairman and executive Director since October 2019 of the Company. Since January 2022, Mr. Wong Choi Hing had been re-designated as non-executive Director. Since 27 June 2022, Mr. Wang has been re-designated as an executive Director and a Co-Chairman of the Board. He is the founder of the Group. He has over 20 years’ experience in the development and operation of large-scale trade and logistics centres and is one of the core leader of the industry, participating in the formulation of industry standards and industry self-regulations. From October 2010 to August 2014, Mr. Wong was Chairman of the Board, executive director and CEO of the Group, chaired and witnessed the important stage of the Group’s listing in Hong Kong. Mr. Wong has received a number of social honours, including being member of the 11th and 12th Chinese People’s Political Consultative Conference (“**CPPCC**”) National Committee, vice-president of the 3rd and 4th China Society for Promotion of the Guangcai Program, Standing Member of the 10th and 11th executive committee of All-China Federation of Industry and Commerce, founding president of Hong Kong China Chamber of Commerce, Chairman of Friendship Federation of Hong Kong Jiangxi Community Organisations, permanent honorary president of Federation of Hong Kong Shenzhen Association, honorary president of Federation of Hong Kong Chiu Chow Community Organizations, honorary president of Federation of Hong

Kong Guangdong Community Organisations, honorary president of Chaozhou and Shantou Chamber of Commerce in Shenzhen, vice-chairman of Shenzhen Harmony Club, executive president of the General Association of Jiangxi Entrepreneurs, among others.

Mr. Wong Choi Hing is the father of Mr. Wong Kim, the beneficial owner of Eminent Ascend, which owns 6.13% of issued share capital of the Company as at the Latest Practicable Date.

**Mr. CAI Hongwen (“Mr. Cai”)**, aged 61, had been appointed as the Co-Chairman, executive Director and CEO since October 2019. He resigned as CEO of the Group in June 2020 and resigned as Co-Chairman of the Board in January 2022. He was appointed as the Co-Chairman of the Board on 27 June 2022. He is a construction engineer and an architect. Mr. Cai has been engaged in business operations for more than 20 years, during which he has successfully established Guangdong Hongyi Group and China Hakka Park which is the first cultural tourism industry park project in China and which the project was selected as the “Guangdong Province New Urbanization 2511 Beautiful Town Pilot Project”, and won the “2017 Third China Outstanding Contribution Award in the Tourism Industry”, that is, the “Pegasus Award”, and he has also engaged in many tourism real estate projects across the country. Mr. Cai was a member of the 11th and 12th Guangdong Provincial People’s Congress, member of the 4th, 5th and 6th Meizhou Municipal People’s Congress, Standing Committee Member of the 5th, 6th and 7th Meizhou Municipal People’s Congress, vice-chairman of Meizhou Federation of Industry and Commerce, and chairman of Meijing District Federation of Industry and Commerce. He currently holds positions at a number of organisations and associations, including executive vice-president of Guangdong Hakka Chamber of Commerce, mentor of the Top 10,000 National Outstanding Mentors for Innovative Entrepreneurship, visiting professor and member of the governing board of Jiaying Academy in Meizhou of Guangdong Province, and vice president of the Quanjinglian and director of Feature Towns Committee, honorary president of Guangdong Province Wuhua Chamber of Commerce, Vice President of Guangdong Real Estate Industry Association, honorary president of Meizhou Real Estate Industry Association, president of Meizhou Wuhua Chamber of Commerce. Mr. Cai has received numerous honours, such as the “Guangdong May 1st Labour Certificate Award”, “Meizhou Outstanding Private Entrepreneur”, Meizhou’s Third “Ten Outstanding Youth”, “Meizhou Entrepreneurship Star” and “Glorious Career Medal”. Mr. Cai is enthusiastic about social welfare, education, medical care and rural revitalization. He has made donations amounted to more than RMB500 million. Mr. Cai is a director of China GBA Holdings.

**Mr. HE Fei (“Mr. He”)**, aged 52, has been appointed as an executive Director and the chief executive officer of the Company since June 2022. During the period from May 2020 to April 2021, Mr. He served as a director and the chief executive officer of Myhome Real Estate Development Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange (the “SZSE”), stock code: 000667. SZ) (the “**Myhome Real Estate**”). He had been the co-chief executive officer of the Myhome Real Estate from November 2019 to May 2020. During the period from January 2018 to November 2019, Mr. He served as a vice-president and regional general manager of Shenzhen in CIFI Holdings (Group) Co. Ltd. (a company



listed on the main board of the Stock Exchange, stock code: 0884.HK). During the period from April 2004 to December 2017, Mr. He had worked at China Merchants Shekou Industrial Zone Holdings Co., Ltd. (a company listed on the SZSE, stock code: 001979.SZ) (the “**Merchants Shekou**”), and had successively served as the general manager of Foshan Merchants Real Estate Co., Ltd. And Guangzhou Merchants Real Estate Co., Ltd., a deputy general manager of Guangzhou management headquarter of Merchants Shekou, assistant to the general manager, the general manager of the operation management centre and a deputy general manager of the Merchants Shekou. Mr. He had served as a deputy director and project manager of Shenzhen No. 1 Construction Engineering Company from July 1993 to April 2004. Mr. He obtained a Master degree of Engineering Management from the Southeast University in 2004.

