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GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
THE TARGET COMPANY**

THE ACQUISITION

The Board is pleased to announce that, on 17 March 2023 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor have entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Share, representing the entire equity interest in the Target Company, and the Sale Loans, representing the entire outstanding shareholder's loan owing by the Target Company to the Vendor up to Completion, at the Consideration of HK\$4,500,000.

Upon Completion, the Target Company will become a subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial statements of the Group.

Prior to the entering into of the Sale and Purchase Agreement, on 30 December 2022, the Purchaser and the Vendor have entered into the 2022 SPA, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the 2022 Sale Shares, representing the entire equity interest in the 2022 Target Company and the 2022 Sale Loans, representing the entire outstanding shareholder's loan owed by the 2022 Target Company to the Vendor, at a consideration of HK\$4,500,000.

LISTING RULES IMPLICATIONS

All the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Acquisition and the 2022 Acquisition are less than 5%. Hence, both the Acquisition and the 2022 Acquisition, on a standalone basis, do not constitute any notifiable transaction of the Company and are not subject to any reporting and announcement requirements under Chapter 14 of the Listing Rules.

However, as one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition and the 2022 Acquisition, on aggregated basis, exceeds 5% and all the applicable percentage ratios are less than 25%, the Acquisition and the 2022 Acquisition, on aggregated basis, constitute a discloseable transaction on the part of the Company under Rule 14.06(2) of the Listing Rules and is thus subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 17 March 2023 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor have entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Share, representing the entire equity interest in the Target Company, and the Sale Loans, representing the entire outstanding shareholder's loan owing by the Target Company to the Vendor up to Completion, at the Consideration of HK\$4,500,000.

THE SALE AND PURCHASE AGREEMENT AND THE ACQUISITION

The Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date: 17 March 2023

Parties: (i) Purchaser: Regal Fair Limited, a direct wholly-owned subsidiary of the Company

(ii) Vendor: Mr. Ma Hing Cheong

Target Company: Charm Vision Enterprises Incorporated

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party. Save for the 2022 SPA, there was no other agreement and arrangement entered into between the Vendor and the Group in the past 12 months.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Sale Share, representing the entire equity interest in the Target Company, and the Sale Loans, representing the entire outstanding shareholder's loan owing by the Target Company to the Vendor up to Completion. Up to 28 February 2023, the outstanding shareholder's loan amounted to HK\$2 million.

Consideration

The Consideration shall be settled in cash and will be satisfied on the sixth month from the date of Completion or such other dates agreed between parties. The Purchaser intends to fund the Consideration by the internal resources of the Group.

The Consideration payable by the Purchaser under the Sale and Purchase Agreement of HK\$4,500,000 was determined based on arm's length negotiations between the Purchaser and the Vendor and on normal commercial terms, with reference to (i) financial position of the Target Company; (ii) the current and future prospects of the Target Company; and (iii) the benefits to the Group from the Acquisition as described under the section headed "Reasons for and benefits of the Acquisition and the 2022 Acquisition" below.

On the basis of the above factors, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent & Completion

The Completion is not conditional upon the fulfillment of any conditions precedent, and shall take place within 7 days after the signing of the Sale and Purchase Agreement.

Upon Completion, the Target Company will become a subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial statements of the Group. Besides, upon Completion, 51% of the issued shares of the Hong Kong Subsidiary will be held indirectly by the Purchaser, and thus, the Hong Kong Subsidiary will become an indirect non wholly-owned subsidiary of the Company, and the financial results of the Hong Kong Subsidiary will be consolidated into the financial statements of the Group.

THE 2022 SPA AND THE 2022 ACQUISITION

Prior to the entering into of the Sale and Purchase Agreement, on 30 December 2022, the Purchaser and the Vendor have entered into the 2022 SPA, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the 2022 Sale Shares, representing the entire equity interest in the 2022 Target Company, and the 2022 Sale Loans, representing the entire outstanding shareholder's loan owed by the 2022 Target Company to the Vendor, at a consideration of HK\$4,500,000.

