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GBA HOLDINGS LIMITED

GBA 集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

CHAIRMAN'S STATEMENT

RESULTS

On behalf of the Board, I present the annual results of the Group for the year ended 31 December 2021.

The Group's continuing operations recorded revenue of HK\$469 million in 2021, representing an increase of 19.0% from HK\$394 million in 2020. Loss attributable to the owners of the parent was HK\$60 million, representing a decrease of 51.2% from loss of HK\$123 million in the previous year.

As the Company was still in a loss position and the Company intends to conserve cash resources to finance its operations and future expansion and to counter the uncertainties of the future, the Board does not recommend payment of a final dividend for the year ended 31 December 2021 (2020: nil).

BUSINESS REVIEW

Property Business

All our property development projects, namely Landmark City, Evian Villa and CCT Land-Jun Mansion are located in the Anshan, Liaoning Province, the PRC, details of which are set out below.

Landmark City

Situated in the Tiexi District of the Anshan City, Landmark City enjoys convenient transport access and well-developed comprehensive ancillary facilities, and the project provides comfortable design, relatively low plot ratio and relatively high ratio of greenery and common areas. The project comprises residential buildings, underground car parks and retail shops, with a total gross floor area of approximately 212,000 square meters, built on a site area of 69,117 square meters. Landmark City is divided into three phases, comprising 22 residential towers, offering 2,132 flats and shop units in aggregate, with wide range of sizes from one-bedroom to four-bedroom apartments. Development of the entire Landmark City project was completed in 2013. As at 31 December 2021, approximately 90% of the entire project in terms of gross floor area has been sold accumulatively.

Evian Villa

Situated in the Hi-tech Development Zone of the Anshan City, Evian Villa is positioned as a luxurious residential community. Evian Villa is situated in one of the major educational and commercial areas in Anshan with comprehensive community facilities. Since first launch of the project, the development has received strong market response and have been well praised by the customers for its superior quality, top-notch design, low plot ratio, a greenery ratio of 42% and premium construction materials. In particular, the beautiful premier water system, an artificial lake in the center of the estate has received accolades from customers and buyers.

The project has a site area of 74,738 square meters and is divided into two phases, comprising 27 blocks of low-rise apartment buildings, under-ground car parking spaces and retail shops with total gross floor area of 126,000 square meters. Phase 1 comprises 14 blocks of gross floor area of 63,000 square meters and Phase 2 comprises 13 blocks of gross floor area of 63,000 square meters. Evian Villas provide flats and duplex apartments of 670 units in aggregate, comprising 291 units for Phase 1 and 379 units for Phase 2, with wide range of flat types. Development of the Phase 1 was completed in 2011. Approximately 78% of the residential units and 100% of the shops and car parks have been sold accumulatively up to 31 December 2021. Development of Phase 2 was completed in 2015. Approximately 88% of the residential units of Phase 2 has been sold accumulatively up to 31 December 2021. We will continue to sell the remaining units of Phase 1 and Phase 2 and the underground car parks of Phase 2.

CCT Land-Jun Mansion

CCT Land-Jun Mansion is located on the land lot site “DN1” of the Hi-tech Development Zone, adjacent to the Evian Villa project. This land site is unique and represents scarce land resource in the zone. Located in a prestigious residential location in Anshan, CCT Land-Jun Mansion enjoys well-developed community facilities. With a site area of approximately 83,000 square meters, this premier project will be developed into a luxury residential community comprising low-rise apartments with wide range of flat types, retail shops and underground car parks, with a planned total gross floor area of approximately 163,000 square meters. We pursue excellence and superior quality in the development of CCT Land-Jun Mansion, aiming to offer luxury and comfortable living environment to home buyers.

Development of CCT Land-Jun Mansion project has been divided in six phases, consisting of Phases 1.1, 1.2, 1.3, 2.1, 2.2 and 3, the status of which are described as follow:

