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VERY SUBSTANTIAL DISPOSAL SURRENDER OF THE LAND

THE AGREEMENT

On 9 August 2021, Hengxiang Development and Coastal China, each being a subsidiary of the Company, entered into the Agreement with the Jixi Municipal People's Government and Jixi Jiguan, each being an Independent Third Party, pursuant to which Hengxiang Development shall surrender the Land to the Jixi Municipal People's Government and the Compensation Amount payable by the Jixi Municipal People's Government for the Land shall be fully offset against the Repurchase Amount payable by Hengxiang Development and Coastal China to Jixi Jiguan under the Repurchase Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Surrender of the Land exceed 75%, the Surrender of the Land constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

* For identification purpose only

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the Surrender of the Land was due to an inadvertent mistake from the management of the Company having believed that the Surrender of the Land to a PRC government body would be treated as forced sale of the properties by court order, which would not constitute “transactions” under Chapter 14 of the Listing Rules. The Agreement for Surrender of the Land was treated internally as if it was not discloseable under Chapter 14 of the Listing Rules.

The Company wishes to apologise in this regard and now publishes this announcement to provide details of the transactions. To avoid any similar delay in the future and to tighten the Group’s internal control procedures, the Company will (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; (ii) provide written guideline on the procedures for similar transactions to all Directors, senior management and relevant personnel of the Company, which would include requiring prior notification to an executive Director and the company secretary of the Company before entering into similar transactions; and (iii) provide further training to the Directors, the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential notifiable transactions of the Group on a timely basis.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information in relation to the Agreement and the Land thereunder; and (ii) an independent valuation report in relation to the Land; (iii) the notice contemplated convening SGM; and (iv) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 3 January 2022 in accordance with the Listing Rules.

BACKGROUND

References are made to the announcement of the Company dated 14 April 2015 and the circular of the Company dated 30 June 2015 in relation to the Acquisition.

On 14 April 2015, Coastal China and Shenzhen Chuangzhixin, wholly owned subsidiaries of the Company, entered into the Acquisition Agreement with Gaosheng Shunxin, Beijing Meilehong and Zhongzhou Huayuan, all being Independent Third Parties, in relation to the acquisition of 81% of the registered and paid up capital of Hengxiang Development by Coastal China for an aggregate consideration of RMB602,700,000 (equivalent to approximately HK\$724,486,000).

Hengxiang Development is a company established in the PRC with limited liability and is principally engaged in property development. Prior to Completion, the principal assets of Hengxiang Development included the Land and two other parcels of land located at Jixi City, Heilongjiang, the PRC, which were acquired from the local government in 2012 with a total site area of approximately 215,611 sq.m. for a term of 70 years for residential use or 40 years for commercial use.

It was originally proposed that the Land and the two other parcels of land would be developed into a residential development by three phases with an estimated total GFA of approximately 679,568 sq.m., in which GFA of approximately 139,450 sq.m. would be designated for the Affordable Houses to be built for the local government. The first phase was originally expected to be available for pre-sale in the second half of 2015 and the whole development was originally expected to be completed in 2017.

As one of the conditions for the development of the Land, Hengxiang Development was obliged to construct the Affordable Houses with GFA of approximately 139,450 sq.m. on two parcels of land with site area of approximately 61,700 sq.m.. and Hengxiang Development would be entitled to the proceeds from the sale of such Affordable Houses and ancillary buildings for commercial use on such sites. After completion of the Acquisition, the Group's priority was to focus on construction of the Affordable Houses first and then continue with the development of the Land given that (i) completion of the Affordable Houses was instrumental to the local government's plan for resettlement of the residents; and (ii) the Group did not have sufficient financial resources to undertake the construction work in respect of the Affordable Houses and the development of the Land concurrently as this would involve substantial capital expenditure upfront from the Group and put pressure on the Group's cash flow. The land use rights for the site of the Affordable Houses had been obtained prior to the Acquisition and affordable houses with GFA of approximately 102,100 sq.m. had been completed by Hengxiang Development as of April 2017.

In order to speed up the progress for the resettlement of the residents, on 21 April 2017, Jixi Jiguan, Hengxiang Development and Coastal China entered into the Repurchase Agreement pursuant to which the parties agreed that Jixi Jiguan would take over the construction work of the Remaining Affordable Houses from Hengxiang Development. As a state-owned enterprise, Jixi Jiguan would then seek financial assistance in the total amount of approximately RMB200,000,000 (equivalent to approximately HK\$240,414,000) from the Jixi Municipal People's Government for funding of the relevant project. Pursuant to the Repurchase Agreement, Hengxiang Development and Coastal China agreed to pay the Repurchase Amount to Jixi Jiguan for the Remaining Affordable Houses upon completion of the relevant construction work by Jixi Jiguan.

