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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 UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**CHAIRMAN'S STATEMENT**

On behalf of the Board, I present the interim results of the Group for the six months ended 30 June 2021.

For the first six months of 2021, the Group's revenue was HK\$19 million, fell by approximately 93.9% as compared with HK\$312 million in the same period last year. Last period's revenue was derived mainly from sales of property units of Phase 1.2 of CCT Land-Jun Mansion project, whereas no sales were recognised from CCT Land-Jun Mansion in current period as other phases of this project are still under development, which has not yet been completed. The Group's net loss attributable to owners of the parent was HK\$32 million, decreased by approximately 38.5% as compared to HK\$52 million in the same period last year. The decrease in loss in the current period is driven mainly by the absence of any loss from the product trading business, which was discontinued in last year and recorded a loss of HK\$14 million in the first half of last year.

The Board did not recommend payment of an interim dividend for the six months ended 30 June 2021 (30 June 2020: nil).

## **BUSINESS REVIEW**

### **Property Business**

During the period under review, we continued to focus on our property projects in Anshan, the Liaoning Province. The Group has three property projects in Anshan, of which two projects, namely “Landmark City” and “Evian Villa” have been completed. Most of the property units of these two projects have been sold.

The Group’s remaining project in Anshan is entitled “CCT Land-Jun Mansion”, which is currently under development. CCT Land-Jun Mansion is divided into six phases, consisting of Phases 1.1, 1.2, 1.3, 2.1, 2.2 and 3. Like our first two projects in Anshan, development of CCT Land-Jun Mansion has been well-received by home buyers. Phase 1.2 has been completed and most of the property units of this phase has been sold and handed over to customers in the first half of 2020. Other phases of this project are under construction. No sales was recognised from CCT Land-Jun Mansion in the first half of 2021 as no property units of this project were completed in the current period. The Property Business recorded revenue of HK\$19 million in the first half of 2021, attributable to sales of the some of the remaining units of Landmark City and Evian Villa.

### **Finance Business**

After we discontinued our finance business in Mainland China, we continue to be engaged in a money lender business in Hong Kong. We expect this business will continue to contribute stable stream of interest income to the Group. We will explore opportunities to expand our finance business, including property mortgage and luxury goods financing.

### **Product Trading Business**

As a result of deteriorating operating environment, we discontinued the product trading business in 2020.

## **OUTLOOK**

Looking forward, the global economic outlook remains highly uncertain. The COVID-19 pandemic continues to pose challenges to global economic recovery and remains a presence in all of our lives.

During the 30-years' history of the Company, we have encountered many crises and cycles and each time we have overcome all these difficulties and challenges. With our resilient management, we consider that we can withstand the impact caused by these unprecedented challenges and will become even stronger when recovery comes.

## **APPRECIATION**

On behalf of the Board, I wish to thank the directors, the management and all our employees for their dedication, loyalty, and hard work to meet the challenges during the period. I also want to thank our Shareholders, investors, bankers, customers, suppliers, and landlords for their continued encouragement and strong support to the Company throughout these unprecedented times.

**Mak Shiu Tong, Clement**

*Chairman*

Hong Kong, 30 August 2021

## FINANCIAL REVIEW

### REVIEW OF FINANCIAL RESULTS

HK\$ million	Six months ended 30 June		% (decrease)
	2021 (Unaudited)	2020 (Unaudited)	
<b><u>Continuing operations</u></b>			
Revenue	<b>19</b>	312	(93.9%)
Loss before tax from continuing operations	<b>(32)</b>	(47)	(31.9%)
Income tax credit	-	9	(100.0%)
Loss for the period from continuing operations	<b>(32)</b>	(38)	(15.8%)
<b><u>Discontinued operation</u></b>			
Loss for the period from a discontinued operation	-	(14)	(100.0%)
<b>Loss for the period attributable to owners of the parent</b>	<b>(32)</b>	<b>(52)</b>	<b>(38.5%)</b>

The Group's revenue in 1H21 was HK\$19 million, decreased by 93.9% as compared with HK\$312 million in 1H20, primarily due to the absence of any sales recognised from the CCT Land-Jun Mansion in the current period. The current period's revenue was mainly derived from sales of the remaining units of Landmark City and Evian Villa, whereas the HK\$312 million revenue for the corresponding period last year was largely attributable to the sales of the property units of Phase 1.2 of the CCT Land-Jun Mansion, which was completed in 1H20 and handed over to home buyers for occupation.