- (i) Phase 1.2 was firstly developed and construction was completed in 2020 and most of its residential units were sold in 2020. Phase 1.2 comprises 12 blocks of 423 units offering good range of flat types and size to meet market demand, together with 13 shop units and 249 underground car parks, with a total gross floor area of approximately 65,148 square meters. Up to 31 December 2021, approximately 80% of the total gross floor area of Phase 1.2 has been sold accumulatively.
- (ii) Phase 1.1 comprises one luxury low-rise building with gross floor area of 5,935 square meters, offering 20 residential units and one shop. Construction of Phase 1.1 was completed in 2021. Up to 31 December 2021, approximately 19% of the total floor area of Phase 1.1 was sold.
- (iii) Consisting of six residential towers, Phase 1.3 provides 94 units and 13 shops with a total gross floor area of 11,107 square meter. Completed in 2021, approximately 93% in terms of gross floor area was sold during 2021.
- (iv) Completed in 2021, Phase 2.1 comprises 6 residential towers, providing gross floor area of 40,951 square meters of 192 apartments and 391 underground carpark spaces. Approximately 64% in terms of gross floor area of Phase 2.1 has been sold accumulatively up to the end of 2021.
- (v) Completed in 2021, Phase 3 comprises 7 residential towers, providing 224 residential units with a total gross floor area of 24,471 square meters. Approximately 82% of the total gross floor area

of Phase 3 has been sold accumulatively up to the end of 2021.

- (vi) Phase 2.2 is still being developed and foundation has been completed as at 31 December 2021. The development of Phase 2.2 is planned to provide approximately 20,000 square meter comprising mostly of residential units with some shop units.

We continually commit to pursue excellence and superior quality in our property projects by delivering premium property quality, stylish designs, high greenery ratio, luxury, spacious and comfortable environment and attentive after-sales services to homebuyers. We have established ourselves as one of the highly reputable developers in Anshan and our projects have won numerous awards and received accolade from customers. All of our property projects have been sold very well and are well received by property buyers in the Ahshan city.

Finance Business

After we discontinued the finance business in the Mainland in 2020, we continue to carry on money lender business in Hong Kong. In June 2021, in order to enhance return on our surplus cash, we lent a two-year term loan in the amount HK\$70,000,000 to CCT Fortis, which is a substantial shareholder of the Company. The term loan is unsecured and carries interest at 7% per annum.

The Discontinued Products Trading Business

The Products Trading Business was discontinued in 2020 and hence the Company did not record any profit or loss from the discontinued operation in the year under review.

POTENTIAL CHANGE OF SUBSTANTIAL SHAREHOLDER

Based on the relevant announcements and circular published by CCT Fortis, certain members of the CCT Fortis Group entered into an agreement dated 15 November 2021 (the “**CCT Fortis Agreement**”) with Top Pioneer Holdings Limited (the “**Purchaser**”), an independent third party, under which the CCT Fortis Group has agreed to sell all its holdings of 53,667,100,000 Shares (representing approximately 29.19% of the total number of issued shares of the Company) to the Purchaser. The transactions contemplated under the CCT Fortis Agreement as amended and supplemented by the supplemental agreement dated 14 December 2021 was approved by the shareholders of CCT Fortis in the special general meeting held by CCT Fortis on 17 January 2022. The CCT Fortis Agreement was further amended and supplemented by the second supplemental agreement dated 26 January 2022, and the third supplemental agreement dated 15 March 2022 entered into by the parties thereto. As at the date of this announcement, the transactions (the “**Transactions**”) contemplated under the CCT Fortis Agreement as amended and supplemented by the supplemental agreement, the second supplemental agreement and the third supplemental agreement have not yet been completed. In the event the Transactions proceed to completion, CCT Fortis will cease to have any shareholding interest in the Company and the Purchaser will become a substantial shareholder of the Company.

OUTLOOK

Looking forward, 2022 remain difficult and challenging. It is expected that the spread of COVID variant Omicron, rising inflation and interest hike, the prolonged Sino-US trade conflict and geopolitical tensions will continue to pose greatest challenges to the local and global economic recovery.

With our resilient management and healthy financial position, we consider that we can overcome the current unprecedented challenges and that we can turn risks into opportunities. We will continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term value to our shareholders.

