
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) CONSOLIDATED SHARES
HELD ON THE RECORD DATE
ON A BEST EFFORT AND NON-FULLY UNDERWRITTEN BASIS; AND
(4) NOTICE OF SPECIAL GENERAL MEETING
Placing Agent and Underwriter to the Rights Issue**



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

MESSIS 大有融資

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

A letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 53 to 77 of this circular. The recommendation of the Independent Board Committee to the Independent Shareholders is set out on pages 51 to 52 of this circular.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. These certain events are set out in the section headed "Termination of the Underwriting Agreement" on pages 10 to 11 of this circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

It should also be noted that the Rights Issue is only underwritten on a best effort basis and is not on a fully underwritten basis. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue.

A notice convening the SGM to be held at 1/F, Function Room, 7-9 Minden Avenue, Tsimshatsui, Kowloon, Hong Kong on Monday, 14 August 2023 at 11:00 a.m. is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the SGM (i.e. not later than Saturday, 12 August 2023 at 11:00 a.m., Hong Kong time). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

25 July 2023

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DEFINITIONS

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

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| “7 June Announcement” | the announcement of the Company dated 7 June 2023 in relation to, among other things, the Rights Issue |
| “23 June Announcement” | the announcement of the Company dated 23 June 2023 in relation to, among other things, the Share Consolidation, the Change in Board Lot Size and the Rights Issue |
| “Announcements” | the 7 June Announcement and the 23 June Announcement |
| “associates” | has the same meaning ascribed thereto under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day(s)” | a day(s) (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business |
| “Bye-laws” | the bye-laws of the Company, as amended from time to time |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Change in Board Lot Size” | the proposed change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Existing Shares to 16,000 Consolidated Shares upon the Share Consolidation becoming effective |
| “Companies Act” | the Companies Act 1981 of Bermuda, as amended from time to time |

DEFINITIONS

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| “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) |
| “Compensatory Arrangements” | the arrangements involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) in accordance with Rule 7.21(1)(b) of the Listing Rules |
| “Consolidated Share(s)” | the ordinary share(s) of par value of HK\$0.04 each in the issued and unissued share capital of the Company immediately upon the Share Consolidation becoming effective |
| “CWUMPO” | Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), as amended from time to time |
| “Director(s)” | the director(s) of the Company |
| “Existing Share(s)” | the ordinary share(s) of par value of HK\$0.01 each in the issued and unissued share capital of the Company prior to the Share Consolidation becoming effective |
| “GO Obligation” | the obligation to make a general offer under Rule 26 of the Takeovers Code |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

DEFINITIONS

- “Independent Board Committee” the independent committee of the Board, comprising all independent non-executive Directors, namely Ms. Wu Wai Shan, Mr. Lau Yik Lok and Mr. Leung Gar-gene, Vincent, which has been established to advise the Independent Shareholders in respect of the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder, and as to the voting action therefor
- “Independent Financial Adviser” Messis Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company with the approval of the Independent Board Committee, for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder
- “Independent Shareholders” the Shareholders other than Top Pioneer and their respective associates and any Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder

DEFINITIONS

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| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of and not connected with the Company and any of its connected persons (as defined in the Listing Rules) |
| “Last Closing Price” | the theoretical closing price of HK\$0.16 per Consolidated Share with reference to the closing price per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation |
| “Last Trading Day” | 7 June 2023, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the 7 June Announcement |
| “Latest Lodging Time” | 4:30 p.m. on Friday, 18 August 2023 or such other time and/or date as the Underwriter and the Company may agree, being the latest time for the Shareholders to lodge transfer of Consolidated Shares in order to qualify for the Rights Issue |
| “Latest Practicable Date” | 19 July 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Latest Time for Acceptance” | 4:00 p.m. on Monday, 11 September 2023 or such other time and/or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares under the Rights Issue |
| “Latest Time for Termination” | 4:00 p.m. on Tuesday, 19 September 2023 or such other time and/or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) |
| “Listing Committee” | has the same meaning ascribed thereto under the Listing Rules |

DEFINITIONS

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Live Streaming Business” | live streaming business to be carried out by a subsidiary of the Company on short video platform(s) in the PRC/e-commerce business through the use of live-streaming marketing on different social media platforms in the PRC, mainly focusing on live streaming for contents including entertainment, gaming and e-commerce |
| “Macau” | the Macau Special Administrative Region of the PRC |
| “Mr. Ong” | Mr. Ong Chor Wei, the chairman of the Board and an executive Director who is deemed to be a substantial Shareholder by virtue of Part XV of the SFO (by being the holder of the entire issued shares of Top Pioneer) |
| “No Action Shareholders” | those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed |
| “Non-Qualifying Shareholders” | those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “NQS Rights Shares” | the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form |
| “Overseas Letter” | a letter from the Company to the Non-Qualifying Shareholder(s) (if any) explaining the circumstances in which the Non-Qualifying Shareholder(s) (if any) is/are not permitted to participate in the Rights Issue |