**Ms. WEI Haiyan (“Ms. Wei”)**, aged 48, has been appointed as an executive Director of the Company since June 2022. Ms. Wei has been the chairman of the board of the Ruixin Haide Group Co., Ltd. From December 2010 to June 2022. She is involved in the overall planning and development strategy decisions and is responsible for the management of investment, administration and human resources. Ms. Wei has been the vice president of Suncity Group Holdings Limited (previously known as Hong Long Holdings Limited, a company listed on the main board of the Stock Exchange, stock code: 1383.HK) from September 2000 to February 2011, and has extensive experience in internal management of corporations. Ms. Wei graduated from the Graduate School of Chinese Academy of Social Sciences in 1998. She completed the advanced seminar on information management at Tsinghua University in 2006 and was awarded as an information analyst. Ms. Wei was appointed as a member of the fifth and sixth Chinese People’s Political Consultative Conference, Meizhou, Guangdong Province. Ms. Wei is a director of each of Solid Wealth and RXHD Holdings.

#### **Non-executive Director**

**Mr. ZENG Yunshu (“Mr. Zeng”)**, aged 71, had been appointed as the Co-Chairman and executive Director of the Company since October 2019 and resigned as Co-Chairman of the Board in January 2022. Since 27 June 2022, Mr. Zeng has been appointed as the Chairman, and resigned as executive Director and Chairman and re-designated as a non-executive director on 20 July 2023. He has been engaged in business operations for over 20 years and is a senior economist. He has successfully established a number of enterprises with proven experience in property development and management. Mr. Zeng was the chairman of the board of directors from January 2007 to November 2011 and executive director from January 2007 to June 2012 of Hong Long Holdings Limited (now known as Suncity Group Holdings Limited) (stock code: 1383.HK). Mr. Zeng worked at Shenzhen Petrochemical Industry (Group) Co. Ltd. and domestically associated enterprise in Shenzhen in 1991. From 1981 to 1990, Mr. Zeng served at various departments of the Xingning and Meizhou municipal governments. Mr. Zeng was the Standing Committee Member of the Meizhou CPPCC, and currently holds positions at a number of organisations and associations, including vice president of Shenzhen Charity Federation, honorary president of Guangdong Hakka Chamber of Commerce, permanent honorary president of

Shenzhen Ningjiang Cultural Promotion Association and permanent honorary president of Shenzhen Hongli Charitable Foundation. Mr. Zeng has received numerous honors, such as “Yiju Top 30 Real Estate Pioneers of Shenzhen” and “Gold Award for Personal Charitable Donations in Pengcheng”.

Mr. Zeng is a director of each of RXHD Holdings and China GBA Holdings. Mr. Zeng is the father of Ms. Zeng Yan, who is a controlling Shareholder of the Company. Mr. Zeng is also the father-in-law of Mr. Luo Jieping, who is an executive Director and Chairman of the Company.

#### **Independent Non-executive Directors**

**Mr. GUAN Huanfei (“Mr. Guan”)**, aged 67, has been appointed as an independent non-executive Director of the Company since June 2022.

Mr. Guan obtained a Doctor degree in Economics in 2000 from Wuhan University and was a post-doctoral researcher in Theoretical Economics with Fudan University from 2000 to 2002. Mr. Guan has been a part-time researcher of the Insurance Research Centre of Fudan University since 2004. He has been appointed as a part-time lecturer of professional degree of Fudan University since 2013. Mr. Guan has been appointed as a visiting professor of Jilin University of Finance and Economics since August 2019. He has been appointed as the off-campus tutor for master students of the University of International Business and Economics since September 2022. Mr. Guan has been an economic and technical consultant of People’s Government of Jilin Province for years. Mr. Guan has extensive experience in finance and insurance industry in Hong Kong and the People’s Republic of China. He held various senior managerial positions in the People’s Insurance Company of China (Jilin Branch), the business department of Hong Kong and Macao Regional Office of China Insurance Group, China Taiping Insurance (HK) Company Limited and China Pacific Insurance Co., (H.K.) Limited. He also held offices at the Bank of Communications, including the deputy chairman of the risk asset management committee, the deputy chairman of credit asset management committee, the chairman of loan verification committee, the deputy general manager of the Bank of Communications Hong Kong Branch, a director of Bank of Communications Trustee Limited, the chairman and chief executive of China BOCOM Insurance Company Limited and an executive director and general manager of BoCommLife Insurance Company Limited.