APPRECIATION

On behalf of the Board, I wish to express our gratitude to the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the year. Furthermore, I am most grateful to our customers, shareholders, investors, bankers, landlords and suppliers for their continued encouragement and strong support to the Company throughout these unprecedented times.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 March 2022

FINANCIAL REVIEW

OVERVIEW OF 2021 FINANCIAL RESULTS

HK\$ million	2021	2020	% increase/ (decrease)
<u>Continuing operations</u>			
Revenue	<u>469</u>	<u>394</u>	19.0%
Loss before tax from continuing operations	(59)	(135)	(56.3%)
Income tax (expenses)/credit	<u>(1)</u>	<u>25</u>	N/A
Loss for the year from continuing operations	<u>(60)</u>	<u>(110)</u>	(45.5%)
<u>Discontinued operation</u>			
Loss for the year from a discontinued operation	<u>-</u>	<u>(13)</u>	(100.0%)
Loss for the year attributable to owners of parent	<u>(60)</u>	<u>(123)</u>	(51.2%)
Loss per share			
Basic and diluted			
For loss for the year	<u>(HK0.03 cents)</u>	<u>(HK0.07 cents)</u>	(57.1%)
For loss from continuing operations	<u>(HK0.03 cents)</u>	<u>(HK0.06 cents)</u>	(50.0%)

Financial Results

The Group's revenue of HK\$469 million from continuing operations increased by 19.0%, as compared with 2020, primarily from increase in sales of its property business in the Mainland.

For the year under review, loss attributable to owners of the parent decreased by HK\$63 million or 51.2% to HK\$60 million, due mainly to increase in sales and improvement of the financial performance of the Group's property business.

ANALYSIS BY BUSINESS SEGMENT

Continuing Operations	Revenue				
	2021		2020		% change
HK\$ million	Amount	Relative %	Amount	Relative %	
Property Business	466	99.4%	390	99.0%	19.5%
Finance Business	3	0.6%	4	1.0%	(25.0%)
Total	469	100.0%	394	100.0%	19.0%

Continuing Operations	Operating profit/(loss)		
	2021	2020	% change
HK\$ million			
Property Business	(23)	(158)	(85.4%)
Finance Business	1	_#	N/A
Total	(22)	(158)	(86.1%)

Operating profit less than HK\$1 million

For the year ended 31 December 2021, revenue of the Property Business of HK\$466 million, was HK\$76 million or 19.5% higher, due mainly to contracted sales of the CCT Land-Jun Mansion project. This business segment recorded operating loss of HK\$23 million, representing a decrease of 85.4% as compared with loss of HK\$158 million in 2020. The decrease in operating loss was attributable mainly to increase in sales and less impairment provision made against properties held for sale and properties under development in the current reporting year. In 2021, an impairment provision of HK\$16 million was made whereas approximately HK\$70 million was made in the previous year.

The finance business delivered interest income of HK\$3 million primarily from the term loan in the amount of HK\$70 million lent to CCT Fortis in June 2021. This segment recorded operating profit of HK\$1 million in 2021 (2020: operating profit of less than HK\$1 million).

ANALYSIS BY GEOGRAPHICAL SEGMENT

Continuing Operations HK\$ million	2021		2020		% change
	Amount	Relative %	Amount	Relative %	
Mainland and Hong Kong	469	100.0%	394	100.0%	19.0%

In 2021, the Mainland and Hong Kong were the only market regions of the Group, contributed 100% of the Group's total revenue from its continuing operations. During the year under review, our continuing operations did not generate any revenue from overseas market regions following the discontinuation of the Products Trading Business in 2020.

INVESTMENT IN A PROPERTY REDEVELOPMENT PROJECT IN HUIZHOU, CHINA

In line with our strategy of expansion in the Greater Bay Area, in 2020, we acquired a 19.8% shareholding interest in High Step Developments Limited (the “**Target Company**”), which holds an industrial property redevelopment project (the “**Project**”) in Huizhou City, Guangdong Province for a consideration of RMB220,000,000 (equivalent to approximately HK\$243,000,000).

The Project represents a composite redevelopment of the industrial properties in Huiyang District of Huizhou City, Guangdong Province, China into residential properties, retail shops, car parks and ancillary schools.

The fair value of our shareholding interest in the Target Company as at 31 December 2021 as appraised by an independent professional valuer was approximately HK\$220 million (2020: HK\$259 million), which represented approximately 22.5% (2020: 17.5%) of the total assets of the Company as at the year-end date. An unrealised fair value loss of approximately HK\$39 million was recorded in the year under review, as a result of tightening regulatory policies on housing market in the Mainland. No dividend was received from the Target Company during the year.

Amidst the unfavourable environment as a result of COVID-19 pandemic and tightening policies, the residential development of the Project has not yet started. However, the Target Company has cooperated with a professional education company and a new school has been established in part of the properties. The school is operated by the educational company.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	2021		2020	
	Amount	Relative %	Amount	Relative %
Bank and other borrowings	-	0.0%	-	0.0%
Equity attributable to owners of the parent	879	100.0%	926	100.0%
Total capital employed	879	100.0%	926	100.0%

Equity attributable to owners of the parent as at 31 December 2021 was HK\$879 million, down 5.1%, primarily due to net loss in 2021.