The 2022 SPA

The principal terms of the 2022 SPA are set out as follows:

Date: 30 December 2022

Parties: (iii) Purchaser: Regal Fair Limited, a direct wholly-owned subsidiary of the Company

(iv) Vendor: Mr. Ma Hing Cheong

2022 Target Company: Universal Flair Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets acquired

Pursuant to the 2022 SPA, the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the 2022 Sale Shares, representing the entire equity interest in the 2022 Target Company, and the 2022 Sale Loans, representing the entire outstanding shareholder's loan owed by the 2022 Target Company to the Vendor.

Consideration

The consideration was settled and satisfied on the completion of the 2022 SPA. The consideration was funded by the internal resources of the Group.

The consideration paid by the Purchaser under the 2022 SPA of HK\$4,500,000 was determined based on arm's length negotiations between the Purchaser and the Vendor and on normal commercial terms, with reference to (i) financial position of the 2022 Target Company; (ii) the current and future prospects of the 2022 Target Company; and (iii) the benefits to the Group from the 2022 Acquisition as described under the section headed "Reasons for and benefits of the Acquisition and the 2022 Acquisition" below.

On the basis of the above factors, the Directors (including the independent non-executive Directors) consider that the consideration was fair and reasonable and was in the interests of the Company and the Shareholders as a whole.

Completion

The completion of the 2022 SPA took place immediately after the signing of the 2022 SPA.

Upon completion, the 2022 Target Company had become a subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company, and its financial results would be consolidated into the financial statements of the Group.

INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE AGREEMENT AND THE 2022 SPA

Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company. The Purchaser is principally engaged in property business, finance business and automobile business.

Vendor

The Vendor is a Hong Kong resident and an investor in catering business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Target Company

The Target Company is a company incorporated in the British Virgin Islands with limited liability under the laws of the British Virgin Islands, and is principally engaged in investment holding. It holds 25% interest in the Hong Kong Subsidiary.

The Target Company was incorporated in March 2022. A summary of the unaudited financial information of the Target Company for the year ended 31 December 2022 is as follow:

	For the year ended 31 December 2022 <i>HK\$</i>
Revenue	83,333
Profit before taxation	7,667
Profit after taxation	7,667

The unaudited total assets and the unaudited net assets value of the Target Company as at 31 December 2022 were approximately HK\$6.3 million and HK\$4.4 million, respectively.

2022 Target Company

The 2022 Target Company is a company incorporated in British Virgin Islands with limited liability under the laws of British Virgin Islands, and is principally engaged in investment holding. It holds 26% interest in the Hong Kong subsidiary.

The 2022 Target Company was incorporated in August 2022. A summary of the unaudited financial information of the 2022 Target Company for the year ended 31 December 2022 is as follow:

	For the year ended 31 December 2022 <i>HK\$</i>
Revenue	nil
Loss before taxation	10,000
Loss after taxation	10,000

The unaudited total assets and the unaudited net assets value of the 2022 Target Company as at 31 December 2022 were approximately HK\$2.0 million and HK\$1.9 million, respectively.

Hong Kong Subsidiary

The Hong Kong Subsidiary is a company incorporated in Hong Kong which principally engaged in catering business. 25% of its issued shares are held by the Target Company and 26% of its issued shares are held by the 2022 Target Company.

The Hong Kong Subsidiary was incorporated in May 2022. A summary of the unaudited financial information of the Hong Kong Subsidiary for the year ended 31 December 2022 is as follow:

	For the year ended 31 December 2022
	<i>HK\$</i>
Revenue	Nil
Loss before taxation	(792,494)
Loss after taxation	(792,494)

The unaudited total assets and the unaudited net liabilities value of the Hong Kong Subsidiary as at 31 December 2022 were approximately HK\$13.7 million and HK\$0.8 million, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE 2022 ACQUISITION

As at the date of this announcement, the Company is an investment holding company and the Group is principally engaged in property development and investment in mainland China and finance business and automobile business in Hong Kong.