The reported loss attributable to owners of the parent was HK\$32 million or 38.5% lower than 1H20. The higher loss in 1H20 was primarily attributable to the loss of HK\$14 million from a discontinued operation representing the product trading business which was discontinued by the Group in 2020, as a result of the COVID-19 pandemic and the deteriorating operating environment.

## ANALYSIS BY BUSINESS SEGMENT

<b>Revenue from continuing operations</b>					
<b>for the six months ended 30 June</b>					
HK\$ million	2021		2020		%
	Amount	Relative	Amount	Relative	
	(Unaudited)	%	(Unaudited)	%	(decrease)
Property Business	<b>19</b>	<b>100.0%</b>	308	98.7%	(93.8%)
Finance Business	-*	<b>0.0%</b>	4	1.3%	(100.0%)
<b>Total</b>	<b>19</b>	<b>100.0%</b>	<b>312</b>	<b>100.0%</b>	<b>(93.9%)</b>

\* less than HK\$1 million

<b>Operating (loss)/profit from continuing operations</b>				
<b>for the six months ended 30 June</b>				
HK\$ million	2021		2020	%
	(Unaudited)		(Unaudited)	
				(decrease)
Property Business	<b>(22)</b>		(46)	(52.2%)
Finance Business	-*		4	(100.0%)
<b>Total</b>	<b>(22)</b>		<b>(42)</b>	<b>(47.6%)</b>

\* less than HK\$1 million operating profit

### Property Business

In 1H21, the Property Business continued to be the Group's largest business segment in terms of revenue, contributing almost 100.0% of the Group's total revenue. However, revenue from our Property Business decreased due to absence of contribution from CCT Land-Jun Mansion project in the current period. Our Property Business recorded an operating loss of HK\$22 million, decreased from 52.2%, mainly due to decrease in selling and promotion expenses.

### Finance Business

The Finance Business contributed revenue of less than HK\$1 million (1H20: HK\$4 million) and recorded profit of less than HK\$1 million (1H20: HK\$4 million).

## ANALYSIS BY GEOGRAPHICAL SEGMENT

<b>Revenue from continuing operations</b>					
<b>for the six months ended 30 June</b>					
HK\$ million	<b>2021</b>		<b>2020</b>		<b>% (decrease)</b>
	<b>Amount (Unaudited)</b>	<b>Relative %</b>	<b>Amount (Unaudited)</b>	<b>Relative %</b>	
Mainland China and Hong Kong	<b>19</b>	<b>100.0%</b>	<b>312</b>	<b>100.0%</b>	<b>(93.9%)</b>

Mainland China and Hong Kong is the only market region of the Group, contributing all of the Group's total revenue in 1H21 and 1H20. After the discontinuation of the product trading business, the Group does not have any sales of products to overseas.

### **INVESTMENT IN INDUSTRIAL PROPERTY REDEVELOPMENT PROJECT IN HUIZHOU, CHINA**

In line with our strategy of expansion in the Greater Bay Area, in July 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 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 was HK\$259 million, which represented approximately 18.0% of the total assets of the Group as at 30 June 2021. No gain or income was derived by the Group from this project in the 1H21 as the Project is under development.

The Target Company plans to commence development of the Project after the COVID-19 pandemic is contained. However, project planning has already begun.

## CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	As at 30 June 2021		As at 31 December 2020	
	Amount (Unaudited)	Relative %	Amount (Audited)	Relative %
Total bank and other borrowings	-	0.0%	-	0.0%
Equity	<u>897</u>	<u>100.0%</u>	<u>926</u>	<u>100.0%</u>
Total capital employed	<u><u>897</u></u>	<u><u>100.0%</u></u>	<u><u>926</u></u>	<u><u>100.0%</u></u>

Equity attributable to owners of the parent as at 30 June 2021 was HK\$897 million, down 3.1%, primarily due to net loss for the reporting period.

The Group had no bank and other borrowings as at 30 June 2021 (31 December 2020: nil), reflecting a solid and healthy financial position of the Group.

## LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	As at 30 June 2021 (Unaudited)	As at 31 December 2020 (Audited)
Current assets	<b>1,106</b>	1,221
Current liabilities	<u>539</u>	<u>555</u>
Net current assets	<u><u>567</u></u>	<u><u>666</u></u>
Current ratio	<u><u>205.2%</u></u>	<u><u>220.0%</u></u>

The Group's current ratio was 205.2% as at 30 June 2021 (31 December 2020: 220.0%), reflecting high liquidity of the Group's financial position.

