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

If you have sold or transferred all your shares in GBA Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

**(1) MAJOR AND CONNECTED TRANSACTION
EXTENSION OF LOAN
AND
PROVISION OF FINANCIAL ASSISTANCE; AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the independent Shareholders**

MESSIS 大有融資

Capitalised terms used on this cover page shall have the same meanings as those defined in this circular.

A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders is set out on pages 16 to 37 of this circular. The recommendation of the Independent Board Committee to the independent Shareholders is set out on pages 14 to 15 of this circular.

A notice convening the SGM to be held at 1/F., Function Room, Xi Hotel 7-9 Minden Avenue, Tsimshatsui, Kowloon, Hong Kong on Friday, 5 January 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the SGM (i.e. not later than Wednesday, 3 January 2024 at 11:00 a.m., Hong Kong time). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

14 December 2023

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DEFINITIONS

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

“2021 Announcement”	the announcement of the Company dated 1 June 2021 in relation to, among others, the Loan Agreement
“2023 Announcement”	the announcement of the Company dated 21 August 2023 in relation to, among others, the Supplemental Agreement, the Extension of Loan and provision of financial assistance
“Announcements”	collectively, the 2021 Announcement and the 2023 Announcement
“associate”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrower”	CCT Fortis Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 138)
“Borrower Group”	the Borrower and its subsidiaries
“Business Day(s)”	a day (other than Saturdays, Sundays, public holidays and on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business
“Company”	GBA Holdings Limited, a company incorporated in the Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning as ascribed to it under the Listing Rules

DEFINITIONS

“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Drawdown Date”	the date on which the Loan is drawn down by the Borrower in full, being 2 June 2021
“Director(s)”	director(s) of the Company
“Extension of Loan”	the extension of the repayment date of the Loan to the Extended Maturity Date
“Extended Maturity Date”	the extended maturity date of the Loan under the Supplemental Agreement, which falls on the fourth anniversary of the Drawdown Date, being 1 June 2025
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board which comprises all the independent non-executive Directors to advise the independent Shareholders on the fairness and reasonableness of terms of the Supplemental Agreement and the transactions contemplated thereunder, and to advise the independent Shareholders on how to vote at the SGM
“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser appointed by the Company for the purpose of giving recommendations to the Independent Board Committee and the independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder

DEFINITIONS

“Latest Practicable Date”	7 December 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Lender”	CCT Land Finance Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of HK\$70,000,000 granted by the Lender to the Borrower under the Loan Agreement
“Loan Agreement”	the loan agreement dated 1 June 2021 entered into between the Lender and the Borrower in respect of the provision of the Loan by the Lender to the Borrower
“Mr. Mak”	Mr. Mak Shiu Tong, the ultimate beneficial owner of the Borrower and the former director of two PRC subsidiaries of the Company
“Original Maturity Date”	the original maturity date of the Loan, which falls on the second anniversary of the Drawdown Date
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC” or “mainland China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened on Friday, 5 January 2024 to approve, among others, the Supplemental Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“substantial shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the conditional supplemental agreement dated 21 August 2023 and entered into between the Lender as lender and the Borrower as borrower in relation to, among others, the Extension of Loan
“%”	per cent.

LETTER FROM THE BOARD



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

Executive Directors:

Mr. Ong Chor Wei (*Chairman*)

Ms. Lam Ka Lee

Ms. Wong Misa

Registered office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

Independent non-executive Directors:

Ms. Wu Wai Shan

Ms. Chan Sheung Yu

Mr. Leung Gar-Gen Vincent

*Head office and principal place of
business in Hong Kong:*

Room 1415, 14/F.,

Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

14 December 2023

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTION
EXTENSION OF LOAN
AND
PROVISION OF FINANCIAL ASSISTANCE; AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcements in relation to the Loan Agreement, the Supplemental Agreement and the Extension of Loan.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Supplemental Agreement and the transactions contemplated thereunder and the Extension of Loan; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser; and (iv) a notice of SGM.

BACKGROUND

On 1 June 2021, the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Loan Agreement, pursuant to which the Lender agreed to grant the Loan to the Borrower in the principal amount of HK\$70,000,000 for a term of two (2) years at an interest rate of 7% per annum.

As at the date of the 2023 Announcement, the principal amount of HK\$70,000,000 and accrued interest of approximately HK\$5,926,836 (inclusive of the interest accrued during the period from the Original Maturity Date and up to the date of the Supplemental Agreement) remained outstanding; while as at the Latest Practicable Date, the principal amount of HK\$70,000,000 and accrued interest of approximately HK\$7,376,699 remained outstanding.

EXTENSION OF LOAN AND PROVISION OF FINANCIAL ASSISTANCE

According to the Loan Agreement, the Borrower shall repay the Loan (together with all the accrued interest) in full on or before the Original Maturity Date, being 1 June 2023.

On 21 August 2023 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Supplemental Agreement to extend the maturity date of the Loan, and amend and supplement certain terms of the Loan Agreement.

The Supplemental Agreement

The major terms of the Supplemental Agreement are set out below:

Date:	21 August 2023
Parties:	(1) the Lender; and (2) the Borrower
Principal amount of the Loan:	HK\$70,000,000 advanced by the Lender to the Borrower under the Loan Agreement

LETTER FROM THE BOARD

Interest rate: 7% per annum

Interest shall be accrued on the daily outstanding balance of the Loan and shall be payable to the Lender on the last day of each 3 months period commencing from the drawdown date, save for the accrued interest of approximately HK\$5,926,836 that remained outstanding as at the date of the Supplemental Agreement which shall be payable by the Borrower in one lump sum within 12 months from the date of the Supplemental Agreement.

Drawdown date: the date on which the Loan was drawn down, being 2 June 2021

Maturity date: the date falling on the fourth anniversary of the Drawdown Date, being 1 June 2025

Repayment: Subject to the terms of the Supplemental Agreement, the Borrower shall repay the Loan together with all interest accrued thereon and all other sums (if any) due and owing to the Lender under the Supplemental Agreement in full on the Extended Maturity Date.

Security: N/A

Conditions precedent: Completion of the Supplemental Agreement is conditional upon and subject to the satisfaction of the following conditions:

- (1) all necessary approvals, consents, authorisations and licences in relation to the transactions contemplated under the Loan Agreement and the Supplemental Agreement shall have been obtained;

LETTER FROM THE BOARD

- (2) all representations and warranties made by the Borrower in the Loan Agreement and the Supplemental Agreement or in connection therewith shall be true and correct with the same effect as if made on and as of Drawdown Date with reference to the facts and circumstances then subsisting;
- (3) the passing by the independent shareholders of the Company who are not required to abstain from voting at its special general meeting of the ordinary resolution(s) to approve the Supplemental Agreement and the transactions contemplated thereunder;
- (4) no event of default shall have occurred or potential event of default shall have occurred (or would be likely to occur as a result of the Loan being made); and
- (5) the Lender shall have received such other documents, evidence and financial and other information relating to any of the matters contemplated under the Loan Agreement and the Supplemental Agreement as the Lender may require.

Save for conditions (2), (4) and (5) above which may at any time be waived by the Lender in writing, all other conditions precedent are incapable of being waived. If the conditions above have not been satisfied (or as the case may be, waived by the Lender) on or before 29 February 2024, the Supplemental Agreement shall cease and determine (save and except clauses expressed to survive termination) and thereafter neither party shall have any obligations and liabilities towards each other thereunder, save for any antecedent breach.

LETTER FROM THE BOARD

Events of default

The Supplemental Agreement contain certain customary events of default, including but not limited to default in the payment of principal amount of the Loan or interest when such payments become due; breaches of representations, undertakings and/or covenants or insolvency. Upon the occurrence of an event of default and at any time thereafter, the Lender may by notice in writing to the Borrower declare the Loan, all outstanding interest accrued thereon and all other monies payable under the Supplemental Agreement to be forthwith due and payable whereupon the same shall be forthwith due and payable.

Save for the amendment of the maturity date of the Loan and the supplements made pursuant to the Supplemental Agreement, all the material terms and conditions of the Loan Agreement shall remain in full force and effect.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENT AGREEMENT

The Lender is a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services. Therefore, the Extension of Loan is made in the ordinary and usual course of business of the Group. The Loan was funded by internal resources of the Group.