The Group did not have any bank borrowings as at 31 December 2021 (2020: nil). Therefore, the Group gearing ratio was zero as at the end of 2021 and 2020. This reflects its solid and healthy financial position.

LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	2021	2020
Current assets	688	1,221
Current liabilities	98	555
Current ratio	702.0%	220.0%

The Group's current ratio was 702.0% as at 31 December 2021 (2020: 220.0%). The Company continued to maintain a very high current ratio and this indicates the liquid position of the Group's assets. The cash and cash equivalents of the Group was HK\$48 million (2020: HK\$149 million). With a solid balance sheet, the Group is in good shape and is able to navigate the current extraordinary adversities.

The Group derives its working capital mainly from cash on hand and net cash generated from operating activities. The Board expects that that the Group will rely on net cash from operating activities, and borrowings, if required, to meet future demand of working capital, business expansion and capital expenditure, if any.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group had no capital commitment (2020: nil).

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

During the financial year 2021, the Group's receipts were mainly denominated in RMB. Payments were mainly made in HK\$ and RMB. Cash was generally placed in short-term deposits denominated in HK\$ and RMB. As at 31 December 2021, the Group did not have any bank borrowings.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk at present as it does not have any bank borrowings and interest rates currently remain at low level. In terms of foreign exchange exposures, the Group is principally exposed to RMB. RMB appreciated against HK\$ during 2021. The appreciation of RMB did not give rise to significant financial impact on the Group's operations.

ACQUISITION AND DISPOSAL OF MATERIAL SUBSIDIARIES AND ASSOCIATES

The Group did not acquire or dispose of any material subsidiaries and associates during the year under review.

SIGNIFICANT INVESTMENT

Save for the investment in a 19.8% interest in the property Project (as elaborated in the sub-section headed "**INVESTMENT IN A PROPERTY REDEVELOPMENT PROJECT IN HUIZHOU, CHINA**" under the Financial Review section), the Group did not hold any significant investment as at 31 December 2021 and 31 December 2020.

PLEDGE OF ASSETS

As at 31 December 2021 and 31 December 2020, none of the Group's assets were pledged.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (2020: nil).

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2021 was 42 (2020: 41). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. There were 10,914,993,990 share options outstanding as at 31 December 2021 (2020: 10,914,993,990 share options outstanding) under the expired 2011 Scheme. As at 31 December 2021, no share option was granted under the 2021 Scheme.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the year ended 31 December 2021.

CORPORATE GOVERNANCE

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

In the opinion of the Directors, the Company has complied with all the Code Provisions under the CG Code throughout the year ended 31 December 2021, except for the minor deviations from the following Code Provisions of the CG Code:

Code Provision A.2.1: the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing; and

Code Provision A.4.2: all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company have been disclosed in the interim report of the Company for the six months ended 30 June 2021 and will be disclosed in the corporate governance report contained in the 2021 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard set out in the Model Code adopted by the Company throughout the financial year ended 31 December 2021.

CHANGE OF COMPOSITION OF THE BOARD, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE AFTER THE REPORTING PERIOD

Mr. Ong Chor Wei has been appointed as a non-executive Director with effect from 3 January 2022. Mr. Tam Ngai Hung, Terry (“**Mr. Terry Tam**”) has resigned as an executive Director and a member of each of the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Board with effect from 3 January 2022, due to his personal commitments. Following Mr. Terry Tam’s resignation as an executive Director, Ms. Cheng Yuk Ching, Flora (“**Ms. Cheng**”), an executive Director, has been appointed as a member of each of the Remuneration Committee and the Nomination Committee with effect from 3 January 2022.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) since 2002 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. The Audit Committee consists of three members who are the three INEDs, namely Mr. Chow Siu Ngor (“**Mr. Chow**”), Mr. Lau Ho Kit, Ivan (“**Mr. Lau**”) and Mr. Tam King Ching, Kenny (“**Mr. Kenny Tam**”). Each of Mr. Lau and Mr. Kenny Tam is a qualified accountant and has extensive accounting and financial experience. The Audit Committee is currently chaired by Mr. Lau. The Audit Committee held two meetings during the financial year ended 31 December 2021.