The Land comprised of four parcels of land with aggregate site area of approximately 153,911 sq.m. for residential usage. Prior to Completion, Hengxiang Development had fully paid the land premium in the total amount of approximately RMB49,641,000 (equivalent to approximately HK\$59,672,000) and obtained the land use rights in respect of Land 1 and Land 2. As at the date of the Agreement, Hengxiang Development had completed construction on Land 1 for GFA of approximately 29,000 sq.m. out of a total GFA of approximately 100,121 sq.m and completed construction on Land 2 for GFA of approximately 64,000 sq.m. out of a total GFA of approximately 138,297 sq.m.. The construction work on Land 1 and Land 2 by Hengxiang Development had been suspended since end of 2019, which was mainly due to the deteriorating property market situation in Jixi City. As a result of the economic downturn in Jixi City, there had been a decreasing demand for properties in Jixi City since 2018. The abundant supply of properties in Jixi City attributable to the built up of unsold housing stock from previous years had outweighed the limited demand for properties, leading to a decline in average selling prices of properties and sluggish sales in the property market. If the Group were to continue the relevant construction work, it would incur substantial construction costs but the prospect of slowing property sales and low profit margin may place pressure on the Group's cash flow. Under such circumstances, the Board considered that it was in the interest of the Group to suspend the construction work on Land 1 and Land 2. Hengxiang Development had only commenced preliminary construction work on Land 3 and Land 4 given that the land premium had not been paid and the land use rights had not been obtained.

Since completion of the Acquisition in 2015, the Group's total amount of investment in the development of the Land was approximately RMB101,620,000 (equivalent to approximately HK\$122,154,000).

With regards to the deteriorating property market situation in Jixi City, Jixi City is a tier 5, coal resource-based city located in the eastern part of Heilongjiang. After years of mining, the coal resources in Jixi City have been exhausted leading to the economic downturn whereas urban development is still in a transitional period. The economic situation in Jixi City has had an adverse impact on its real estate market. Based on the property transaction records publicly available from a real estates transaction statistics platform (the “**Platform**”) operated by the government of Jixi City, (i) the GFA of the property sales in Jixi City in 2018 and 2019 are approximately 138,100 sq.m. and approximately 181,844 sq.m. respectively; (ii) the average selling price for properties in 2018 and 2019 are approximately RMB3,150 per sq.m. and approximately RMB3,432 respectively; and (iii) the amount of sales in 2018 and 2019 are approximately RMB434,980,000 and approximately RMB624,140,000 respectively. Despite the increasing trend in the GFA of the property sales and the average selling price for properties in 2018 and 2019, the Board is of the view that the property market situation in Jixi City remains unfavourable. Based on the information available on the Platform, the average selling price of the properties in Jixi City is very close to the respective construction costs in 2020 and 2021 and the property market statistics of 2020 are said to be very similar to the statistics of 2019. As such, the Board is of the view that, the property market has continued to be unfavourable in 2020 and 2021. Taking into the above, the Board considered that it was not commercially feasible to develop the Land and the Group should focus its resources in other property development projects that would generate a higher expected rate of return for the Group.

Apart from the slow progress in the development of the Land and the deteriorating property market situation in Jixi City, the financial condition of the Group was also one of the factors that the Company had considered in deciding whether to enter into negotiations with the Jixi Municipal People’s Government and Jixi Jiguan in relation to the Surrender of the Land. In terms of the current financial condition of the Group, the Group recorded loss for the year attributable to owners of the Company of HK\$281,028,000 for the year ended 31 March 2021, compared to a loss of HK\$336,784,000 for last year. The Group has been loss making for the past two financial years. Further, the outbreak of the COVID-19 pandemic and the recent credit crisis emerging from certain well-known PRC property developers have had an adverse impact on the PRC property sector. The construction and sales progress of the Group may be exposed to short-term volatilities and challenges. For the six months ended 30 September 2021, the Group generated revenue of HK\$3,496,000, representing a decrease of approximately 90% as compared to HK\$34,787,000 for the last corresponding period. In particular, recognised sales revenue from sale of properties for the six months ended 30 September 2021 was HK\$1,152,000, representing a decrease of approximately 96% as compared to HK\$32,529,000 for the last corresponding period. As at 30 September 2021, the Group had cash and bank balance of HK\$341,788,000. In view of the current financial condition of the Group, the Board considered that it is vital for the Group to reduce its liquidity risks. The Surrender of the Land would enable the Group to reduce its cash outflow by RMB224,000,000 (equivalent to approximately HK\$269,263,000), being the Repurchase Amount under the Repurchase Agreement apart from further construction costs requirement if the development of the Land were to proceed accordingly, thereby improving the Group’s level of liquidity.