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

## **CAPITAL COMMITMENTS**

As at 30 June 2021, the Group had no capital commitment (31 December 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.

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. In 1H21, the Group did not have any interest rate risk as the Group did not have any bank borrowings. In the period under review, the Group did not have any significant foreign exchange exposure. We will continue to monitor our currency exposure but we have no intention to enter into any high-risk exchange derivatives.

## **ACQUISITIONS AND DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES**

The Group did not acquire or dispose of any material subsidiaries and associates during the period 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 INDUSTRIAL PROPERTY REDEVELOPMENT PROJECT IN HUIZHOU, CHINA" under the Financial Review section), the Group did not hold any significant investment as at 30 June 2021 and 31 December 2020.

## **CHARGE ON ASSETS**

As at 30 June 2021 and 31 December 2020, none of the Group's assets were pledged.

## **CONTINGENT LIABILITIES**

As at 30 June 2021, the Group did not have any significant contingent liabilities (31 December 2020: nil).

## **EMPLOYEES AND REMUNERATION POLICY**

The total number of employees of the Group as at 30 June 2021 was 42 (31 December 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 30 June 2021 (31 December 2020: 10,914,993,990 share options outstanding) under the 2011 Scheme.

## **SHARE OPTION SCHEMES**

### The 2011 Scheme

The 2011 Scheme, which was adopted by the Company on 27 May 2011, was expired on 26 May 2021. As at 30 June 2021, there were 10,914,993,990 share options outstanding under the 2011 Scheme. The terms of the 2011 Scheme shall remain in force and effect for those share options already granted under the 2011 Scheme which are still outstanding.

### The 2021 Scheme

At the AGM held on 23 June 2021, an ordinary resolution was passed by the Shareholders to adopt the new 2021 Scheme. Unless otherwise cancelled or amended, the 2021 Scheme will be valid for 10 years from the date of adoption which is 23 June 2021.

Details of the 2021 Scheme were set out in the circular of the Company dated 26 April 2021 and some details of the scheme will also be disclosed in the 2021 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2021.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES**

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the listed Shares during the six months ended 30 June 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 six months period from 1 January 2021 to 30 June 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 corporate governance report contained in the 2020 annual report of the Company issued in April 2021 and will be disclosed in the 2021 interim report of the Company, which will be despatched to the Shareholders on or before 30 September 2021.

## **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 six months ended 30 June 2021.

## **EVENTS AFTER THE REPORTING PERIOD**

There was no significant event of the Group after the six months ended 30 June 2021.

## **REVIEW OF INTERIM RESULTS**

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2021.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The interim results announcement of the Company for the six months ended 30 June 2021 is published on the website of the Company at [www.gbaholdings.com/eng/investor/statutory.php](http://www.gbaholdings.com/eng/investor/statutory.php) and that of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2021 interim report of the Company will be dispatched to the Shareholders and made available on the website of the Company and that of the Stock Exchange on or before 30 September 2021.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Ms. Cheng Yuk Ching, Flora and Mr. Tam Ngai Hung, Terry; and the independent non-executive Directors are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Tam King Ching, Kenny.

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

Hong Kong, 30 August 2021

## INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2021 together with the comparative figures for the corresponding period in 2020 as follows:

### Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021

HK\$ million	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2021</b>	2020
		<b>(Unaudited)</b>	(Unaudited)
<b>CONTINUING OPERATIONS</b>			
REVENUE	4	19	312
Cost of sales		<u>(20)</u>	<u>(322)</u>
Gross loss		(1)	(10)
Other income and gains		-	1
Selling and distribution expenses		(4)	(16)
Administrative expenses		<u>(27)</u>	<u>(22)</u>
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	5	(32)	(47)
Income tax credit	6	<u>-</u>	<u>9</u>
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(32)	(38)
<b>DISCONTINUED OPERATION</b>			
Loss for the period from a discontinued operation	7	-	(14)
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b><u>(32)</u></b>	<b><u>(52)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
	9		
Basic and diluted			
- For loss for the period		<b><u>(HK0.02cents)</u></b>	<b><u>(HK0.03cents)</u></b>
- For loss from continuing operations		<b><u>(HK0.02cents)</u></b>	<b><u>(HK0.02cents)</u></b>