The Audit Committee has reviewed and discussed the adopted accounting principles and practices and the auditing, internal control and financial reporting matters of the Group. The Audit Committee has also reviewed the consolidated financial statements of the Group for the financial year ended 31 December 2021.

Further information of the Audit Committee will be disclosed in the corporate governance report contained in the 2021 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2022.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee since 2005 with specific written terms of reference formulated in accordance with the requirements of the Listing Rules. The Remuneration Committee consists of five members who are three INEDs, namely Mr. Chow, Mr. Lau and Mr. Kenny Tam and two executive Directors, namely Mr. Mak Shiu Tong, Clement (“**Mr. Mak**”) and Ms. Cheng. The Remuneration Committee is currently chaired by Mr. Chow. The Remuneration Committee held four meetings during the financial year ended 31 December 2021.

Further information of the Remuneration Committee will be disclosed in the corporate governance report contained in the 2021 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2022.

NOMINATION COMMITTEE

The Company has established the Nomination Committee since 2012 with specific written terms of reference in line with the Code Provisions under the CG Code. The Nomination Committee consists of five members who are three INEDs, namely Mr. Chow, Mr. Lau and Mr. Kenny Tam and two executive Directors, namely Mr. Mak and Ms. Cheng. The Nomination Committee is currently chaired by Mr. Mak. The Nomination Committee held one meeting during financial year ended 31 December 2021.

Further information of the Nomination Committee will be disclosed in the corporate governance report contained in the 2021 annual report of the Company, which will be despatched to the Shareholders on or before 30 April 2022.

INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY

Each of the INEDs has filed a written confirmation to the Company confirming his independence pursuant to Rule 3.13 of the Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, the INEDs were considered to be independent.

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications or accounting or related financial management expertise and the number of INEDs representing at least one-third of the Board throughout the financial year ended 31 December 2021.

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

The annual results announcement of the Company for the year ended 31 December 2021 is published on the website of the Company at www.gbaholdings.com/eng/investor/statutory.php and that of the Stock Exchange at www.hkexnews.hk. The 2021 annual report and corporate governance report will be despatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 April 2022.

BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement and Ms. Cheng Yuk Ching, Flora; the non-executive Director is Mr. Ong Chor Wei; and the INEDs are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Tam King Ching, Kenny.

By Order of the Board of
GBA HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 March 2022

ANNUAL RESULTS

The Board presents the consolidated annual results of the Group for the year ended 31 December 2021, together with the comparative amounts for the previous year as follows:

Consolidated Statement of Profit or Loss

For the year ended 31 December 2021

HK\$ million	Notes	2021	2020
CONTINUING OPERATIONS			
REVENUE			
- Revenue from contracts with customers	4	466	390
- Interest income	4	3	4
		<u>469</u>	<u>394</u>
Cost of sales		<u>(420)</u>	<u>(419)</u>
Gross profit/(loss)		49	(25)
Changes in fair value of financial assets at fair value through profit or loss		(15)	36
Selling and distribution expenses		(21)	(31)
Administrative expenses		(53)	(46)
Other expenses, net		(19)	(69)
Finance costs	5	_ [#]	_ [#]
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	6	(59)	(135)
Income tax (expenses)/credit	7	(1)	25
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		<u>(60)</u>	<u>(110)</u>
DISCONTINUED OPERATION			
Loss for the year from a discontinued operation	8	-	(13)
LOSS FOR THE YEAR		<u>(60)</u>	<u>(123)</u>

Less than HK\$1 million

Consolidated Statement of Profit or Loss (Continued)*For the year ended 31 December 2021*

HK\$ million	<i>Note</i>	2021	2020
Attributable to:			
Owners of the parent			
Continuing operations		(60)	(110)
Discontinued operation		-	(13)
		(60)	(123)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	<i>10</i>		
- For loss for the year		(HK0.03 cents)	(HK0.07 cents)
- For loss from continuing operations		(HK0.03 cents)	(HK0.06 cents)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021

HK\$ million

	2021	2020
LOSS FOR THE YEAR	(60)	(123)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	13	30
OTHER COMPREHENSIVE INCOME FOR THE YEAR	13	30
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(47)	(93)
Attributable to:		
Owners of the parent		
Continuing operations	(47)	(80)
Discontinued operation	-	(13)
	(47)	(93)

