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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

**PROPOSED CAPITAL REORGANISATION
AND
CHANGE IN BOARD LOT SIZE**

PROPOSED CAPITAL REORGANISATION

The Board proposes to reorganise the share capital of the Company in the following manner:

(a) Share Consolidation

The proposed Share Consolidation is on the basis that every one hundred (100) Existing Shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$1.00.

(b) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the share capital of the Company will be reduced whereby:

- (i) where applicable, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled;
- (ii) the issued share capital of the Company of HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares shall be reduced to HK\$18,384,610 divided into 1,838,461,000 New Shares by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01; and

- (iii) the credit arising from the Capital Reduction in the amount of approximately HK\$1,820,076,390 will be credited to the contributed surplus account (within the meaning of the Companies Act) up to the Effective Date for use by the Directors in any manner permitted by the Companies Act and the Bye-laws.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 80,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 80,000 Existing Shares to 8,000 New Shares conditional upon the Capital Reorganisation becoming effective.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, among other things, details of the Capital Reorganisation, together with the notice convening the SGM, is expected to be despatched to the Shareholders on or before, 23 June 2022.

WARNING

Shareholders and potential investors should note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraphs headed “Conditions for the Capital Reorganisation” in this announcement. Accordingly, the Capital Reorganisation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED CAPITAL REORGANISATION

The Board proposes to reorganise the share capital of the Company in the following manner:

(a) Share Consolidation

The proposed Share Consolidation is on the basis that every one hundred (100) Existing Shares of par value of HK\$0.01 each in the issued share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$1.00.

(b) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the share capital of the Company will be reduced whereby:

- (i) where applicable, any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation shall be cancelled;
- (ii) the issued share capital of the Company of HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares shall be reduced to HK\$18,384,610 divided into 1,838,461,000 New Shares by cancelling the paid-up capital of the Company to the extent of HK\$0.99 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$1.00 to HK\$0.01; and
- (iii) the credit arising from the Capital Reduction in the amount of approximately HK\$1,820,076,390 will be credited to the contributed surplus account (within the meaning of the Companies Act) up to the Effective Date for use by the Directors in any manner permitted by the Companies Act and the Bye-laws.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (i) the passing of the necessary special resolution by the Shareholders at the SGM to approve the Capital Reorganisation involving the Share Consolidation and the Capital Reduction;
- (ii) compliance with section 46(2) of the Companies Act, including (i) the publication of a notice of the Capital Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the date on which the Capital Reduction is to take effect and (ii) that on the date on which the Capital Reduction is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they become due;
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon the exercise of the Share Options to be granted under the Share Option Scheme; and
- (iv) the compliance with the relevant procedures and requirements under the Companies Act (where applicable) and the Listing Rules to effect the Capital Reorganisation.

As at the date of this announcement, none of the conditions above had been fulfilled.

Subject to the fulfilment of the above conditions, the Capital Reorganisation will become effective on Wednesday, 20 July 2022, which is the second Business Day immediately after the date of the SGM.

Effects of the Capital Reorganisation and Status of the New Shares

As at the date of this announcement, the authorised share capital of the Company is HK\$3,000,000,000 divided into 300,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 183,846,100,000 Existing Shares have been issued and fully paid or credited as fully paid.

Assuming there will be no change in the issued and unissued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective and there is no fractional Share arising from the Share Consolidation, the authorised share capital of the Company will be 300,000,000,000 New Shares of HK\$0.01 each, of which 1,838,461,000 New Shares will be in issue. The aggregate par value of issued share capital of the Company will be HK\$18,384,610 (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the Effective Date).

Based on 183,846,100,000 Existing Shares in issue as at the date of this announcement, an amount of credit of HK\$1,820,076,390 will arise as a result of the Capital Reduction. Shareholders and potential investors of the Company should note that the credit arising in the books from the Capital Reorganisation will be subject to change depending on the number of Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

It is proposed that the total credit arising in the accounts of the Company from the Capital Reduction to be transferred to the contributed surplus account of the Company. The account will be applied by the Directors for such purposes permitted under the applicable laws.