Taking into account, among others, the prolonged delay and slow progress in the development of the Land, a deteriorating property market situation in Jixi City and the challenges faced by the Group to complete the project due to its current financial condition, negotiations took place between the relevant parties in relation to the Surrender of the Land in 2021. Based on the proposal from the Jixi Municipal People's Government, the Jixi Municipal People's Government only required the Group to surrender the Land but the Group was still entitled to all of its interests in the Affordable Houses. Further, the Jixi Municipal People's Government was willing to bear part of the liabilities incurred by the Group for the relevant property development project, which mainly comprised of (i) the construction cost for the Remaining Affordable Houses, being the Repurchase Amount; and (ii) the unpaid taxes (the "**Unpaid Taxes**") in the amount of approximately RMB50,000,000 (equivalent to approximately HK\$60,103,000) payable by Hengxiang Development in connection with the early stage of development of the Land. On the other hand, the Group has also approached two potential buyers, being independent property developers, in relation to the possible sale of the Land but the terms of the proposals offered by the said potential buyers were less favorable to the Group than the proposal from the Jixi Municipal People's Government. According to the proposals put forward by the said potential buyers, the Group was required to transfer all of its interests in the Land as well as in the Affordable Houses to the said potential buyers. In return, the said potential buyers were only willing to bear the liabilities for the Repurchase Amount incurred by the Group for the relevant property development project but not the Unpaid Taxes. In view of the above, the Group decided to surrender the Land to the Jixi Municipal People's Government instead of transferring the Land to other potential buyers.

On 9 August 2021, Hengxiang Development and Coastal China, each being a subsidiary of the Company, entered into the Agreement with the Jixi Municipal People's Government and Jixi Jiguan, each being an Independent Third Party, pursuant to which Hengxiang Development shall surrender the Land to the Jixi Municipal People's Government and the Compensation Amount payable by the Jixi Municipal People's Government for the Land shall be fully offset against the Repurchase Amount payable by Hengxiang Development and Coastal China to Jixi Jiguan under the Repurchase Agreement. Details of the Agreement are set out below:

THE AGREEMENT

Date: 9 August 2021

Parties: (1) The Jixi Municipal People's Government;
(2) Hengxiang Development;

(3) Coastal China; and

(4) Jixi Jiguan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Jixi Municipal People's Government is a PRC government body; and (ii) Jixi Jiguan is a state-owned enterprise and is principally engaged in urban construction investment and management; (iii) Jixi Jiguan is owned as to 99% by Jixi Property Management Company, which is a PRC government body; and (iv) the Jixi Municipal People's Government, Jixi Jiguan and their respective ultimate beneficial owner(s) are Independent Third Parties.

Hengxiang Development is a company established in the PRC with limited liability. It is a subsidiary of the Company and is principally engaged in property development.

Coastal China is a company established in the PRC with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Surrender of the Land

Pursuant to the Agreement, Hengxiang Development shall surrender the Land to the Jixi Municipal People's Government and the Compensation Amount payable by the Jixi Municipal People's Government for the Land shall be fully offset against the Repurchase Amount payable by Hengxiang Development and Coastal China to Jixi Jiguan under the Repurchase Agreement.

Compensation Amount

The Compensation Amount of RMB224,000,000 (equivalent to approximately HK\$269,263,000) was determined after arms' length negotiations between the Jixi Municipal People's Government, Hengxiang Development, Coastal China and Jixi Jiguan with reference to the book value of the Land of approximately RMB563,602,000 (equivalent to approximately HK\$677,487,000) as at the Completion Date.

The valuation of the Land and the Affordable Houses as at 31 March 2021 prepared by an independent valuer under the direct comparison approach was approximately RMB948,000,000 (equivalent to approximately HK\$1,139,560,000). After further discussion between the Company and the independent valuer, the Company was given the understanding that the valuation of the Land accounted for approximately RMB909,000,000 (equivalent to approximately HK\$1,092,679,000) and the Affordable Houses accounted for approximately RMB39,000,000 (equivalent to approximately HK\$46,881,000).