Consolidated Statement of Financial Position

31 December 2021

HK\$ million	Notes	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	11	-	1
Loan and interest receivables	12	70	-
Financial assets at fair value through profit or loss		220	259
Total non-current assets		290	260
Current assets			
Properties under development		101	576
Properties held for sale		437	318
Trade receivables	13	1	7
Loan and interest receivables	12	2	-
Prepayments, other receivables and other assets		50	111
Financial assets at fair value through profit or loss		49	60
Cash and cash equivalents		48	149
Total current assets		688	1,221
Total assets		978	1,481
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Issued capital		1,839	1,839
Reserves		(960)	(913)
Total equity		879	926
Non-current liabilities			
Lease liabilities		1	-
Total non-current liabilities		1	-
Current liabilities			
Trade and bills payables	14	49	55
Tax payable		-	11
Other payables and accruals		48	489
Lease liabilities		1	-
Total current liabilities		98	555
Total liabilities		99	555
Total equity and liabilities		978	1,481
Net current assets		590	666
Total assets less current liabilities		880	926

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. The financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest million except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

Amendment to HKFRS 16

*COVID-19 Related Rent Concessions beyond
30 June 2021 (early adopted)*

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments did not have any impact on the financial position and performance of the Group as the Group did not have any bank borrowings.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of accumulated losses at the beginning of the current accounting period. Earlier application is permitted. The Group has early adopted the amendment on 1 January 2021. However, the Group has not received covid-19-related rent concessions and plans to apply the practical expedient when it becomes applicable within the allowed period of application.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has the following reporting segments:

- (a) the property business segment representing the development and sale of properties;
- (b) the finance business segment representing the finance business; and
- (c) the products trading business segment representing the sale and supply of telecom and electronic products and infant and baby products (discontinued during the year ended 31 December 2020).

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that finance costs, fair value gains/losses from the Group's financial instruments as well as the head office and corporate expenses are excluded from such measurement.

Segment assets exclude financial assets at fair value through profit or loss and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

For the year ended 31 December 2021

HK\$ million	Continuing Operations			Discontinued Operation	Reconciliations	Total
	Property Business	Finance Business	Sub-total	Products Trading Business		
Segment revenue:						
Sales to external customers	466	3	469	-	-	469
Other revenue	-	-	-	-	-	-
	466	3	469	-	-	469
Segment (loss)/profit	(23)	1	(22)	-	-	(22)
Finance costs	-	-	-	-	-	-
Reconciled items:						
Corporate and other unallocated expenses	-	-	-	-	(22)	(22)
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	-	(15)	(15)
(Loss)/profit before tax	(23)	1	(22)	-	(37)	(59)
Income tax expenses			(1)	-	-	(1)
Loss for the year			(23)	-	(37)	(60)
Other segment information:						
Expenditure for non-current assets	-#	-	-#	-	-	-#
Depreciation	-	-	-	-	(1)	(1)
Other material non-cash items:						
Impairment of trade receivables	(5)	-	(5)	-	-	(5)
Impairment of items of property, plant and equipment	-	-	-	-	(2)	(2)
Write-down of properties held for sale to net realisable value	(16)	-	(16)	-	-	(16)
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	-	(15)	(15)
HK\$ million	Continuing Operations			Discontinued Operation	Reconciliations	Total
	Property Business	Finance Business	Sub-total	Products Trading Business		
Segment assets:						
Reconciled items:						
Corporate and other unallocated assets	-	-	-	-	311	311
Total assets	595	72	667	-	311	978
Segment liabilities:						
Reconciled items:						
Corporate and other unallocated liabilities	89	-#	89	-	-	89
	-	-	-	-	10	10
Total liabilities	89	-#	89	-	10	99