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
<b>LOSS FOR THE PERIOD</b>	<b>(32)</b>	<b>(52)</b>
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period, net of tax:		
Exchange differences on translation of foreign operations	<u>3</u>	<u>(17)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b><u>(29)</u></b>	<b><u>(69)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
- From continuing operations	<b>(29)</b>	<b>(55)</b>
- From a discontinued operation	<u>-</u>	<u>(14)</u>
	<b><u>(29)</u></b>	<b><u>(69)</u></b>

**Condensed Consolidated Statement of Financial Position**  
30 June 2021

HK\$ million	<i>Notes</i>	<b>30 June 2021 (Unaudited)</b>	31 December 2020 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>10</i>	<b>1</b>	1
Loan receivables	<i>11</i>	<b>70</b>	-
Financial asset at fair value through profit or loss		<b>259</b>	259
Total non-current assets		<b>330</b>	260
<b>Current assets</b>			
Properties under development		<b>600</b>	576
Properties held for sale		<b>298</b>	318
Trade receivables	<i>12</i>	<b>8</b>	7
Prepayments, other receivables and other assets		<b>109</b>	111
Financial assets at fair value through profit or loss		<b>60</b>	60
Cash and cash equivalents		<b>31</b>	149
Total current assets		<b>1,106</b>	1,221
<b>Total assets</b>		<b>1,436</b>	1,481
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		<b>1,839</b>	1,839
Reserves		<b>(942)</b>	(913)
<b>Total equity</b>		<b>897</b>	926
<b>Current liabilities</b>			
Trade and bills payables	<i>13</i>	<b>42</b>	55
Tax payable		<b>11</b>	11
Other payables and accruals		<b>486</b>	489
Total current liabilities		<b>539</b>	555
<b>Total liabilities</b>		<b>539</b>	555
<b>Total equity and liabilities</b>		<b>1,436</b>	1,481
<b>Net current assets</b>		<b>567</b>	666
<b>Total assets less current liabilities</b>		<b>897</b>	926

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and with Hong Kong Accounting Standards (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The unaudited interim condensed consolidated financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 31 December 2020 (the “**2020 Annual Report**”).

### 2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s 2020 Annual Report, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

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

*Interest Rate Benchmark Reform – Phase 2*

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

The nature and impact of the revised HKFRs is described below:

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 Phase 2 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.

## 2. **PRINCIPAL ACCOUNTING POLICIES** *(continued)*

The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any bank borrowings.

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 retained profits at the beginning of the current accounting period. Earlier application is permitted.

The Group has early adopted the amendment on 1 January 2021 and the amendment did not have any significant impact on the financial position and performance of the Group as the Group did not have any lease payments being reduced or waived as a result of the COVID-19 pandemic during the six months ended 30 June 2021.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products. In the six months ended 30 June 2021 and the corresponding period of 2020, there were three reportable operating segments of the Group as set out below:

- (a) the Property Business segment representing the development and sale of land and properties;
- (b) the Finance Business segment representing the money lender business in Hong Kong; and
- (c) the product trading business segment representing sale of telecom and electronic products and supply of infant and baby products (discontinued in December 2020 (note 7)).

Management monitors the results of its 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 the finance costs, the equity-settled share option expense, 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.

### 3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2021

HK\$ million	Continuing operations			Discontinued operation	Reconciliation (Unaudited)	Group total (Unaudited)
	Property Business (Unaudited)	Finance Business (Unaudited)	Sub-total (Unaudited)	Product Trading Business (Unaudited)		
<b>Segment revenue:</b>						
From external customers	19	-*	19	-	-	19
Other revenue	-	-	-	-	-	-
	<u>19</u>	<u>-*</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>
Operating (loss)/profit	(22)	-**	(22)	-	-	(22)
Reconciled items:						
Corporate and other unallocated expenses	-	-	-	-	(10)	(10)
<b>(Loss)/profit before tax</b>	<u>(22)</u>	<u>-**</u>	<u>(22)</u>	<u>-</u>	<u>(10)</u>	<u>(32)</u>
Income tax credit	-	-	-	-	-	-
<b>(Loss)/profit for the period</b>	<u>(22)</u>	<u>-**</u>	<u>(22)</u>	<u>-</u>	<u>(10)</u>	<u>(32)</u>
<b>Other segment information:</b>						
Depreciation	-	-	-	-	-*	-*