Upon the Capital Reorganisation becoming effective, the New Shares shall rank *pari passu* in all respects with each other. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders. Other than the expenses to be incurred by the Company in relation to the Capital Reorganisation, the implementation thereof will not, by itself, affect the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders as a whole, save for any fractional New Share which may arise. Any fractional Share arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

The following table sets out the effects of the Capital Reorganisation on the share capital of the Company before and after the implementation of the Capital Reorganisation, assuming that there is no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation:

	As at the date of this announcement	Immediately after the Share Consolidation becoming effective but before the Capital Reduction becoming effective	Immediately after the Capital Reorganisation becoming effective
Par value per Share	HK\$0.01 per Existing Share	HK\$1.00 per Consolidated Share	HK\$0.01 per New Share
Authorised share capital	HK\$3,000,000,000 divided into 300,000,000,000 Existing Shares	HK\$3,000,000,000 divided into 1,838,461,000 Consolidated Shares and 116,153,900,000 unissued Existing Shares	HK\$3,000,000,000 divided into 300,000,000,000 New Shares
Issued share capital	HK\$1,838,461,000 divided into 183,846,100,000 Existing Shares	HK\$1,838,461,000 divided into 1,838,461,000 Consolidated Shares	HK\$18,384,610 divided into 1,838,461,000 New Shares

Note: Based on the above table, there will be no fraction arising from the Capital Reorganisation.

Fractional Entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation to which the Shareholders are respectively entitled, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Listing application

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be in issue upon the Capital Reorganisation becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirement of HKSCC upon

the Capital Reorganisation becoming effective, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other in accordance with the Bye-laws as to all future dividends and distributions which are to be declared, made or paid.

None of the Existing Shares are listed or dealt in on another stock exchanges other than the Stock Exchange, and at the time when the Capital Reorganisation becoming effective, the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Exchange of Certificates for New Shares

Subject to the Capital Reorganisation becoming effective, which is currently expected to be on Wednesday, 20 July 2022, being the second Business Day immediately after the date of the SGM, the Shareholders may on or after Wednesday, 20 July 2022 and until Thursday, 25 August 2022 (both days inclusive), submit their existing share certificates for the Existing Shares (in the colour of light purple) to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, during business hours to exchange for new share certificates for the New Shares (in the colour of light blue) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of share certificates cancelled or issued is higher.

Subject to and upon the Capital Reorganisation becoming effective, after trading hours on Tuesday, 23 August 2022, trading will only be in the New Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the New Shares at any time but will not be accepted for delivery, trading, settlement and registration purposes.

Adjustments in relation to Other Securities of the Company

As at the date of this announcement, the total number of shares of the Company issuable pursuant to the Share Option Scheme is 18,384,610,000 shares of the Company. There was no share option granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

Save as disclosed above, as at the date of this announcement, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares, Consolidated Shares or New Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 80,000 Existing Shares. The Board proposes that upon the Capital Reorganisation becoming effective, the board lot size for trading in the New Shares will be at 8,000 New Shares per board lot.

Based on the closing price of HK\$0.01 per Existing Share (equivalent to the theoretical closing price of HK\$1.00 per New Share upon the Capital Reorganisation becoming effective) as at the date of this announcement, (i) the value per board lot of 80,000 Existing Shares is HK\$800; and (ii) the value per board lot of 8,000 New Shares would be HK\$8,000 on the assumption that the Capital Reorganisation becomes effective.

REASONS FOR AND THE BENEFITS OF THE CAPITAL REORGANISATION AND THE CHANGE IN BOARD LOT SIZE

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that market price of the Shares at a level less than HK\$0.01 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules.

Taking into account of the closing price of HK\$0.01 per Share on 7 June 2022 (being the date of this announcement), the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules.

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

As set out in the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited, the value of each board lot shall not be less than HK\$2,000. Based on the closing price of HK\$0.01 per Existing Share (equivalent to the theoretical closing price of HK\$1.00 per New Share upon the Capital Reorganisation becoming effective) as at the date of this announcement, (i) the value per board lot of 80,000 Existing Shares is HK\$800; and (ii) the value per board lot of 8,000 New Shares would be HK\$8,000 on the assumption that the Capital Reorganisation becomes effective. The Board believes that the Change in Board Lot Size would allow the Company to comply with the requirement and will reduce the transaction costs and registration costs to be incurred by the Shareholders and potential investors. The Change in Board Lot Size will not affect the relative rights of Shareholders.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any fund raising activities or precise investment opportunities and has no immediate plan for issue of new Shares. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Board considers that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

Odd lots trading arrangement

In order to facilitate the trading of odd lots of the New Shares, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lot arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Shareholders holding odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

The Shareholders or potential investors of the Company should note that (i) odd lots will be created after the Capital Reorganisation and the Change in Board Lot Size; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. To the best of the Directors' knowledge, no Shareholder has a material interest in the Capital Reorganisation and is required to abstain from voting at the SGM.