The terms of the Supplemental Agreement, including the interest rate, were negotiated on arm's length basis between the parties with regard to the prevailing interest rates and practices. The parties had considered matters including but not limited to the extension of the Original Maturity Date, the interest rate, the re-assessment on the recoverability of the Loan and the status of the Borrower. After taking all terms of the Supplemental Agreement as a whole, the Directors were of the view that despite the Borrower's inability to repay the Loan in full on the Original Maturity Date, the interest rate of 7% per annum remains to be fair and reasonable. In addition, the Directors believe that the interest rate of 7% under the Supplemental Agreement is relatively attractive as it is considered to be favourable comparing with the prevailing interest rate for short-term loans of approximately 5.875% p.a. offered by certain commercial banks in Hong Kong. Accordingly, the Company is of the view that the entering into of the Supplemental Agreement and the transactions contemplated thereunder can generate considerable returns to the Company and represents an investment opportunity which is beneficial to the Company.

LETTER FROM THE BOARD

In agreeing to the Extension of Loan, the Directors had, in particular, considered the following factors:

- (1) based on the consolidated audited financial statements set out in the annual report of the Borrower for the year ended 31 December 2022, the net assets and the gearing ratio of the Borrower amounted to approximately HK\$1,166 million and 59.9%, respectively, which are considered to be relatively reasonable. Since each of (1) the ratio of the Loan to the net assets of the Borrower and (2) the ratio of the Loan to the total assets of the Borrower Group was less than 70%, which is within the limit set out in the internal guideline of the Lender, and having considered the future plans of the Borrower, in particular, the source of repayment, the Directors considered that the Borrower has healthy prospects in its businesses and its core business is expected to be profitable going forward, and therefore were of the view that despite the inability of the Borrower to repay the Loan in full on 1 June 2023, the risks of default by the Borrower remains proportionately remote;
- (2) the Borrower is a public company the shares of which are listed on the Stock Exchange, where the Borrower's operation and status would be public information and is more transparent than those of private companies or individuals. Accordingly, the business and financial performance of the Borrower can be scrutinized by the Group and the Directors are more confident in the repayment ability of the Borrower; and
- (3) the Extension of Loan would enable the Company to generate a relatively attractive interest income as compared with placing short-term cash deposits with commercial banks or investing in low-risk wealth management products, and is considered to have a higher level of certainty on the timeline of receiving interest income as compared with other investment opportunities such as equity investments.

Taking into account (i) the results of due diligence and credit assessment report on the financial background and repayment ability of the Borrower; (ii) the interest repayment history of the Borrower; (iii) the Borrower's financial strength, liquidity and profitability with reference to the net asset value and revenue as set out in its latest management accounts and financial statements published on the website of the Stock Exchange; (iv) the stable interest income expected to be generated from the Loan; and (v) the Extension of Loan may enhance the chances of recovery of the Loan by allowing more time for the Borrower to raise funds, the Directors consider that the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and the entering into of the same is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The Company has also adopted various measures to ensure the recoverability of the Loan and to follow up on the financial position of the Borrower, in accordance with the internal control guidelines for the finance business of the Group, which include, on a regular basis, (1) monitoring the loan account and the repayment progress of the Borrower; (2) reviewing the accounts, financial statements and business plans of the Borrower to assess its financial position and source of repayment; (3) conducting due diligence on the Borrower and in particular, the Borrower's material assets and liabilities; (4) performing legal and bankruptcy search on the Borrower to ensure the liquidity of the Borrower; and (5) conducting site visits to the Borrower's office and making verbal discussions with the management of the Borrower by telephone calls to follow up with the Borrower on the recovery of the Loan and its repayment plan as well as to understand the reason(s) leading to the non-repayment of the Loan.

None of the Directors has any material interest in the transactions and none of them is required to abstain from voting on the Board resolutions approving the Supplemental Agreement and the transactions contemplated thereunder.

INFORMATION OF THE BORROWER AND THE BORROWER GROUP

The Borrower is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 138). The Borrower is an investment holding company.

The Borrower Group is principally engaged in (i) the property business; (ii) the securities business; (iii) the Blackbird Group's multi-faceted automotive business and investment in valuable collections; and (iv) the cultural entertainment business. As at the Latest Practicable Date, Mr. Mak is the controlling shareholder of the Borrower by ultimately controlling approximately 74.97% of the total number of issued shares of the Borrower beneficially and through companies controlled by him. Mr. Mak is the former director (as at the date of the Supplemental Agreement: the then director) of two PRC subsidiaries of the Company.

INFORMATION OF THE COMPANY, THE GROUP AND THE LENDER

The Company is an investment holding company and the Group is principally engaged in investment holding, development and sale of land and properties in mainland China, finance business in Hong Kong, automobile business in Hong Kong, catering business in Hong Kong and live streaming business in mainland China.

The Lender is an indirect wholly-owned subsidiary of the Company. It is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the Loan (as amended and supplemented by the Supplemental Agreement) exceeds 100% and is neither an acquisition nor a disposal, the entering into of the Supplemental Agreement constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Mr. Mak is the former director (as at the date of the Supplemental Agreement: the then director) of two PRC subsidiaries of the Company and the controlling shareholder of the Borrower by ultimately controlling approximately 74.97% of the total number of issued shares of the Borrower through companies controlled by him. As such, the Borrower, being an associate of Mr. Mak, is a connected person of the Company. Accordingly, the entering into of the Supplemental Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the amount of financial assistance granted to the Borrower exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the Extension of Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

SGM

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrower and its associates, where necessary, will abstain from voting on the resolution(s) to be proposed for approving the Supplemental Agreement at the SGM. As at the Latest Practicable Date, the Borrower and its associates does not have any beneficial interest in the Company. Save as aforesaid, no other Shareholder or any of its associates has any material interest in the Supplemental Agreement and the transactions contemplated thereunder, and no other Shareholder would be required to abstain from voting on the resolution(s) in respect of the Supplemental Agreement and the transactions contemplated thereunder at the SGM.

Completion is subject to the approval from the independent Shareholders at the SGM and the fulfilment of the conditions precedent. Accordingly, the Extension of Loan may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Wu Wai Shan, Ms. Chan Sheung Yu and Mr. Leung Gar-gene, Vincent, has been established to advise the independent Shareholders as to (i) whether the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote on the resolution(s) at the SGM relating to the Supplemental Agreement and the transactions contemplated thereunder after taking into account the recommendations of the Independent Financial Adviser. Your attention is drawn to the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains its recommendation to the independent Shareholders in relation to the Supplemental Agreement and the transactions contemplated thereunder, and the letter from the Independent Financial Adviser set out on pages 16 to 37 of this circular which contains its advice to the Independent Board Committee and the independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM.

ADDITIONAL INFORMATION

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

By order of the Board
GBA HOLDINGS LIMITED
Ong Chor Wei
Chairman and Executive Director



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

14 December 2023

To the independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
EXTENSION OF LOAN
AND
PROVISION OF FINANCIAL ASSISTANCE**

We refer to the circular of the Company dated 14 December 2023 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the independent Shareholders as to whether the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and the terms of which are fair and reasonable insofar as the independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Messis Capital Limited has been appointed as the Independent Financial Adviser to advise us and the independent Shareholders in this respect. Having taken into account the terms of the Supplemental Agreement and the advice from MESSIS Capital Limited, we are of the opinion that (i) the entering into of the Supplemental Agreement and the Extension of Loan is made in the ordinary and usual course of business of the Group; (ii) the terms of the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable so far as the independent Shareholders are concerned; and (iii) the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolution(s) to be proposed at the SGM to approve the Supplemental Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of
the Independent Board Committee
GBA Holdings Limited

Ms. Wu Wai Shan

Ms. Chan Sheung Yu

**Mr. Leung Gar-Gene
Vincent**

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Messis Capital Limited which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this Circular.