\* less than HK\$1 million

\*\* less than HK\$1 million operating profit

### 3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2020

HK\$ million	Continuing operations			Discontinued operation	Reconciliation (Unaudited)	Group total (Unaudited)
	Property Business (Unaudited)	Finance Business (Unaudited)	Sub-total (Unaudited)	Product Trading Business (Unaudited)		
<b>Segment revenue:</b>						
From external customers	308	4	312	16	-	328
Other revenue	1	-	1	2	-	3
	<b>309</b>	<b>4</b>	<b>313</b>	<b>18</b>	<b>-</b>	<b>331</b>
Operating (loss)/profit	(46)	4	(42)	(12)	-	(54)
Finance costs	-	-	-	(2)	-	(2)
Reconciled items:						
Corporate and other unallocated expenses	-	-	-	-	(5)	(5)
<b>(Loss)/profit before tax</b>	<b>(46)</b>	<b>4</b>	<b>(42)</b>	<b>(14)</b>	<b>(5)</b>	<b>(61)</b>
Income tax credit	9	-	9	-	-	9
<b>(Loss)/profit for the period</b>	<b>(37)</b>	<b>4</b>	<b>(33)</b>	<b>(14)</b>	<b>(5)</b>	<b>(52)</b>
<b>Other segment information:</b>						
Depreciation	-	-	-	-*	-	-*

\* *less than HK\$1 million*

### 3. OPERATING SEGMENT INFORMATION *(continued)*

As at 30 June 2021

HK\$ million	Continuing operations			Discontinued operation		Group total (Unaudited)
	Property Business (Unaudited)	Finance Business (Unaudited)	Sub-total (Unaudited)	Product Trading Business (Unaudited)	Reconciliation (Unaudited)	
<b>Segment assets:</b>	1,012	70	1,082	-	-	1,082
Reconciled items						
Corporate and other unallocated assets	-	-	-	-	354	354
Total assets	1,012	70	1,082	-	354	1,436
<b>Segment liabilities:</b>	504	-*	504	-	-	504
Reconciled items						
Corporate and other unallocated liabilities	-	-	-	-	35	35
Total liabilities	504	-*	504	-	35	539

As at 31 December 2020

HK\$ million	Continuing operations			Discontinued operation		Group total (Audited)
	Property Business (Audited)	Finance Business (Audited)	Sub-total (Audited)	Product Trading Business (Audited)	Reconciliation (Audited)	
<b>Segment assets:</b>	1,141	-*	1,141	6	-	1,147
Reconciled items						
Corporate and other unallocated assets	-	-	-	-	334	334
Total assets	1,141	-*	1,141	6	334	1,481
<b>Segment liabilities:</b>	498	-*	498	20	-	518
Reconciled items						
Corporate and other unallocated liabilities	-	-	-	-	37	37
Total liabilities	498	-*	498	20	37	555

\* less than HK\$1 million

### 3. OPERATING SEGMENT INFORMATION *(continued)*

#### Geographical information

(a) *Revenue from external customers*

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Continuing operations		
Mainland China and Hong Kong	<u>19</u>	<u>312</u>
Discontinued operation		
Mainland China and Hong Kong	-	8
Rest of the world	-	8
	<u>-</u>	<u>16</u>

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	30 June	31 December
	2021 (Unaudited)	2020 (Audited)
Hong Kong	<u>1</u>	<u>1</u>

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

#### Information about major customers

For the six months ended 30 June 2021 and 2020, no single customer contributed 10% or more of the Group's total revenue from continuing operations.

#### 4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts and interest income, and gross proceeds from the sale of properties during the period.

An analysis of revenue from continuing operations is as follows:

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of properties	19	308
<i>Revenue from other sources</i>		
Interest income from loans receivable	.*	4
	<u>19</u>	<u>312</u>

\* less than HK\$1 million

##### Revenue from contracts with customers

##### (i) Disaggregated revenue information

For the six months ended 30 June 2021, the revenue from sale of properties of HK\$19 million (six months ended 30 June 2020: HK\$308 million), which was recognised at a point in time when the properties are transferred, was derived from the Mainland China.