DEFINITIONS

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| “Overseas Shareholder(s)” | the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong |
| “PAL(s)” | the provisional allotment letter(s) to be issued to the Qualifying Shareholders for the Rights Issue |
| “Placing Agent” | Silverbricks Securities Company Limited, a licensed corporation carrying out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| “Placing Agreement” | the placing agreement dated 7 June 2023 entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to independent places on the terms and conditions of the Placing Agreement |
| “Placing Period” | from Friday, 15 September 2023 to Monday, 18 September 2023 |
| “PRC” | the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan |
| “Prospectus” | the prospectus to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue |
| “Prospectus Documents” | the Prospectus and the PAL |
| “Prospectus Posting Date” | Monday, 28 August 2023 or such other date as may be agreed in writing between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be) |

DEFINITIONS

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| “Public Float Requirement” | the public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules |
| “Qualifying Shareholder(s)” | Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date |
| “Record Date” | Friday, 25 August 2023 or such other date as may be agreed in writing between the Company and the Underwriter, being the record date for determining the entitlements of the Shareholders to participate in the Rights Issue |
| “Registrar” | Tricor Tengis Limited, the Company’s branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong |
| “Rights Issue” | the proposed issue of up to 441,230,640 Rights Shares by way of rights on the basis of four (4) Rights Shares for every five (5) Consolidated Shares held at the close of business on the Record Date at the Subscription Price pursuant to the Prospectus Documents |
| “Rights Share(s)” | up to 441,230,640 new Consolidated Share(s) to be allotted and issued in respect of the Rights Issue |
| “Scale-down PAL Shares” | such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in the incurring of a GO Obligation on the part of the applicant |
| “Scaling-down” | the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares under the PALs or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any GO Obligation |
| “SFC” | the Securities and Futures Commission of Hong Kong |

DEFINITIONS

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| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Share Consolidation, the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder |
| “Share(s)” | the Existing Share(s) and/or the Consolidated Share(s), whichever shall be appropriate |
| “Share Consolidation” | the proposed consolidation of Shares in the share capital of the Company on the basis that every four (4) Existing Shares be consolidated into one (1) Consolidated Share |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price of HK\$0.12 per Rights Share |
| “Supplemental Placing Agreements” | collectively the supplemental placing agreement dated 23 June 2023 and the second supplemental placing agreement dated 10 July 2023 entered into between the Company and the Placing Agent to amend certain terms of the Placing Agreement |
| “Supplemental Underwriting Agreements” | collectively the supplemental underwriting agreement dated 23 June 2023 and the second supplemental underwriting agreement dated 10 July 2023 entered into between the Company and the Underwriter to amend certain terms of the Underwriting Agreement |
| “Takeovers Code” | The Codes on Takeovers and Mergers published by the SFC |
| “Top Pioneer” | Top Pioneer Holdings Limited, a substantial Shareholder and a company incorporated in Hong Kong which is directly wholly owned by Mr. Ong |

DEFINITIONS

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| “Top Pioneer Undertaking” | the irrevocable undertaking given by Top Pioneer on 7 June 2023 in favour of the Company and the Underwriter, details of which is set out in the paragraph headed “Top Pioneer Undertaking and Top Pioneer Supplemental Undertaking” in this circular |
| “Top Pioneer Supplemental Undertaking” | the supplemental irrevocable undertaking given by Top Pioneer on 23 June 2023 in favour of the Company and the Underwriter, details of which is set out in the paragraph headed “Top Pioneer Undertaking and Top Pioneer Supplemental Undertaking” in this circular |
| “Transaction Consideration” | the consideration of HK\$4,500,000 payable by the Group pursuant to the sale and purchase agreement acquiring company holding catering related business |
| “Underwriter” | Silverbricks Securities Company Limited, a licensed corporation carrying out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO, which complies with Rule 7.19(1)(a) of the Listing Rules |
| “Underwriting Agreement” | the underwriting agreement dated 7 June 2023 entered into between the Company and the Underwriter in relation to the Rights Issue |
| “Unsubscribed Rights Shares” | those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company |
| “Untaken Rights Shares” | all the Unsubscribed Rights Shares that are not placed by the Placing Agent or they have been placed but the placees have not paid therefor at 4:00 p.m. on the last day of the Placing Period |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “%” | per cent. |