MESSIS 大有融資

14 December 2023

*To: The Independent Board Committee and the independent Shareholders of
GBA Holdings Limited*

Dear Sirs and Madams,

MAJOR AND CONNECTED TRANSACTION EXTENSION OF LOAN AND PROVISION OF FINANCIAL ASSISTANCE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders of the Company on the Supplemental Agreement and the transactions contemplated thereunder, details of which are set out in the “Letter from the Board” contained in the circular of the Company dated 14 December 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

References are made to (i) the announcement of the Company dated 1 June 2021 in relation to the Loan Agreement; and (ii) the announcement of the Company dated 21 August 2023 in relation to the Supplemental Agreement, in relation to the Extension of Loan and provision of financial assistance. On 1 June 2021, the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into Loan Agreement, pursuant to which the Lender agreed to grant the Loan to the Borrower in the principal amount of HK\$70,000,000 for a term of two (2) years at an interest rate of 7% per annum. As at the Latest Practicable Date, the principal amount of HK\$70,000,000 and accrued interest of approximately HK\$7,376,699 remained outstanding. According to the Loan Agreement, the Borrower shall repay the Loan (together with all the accrued interest) in full on or before the Original Maturity Date, being 1 June 2023. On 21 August 2023 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower entered into the Supplemental Agreement to extend the maturity date of the Loan,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and amend and supplement certain terms of the Loan Agreement. Save for the amendments of the maturity date of the loan and the supplements made pursuant to the Supplemental Agreement, all the material terms and conditions of the Loan Agreement shall remain in full force and effect.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the Loan (as amended and supplemented by the Supplemental Agreement) exceeds 100% and is neither an acquisition nor a disposal, the entering into of the Supplemental Agreement constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and shall be subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Mr. Mak is the former director (as at the date of the Supplemental Agreement: the director) of two PRC subsidiaries of the Company and the controlling shareholder of the Borrower by ultimately controlling approximately 74.97% of the total number of issued shares of the Borrower through companies controlled by him. As such, the Borrower, being an associate of Mr. Mak, is a connected person of the Company. Accordingly, the entering into of the Supplemental Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the amount of financial assistance granted to the Borrower exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the Extension of Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Borrower and its associates, where necessary, will abstain from voting on the resolution(s) to be proposed for approving the Supplemental Agreement at the SGM. As at the Latest Practicable Date, the Borrower and its associates does not have any beneficial interest in the Company. Save as aforesaid, no other Shareholder or any of its associates has any material interest in the Supplemental Agreement and the transactions contemplated thereunder, and no other Shareholder would be required to abstain from voting on the resolution(s) in respect of the Supplemental Agreement at the SGM.

None of the Directors has any material interest in the transactions and none of them is required to abstain from voting on the Board resolutions approving the Supplemental Agreement and the transactions contemplated thereunder.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the independent Shareholders as to (i) whether the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

in the interests of the Company and the Shareholders as a whole; and (ii) how to vote on the resolution(s) at the SGM relating to the Supplemental Agreement and the transactions contemplated thereunder.

We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Supplemental Agreement and transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have acted as the independent financial adviser to the independent board committee of the Company for the following transaction:

**Date of the relevant
announcement/circular and our letter
of advice**

Nature of the transaction

25 July 2023

Independent financial adviser to the then independent board committee of the Company on the rights issue of the Company on the basis of four (4) rights shares for every five (5) consolidated shares held on the record date on a best effort and non-fully underwritten basis

18 July 2022

Independent financial adviser to the Board on the adjustments to the share options granted under the share option scheme of the Company as a result of the share consolidation on the basis of one hundred (100) shares into one (1) consolidated share

Apart from normal professional fees paid or payable to us in connection with the previous appointment mentioned above as well as this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This letter contains our advice to the Independent Board Committee and the Independent Shareholders as to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the independent Shareholders on whether to vote in favour of the resolutions to be proposed for approving the Supplemental Agreement at the SGM.

BASIS OF OUR OPINION

In formulating our advice, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Group and/or the Directors and/or the senior management of the Company (the “**Management**”). We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Group and/or the Directors and/or the Management are true and accurate. We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the SGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its adviser and/or the Directors, which have been provided to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement contained in the Circular misleading.

We consider that we have reviewed all information and documents which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group and/or the Directors and/or the Management and their respective advisers or to

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believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group or the Borrower.

PRINCIPAL FACTORS AND REASON CONSIDERED

In formulating our opinion regarding the Supplemental Agreement, we have taken into consideration the following principal factors:

1. Background of the transactions

1.1 Information of the Group and the Lender

The Company is an investment holding company and the Group is principally engaged in investment holding, development and sale of land and properties in mainland China (the “**Property Business**”) and finance business in Hong Kong (the “**Finance Business**”), automobile business in Hong Kong, catering business in Hong Kong and live streaming business in mainland China.

The Lender, an indirect wholly-owned subsidiary of the Company, is a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services.

1.1.1 Financial Information for the year ended 31 December 2022

Set out below are the financial results of the Group extracted from the annual report of the Company for the year ended 31 December 2022 (“**2022 Annual Report**”):

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Table 1: Segment revenue of the Group for the year ended 31 December 2022

	For the year ended	
	31 December	
	2021	2022
	<i>HK\$'000,000</i>	<i>HK\$'000,000</i>
	<i>(audited)</i>	<i>(audited)</i>
Property Business	466	25
Finance Business	3	5
Automobile Business	—	26
	<hr/>	<hr/>
	469	56
Cost of sales	<u>(436)</u>	<u>(119)</u>
Gross Profit/(Loss)	33	(63)
Other income and gains	4	7
Other costs and expenses	<u>(96)</u>	<u>(119)</u>
Loss before tax	<u>(59)</u>	<u>(175)</u>
Loss for the year	(60)	(175)

According to the 2022 Annual Report, the Group's revenue principally represented involved in the investment holding, Property Business, Finance Business and Automobile Business.

As set out in the table above, the revenue of the Group decreased by approximately 88.1% from approximately HK\$469 million for the year ended 31 December 2021 (the "FY 2021"), to approximately HK\$56 million for the year ended 31 December 2022 (the "FY2022"), which was primarily due to the decrease in the revenue generating from the Property Business. The revenue generated from the Finance Business increased from HK\$3 million for the FY2021 to HK\$5 million for the FY2022. We are of the view that the Finance Business will continue to contribute stable stream of interest income to the Group.

The gross profit was approximately HK\$33 million for FY2021 and the gross loss is approximately HK\$63 million for FY2022. The gross profit margin was approximately 7.0% for FY2021 and the gross loss margin is approximately 112.5% for FY2022. The increase in gross loss was mainly due to lower average sales price and margins and increase in write-down properties held for sale to net realisable value due to weak property market in the PRC.

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The Group recorded other income and gains of approximately HK\$7 million for FY2022 as compared to approximately HK\$4 million for FY2021. The increase was mainly attributable to the increase in land use tax refund. The recorded of other income and gains for the FY2021 have reclassification from other expenses.

As a result of the foregoing, the Group recorded a loss of approximately HK\$175 million for FY2022 as compared to a loss of approximately HK\$60 million for FY2021, which was mainly due to (i) decrease in fair value of financial assets at fair value through profit or loss due to lower fair value of financial assets; (ii) increase in write-down of properties held for sale to net realisable value due to weak property market in the PRC; and (iii) decrease in revenue from sale of properties due to negative impact arising from the outbreak of COVID-19 and weak economy in PRC.

1.1.2 Financial Information for the six months ended 30 June 2023

Set out below are the financial results of the Group extracted from the interim report of the Company for the six months ended 30 June 2023 (“**2023 Interim Report**”):

Table 2: Revenue of the Group for the six months ended 30 June 2023

	For the six months ended	
	30 June	
	2022	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue	9,323	20,551
Cost of sales	(6,366)	(13,822)
Gross Profit/(Loss)	2,957	6,729
Other income	3,103	411
Selling and distribution expenses	(1,654)	(6,442)
Loss before tax	(13,984)	(18,070)
Loss for the period	(14,101)	(18,155)

According to the 2023 Interim Report, the Group’s revenue increased from approximately HK\$9.3 million for the six months ended 30 June 2022 to approximately HK\$20.6 million for the six months ended 30 June 2023, representing an increase of 120.4%, which was mainly due to the increase in the revenue generated from catering and related food business.

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The Group's loss for the period increased from approximately HK\$14.1 million for the six months ended 30 June 2022 to approximately HK\$18.2 million for the six months ended 30 June 2023, which was primarily due to the decrease in other income and the increase in selling and distribution expenses which offset the increase in the gross profit.