Less than HK\$1 million

For the year ended 31 December 2020

HK\$ million	Continuing Operations			Discontinued Operation	Reconciliations	Total
	Property Business	Finance Business	Sub-total	Products Trading Business		
Segment revenue:						
Sales to external customers	390	4	394	16	-	410
Other revenue	-	-	-	2	-	2
	390	4	394	18	-	412
Segment loss	(158)	-#	(158)	(10)	-	(168)
Finance costs	-	-	-	(3)	-	(3)
Reconciled items:						
Corporate and other unallocated expenses	-	-	-	-	(13)	(13)
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	-	36	36
Loss before tax	(158)	-#	(158)	(13)	23	(148)
Income tax credit			25	-	-	25
Loss for the year			(133)	(13)	23	(123)
Other segment information:						
Expenditure for non-current assets	-#	-	-#	-	-	-#
Depreciation	-	-	-	(1)	-	(1)
Other material non-cash items:						
Reversal of impairment of trade receivables	1	-	1	8	-	9
Write-down of properties held for sale to net realisable value	(30)	-	(30)	-	-	(30)
Write-down of properties under development to net realisable value	(40)	-	(40)	-	-	(40)
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	-	36	36
HK\$ million	Continuing Operations			Discontinued Operation	Reconciliations	Total
	Property Business	Finance Business	Sub-total	Products Trading Business		
Segment assets:						
Reconciled items:						
Corporate and other unallocated assets	-	-	-	-	334	334
Total assets	1,141	-#	1,141	6	334	1,481
Segment liabilities:						
Reconciled items:						
Corporate and other unallocated liabilities	-	-	-	-	37	37
Total liabilities	498	-#	498	20	37	555

Less than HK\$1 million

Geographical information

(a) Revenue from external customers

HK\$ million	2021	2020
Continuing operations		
Mainland and Hong Kong	469	394
Discontinued operation		
Mainland and Hong Kong	-	13
Rest of the world	-	3
	-	16

The revenue information above is based on the final locations where the Group's products and properties were sold to customers.

(b) Non-current assets

HK\$ million	2021	2020
Mainland and Hong Kong	-	1

The non-current assets information is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the years ended 31 December 2021 and 31 December 2020, no single customer accounted for more than 10% of the Group's total revenue from continuing operations.

4. REVENUE

An analysis of revenue from continuing operations is as follows:

HK\$ million	2021	2020
<i>Revenue from contracts with customers</i>		
Sale of properties	466	390
<i>Revenue from other sources</i>		
Interest income from loans receivable	3	4
	469	394

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2021, the revenue from sale of properties of HK\$466 million (2020: HK\$390 million), which was recognised at a point in time when properties are transferred, was derived from the Mainland.

The following table shows the amount of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

HK\$ million	2021	2020
Sale of properties	442	360

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of properties

The performance obligation is satisfied upon transfer of properties to the buyers and the Group has the present right to payment and the collection of the consideration is probable.

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

HK\$ million	2021	2020
Interest on lease liabilities	<u>₹</u>	<u>₹</u>
Interest expenses arising from revenue contracts	8	16
Less: Interest capitalised	(8)	(16)
	<hr/>	<hr/>
Total interest expenses on financial liabilities not at fair value through profit or loss	<u>₹</u>	<u>₹</u>
	<hr/>	<hr/>

Less than HK\$1 million

6. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after charging/(crediting):

HK\$ million	2021	2020
Cost of properties sold	420	419
Auditor's remuneration	4	3
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	4	4
Pension scheme contributions	<u>₹</u>	<u>₹</u>
	4	4
	<hr/>	<hr/>
Gain on disposal of a subsidiary	(4)	-
Impairment of items of property, plant and equipment	2	-
Impairment/(reversal of impairment) of trade receivables, net	5	(1)
Changes in fair value of financial assets at fair value through profit or loss	15	(36)
Write-down of properties held for sale to net realisable value	16	30
Write-down of properties under development to net realisable value	-	40
	<hr/>	<hr/>

Less than HK\$1 million

7. INCOME TAX

No provision for Hong Kong profits tax has been made during the current and prior years as the Group did not generate any assessable profits in Hong Kong during these years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

HK\$ million	2021	2020
Current — Mainland		
Mainland land appreciation tax	1	6
Deferred	-	(31)
Total tax expense/(credit) for the year from continuing operations	<u>1</u>	<u>(25)</u>

8. DISCONTINUED OPERATION

On 24 July 2020, the Company announced the decision of its board of directors to terminate the Product Trading Business after all its outstanding orders on hand were completed, due to the deteriorating operating environment. The Products Trading Business discontinued in December 2020.

The results of the discontinued operation for the year ended 31 December 2020 are presented below.