TERMINATION OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements), the Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing to the Company prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day), if:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (iii) there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size and the Rights Issue set out below is indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

| Event | Time and date (Hong Kong time) 2023 |
|--|--|
| Despatch date of this circular, proxy form and notice of SGM. | Tuesday, 25 July |
| Latest time for lodging transfers of Shares to qualify for the attendance and voting at the SGM | 4:30 p.m. on Monday, 7 August |
| Closure of register of members of the Company (both days inclusive). | Tuesday, 8 August to Monday, 14 August |
| Latest time for lodging proxy forms for the SGM. | 11:00 a.m. on Saturday, 12 August |
| Record date for determining entitlements for the attendance and voting at the SGM | Monday, 14 August |
| Expected time and date of the SGM. | 11:00 a.m. on Monday, 14 August |
| Announcement of the poll results of the SGM | Monday, 14 August |
| Register of members of the Company reopens | Tuesday, 15 August |
| Effective date of the Share Consolidation | Wednesday, 16 August |
| Commencement of dealings in the Consolidated Shares | 9:00 a.m. on Wednesday, 16 August |
| Original counter for trading in Existing Shares in the board lot size of 8,000 Existing Shares (in the form of existing share certificates) temporarily closes | 9:00 a.m. on Wednesday, 16 August |

EXPECTED TIMETABLE

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| Temporary counter for trading in the Consolidated Shares in the board lot size of 2,000 Consolidated Shares (in the form of existing share certificates) opens. | 9:00 a.m. on Wednesday, 16 August |
| First day of free exchange of existing share certificates for new share certificates for Consolidated Shares | Wednesday, 16 August |
| Last day of dealings in the Consolidated Shares on a cum-rights basis | Wednesday, 16 August |
| First day of dealings in the Consolidated Shares on an ex-rights basis. | Thursday, 17 August |
| Latest Lodging Time for lodging transfer of Consolidated Shares to qualify for the Rights Issue | 4:30 p.m. on Friday, 18 August |
| Closure of register of members of the Company for determining entitlements to the Rights Issue (both days inclusive) | Monday, 21 August to Friday, 25 August |
| Record date for determining entitlements for the Rights Issue | Friday, 25 August |
| Register of members of the Company reopens | Monday, 28 August |
| Despatch of the Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only) | Monday, 28 August |
| Original counter for trading in the Consolidated Shares in the board lot size of 16,000 Consolidated Shares (in the form of new share certificates) reopens | 9:00 a.m. on Wednesday, 30 August |
| Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences. | 9:00 a.m. on Wednesday, 30 August |
| Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares. | Wednesday, 30 August |

EXPECTED TIMETABLE

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| First day of dealing in nil-paid Rights Shares | Wednesday, 30 August |
| Latest time for splitting of the PALs | 4:30 p.m. on Friday, 1 September |
| Last day of dealing in nil-paid Rights Shares. | Wednesday, 6 September |
| Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain | 4:00 p.m. on Monday, 11 September |
| Latest Time for Acceptance and payment for the Rights Shares. | 4:00 p.m. Monday, 11 September |
| Announcement of the number of the Unsubscribed Rights Shares subject to the Compensatory Arrangements | Thursday, 14 September |
| Commencement of placing of the Unsubscribed Rights Shares by the Placing Agent subject to the Compensatory Arrangements | Friday, 15 September |
| End of placing of the Unsubscribed Rights Shares by the Placing Agent | Monday, 18 September |
| Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional | 4:00 p.m. on Tuesday, 19 September |
| Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares | 4:00 p.m. on Tuesday, 19 September |
| Temporary counter for trading in the Consolidated Shares in the board lot size of 2,000 Consolidated Shares (in the form of existing share certificates) closes | 4:10 p.m. on Tuesday, 19 September |
| Parallel trading in Consolidated Shares (represented by both existing share certificates and new share certificates) ends. | 4:10 p.m. on Tuesday, 19 September |

EXPECTED TIMETABLE

| | |
|--|--------------------------------------|
| Last day for free exchange of existing share certificates for new share certificates | Thursday, 21 September |
| Announcement of allotment results of the Rights Issue (including results of the placing of the Unsubscribed Rights Shares and the amount of Net Gain per Unsubscribed Share under the Compensatory Arrangements) | Thursday, 21 September |
| Despatch of certificates for fully-paid Rights Shares | Friday, 22 September |
| Refund cheques, if any, to be despatched (if the Rights Issue is terminated) | Friday, 22 September |
| Expected first day of dealings in fully-paid Rights Shares | 9:00 a.m. on Monday, 25 September |
| Payment of the Net Gain (if any) to the relevant No Action Shareholders | Tuesday, 26 September |

Effect of bad weather on the Latest Time for Acceptance and payment for the Rights Shares

The Latest Time for Acceptance and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 11 September 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 11 September 2023. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Monday, 11 September 2023, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

LETTER FROM THE BOARD



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

Executive Directors:

Mr. Ong Chor Wei (*Chairman*)

Mr. Yuk Kai Yao (*Deputy Chairman and CEO*)

Ms. Lam Ka Lee

Independent non-executive Directors:

Ms. Wu Wai Shan

Mr. Lau Yik Lok

Mr. Leung Gar-Gene Vincent

Registered office:

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

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

Room 1415, 14/F.

Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

25 July 2023

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED SHARE CONSOLIDATION;
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) CONSOLIDATED SHARES
HELD ON THE RECORD DATE
ON A BEST EFFORT AND NON-FULLY UNDERWRITTEN BASIS; AND
(4) NOTICE OF SPECIAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Share Consolidation, the Change in Board Lot Size and the Rights Issue.

The Independent Board Committee has been established, comprising all the independent non-executive Directors, to advise the Independent Shareholders in relation to, among other things, the proposed Rights Issue and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to provide you with, among other things, (i) further details of the Share Consolidation; (ii) further details of the Change in Board Lot Size; (iii) further details of the Rights Issue; (iv) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (vi) a notice convening the SGM.

2. PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every four (4) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the Latest Practicable Date, none of the conditions above had been fulfilled. The Share Consolidation will become effective when the conditions mentioned above are fulfilled.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder would be required to abstain from voting in favour of the resolution(s) relating to the Share Consolidation at the SGM.

Subject to the fulfilment of the above conditions, the Share Consolidation will become effective on Wednesday, 16 August 2023, which is the second Business Day immediately after the date of the SGM.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$3,000,000,000 divided into 300,000,000,000 Shares of par value of HK\$0.01 each, of which 2,206,153,200 Shares have been issued as fully paid.

Assuming that no further Shares are allotted, issued or repurchased between the Latest Practicable Date and the date of the SGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$3,000,000,000 divided into 75,000,000,000 Consolidated Shares of par value of HK\$0.04 each, of which 551,538,300 Consolidated Shares will be in issue.

As at the Latest Practicable Date, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Bye-laws. The Share Consolidation will not result in any change in the relative rights or proportionate interests of the holders of shares of the same class. Fractions of Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated, sold and retained for the benefit of the Company. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

LETTER FROM THE BOARD

3. PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares were traded on the Stock Exchange in board lots of 8,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange to 16,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.036 per Existing Share (equivalent to the theoretical closing price of HK\$0.144 per Consolidated Share upon the Share Consolidation becoming effective) as quoted on the Stock Exchange as at the Latest Practicable Date, (i) the value of each board lot of 8,000 Existing Shares is HK\$288; and (ii) the value of each board lot of 16,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,304.

Reasons for the Share Consolidation and the Change in Board Lot Size

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange may require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Stock Exchange, (i) market price of the securities of an issuer at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) the expected value per board lot should be greater than HK\$2,000.

The closing price per Existing Share as quoted on the daily quotation sheet of the Stock Exchange as at the Latest Practicable Date was HK\$0.036, with a board lot size of 8,000 Shares, the existing board lot value is only HK\$288, which is less than HK\$2,000. In this regard, should the Company decide to conduct any equity fund raising in the future and the share price continues trading below HK\$0.1, the Company may need to carry out corporate actions including but not limited to share consolidation, which will enable the Company to comply with the aforesaid trading requirements under the Listing Rules.

Having considered the guidance from the Stock Exchange as mentioned above and that the Shares had been traded at below HK\$0.10 at certain time in the past 12 months (based on the closing prices per Existing Share as quoted on the Stock Exchange), the Board considers that it is appropriate to conduct the Share Consolidation and the Change in Board Lot Size. The proposed trading arrangements will also facilitate the Company to conduct the upcoming Rights Issue.

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Other than the necessary expenses (including professional fees and printing fees) to be incurred for the implementation of the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation and the Change in Board Lot Size will not alter the underlying assets, business operation, management or financial position of the Company and the proportionate interests and rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

The Board considers that the Share Consolidation and the Change in Board Lot Size are essential to achieve the above-mentioned purpose. Taking into account of the potential benefits and the insignificant amount of costs to be incurred, the Board is of the view that the Share Consolidation, the Change in Board Lot Size and the transactions contemplated thereunder are in the best interest of the Company and the Shareholders as a whole.