1.2 Background and Financial Information of the Borrower

The Borrower is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 138). The Borrower is an investment holding company. The Borrower Group is principally engaged in (i) the property business; (ii) the securities business; (iii) the Blackbird Group's multi-faceted automotive business and investment in valuable collections; and (iv) the cultural entertainment business. As at the Latest Practicable Date, Mr. Mak is the controlling shareholder of the Borrower by ultimately controlling approximately 74.97% of the total number of issued shares of the Borrower beneficially and through companies controlled by him. Mr. Mak is the former director (as at the date of the Supplemental Agreement: the then director) of two PRC subsidiaries of the Company.

Set out below are the financial results of the Borrower extracted from the annual report of the Borrower for the year ended 31 December 2022:

1.2.1 Financial results of the Borrower for the year ended 31 December 2022

Table 3: Consolidated statement of financial position of the Borrower for the year ended 31 December 2022

	As at 31 December	
	2021	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Non-current assets	2,745,000	2,430,000
Current assets	1,303,000	909,000
Non-current liabilities	539,000	1,359,000
Current liabilities	1,879,000	807,000
Total borrowings <i>(Note)</i>	1,782,000	1,550,000
Net assets attributable to owners of the parent	1,621,000	1,166,000
Cash and cash equivalents	57,000	33,000

Note: The total borrowings include both short-term and long-term interest-bearing bank and other borrowings.

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According to the annual report of the Borrower for the year ended 31 December 2022, the total borrowings of the Borrower Group decreased from approximately HK\$1,782 million as at 31 December 2021 to approximately HK\$1,550 million as at 31 December 2022. The net assets attributable to the owners of the parent decreased from approximately HK\$1,621 million as at 31 December 2021 to approximately HK\$1,166 million as at 31 December 2022. As at 31 December 2022, the cash and cash equivalents of the Borrower was approximately HK\$33 million. As at 31 December 2022, the loan to the total assets ratio of the Borrower Group was 46.4% which is below the 70% guideline as per the Management and Internal Control Handbook for the Finance Business of the Group (the “**Internal Control Brochure for the Finance Business**”).

Set out below are the financial results of the Borrower extracted from the interim report of the Borrower for the six months ended 30 June 2023:

1.2.2 Financial results of the Borrower for the six months ended 30 June 2023

Table 4: Consolidated statement of financial position of the Borrower for the six months ended 30 June 2023

	As at 31 December 2022	As at 30 June 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(unaudited)</i>
Non-current assets	2,430,000	2,347,000
Current assets	909,000	911,000
Non-current liabilities	1,359,000	1,194,000
Current liabilities	807,000	930,000
Total borrowings ^(Note)	1,550,000	1,516,000
Net assets attributable to owners of the parent	1,166,000	1,205,000
Cash and cash equivalents	33,000	41,000

Note:

The total borrowings include both short-term and long-term interest-bearing bank and other borrowings.

According to the Interim Report of the Borrower for the six months ended 30 June 2023, the total borrowings of the Borrower Group decreased from approximately HK\$1,550 million as at 31 December 2022 to approximately HK\$1,516 million as at 30 June 2023. The net assets attributable to the owners of the parent increased from approximately HK\$1,166 million as at 31 December 2022 to approximately HK\$1,205 million as at 30 June 2023. As at 30 June 2023, the cash and

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cash equivalents of the Borrower was approximately HK\$41 million. As at 30 June 2023, the loan to the total assets ratio of the Borrower Group was 45.4% which is below the 70% guideline as per the Internal Control Brochure for the Finance Business.

2. Reasons for and benefits of entering into the Supplemental Agreement

As stated in the “Letter from the Board”, since the Lender is a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services, the Extension of Loan is made in the ordinary and usual course of business of the Group. The Loan is funded by internal resources of the Group.

The terms of the Supplemental Agreement, including the interest rate, were negotiated on arm’s length basis between the parties with regard to the prevailing interest rates and practices. The parties had considered matters including but not limited to the extension of the Original Maturity Date, the interest rate, the re-assessment on the recoverability of the Loan and the status of the Borrower. After taking all terms of the Supplemental Agreement as a whole, the Directors were of the view that despite the Borrower’s inability to repay the Loan in full on the Original Maturity Date, the interest rate of 7% per annum remains to be fair and reasonable. In addition, the Directors believe that the interest rate of 7% under the Supplemental Agreement is relatively attractive as it is considered to be favourable comparing with the prevailing interest rate for short-term loans of approximately 5.875% p.a. offered by certain commercial banks in Hong Kong. Accordingly, the Company is of the view that the entering into of the Supplemental Agreement and the transactions contemplated thereunder can generate considerable returns to the Company and represents an investment opportunity which is beneficial to the Company.

In agreeing to the Extension of Loan, the Directors had, in particular, considered the following factors:

- (i) based on the consolidated audited financial statements set out in the annual report of the Borrower for the year ended 31 December 2022, the net assets and the gearing ratio of the Borrower amounted to approximately HK\$1,166 million and 59.9%, respectively, which are considered to be relatively reasonable. Since each of (1) the ratio of the Loan to the net assets of the Borrower and (2) the ratio of the Loan to the total assets of the Borrower is less than 70%, which is within the limit set out in the Internal Control Brochure for the Finance Business, and having considered the future plans of the Borrower, in particular, the source of repayment, the Directors considered that the Borrower has healthy prospects in its businesses and its core business is expected to be

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profitable going forward, and therefore were of the view that despite the inability of the Borrower to repay the Loan in full on 1 June 2023, the risks of default by the Borrower remains proportionately remote;

- (ii) the Borrower is a public company the shares of which are listed on the Stock Exchange, where the Borrower's operation and status would be public information and is more transparent than those of private companies or individuals. Accordingly, the business and financial performance of the Borrower can be scrutinized by the Group and the Directors are more confident in the repayment ability of the Borrower; and
- (iii) the Extension of Loan would enable the Company to generate a relatively attractive interest income as compared with placing short-term cash deposits with commercial banks or investing in low-risk wealth management products, and is considered to have a higher level of certainty on the timeline of receiving interest income as compared with other investment opportunities such as equity investments.

Taking into account (i) the results of due diligence and credit assessment report on the financial background and repayment ability of the Borrower, (ii) the interest repayment history of the Borrower; (iii) the Borrower's financial strength, liquidity and profitability with reference to the net asset value and revenue as set out in its latest management accounts and financial statements published on the website of the Stock Exchange; (iv) the stable interest income expected to be generated from the Loan; and (v) the Extension of Loan may enhance the chances of recovery of the Loan by allowing more time for the Borrower to raise funds, the Directors consider that the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable and the entering into of the same is in the interests of the Company and its Shareholders as a whole.

The Company has also adopted various measures to ensure the recoverability of the Loan and to follow up on the financial position of the Borrower, in accordance with the internal control guidelines for the finance business of the Group, which include, on a regular basis, (1) monitoring the loan account and the repayment progress of the Borrower; (2) reviewing the accounts, financial statements and business plans of the Borrower to assess its financial position and source of repayment; (3) conducting due diligence on the Borrower and in particular, the Borrower's material assets and liabilities; (4) performing legal and bankruptcy search on the Borrower to ensure the liquidity of the Borrower; and (5) conducting site visits to the Borrower's office and making verbal discussions with the management of the Borrower by telephone calls to follow up with the Borrower on the recovery of the Loan and its repayment plan as well as to understand the reason(s) leading to the non-repayment of the Loan.

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According to the website of the Hong Kong Monetary Authority (the “HKMA”), the HKMA raised its base rate to 5.75% since 27 July 2023. Accordingly, certain commercial banks in Hong Kong raised the prevailing lending rate for short-term loans to approximately 5.875% p.a.. The interest rate of 7.0% per annum charged under the Supplemental Agreement, which is higher than aforesaid prevailing lending rate for short-term loans, is on normal commercial terms or better and in the interest of the Group. Therefore, we are of the view that the Group will be benefited from receiving interest income generated from the outstanding amounts under the Loan at a rate higher than the prevailing lending rate for short-term loans in the Hong Kong market.

According to the Internal Control Brochure for the Finance Business of the Group, the loan to total assets ratio of a borrower should not be more than 70%, and regular review of the financial position of the borrower will be conducted by the Group. We have reviewed the financial position of the Borrower Group as published in its annual report for the year ended 31 December 2022, the details of which are set out under the subsection “1.2 Background and Financial Information of the Borrower” hereinabove, and noted that the Borrower Group’s total borrowings (including both short-term and long-term interest-bearing bank and other borrowings) to total assets ratios was approximately 46.4% as at 31 December 2022 and 45.4% as at 30 June 2023, which is below the 70% guideline as per the Management and Internal Control Handbook for the Finance Business of the Group, and is in line with the Group’s internal control policy.