HK\$ million	2020
Revenue	16
Other income and gains, net	2
Expenses	(28)
Finance costs	(3)
Loss before tax from the discontinued operation	<u>(13)</u>
Income tax credit	-
Loss for the year from the discontinued operation	<u>(13)</u>
	2020
Loss per share from the discontinued operation:	
Basic and diluted	<u>(HK0.01 cents)</u>

9. DIVIDENDS

No dividends have been paid or declared by the Company for the year ended 31 December 2021 (2020: nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

For loss for the year

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of parent is based on:

HK\$ million	2021	2020
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation:		
From continuing operations	(60)	(110)
From a discontinued operation	-	(13)
	<u>(60)</u>	<u>(123)</u>

	Number of shares	
	2021	2020
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	<u>183,846,100,000</u>	<u>183,846,100,000</u>

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2021 and 2020 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss per share amounts presented.

For loss from continuing operations

The calculation of the basic and diluted loss from continuing operations per share attributable to the ordinary equity holders of parent is based on:

HK\$ million	2021	2020
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss from continuing operations per share calculation:	<u>(60)</u>	<u>(110)</u>

The denominators used are the same as those detailed above for both basic and diluted loss from continuing operations per share.

No adjustment has been made to the basic loss from continuing operations per share amounts presented for the years ended 31 December 2021 and 2020 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic loss from continuing operations per share amounts presented.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2021, the Group acquired fixed assets of less than HK\$1 million (2020: Less than HK\$1 million).

12. LOAN AND INTEREST RECEIVABLES

HK\$ million	2021	2020
Loan receivable	70	-
Interest receivables	2	-
	<u>72</u>	<u>-</u>
<i>Less: Current portion</i>	<u>(2)</u>	<u>-</u>
Non-current portion	<u>70</u>	<u>-</u>

The Group's loan receivable represented a loan to CCT Fortis, which was unsecured, carrying interest at 7% per annum and repayable over 1 year.

13. TRADE RECEIVABLES

HK\$ million	2021	2020
Trade receivables	<u>1</u>	<u>7</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

HK\$ million	2021		2020	
	Balance	Percentage	Balance	Percentage
Current to 30 days	<u>1</u>	<u>100</u>	<u>7</u>	<u>100</u>

Trade receivables are settled based on the terms of the sale and purchase agreements of properties.

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

HK\$ million	2021		2020	
	Balance	Percentage	Balance	Percentage
Current to 30 days	47	96	45	82
31 to 60 days	-	-	1	2
61 to 90 days	-	-	-	-
Over 90 days	2	4	9	16
	49	100	55	100

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 to 120 days.

GLOSSARY OF TERMS

GENERAL TERMS

“2011 Scheme”	The previous share option scheme of the Company adopted by the Company on 27 May 2011 and expired on 26 May 2021, the terms of which shall remain in force and effect for those outstanding share options granted under the 2011 Scheme
“2021 Scheme”	The new share option scheme of the Company, the adoption of which was approved by the Shareholders at the annual general meeting held on 23 June 2021
“Board”	The board of the Company
“CCT Fortis”	CCT Fortis Holdings Limited (stock code: 00138), 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. CCT Fortis is a substantial shareholder of the Company
“CCT Fortis Group”	CCT Fortis and its subsidiaries, from time to time
“CG Code”	The Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“Child Products”	Feeding, health care, hygiene, safety, toy and other related products for infants and babies
“China” or “PRC”	The People’s Republic of China
“Company”	GBA Holdings Limited (stock code: 00261), a company incorporated in 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
“Director(s)”	The director(s) of the Company
“Finance Business”	The money lender business engaged by the Group in Hong Kong
“Group”	The Company and its subsidiaries, from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“INED(s)”	Independent non-executive Director(s)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mainland”	The mainland of the PRC

“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“N/A”	Not applicable
“Products”	Indoor-used cordless and corded phones and accessories, walkie-talkies, and other consumer telecom and electronic products
“Products Trading Business”	The business of trading of the Products and the supply of the Child Products, which was discontinued in December 2020
“Property Business”	The development and sale of land and properties
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	The United States of America
“US\$”	United States dollar(s), the lawful currency of the US
“%”	Per cent.

FINANCIAL TERMS

“current ratio”	Current assets divided by current liabilities
“gearing ratio”	Total borrowings (representing bank and other borrowings) divided by total capital employed (representing total Shareholders’ fund plus total borrowings)
“loss per share”	Loss attributable to ordinary equity holders of the parent divided by weighted average number of ordinary shares in issue during the period
“operating profit/(loss)”	Operating profit/(loss) before interest, unallocated and corporate items, and tax