The Group has been proactive in seeking appropriate investment opportunities in areas including catering and related business. The Company is of the view that with the opening up of borders and influx of tourist, the catering and related business is expected to grow. The Hong Kong Subsidiary is managed by a group of well experienced management with more than 5 years' experience in catering related businesses, who had been restaurant managers or chefs at Chinese restaurants, Japanese restaurants, Michelin starred restaurant or hotels in Hong Kong. The restaurant owned by the Hong Kong Subsidiary provides Chinese cuisine and targets the high end market. It is situated at a well known business district in Hong Kong, being the International Commerce Centre on top of Kowloon station. Thus, the Acquisition and the 2022 Acquisition are good investment opportunities and may provide new source of revenue for the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the 2022 SPA are on normal commercial terms, fair and reasonable, and the Acquisition and the 2022 Acquisition are in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Sale and Purchase Agreement and the Acquisition or in the 2022 SPA and the 2022 Acquisition and therefore, none of them was required to abstain from voting on the Board resolution(s) to approve the Sale and Purchase Agreement and the Acquisition or the 2022 SPA and the 2022 Acquisition.

IMPLICATIONS UNDER THE LISTING RULES

All the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of each of the Acquisition and the 2022 Acquisition are less than 5%. Hence, both the Acquisition and the 2022 Acquisition, on a standalone basis, do not constitute any notifiable transaction of the Company and are not subject to any reporting and announcement requirements under Chapter 14 of the Listing Rules.

However, as one or more of the applicable percentage ratios, calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition and the 2022 Acquisition, on aggregated basis, exceeds 5% and all the applicable percentage ratios are less than 25%, the Acquisition and the 2022 Acquisition, on aggregated basis, constitute a discloseable transaction on the part of the Company under Rule 14.06(2) of the Listing Rules and is thus subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“2022 Acquisition”	the acquisition of the 2022 Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the 2022 SPA
“2022 Sale Loans”	being all the shareholder's loans of the 2022 Target Company owed to the Vendor in the amount of HK\$2 million
“2022 Sale Shares”	1,000 ordinary shares of US\$1.00 in the issued share capital of the 2022 Target Company, being the entire equity interest of the 2022 Target Company

“2022 SPA”	the agreement for the sale and purchase of the 2022 Sale Shares dated 30 December 2022 in relation to the 2022 Acquisition and entered into between the Purchaser and the Vendor
“2022 Target Company”	Universal Flair Limited, a company incorporated in British Virgin Islands with limited liability
“Acquisition”	the acquisition of the Sale Share and the Sale Loans by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of director(s) of the Company
“Company”	GBA Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 261)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Consideration”	the consideration of HK\$4,500,000 pursuant to the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Subsidiary”	Kei Waa Limited, a company incorporated in Hong Kong which is owned as to 25% by the Target Company and 26% by the 2022 Target Company
“Independent Third Party”	person or company and its respective ultimate beneficial owner(s) which, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is third party independent of and not connected with the Company and its connected persons (has the meaning ascribed to it under the Listing Rules)

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Regal Fair Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Share dated 17 March 2023 in relation to the Acquisition and entered into between the Purchaser and the Vendor
“Sale Loans”	being all the shareholder’s loans of the Target Company owing to the Vendor, which amounted to HK\$2 million as of 28 February 2023
“Sale Share”	1 ordinary share of USD1.00 in the issued share capital of the Target Company, being the entire equity interest of the Target Company
“Shareholders”	holders of the issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Charm Vision Enterprises Incorporated, a company incorporated in the British Virgin Islands with limited liability
“USD”	United States dollars, the lawful currency of the United States of America
“Vendor”	Mr. Ma Hing Cheong, a Hong Kong resident
“%”	per cent.

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

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Ong Chor Wei and Mr. Yuk Kai Yao and the independent non-executive Directors are Ms. Wu Wai Shan, Mr. Lau Yik Lok and Mr. Lam Chi Keung.