We have reviewed the Supplemental Agreement dated 21 August 2023, and noted that the outstanding accrued interest owing from the Borrower pursuant to the Loan Agreement of approximately HK\$5,926,836 (inclusive of the interest accrued during the period from the Original Maturity Date and up to the date of the Supplemental Agreement) will be repaid in one lump sum within twelve (12) months from the date of the Supplemental Agreement, being 20 August 2024. We have reviewed the repayment record of the Borrower for the interest repayment of approximately HK\$1,225,000 and HK\$1,225,000 for the year ended 31 December 2021 and 2022, respectively, and noted that the such interest income pursuant to the Loan Agreement contributed 40.8% and 24.5% to the revenue of the Group’s Finance Business for the year ended 31 December 2021 and 2022, respectively. We concurred with the Director’s view that the Loan will generate stable interest income to the Group’s principal businesses.

In order to assess the reasonableness and fairness in respect of the entering into of the Supplemental Agreement, we have conducted an independent research and review on similar transactions involving the provision of loan or financial assistance (including subsequent renewal and extension) with fixed interest rate for terms ranging from 12 months to 24 months by companies listed on the Stock Exchange. We further note that the principal terms of the Supplemental Agreement are on normal commercial terms and generally in line with the terms of the similar transactions involving provision of loan or financial assistance by companies listed on the Stock Exchange according to their respective announcements. For further details, please refer to the section headed “3. Principal terms of the Supplemental Agreement” below.

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Leveraging on the reasons above, coupled with our independent analysis on the fairness and reasonableness of the major terms of the Supplemental Agreement as discussed below, we concur with the Directors that the Supplemental Agreement, which has been entered into after arm's length negotiation between the Group and the Borrower Group, is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

3. Principal terms of the Supplemental Agreement

The major terms of the Supplemental Agreement are set out below:

Date:	21 August 2023
Parties:	(1) the Lender; and (2) the Borrower
Principal amount of the Loan:	HK\$70,000,000 advanced by the Lender to the Borrower under the Loan Agreement
Interest rate:	7% per annum

Interest shall be accrued on the daily outstanding balance of the Loan and shall be payable to the Lender on the last day of each 3 months period commencing from the drawdown date, save for the accrued interest of approximately HK\$5,926,836 that remained outstanding as at the date of the Supplemental Agreement which shall be payable by the Borrower in one lump sum within 12 months from the date of the Supplemental Agreement.

Drawdown date:	the date on which the Loan was drawn down, being 2 June 2021
Maturity date:	the date falling on the fourth anniversary of the Drawdown Date, being 1 June 2025
Repayment:	Subject to the terms of the Supplemental Agreement, the Borrower shall repay the Loan together with all interest accrued thereon and all other sums (if any) due and owing to the Lender under the Supplemental Agreement in full on the Extended Maturity Date.

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Security: N/A

Conditions precedent: Completion of the Supplemental Agreement is conditional upon and subject to the satisfaction of the following conditions:

- (1) all necessary approvals, consents, authorisations and licences in relation to the transactions contemplated under the Loan Agreement and the Supplemental Agreement shall have been obtained;
- (2) all representations and warranties made by the Borrower in the Loan Agreement and the Supplemental Agreement or in connection therewith shall be true and correct with the same effect as if made on and as of Drawdown Date with reference to the facts and circumstances then subsisting;
- (3) the passing by the independent shareholders of the Company who are not required to abstain from voting at its special general meeting of the ordinary resolution(s) to approve the Supplemental Agreement and the transactions contemplated thereunder;
- (4) no event of default shall have occurred or potential event of default shall have occurred (or would be likely to occur as a result of the Loan being made); and
- (5) the Lender shall have received such other documents, evidence and financial and other information relating to any of the matters contemplated under the Loan Agreement and the Supplemental Agreement as the Lender may require.

Save for conditions (2), (4) and (5) above which may at any time be waived by the Lender in writing, all other conditions precedent are incapable of being waived. If the conditions above have not been satisfied (or as the case may be, waived by the Lender) on or before 29 February 2024, the Supplemental Agreement shall cease and determine (save and except clauses expressed to survive termination) and thereafter neither party shall have any obligations and liabilities towards each other thereunder, save for any antecedent breach.

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Save for the amendments of the maturity date of the Loan and the supplements made pursuant to the Supplemental Agreement, all the material terms and conditions of the Loan Agreement shall remain in full force and effect.

We have reviewed the Loan Agreement dated 1 June 2021 and the Supplemental Agreement dated 21 August 2023, and noted that the principal terms of Supplemental Agreement are similar to those as set out in the Loan Agreement.

We have reviewed the Group's Internal Control Brochure for the Finance Business and noted that for each loan agreement, the credit committee of the Group will review the application from the borrower and conduct credit assessment before signing. The Lender will monitor its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and to mitigate the effects of fluctuations in cash flow. The credit committee will conduct credit assessment on the corresponding loans. We have reviewed the credit assessment of the Supplemental Agreement and are of the view that the Extension of Loan has been assessed and in line with the internal control policy of the Group.

As mentioned before, the Group will adopt the relevant internal control measures in place in relation to the Supplemental Agreement to safeguard the interests of the Company, and therefore we are of the view that the Group is able to carry out continuous monitoring on the financial position and performance of the Borrower Group until its full repayment of all outstanding amounts to the Group.

According to the clause of right of set-off (the "**Right of set-off**") under the Supplemental Agreement, the Lender shall have the right to offset any credit balance to which the Borrower is entitled on any account against any obligations and liabilities outstanding under the Loan Agreement and Supplemental Agreement in the event that the borrower fails to honour its contractual repayment obligations, which we consider to be a favourable term which may reduce the Group's recovery risk of loans under the Loan Agreement and the Supplemental Agreement.

Given that (i) the Company conducted due diligence and assessment on the repayment capability of the Borrower Group; (ii) the Borrower Group, as a public listed company on the Stock Exchange, is obliged to release its financial results every six months and announcement(s) regarding material changes on the website of Stock Exchange, which enables the Group to keep track with the operation status and financial performance of the Borrower Group; (iii) the accrued interest owing from the Borrower pursuant to the Loan Agreement that remained outstanding as of the date of the Supplemental Agreement of HK\$5,926,836 will be repaid in one lump sum within twelve (12) months from the date of the Supplemental Agreement, being 20 August 2024; (iv) the aforesaid internal control policy pursuant to the Internal Control Brochure for the Finance Business adopted by the Group; and (v) the Right of set-off for the Group as set out under the Supplemental Agreement is a new clause as compared to the Loan Agreement, which legally binds

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the Borrower Group and the Lender and thus enhances the protection to the Group in the event of default, we concur with the Directors' view that the recovery risks of the Loan and accrued interest are adequately mitigated and that the entering into of the Supplemental Agreement and the transactions contemplated thereunder can generate considerable returns to the Company and represents an investment opportunity which is beneficial to the Company.

In assessing the fairness and reasonableness of the major terms of the Supplemental Agreement, we have reviewed similar transactions involving the provision of loan or financial assistance (including subsequent renewal and extension) by companies listed on the Stock Exchange during the period from 2 June 2023 to 20 August 2023 (the "**Review Period**"), being approximately two and a half months prior to the date of the Supplemental Agreement, which in our view represents a sufficient period of time to reflect the prevailing market conditions for conducting such transaction. Our selection criteria includes loan agreements with (i) fixed interest rate; and (ii) terms falling between 12 months and 24 months. To the best of our knowledge, we have identified 20 comparable transactions ("**Market Comparables**") based on the aforesaid criteria. We consider that the list of Market Comparables is exhaustive as far as we are aware of and is sufficient to provide a fair and representative sample to be taken as a general reference of the prevailing market practices in relation to the provision of financial assistance (including subsequent renewal and extension) by the listed companies with fixed interest rate for the term ranging from 12 months to 24 months under recent market sentiment.