The Compensation Amount represents a discount of approximately 60.26% to the book value of the Land. The Directors considered that the substantial discount was attributable to the (i) prolonged delay and slow progress in the development of the Land; (ii) the substantial amount of investment required and challenges faced by the Group to complete the residential development on the Land in light of the financial condition of the Group and (iii) a deteriorating property market situation in Jixi City. In view of the above, the Directors considered that the Compensation Amount is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion

Completion took place on 18 August 2021 and the Compensation Amount has been fully offset against the Repurchase Amount.

INFORMATION OF THE LAND

The Land is located at Jixi City, Heilongjiang, the PRC with aggregate site area of approximately 153,911 sq.m. for residential usage. It was originally proposed that the Land and two other parcels of land would be developed into a residential development by three phases with an estimated total GFA of approximately 679,568 sq.m. in which GFA of approximately 139,450 sq.m. would be designated for Affordable Houses to be built for the local government. The first phase was originally expected to be available for pre-sale in the second half of 2015 and the whole development was originally expected to be completed in 2017.

Prior to Completion, Hengxiang Development had fully paid the land premium and obtained the land use rights in respect of Land 1 and Land 2. As at the date of the Agreement, Hengxiang Development had completed construction on Land 1 for GFA of approximately 29,000 sq.m. out of a total GFA of approximately 100,121 sq.m and completed construction on Land 2 for GFA of approximately 64,000 sq.m. out of a total GFA of approximately 138,297 sq.m.. The construction work on Land 1 and Land 2 by Hengxiang Development had been suspended since end of 2019. Hengxiang Development had only commenced preliminary construction work on Land 3 and Land 4 given that the land premium had not been paid and the land use rights had not been obtained. The book value of the Land to the Group was approximately RMB563,602,000 (equivalent to approximately HK\$677,487,000) as at the Completion Date.

REASONS FOR AND BENEFITS OF THE SURRENDER OF THE LAND

The Company is an investment holding company and its subsidiaries are principally engaged in property development, property investment, provision of project management and project investment services.

The Group recorded loss for the year attributable to owners of the Company of HK\$281,028,000 for the year ended 31 March 2021, compared to a loss of HK\$336,784,000 for last year. In light of the current financial condition of the Group, having considered the prolonged delay and slow progress in the development of the Land and a deteriorating property market situation in Jixi City, the Directors considered that it is in the interest of the Group to surrender the Land in order to focus its resources in other property development projects that will generate a higher expected rate of return for the Group.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Surrender of the Land are on normal commercial terms and are fair and reasonable and that the Surrender of the Land is in the interests of the Company and the Shareholders as a whole.

POSSIBLE FINANCIAL EFFECTS OF THE SURRENDER OF LAND

The Group is expected to record a loss on the Surrender of the Land of approximately RMB339,602,000 (equivalent to approximately HK\$408,224,000). Such loss is estimated based on difference between the Compensation Amount and the book value of the Land of approximately RMB563,602,000 (equivalent to approximately HK\$677,487,000) as at the Completion Date. The Group will not receive any proceeds from the Surrender of the Land given that the Repurchase Amount has been fully offset against the Compensation Amount.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Surrender of the Land exceed 75%, the Surrender of the Land constitutes a very substantial disposal for the Company and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

If the Agreement were voted down by the Shareholders at the SGM, there would be no impact on the Surrender of Land as the Completion has taken place on 18 August 2021.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the Surrender of the Land was due to an inadvertent mistake from the management of the Company having believed that the Surrender of the Land to a PRC government body would be treated as forced sale of the properties by court order, which would not constitute “transactions” under Chapter 14 of the Listing Rules. The Agreement for Surrender of the Land was treated internally as if it was not discloseable under Chapter 14 of the Listing Rules.

The Company wishes to apologise in this regard and now publishes this announcement to provide details of the transactions. To avoid any similar delay in the future and to tighten the Group’s internal control procedures, the Company will (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; (ii) provide written guideline on the procedures for similar transactions to all Directors, senior management and relevant personnel of the Company, which would include requiring prior notification to an executive Director and the company secretary of the Company before entering into similar transactions; and (iii) provide further training to the Directors, the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential notifiable transactions of the Group on a timely basis.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information in relation to the Agreement and the Land thereunder; and (ii) an independent valuation report in relation to the Land; (iii) the notice contemplated convening SGM; and (iv) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 3 January 2022 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of 81% of the registered and paid up capital of Hengxiang Development
“Acquisition Agreement”	the agreement dated 14 April 2015 entered into among Coastal China, Shenzhen Chuangzhixin, Gaosheng Shunxin, Beijing Meilehong and Zhongzhou Huayuan in relation to the Acquisition
“Affordable Houses”	the affordable houses with GFA of approximately 139,450 sq.m. constructed by Hengxiang Development and Jixi Jiguan on the two parcels of land located at Jixi City, Heilongjiang, the PRC with site area of approximately 61,700 sq.m.
“Agreement”	the agreement dated 9 August 2021 entered into between the Jixi Municipal People’s Government, Hengxiang Development, Coastal China and Jixi Jiguan in relation to the Surrender of the Land
“Beijing Meilehong”	北京美樂紅投資顧問有限公司 (Beijing Meilehong Investment Consultancy Company Limited*), a company established in the PRC with limited liability
“Board”	the board of Directors
“Coastal China”	Coastal Realty Investment (China) Limited, a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Company”	Coastal Greenland Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange

“Compensation Amount”	the compensation amount of RMB224,000,000 (equivalent to approximately HK\$269,263,000) payable by the Jixi Municipal People’s Government under the Agreement in respect of the Surrender of the Land
“Completion”	completion of the Surrender of the Land in accordance with the terms of the Agreement
“Completion Date”	the date of Completion
“Directors”	directors of the Company
“Gaosheng Shunxin”	晉中市高盛順鑫投資企業(有限合夥) (Jinzhong City Gaosheng Shunxin Investment Enterprises (Limited Partnership)*), a limited partnership established in the PRC
“Group”	the Company and its subsidiaries
“Hengxiang Development”	恒祥房地產開發有限公司 (Hengxiang Real Estate Development Company Limited*), a company established in the PRC with limited liability and an indirect subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Jixi Jiguan”	雞西市雞冠區鵬程城市建設投資有限公司 (Jixi City Jiguan District Pengcheng Urban Construction Investment Company Limited*), a company established in the PRC with limited liability and a state-owned enterprise

“Jixi Municipal People’s Government”	Jixi Municipal People’s Government of Heilongjiang Province, a PRC government body
“Land”	collectively, Land 1, Land 2, Land 3 and Land 4
“Land 1”	the parcel of land located at Jixi City, Heilongjiang, the PRC with a total site area of approximately 31,447 sq.m.
“Land 2”	the parcel of land located at Jixi City, Heilongjiang, the PRC with a total site area of approximately 43,883 sq.m.
“Land 3”	the parcel of land located at Jixi City, Heilongjiang, the PRC with a total site area of approximately 39,595 sq.m.
“Land 4”	the parcel of land located at Jixi City, Heilongjiang, the PRC with a total site area of approximately 38,986 sq.m.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Remaining Affordable Houses”	the remaining affordable houses with GFA of approximately 37,350 sq.m. constructed by Jixi Jiguan on the two parcels of land located at Jixi City, Heilongjiang, the PRC with site area of approximately 61,700 sq.m. pursuant to the Repurchase Agreement
“Repurchase Agreement”	the agreement dated 21 April 2017 and entered into between Jixi Jiguan, Hengxiang Development and Coastal China in relation to the arrangements for the construction and development of the Remaining Affordable Houses

“Repurchase Amount”	RMB224,000,000 (equivalent to approximately HK\$269,263,000), being the consideration payable by Hengxiang Development and Coastal China to Jixi Jiguan under the Repurchase Agreement
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider, and if thought fit, approve the Agreement and the transactions contemplated thereunder
“Shareholder(s)”	holder(s) of the share(s) of HK\$0.10 each in the share capital of the Company
“Shenzhen Chuangzhixin”	深圳創智信投資管理有限公司 (Shenzhen Chuangzhixin Investment Management Company Limited*), a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Surrender of the Land”	The surrender of the Land by Hengxiang Development to the Jixi Municipal People’s Government pursuant to the Agreement
“Zhongzhou Huayuan”	北京中洲華遠專案投資管理有限公司 (Beijing Zhongzhou Huayuan Project Investment Management Company Limited*), a company established in the PRC with limited liability
“GFA”	gross floor area
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre(s)
“%”	per cent

* *For identification purpose only*

For the purpose of this announcement, unless otherwise specified, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB0.8319 to HK\$1.

By order of the Board
Coastal Greenland Limited
Jiang Ming
Chairman

Hong Kong, 10 December 2021

As at the date of this announcement, the Board comprises Mr. Jiang Ming, Mr. Xia Xianglong, Dr. Li Ting and Mr. Lin Chen Hsin as executive Directors, Mr. Zhu Guoqiang and Mr. Qiu Guizhong as non-executive Directors and Mr. Wong Kai Cheong, Mr. Yang Jiangang and Mr. Huang Xihua as independent non-executive Directors.