A circular containing, among other things, details of the Capital Reorganisation and the Change in Board Lot Size together with the notice convening the SGM and form of proxy, is expected to be despatched to the Shareholders on or before Thursday, 23 June 2022.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Capital Reorganisation, no Shareholder will be required to abstain from voting on the special resolution to approve the Capital Reorganisation at the SGM.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation (comprising the Share Consolidation and the Capital Reduction) and the Change in Board Lot Size, is as follows:

<i>Event</i>	<i>2022 (Hong Kong time and date)</i>
Despatch of Company's circular with notice of SGM and form of proxy	on or before Thursday, 23 June 2022
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Tuesday, 12 July 2022
Closure of the register of members of the Company to determine the entitlement to attend and vote at the SGM (both days inclusive)	Wednesday, 13 July 2022 to Monday, 18 July 2022
Latest date and time for lodging the proxy forms for the SGM	10:30 a.m. on Saturday, 16 July 2022
Expected date and time of the SGM	10:30 a.m. on Monday, 18 July 2022
Publication of announcement of poll results of SGM	Monday, 18 July 2022

The following events are conditional upon the fulfilment of the conditions for the implementation of the Capital Reorganisation and therefore the dates are tentative:

Expected effective date of the Capital Reorganisation	Wednesday, 20 July 2022
First day of free exchange of existing share certificates for new share certificates for New Shares	Wednesday, 20 July 2022
Dealing in New Shares commences	9:00 a.m. on Wednesday, 20 July 2022
Original counter for trading in Existing Shares in board lots of 80,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 20 July 2022
Temporary counter for trading in New Shares in board lots of 800 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 20 July 2022
Original counter for trading in New Shares in board lots of 8,000 New Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 3 August 2022
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Wednesday, 3 August 2022
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	9:00 a.m. on Wednesday, 3 August 2022
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the New Shares	4:00 p.m. on Tuesday, 23 August 2022
Temporary counter for trading in New Shares in board lots of 800 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 23 August 2022
Parallel trading in New Shares (in the form of new share certificates and the existing share certificates) ends	4:10 p.m. on Tuesday, 23 August 2022
Last day for free exchange of existing share certificates for the New Shares	Thursday, 25 August 2022

The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	board of the Directors
“Business Day(s)”	a day (other than a Saturday and Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which banks are open for business in Hong Kong
“Bye-laws”	the bye-laws of the Company currently in full force and effect
“Capital Reduction”	the proposed cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation and reduction of the par value of each of the issued Consolidated Shares from HK\$1.00 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.99 on each of the issued Consolidated Shares
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation and the Capital Reduction
“CCASS”	the Central Clearing and Settlement System 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 proposed change in board lot size of the Shares for trading on the Stock Exchange from 80,000 Existing Shares to 8,000 New Shares conditional upon the Capital Reorganisation becoming effective
“Company”	GBA Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange

“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Consolidated Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company immediately after the Share Consolidation but before the Capital Reduction
“Directors”	directors of the Company
“Effective Date”	the effective date of the Capital Reorganisation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	6 June 2022, being the last trading day for the Shares immediately prior to the date of this announcement
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“New Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Share Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Capital Reorganisation

“Share(s)”	Existing Share(s), Consolidated Share(s) and/or New Share(s), as the case maybe
“Share Consolidation”	the proposed consolidation of every one hundred (100) Existing Shares of par value of HK\$0.01 each in the issued share capital of the Company into one (1) Consolidated Share of par value of HK\$1.00
“Share Option(s)”	share option(s) granted or to be granted under the old share option scheme of the Company adopted on 27 May 2011 or the new share option scheme of the Company adopted on 23 June 2021
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
GBA HOLDINGS LIMITED
Ong Chor Wei
Chairman

Hong Kong, 7 June 2022

As at the date of this announcement, the executive Directors are Ms. Cheng Yuk Ching, Flora, Mr. Ong Chor Wei and Mr. Yuk Kai Yao, and the independent non-executive Directors are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Tam King Ching, Kenny.