Shareholders should note that (i) the size, background, business, financial performance and prospects of the Company may not be the same as the listed companies of the Market Comparables; (ii) the background, business, financial performance and credibility of the Borrower Group may not be the same as that of the borrowers of the Market Comparables, which were not fully disclosed in the relevant announcements of the listed companies; and (iii) the terms of loans may vary with difference individual factors including the duration of the loan, size of loan, securities and/or guarantees attached to the loan, and thus the comparison of the principal terms of the Supplemental Agreement with that of the Market Comparables may not represent an identical comparison. We, however, consider that the terms of the Market Comparables were determined under similar market conditions, and thus, provide a general reference in assessing the fairness and reasonableness of the major terms of the Supplemental Agreement (including the interest rate).

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No.	Date of announcement	Company name	Stock code	Size of loan (Approx.)	Annualised interest rate (%)	Term to maturity (months)	Security/Guarantee	Transaction Classification	Connected Transaction (Y/N)	Background of the Borrower	Latest published total asset value of the lender / the listed holding company of the lender as of the date of the announcement	Whether the borrower has defaulted record (Y/N/Nil) ^{Note}	Newly Granted Loan/Proposed to be renewed
1	18 August 2023	Sinotank Worldwide Holdings Limited	1168	RMB100 million	5	12	No	Discloseable Transaction — Extension of Entrusted Loan	N	A company established in PRC and principally engaged in telecom value-added services, radio and TV program production and management	HK\$11,204.60 million	Y	Proposed to be renewed
2	17 August 2023	Cybermaat International Holdings Company Limited	1020	HK\$3 million	10	12	Yes	Discloseable Transaction — Granting of Loans	N	A company incorporated in Hong Kong and is a licensed money lender in Hong Kong	RMB340.99 million	Nil	Newly Granted Loan
3	16 August 2023	China Financial Services Holdings Limited	605	RMB10 million	12	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company established in PRC and principally engaged in property investment	HK\$2,644.41 million	Nil	Newly Granted Loan
4	16 August 2023	Rare Earth Magnesium Technology Group Holdings Limited	601	Less than HK\$10 million	5	12	No	Discloseable and Connected Transaction — Provision of Loan	Y	Century Sunshine Group Holdings Limited (Stock code: 509), the ultimate controlling shareholder of the Company, principally engaged in manufacturing and sales of fertilisers, processing, exploration and sales of serpentine; and manufacturing and sales of magnesium-related products in the PRC	HK\$1,873.17 million	Nil	Newly Granted Loan
5	15 August 2023	China Financial Services Holdings Limited	605	RMB4 million	19.2	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company established in the PRC and principally engaged in the property investment	HK\$2,644.41 million	N	Newly Granted Loan
6	10 August 2023	New Century Group Hong Kong Limited	234	HK\$25 million	8	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company incorporated in Hong Kong and principally engaged in property investment	HK\$2,081.37 million	N	Newly Granted Loan
7	9 August 2023	Oriental Enterprise Holdings Limited	18	HK\$150 million	11.04	12	Yes	Discloseable Transaction — Provision of Loan	N	An individual	HK\$1,892.18 million	Nil	Newly Granted Loan
8	1 August 2023	Global International Credit Group Limited	1669	HK\$35 million	10	24	Yes	Discloseable Transaction — Provision of Financial Assistance	N	An individual	HK\$943.94 million	N	Newly Granted Loan

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No.	Date of announcement	Company name	Stock code	Size of loan (Approx.)	Annualised interest rate (%)	Term to maturity (months)	Security/ Guarantee	Transaction Classification	Connected Transaction (Y/N)	Background of the Borrower	Latest published total asset value of the lender / the listed holding company of the lender as of the date of the announcement (Y/N/N/A) ^(Note)	Whether the borrower has defaulted record (Y/N/N/A) ^(Note)	Newly Granted Loan/Proposed to be renewed
9	20 July 2023	China Financial Services Holdings Limited	605	RMB17 million	15.6	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	Individuals	HK\$2,644.41 million	Nil	Newly Granted Loan
10	18 July 2023	Global International Credit Group Limited	1669	HK\$23 million	10	24	Yes	Discloseable Transaction — Provision of Financial Assistance	N	Individuals	HK\$943.94 million	N	Newly Granted Loan
11	14 July 2023	Capital Finance Holdings Limited	8239	Up to RMB2.5 million for each of the Borrowers	15.6	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company established in the PRC and principally engaged in technology businesses; and its substantial shareholder, an individual	HK\$294.86 million	Nil	Newly Granted Loan
12	13 July 2023	New Century Group Hong Kong Limited	234	HK\$55 million	9.25	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company incorporated in the BVI and a property investment holding; and its ultimate beneficial owner, an individual	HK\$2,092.26 million	Nil	Newly Granted Loan
13	6 July 2023	China Financial Services Holdings Limited	605	HK\$5.3 million	14.5	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	Individuals	HK\$2,644.41 million	Nil	Newly Granted Loan
14	6 July 2023	Capital Finance Holdings Limited	8239	Up to RMB2.8 million	15.6	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	An individual	HK\$294.86 million	Nil	Newly Granted Loan
15	30 June 2023	China Financial Services Holdings Limited	605	HK\$15 million	11	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	Individuals	HK\$2,644.41 million	Nil	Newly Granted Loan
16	28 June 2023	Oi Wah Pawnshop Credit Holdings Limited	1319	HK\$25 million	11.75	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company incorporated in Hong Kong and principally engaged in investment business; and its 99-percent shareholder, an individual	HK\$1,187.75 million	Nil	Newly Granted Loan
17	21 June 2023	Capital Finance Holdings Limited	8239	Up to RMB3 million for each of the Borrowers	13.2	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	Individuals	HK\$294.86 million	Nil	Newly Granted Loan

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

No.	Date of announcement	Company name	Stock code	Size of loan (Approx.)	Annualised interest rate (%)	Term to maturity (months)	Security/ Guarantee	Transaction Classification	Connected Transaction (Y/N)	Background of the Borrower	Latest published total asset value of the lender / the listed holding company of the lender as of the date of the announcement	Whether the borrower has defaulted record (Y/N/Nil) ^(Note)	Newly Granted Loan/Proposed to be renewed
18	9 June 2023	Global International Credit Group Limited	1669	HK\$20 million	9.5	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A Company incorporated in Hong Kong and engaged in the business of garment manufacturing and property investment	HK\$943.94 million	N	Proposed to be renewed
19	8 June 2023	New Century Group Hong Kong Limited	234	HK\$7.5 million	9.5	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	Individuals	HK\$2,092.26 million	N	Newly Granted Loan
20	2 June 2023	Hong Kong Finance Group Limited	1273	HK\$23 million	13	12	Yes	Discloseable Transaction — Provision of Financial Assistance	N	A company incorporated in Hong Kong and engaged in the business of property investment holdings, and its ultimate owners, individuals	HK\$1,207.34 million	Nil	Newly Granted Loan
		Mean			11.44								
		Min			5								
		Max			19.2								
		The Company			7								

Note: "Nil" represented there is no such closure in the corresponding announcement.

Source: the website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

From the table above, we note that for the loan agreements involved in the Market Comparables, the annual/annualized interest rates ranged from 5% to 19.2%, with an average of approximately 11.44%. The interest rate charged by the Company, being 7.0% under the Supplemental Agreement, falls within the range of the interest rate of the Market Comparables and is lower than the average of the interest rates of the Market Comparables. Therefore, we consider that the interest rate charged by the Lender under the Supplemental Agreement is fair and reasonable.

We noted that 18 out of a total 20 Market Comparables are secured while the Extension of Loan is an unsecured loan and the Borrower has recently defaulted the repayment. We consider that the Market Comparable is reasonable and appropriate for our comparison for the following reasons:

- (i). The borrowers of the 18 Market Comparables whose debts were provided security are individuals and/or private companies, which means that their financial status/positions are relative less transparent and are not available to the public. Thus, it would be more difficult for the lenders of these 18 Market Comparables to assess risks on the borrowers' repayment ability based on their representation and keep track of their financial status/positions, and accordingly it is reasonable for such lenders to request the security/guarantee for the corresponding loans. For the transactions contemplated under the Supplemental Agreement, the Borrower is a listed issuer with its financial information transparent and published on a regular basis after audited by qualified auditors, which enables the Lender and the Group to keep track of the financial position of the Borrower Group. We are of the view that it is reasonable and acceptable for the Lender and the Group not to request the Borrower to provide security for the Extension of Loan;
- (ii). During the Review Period, there are two Market Comparables' loans are unsecured, whose annual/annualised interest rates are lower than the interest rate of the Extension of Loan and whose time to maturity is shorter than the time to maturity of the Extension of Loan. In such case, only comparing the Extension of Loan with these two unsecured Market Comparables may not provide a comprehensive and meaningful picture for our comparison; and
- (iii). Since the annual/annualised interest rates as negotiated between the borrowers and the lenders of the Market Comparables are subject to different factors, including but not limited to, the market sentiment, the size of loans, the term of maturity, the financial background of the borrowers, and repayment ability of the borrowers, we are of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

view that it is more reasonable to include all 20 Market Comparables within our Review Period to illustrate the market sentiment regarding money lending business and present a more comprehensive and meaningful picture for our comparison.