Mr. Guan is currently an independent non-executive director of each of China Nonferrous Mining Corporation Limited (a company listed on the main board of the Stock Exchange, stock code: 1258.HK), Shandong Hi-Speed Holdings Group Limited (previously known as China Shandong Hi-Speed Financial Group Limited, a company listed on the Main board of the Stock Exchange, stock code: 412.HK), Huarong International Financial Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 993.HK), Sunwah Kingsway Capital Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 188.HK), and Shanghai Zendai Property Limited (a company listed on the main board of the Stock Exchange, stock code: 755.HK).

During the period from December 2017 to June 2018, Mr. Guan served as a non-executive director of Ping An Securities Group (Holdings) Limited (a company listed on the main board of the Stock Exchange, stock code: 231.HK). Mr. Guan had been the chairman emeritus of Culturecom Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 343.HK) and the chairman of the board of directors of UCAN.COM Group Limited, a subsidiary of Culturecom Holdings Limited from July 2013 to March 2016. Mr. Guan was an independent non-executive director of Solis Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 2227.HK) from August 2019 to September 2020. Mr. Guan was also an independent non-executive director of China Wood International Holding Co., Limited (formerly known as HongDa Financial Holding Limited) (a company listed on the main board of the Stock Exchange, stock code: 1822.HK) during the period from June 2018 to May 2020. Mr. Guan was an executive director and chairman of the board of directors of Enterprise Development Holdings Limited (a company listed on the Main board of the Stock Exchange, stock code: 1808.HK) from June 2020 to May 2021.

**Mr. HAN Qinchun (“Mr. Han”)**, aged 66, has been appointed as an independent non-executive Director of the Company since June 2022. Mr. Han has extensive experience in investment, financial management and management of listed companies. Mr. Han has been appointed as an independent non-executive director of Country Garden Holdings Company Limited (a company listed on the main board of the Stock Exchange, stock code: 2007.HK) since March 2024. He has been an independent non-executive director of Sunfonda Group Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 01771.HK) since 18 May 2023. He has been an independent non-executive director of Xinda Investment Holdings Limited (previously known as LongiTech Smart Energy Holding Limited, a company listed on the main board of the Stock Exchange, stock code: 1281.HK) since April 2015. Mr. Han has been appointed as the founder and chairman of a Hong Kong fintech company – Hong Kong Private Markets Limited since November 2014. Mr Han was an independent non-executive director of Lingbao Gold Group Company Limited (a company listed on the main board of the Stock Exchange, stock code: 3330.HK) from March 2012 to July 2021. In addition to the performance of his supervisory responsibilities as an independent non-executive director, Mr. Han uses his own experience, knowledge and resources to provide financial management related advice and support to the listed companies’ development strategy, particularly in the area of capital market operation. Mr. Han was appointed as a director and distinguished professor of the Real Estate Centre at Peking University HSBC Business School from 2011 to 2015. He was a chief executive director of Straits Development Holding Company Limited since August 2012 to November 2014, where he was responsible for the company’s development strategy, capital market operation, financial management and investment and financing management. He was appointed as vice-chairman and co-chief executive director of Suncity Group Holdings Limited (previously known as Hong Long Holdings Limited, a company listed on the main board of the Stock Exchange, stock code: 1383.HK) since March 2006 to February 2010. From 2000 to 2006, Mr. Han served as a supervisor at a number of leading Hong Kong investment banks, including Shun Hing China Investment Limited (Hong Kong), BOCI Securities Limited (Hong Kong), China

Everbright Securities International (HK) Limited and ABC International Holdings Limited (Hong Kong) before moving on to real estate company to take on leadership position, where he has accumulated extensive cross-border experience, resources and perspectives. Mr. Han worked as a planner for the government agencies of the Ministry of Chemical Industry and the Ministry of Forestry of the People's Republic of China in Beijing from 1982 to 1993.

Mr. Han obtained a Bachelor degree in Planning in 1982 from Xi'an University of Architecture and Technology and a Master of Science in Real Estate in 1995 from The University of Hong Kong, and then obtained a doctor degree in Real Estate Economics and Management from The University of Hong Kong in 1998.