##### (ii) Performance obligations

###### *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. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

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

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Cost of sales	20	322
Depreciation	_*	_*
	<u>                    </u>	<u>                    </u>

\* less than HK\$1 million

## 6. INCOME TAX CREDIT

No Hong Kong profits tax has been provided for the six months ended 30 June 2021 and 2020 as the Group had no profits chargeable to Hong Kong profits tax during that periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Current – Mainland China		
Mainland China land appreciation tax	-	-
Deferred tax credit	-	(9)
Total tax credit from continuing operations for the period	<u>                    </u>	<u>                    </u>
Total tax credit from a discontinued operation for the period	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

## 7. DISCONTINUED OPERATION

On 24 July 2020, the Company announced the decision of its Board to terminate the product trading business of the Group after all its outstanding orders on hand are completed, due to the COVID-19 pandemic and the deteriorating operating environment. The product trading business was discontinued in December 2020.

The results of the discontinued operation for the period are presented below.

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Revenue	-	16
Other income and gains, net	-	2
Expenses	-	(30)
Finance costs	-	(2)
Loss before tax from a discontinued operation	-	(14)
Income tax credit	-	-
Loss for the period from a discontinued operation	<u>-</u>	<u>(14)</u>
Loss per share from a discontinued operation:		
Basic and diluted	<u>N/A</u>	<u>(HK 0.01cent)</u>

The calculations of the basic and diluted loss per share from a discontinued operation are based on:

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to ordinary equity holders of the parent from a discontinued operation, used in basic and diluted loss per share calculation	<u>N/A</u>	<u>(14)</u>

	Number of Shares	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	<u>N/A</u>	<u>183,846,100,000</u>

## 8. DIVIDENDS

The Board did not recommend payment of an interim dividend for the six months ended 30 June 2021 (30 June 2020: nil).

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

For loss for the period

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

HK\$ million	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss per share calculation:		
- From continuing operations	(32)	(38)
- From a discontinued operation	-	(14)
	<u>(32)</u>	<u>(52)</u>

	Number of shares	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Weighted average number of ordinary shares in issue during the period 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 six months ended 30 June 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.

## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(continued)*

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	Six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to ordinary equity holders of the parent, used in the basic and diluted loss from continuing operations per share calculation:	<u>(32)</u>	<u>(38)</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 six months ended 30 June 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.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2021, no fixed asset was acquired by the Group (six months ended 30 June 2020: nil).

## 11. LOAN RECEIVABLES

The loan receivables arose from the Finance Business in Hong Kong, which were unsecured, carried interest at 7% per annum and repayable within 2 years.

None of the loan receivables was overdue and impaired.

## 12. TRADE RECEIVABLES

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

HK\$ million	30 June 2021 (Unaudited)		31 December 2020 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	2	25	7	100
31 to 60 days	-	-	-	-
61 to 90 days	-	-	-	-
Over 90 days	6	75	-	-
	<u>8</u>	<u>100</u>	<u>7</u>	<u>100</u>

The trade receivables are receivables from property sales in Mainland China.

## 13. TRADE AND BILLS PAYABLES

An aging 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	30 June 2021 (Unaudited)		31 December 2020 (Audited)	
	Balance	Percentage	Balance	Percentage
Current to 30 days	30	72	45	82
31 to 60 days	1	2	1	2
61 to 90 days	-	-	-	-
Over 90 days	11	26	9	16
	<u>42</u>	<u>100</u>	<u>55</u>	<u>100</u>

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

## 14. EVENTS AFTER REPORTING PERIOD

There was no significant event of the Group after the reporting period.

## **15. COMPARATIVE AMOUNTS**

The comparative condensed consolidated statement of profit or loss has been represented as if the operation discontinued in December 2020 had been discontinued at the beginning of the comparative period.

## **GLOSSARY OF TERMS**

### **GENERAL TERMS**

“2011 Scheme”	The previous share option scheme which was adopted by the Company on 27 May 2011 and expired on 26 May 2021
“2021 Scheme”	The adoption of the new share option scheme of the Company which was approved by the Shareholders at the AGM held on 23 June 2021
“AGM”	The annual general meeting of the Company
“Board”	The board of Directors
“CG Code”	The Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
“Chairman”	The chairman of the Company
“China” or “PRC”	The People’s Republic of China
“Company”	GBA Holdings Limited (stock code: 00261), a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	The director(s) of the Company
“Finance Business”	The finance business engaged by the Group
“Group”	The Company and its subsidiaries, from time to time
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mainland China”	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
“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
“%”	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
“1H20”	First half of 2020
“1H21”	First half of 2021