Given (i) the financial position analysis for the Borrower Group as mentioned above; (ii) the financial information of the Borrower Group will be transparent and published on a regular basis after audited by the qualified auditor; and (iii) the Right of set-off clause for the Group as set out under the Supplemental Agreement is a new clause as compared to the Loan Agreement, which legally binds the Borrower Group and the Lender and thus enhances the protection to the Group in the event of default, we consider the recovery risk for the Group is adequately mitigated.

In light of the above, we are of the view that the major terms of the Supplemental Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and the Supplemental Agreement are in the interests of the Company and its Shareholders as a whole.

4. Financial effects on the Group

Liquidity

According to 2022 Annual Report, as at 31 December 2022, the Group had cash and cash equivalent of approximately HK\$27.0 million. According to the 2023 Interim Report, as at 30 June 2023, the cash and cash equivalent of the Group was approximately HK\$5.3 million. The provision of financial assistance to the Borrower Group under the Supplemental Agreement in the form of the Extension of Loan will not cause future cash outflow from the Group. Therefore, the Extension of Loan and the transaction contemplated thereunder will not have material effect on the Group's cash position.

Net assets

The receivable amounts to the Group under the Loan Agreement as well as the Supplemental Agreement will continue to be recorded as Loan and interest receivables which will be classified under non-current assets or current assets of the Group. Therefore, the Extension of Loan will not have any material impact on total assets, total liabilities and net asset value of the Group.

Profit or loss

The interest income received under the Supplemental Agreement will be recorded as interest income of the Group at the rate of 7.0% per annum of outstanding amount under the Supplemental Agreement. It is expected that the Group will record interest income of approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

HK\$1,772,000, HK\$4,900,000 and HK\$2,430,000 as a result of recognition of interest income under the Supplemental Agreement for the period from 21 August 2023 to 31 December 2023, the year ending 31 December 2024 and the period from 1 January 2025 to 1 June 2025, respectively.

In view of the foregoing, we concur with the Company's view that the entering into of the Supplemental Agreement, the Extension of Loan and the transaction contemplated thereunder will not have material impact on the financial position of the Group.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the entering into of the Supplemental Agreement and the Extension of Loan is made in the ordinary and usual course of business of the Group; (ii) the terms of Supplemental Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolution(s) to be proposed at the SGM to approve the transactions and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Thomas Lai
Chief Executive Officer

Mr. Thomas Lai is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Mesis Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulatory activity under the SFO and has over 28 years of experience in corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP AND COMPANIES ACQUIRED

Details of the financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022 are disclosed in the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022, respectively. These annual reports are published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.gbaholdings.com/annual-report/>):

- (a) annual report of the Company for the year ended 31 December 2020 published on 23 April 2021 (pages 49 to 131) in relation to the financial information of the Group for the same year
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042300807.pdf>);
- (b) annual report of the Company for the year ended 31 December 2021 published on 25 April 2022 (pages 47 to 114) in relation to the financial information of the Group for the same year
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501248.pdf>);
and
- (c) annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (pages 46 to 108) in relation to the financial information of the Group for the same year
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042601142.pdf>).

Details of companies acquired by the Company since the date of the last published audited accounts of the Group are disclosed in the following documents:

- (a) annual report of the Company for the year ended 31 December 2022 published on 26 April 2023 (page 12); and
- (b) announcement of the Company dated 17 March 2023
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0317/2023031701265.pdf>).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2023, being the indebtedness date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness were as follows:

Bank overdraft

As at the close of business on 31 October 2023, the Group had bank overdraft of approximately HK\$2.8 million, which was secured by the Group's pledged time deposit.

Lease liabilities

As at the close of business on 31 October 2023, the Group had lease liabilities of approximately HK\$15.5 million.

Other borrowings

As at the close of business on 31 October 2023, the Group had other borrowings of approximately HK\$16.1 million.

Save as disclosed above and apart from intra-group liabilities, at the close of business on 31 October 2023, the Group did not have any material debt securities issued and outstanding, and authorised or otherwise created but unissued, or term loans or other borrowings or indebtedness in the nature of borrowing or acceptances or hire purchase commitments, or outstanding mortgages and charges, or contingent liabilities or guarantees.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present financial resources available to the Group, including the present internal resources and funds, as well as the effect of the transactions contemplated under the Supplemental Agreement, the Group will have sufficient working capital for at least twelve months from the date of this circular.

4. FINANCIAL EFFECTS OF THE FINANCIAL ASSISTANCE

The provision of financial assistance to the Borrower was entirely financed by the Group's general working capital. The Directors consider that the transactions under the Supplemental Agreement will not have any material financial impact on the assets and liabilities of the Group.

5. NO MATERIAL CHANGE

The Directors confirm that there has been no material adverse change in the financial or trading position or outlook of the Group for the period commencing since 31 December 2022 (being the date to which the latest published audited financial statements of the Company were made up) up to the Latest Practicable Date.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and the Group is principally engaged in property development and investment in mainland China (the “**Property Business**”) and finance business and automobile business in Hong Kong.

As disclosed in the annual report of the Company for the year ended 31 December 2022, during the year, revenue of the Group amounted to approximately HK\$56 million (2021: approximately HK\$469 million), representing a decrease of approximately 88.1% compared with that of the last financial year. The decrease in the Group’s revenue was mainly derived from the (i) decrease in fair value of financial assets at fair value through profit or loss due to lower fair value of financial assets; (ii) increase in write down of properties held for sale to net realisable value due to weak property market in the PRC; and (iii) decrease in revenue from sale of properties due to negative impact arising from the outbreak of novel coronavirus disease and weak economy in the PRC. The said factors had created challenges and pressures on the Property Business, and since the Property Business has contributed approximately 44.6% of the Group’s total revenue, the Group’s financial performance for the year ended 31 December 2022 had deteriorated accordingly.

In light of the reopening of the border checkpoints between Hong Kong and the PRC in early January 2023 and the stabilisation of COVID-19 cases, sales in the Group’s current businesses are expected to recover in the future. The Group will continue to expand its existing businesses based on market demand and availability of financial resources of the Group. Nevertheless, the management is, and has been, seeking for opportunity to carry out new investments, projects and transactions in the mainland China and Hong Kong, which may or may not be of different nature from the existing businesses of the Group, in order to bring diversification to businesses opportunities, source of revenue and investment portfolio of the Group, to reduce the overall business risk, as well as to bring economic value and benefit to the Shareholders. During the course of identifying new investment opportunities, the Board explored the possibility of expanding the Group’s business and investment portfolio into the catering and related industry (the “**Catering Business**”) as well as the live streaming and e-commerce industry (the “**Live Streaming Business**”).

For further information on the Catering Business and the Live Streaming Business, please refer to the Company’s circular dated 25 July 2023 and prospectus dated 28 August 2023.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Director's and chief executive's interests and short positions in the securities of the Company or its associated corporations**

As at the Latest Practicable Date, the following Directors and chief executives of the Company had or were deemed to have interests or short positions 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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), to be notified to the Company and the Stock Exchange:

Interests in the Shares of the Company (Long Positions)

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of issued capital of the Company <i>(Note 1)</i>
Mr. Ong Chor Wei	Interest of controlled corporation <i>(Note 2)</i>	118,534,590	12.22%

Notes:

- The percentage had been calculated on the basis of 970,157,660 issued Shares as at the Latest Practicable Date.

2. Mr. Ong beneficially owns 100% of the issued share capital of Top Pioneer Holdings Limited. Therefore, Mr. Ong is deemed to be interested in all the Shares held by Top Pioneer Holdings Limited for the purpose of the SFO. Mr. Ong and Top Pioneer Holdings Limited are regarded as a group of Controlling Shareholders acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 12.22% of the issued share capital of the Company. Mr. Ong is also a director of Top Pioneer Holdings Limited.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their respective associates had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required 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 are deemed or taken to have under provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or proposed Director was a director or employee of a company which had any 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.