**Mr. CHEN Yangsheng** (“**Mr. Chen**”), aged 61, has been appointed as an independent non-executive Director of the Company since July 2023. He has more than 40 years of experience in financial management and extensive experience in business management and real estate market in China. Mr. Chen has been a non-independent director of the Shenzhen Urban Transport Planning Center Co., Ltd. (the shares of which are listed on the ChiNext of Shenzhen Stock Exchange (the “**SZSE**”), stock code: 301091.SZ) from December 2022 to July 2023. He was a director, the chief financial officer and a member of the Committee of the Communist Party of China of Shenzhen Smart City Technology Development Group Co., Ltd. from June 2021 to May 2023. From January 2017 to June 2021, Mr. Chen had held positions as a director, chief financial officer and a member of the Committee of the Communist Party of China of Shenzhen Tefa Group Co., Ltd. He was a supervisor of Shenzhen Tefa Land Property Co., Ltd. from March 2018 to March 2022 and Shenzhen Tellus Holding Co., Ltd. (the shares of which are listed on the main board of SZSE, stock code: 000025.SZ) from May 2017 to September 2021. Mr. Chen was a supervisor of Shenzhen Tegen Group Co., Ltd. (the shares of which are listed on the main board of SZSE, stock code: 000090.SZ) from May 2006 to November 2017. From April 2011 to April 2017, he was a director and the chief financial officer of Shenzhen Agricultural Power Group Co., Ltd. (formerly known as Shenzhen Agricultural Power Co., Ltd., the shares of which are listed on the main board of SZSE, stock code: 000061.SZ). From March 2005 to January 2011, he was a director and chief financial officer of Shenzhen State-owned Duty Free Commodity (Group) Co., Ltd. From March 2008 to March 2009, he was the chief financial officer of Shenzhen Nongke Group Co. Ltd (formerly known as Shenzhen Nongke Group Company). From July 2000 to March 2005, he was the chief financial officer of the Shenzhen Aokangde Group Co., Ltd. (formerly known as Shenzhen Aokangde Group Ltd. and Shenzhen Aokangde Petroleum Trading Group Company). From February 1988 to July 2000, Mr. Chen worked in the Finance Department of the Shenzhen Industrial Products Group Company, with his last position being the head of the department. He worked as an accounting clerk in the Finance and Accounting Office of Shenzhen Commercial General Company from August 1982 to February 1988. Mr. Chen obtained a master degree in Economics from Party School of the Guangdong Provincial Committee of the Communist Party of China in September 2001 and a college degree in Economic Management from Guangdong Radio and TV University (now known as Guangdong Open University) in July 1987. Mr. Chen obtained the qualification of Senior

Accountant from the Department of Personnel of Guangdong Province (now known as Human Resources and Social Security Department of Guangdong Province) in December 2002.

## 12. EXPERT AND CONSENT

The following is the qualification of the expert who has provided its advice, which is contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
Elite Partners CPA Limited ("Elite Partners")	Certified Public Accountants and Registered Public Interest Entity Auditor

As at the Latest Practicable Date, Elite Partners has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter and/or references to its name in the form and context in which they are included.

As at the Latest Practicable Date, Elite Partners was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which had been, since the date to which the latest published audited consolidated financial statements of the Group were made up (i.e. 31 December 2023), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

## 13. EXPENSES

The expenses in connection with the Rights Issue and the Placing Arrangement, including professional fees, printing, registration, translation, legal and accounting charges are estimated to be approximately HK\$1.11 million, which are payable by the Company.

## 14. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the "Audit Committee") comprised three independent non-executive Directors, namely, Mr. HAN Qinchun, Mr. GUAN Huanfei and Mr. CHEN Yangsheng. The Audit Committee is chaired Mr. HAN Qinchun. The Audit Committee is responsible for monitoring and reviewing the risk management procedures and internal control system of the Group.

**15. MISCELLANEOUS**

- (a) Ms. LIANG Lina is the company secretary of the Company (“**Ms. Liang**”). Ms. Liang has extensive experience in auditing, financial management, offshore financing, investor relations, and corporate governance. Ms. Liang holds a bachelor degree in Accounting from the Central University of Finance and Economics, and a master degree in Finance from Peking University. Ms. Liang is currently a member of each of the Chinese Institute of Certified Public Accountants, the Hong Kong Institute of Certified Public Accountants, and the American Institute of Certified Public Accountants.
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.
- (d) The business address of all Directors and authorised representatives of the Company is Unit 916, 9/F, China Merchants Tower Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.
- (e) The English text of this Prospectus and the accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

**16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “12. Expert and Consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

**17. BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

**18. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.youngogroup.com](http://www.youngogroup.com)) for 14 days from the date of this Prospectus:

- (a) the independent reporting accountants' assurance report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (b) the material contract referred to in the paragraph headed "9. Material Contracts" in this appendix; and
- (c) the written consents referred to in the paragraph headed "12. Experts and consents" in this appendix.