(b) Substantial Shareholders' and other persons' interests or short position in the securities of the Company and its associated corporations

To the best knowledge, information and belief of the Directors and chief executive of the Company, as at the Latest Practicable Date, the following persons (other than being Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules of the Stock Exchange:

Long position in the Shares and underlying shares of the Company:

Name of Shareholder	Nature of interest	Number of Shares interested	Approximate percentage of issued capital of the Company (Note 1)
Top Pioneer Holdings Limited (Note 2)	Beneficial owner	118,534,590	12.22%
CCT Fortis Holdings Limited (Note 3)	Security Interest of controlled corporation (Note 3)	67,083,875	6.91%
Mak Chun Kiu (Note 3)	Security Interest of controlled corporation (Note 3)	67,083,875	6.91%
Mak Shiu Tong (Note 3)	Security Interest of controlled corporation (Note 3)	67,083,875	6.91%
Jim Ka Shun	Beneficial owner	81,648,000	8.42%

Notes:

1. The percentage had been calculated on the basis of 970,157,660 issued Shares as at the Latest Practicable Date.

2. 100% of the issued share capital of Top Pioneer Holdings Limited were owned by Mr. Ong Cho Wei, the executive Director. Therefore, Mr. Ong is deemed to be interested in all the Shares held by Top Pioneer Holdings Limited for the purpose of the SFO. Mr. Ong and Top Pioneer Holdings Limited are regarded as a group of Controlling Shareholders acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 12.22% of the issued share capital of the Company. Mr. Ong is also a director of Top Pioneer Holdings Limited.
3. CCT Fortis Holdings Limited is interested in 100% of issued share capital in CCT Capital International Holdings Limited, which in turns own 100% of issued share capital in CCT Telecom Securities Limited and Ever Sino Group Limited, where the two companies have security interest in the Shares. Accordingly, CCT Fortis Holdings Limited is deemed to be interested in the security interest in the Shares acquired by CCT Telecom Securities Limited and Ever Sino Group Limited by virtue of Part XV of the SFO. CCT Fortis Holdings Limited is in turn owned as to 73.38% and 74.97% by Mak Chun Kiu and Mak Shiu Tong, respectively, and hence, Mak Chun Kiu and Mak Shiu Tong are also deemed to be interested in the security interest in the Shares by virtue of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that there is any other persons (other than the Directors or chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares, underlying shares or debentures of the Company (i) 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 (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register to be kept by the Company.

3. DIRECTOR'S SERVICE CONTRACTS

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

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENT AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 December 2022, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the Group's business that competes or is likely to compete (either directly or indirectly) with the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially or adversely affect the operations of the Company and no litigation, arbitration or claim which would materially or adversely affect the operations of the Company was known to the Directors to be pending or threatened by or against any member of the Group.

7. EXPERT AND CONSENT

The following are the qualification of the expert who has given opinion or advice which are contained in this circular:

Name	Qualifications
Messis Capital Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance)

At the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, report and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interests in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, there had been no contract, not being a contract entered into in the ordinary course of business, entered into by members of the Group after the date falling two years immediately preceding the date of the 2023 Announcement and up to the Latest Practicable Date:

- (a) the agreement for the sale and purchase dated 30 December 2022 entered into between Regal Fair Limited (as purchaser) and Mr. Ma Hing Cheong (as vendor) in relation to of the acquisition of the entire equity interest and shareholder's loans of Universal Flair Limited;
- (b) the agreement for the sale and purchase dated 17 March 2023 entered into between Regal Fair Limited (as purchaser) and Mr. Ma Hing Cheong (as vendor) in relation to of the acquisition of the entire equity interest and shareholder's loans of Charm Vision Enterprises Incorporated;
- (c) the underwriting agreement dated 7 June 2023 entered into between the Company and Silverbricks Securities Company Limited ("**Silverbricks**") (as underwriter) in relation to the issue of rights shares by way of rights on the basis of four (4) rights shares for every five (5) Shares held at the record date (the "**Rights Issue**") and the underwriting of up to 388,548,600 rights shares by Silverbricks on a best effort basis;
- (d) the supplemental underwriting agreement dated 23 June 2023 entered into between the Company and Silverbricks to amend certain terms of the underwriting agreement dated 7 June 2023;
- (e) the second supplemental underwriting agreement dated 10 July 2023 entered into between the Company and Silverbricks to amend certain terms of the underwriting agreement dated 7 June 2023;
- (f) the placing agreement dated 7 June 2023 entered into between the Company and Silverbricks in relation to the placing of the unsubscribed rights shares under the Rights Issue on a best effort basis by Silverbricks and/or its sub-placing agents(s) to independent placees;
- (g) the supplemental placing agreement dated 23 June 2023 entered into between the Company and Silverbricks to amend certain terms of the placing agreement dated 7 June 2023; and
- (h) the second supplemental placing agreement dated 10 July 2023 entered into between the Company and Silverbricks to amend certain terms of the placing agreement dated 7 June 2023.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.gbaholdings.com/>) from the date of this circular up to and including the date of the SGM:

- (a) the Letter from the Board, the text of which is set out on pages 5 to 13 of this circular;
- (b) the Letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 16 to 37 of this circular;
- (d) the annual reports of the Company for each of the three years ended 31 December 2020, 2021 and 2022;
- (e) the written consent as referred to in the paragraph headed “7. Expert and consent” in this appendix;
- (f) the Loan Agreement; and
- (g) the Supplemental Agreement.

10. MISCELLANEOUS

- (a) The registered office of the Company is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is Room 1415, 14/F., Leighton Centre 77 Leighton Road Causeway Bay Hong Kong.
- (c) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Cheung Yin, *HKICPA*.
- (e) In case of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

NOTICE OF SGM



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**” or “**SGM**”) of GBA Holdings Limited (the “**Company**”) will be held at 1/F., Function Room, Xi Hotel 7–9 Minden Avenue, Tsimshatsui, Kowloon, Hong Kong on Friday, 5 January 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the entering into of the Supplemental Agreement (as defined in the circular of the Company dated 14 December 2023 (the “**Circular**”) of which this notice forms part), a copy of which has been produced to this meeting marked “A” and initialed by the chairman of this meeting for identification purpose, the transactions contemplated thereunder and the execution of the Supplemental Agreement be and are hereby confirmed, approved, authorised and ratified in all respects; and

NOTICE OF SGM

- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to do all such acts and things and execute all such documents which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Supplemental Agreement and the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto that are of administrative nature and ancillary to the implementation of the Supplemental Agreement and any other transactions contemplated under or incidental to the Supplemental Agreement.”

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

Hong Kong, 14 December 2023

Registered office:

Victoria Place, 5th Floor,
31 Victoria Street
Hamilton HM 10
Bermuda

*Head office and principal place of business
in Hong Kong:*

Room 1415, 14/F., Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

Notes:

- (1) The register of members of the Company will be closed from Tuesday, 2 January 2024 to Friday, 5 January 2024 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the SGM, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 December 2023.
- (2) Any shareholder entitled to attend and vote at the SGM or at any adjourned meeting thereof (as the case may be) is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint not more than two proxies (who must be an individual or individuals) to attend and vote instead of him/her on the same occasion or if a recognised clearing house (or its nominee) is a shareholder of the Company, it may appoint the number of person(s) to act as its proxy or proxies not exceeding the number of shares held by it. A proxy need not be a shareholder of the Company but must attend the SGM or any adjourned meeting thereof (as the case may be) in person to represent him/her.

NOTICE OF SGM

- (3) In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time appointed for holding the SGM (i.e. not later than 11:00 a.m. on Wednesday, 3 January 2024, Hong Kong time) or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the SGM is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.gbaholdings.com/.
- (4) Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the SGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (5) Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the AGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (6) Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at the SGM will be taken by poll except where the chairman of the SGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the matter prescribed under Rule 13.39(5) of the Listing Rules.

As at the date hereof, the executive Directors are Mr. Ong Chor Wei, Ms. Wong Misa and Ms. Lam Ka Lee, and the independent non-executive Directors are Ms. Wu Wai Shan, Ms. Chan Sheung Yu and Mr. Leung Gar-Gene Vincent.