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

Other arrangements

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation having become effective, which is currently expected to be on Wednesday, 16 August 2023, being the second Business Day immediately after the date of the SGM, the Shareholders may, during the period from Wednesday, 16 August 2023 to Thursday, 21 September 2023 (both days inclusive), submit their existing share certificates for the Existing Shares to the Company's share registrar in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours to exchange for new share certificates for the Consolidated Shares at the expense of the Company.

LETTER FROM THE BOARD

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for Consolidated Shares, whichever the number of certificates cancelled or issued is higher. The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Tuesday, 19 September 2023 and thereafter will not be accepted for delivery, trading, settlement and registration purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of four (4) Shares for one (1) Consolidated Share.

The new share certificates for the Consolidated Shares will be issued in the colour of orange in order to distinguish them from the share certificates for the existing Shares which are in the colour of blue.

Application for listing of the Consolidated Shares

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation become effective.

Subject to the granting of the approval of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

The Consolidated Shares will be identical in all respects and rank pari passu in all respects with each other in accordance with the Bye-laws as to all future dividends and distributions which are to be declared, made or paid. None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

LETTER FROM THE BOARD

Fractional entitlement to Consolidated Shares

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

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd-lot trading for the Share Consolidation

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company has appointed the Underwriter and the Placing Agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares at the relevant market price per Share for the period from Wednesday, 30 August 2023 to Tuesday, 19 September 2023 (both dates inclusive). Shareholders of odd lots of the Consolidated Shares who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Consolidated Shares should contact Mr. Wayne Wong of the Underwriter and the Placing Agent at Units 1004–1006, 10/F., Shun Tak Centre, China Merchants Tower, 168–200 Connaught Road Central, Sheung Wan, Hong Kong (telephone number (852) 3998 5127) during this period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Shareholders or potential investors should note that (i) odd lots may be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market. Shareholders or potential investors who are in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

LETTER FROM THE BOARD

4. PROPOSED RIGHTS ISSUE

The Company proposes, subject to, among others, the Share Consolidation becoming effective, to implement the Rights Issue on the basis of four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.12 per Rights Share, to raise gross proceeds of up to approximately HK\$52.9 million by way of issuing up to 441,230,640 Rights Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date, save for the Share Consolidation) to the Qualifying Shareholders. The Rights Issue will not be extended to the Non-Qualifying Shareholders.

The details of the Rights Issues proposed to take place are set out as follows:

| | | |
|---|---|---|
| Basis of the Rights Issue | : | Four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date |
| Subscription Price: | : | HK\$0.12 per Rights Share |
| Number of Shares in issue as at the Latest Practicable Date | : | 2,206,153,200 Shares |
| Number of Consolidated Shares upon the Share Consolidation becoming effective (assuming no further issue of Shares from the Latest Practicable Date to the Record Date) | : | 551,538,300 Consolidated Shares |
| Number of Rights Shares to be issued pursuant to the Rights Issue | : | Up to 441,230,640 Rights Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date, save for the Share Consolidation), which (when allotted, issued and fully paid) will rank pari passu with the then issued Consolidated Shares in all respects |

LETTER FROM THE BOARD

| | | |
|---|---|--|
| Aggregate nominal value of the Rights Shares | : | Up to HK\$17,649,225.6 (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date, save for the Share Consolidation) |
| Total number of Shares in issue after completion of Share Consolidation and as enlarged by the allotment and issue of the Rights Shares | : | Up to 992,768,940 Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) |
| Gross proceeds from the Rights Issue | : | Up to approximately HK\$52.9 million before deduction of the costs and expenses which the Company will incur in the Rights Issue (assuming no change in the issued share capital of the Company after the completion of the Share Consolidation and on or before the Record Date, and all Qualifying Shareholders taking up their respective entitlement under the Rights Issue in full) |
| Net proceeds from the Rights Issue | : | Approximately HK\$47.9 million |
| Right of excess applications | : | Qualifying Shareholders may not apply for the Rights Shares in excess of their provisional allotment |

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming there is no change in the number of issued Shares on or before the Record Date (save for the Share Consolidation) and that no new Shares (other than the Rights Issue) will be allotted and issued on or before completion of the Rights Issue, the 441,230,640 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 80% of the total number of Consolidated Shares; and (ii) approximately 44.44% of the issued share capital of the Company after the completion of the Share Consolidation and as enlarged by the allotment and issue of the Rights Shares.

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Subscription Price

The Subscription Price is HK\$0.12 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price of HK\$0.12 per Rights Share represents:

- (i) a discount of approximately 16.67% to the theoretical closing price of HK\$0.144 per Consolidated Share with reference to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation;
- (ii) a discount of approximately 25% to the Last Closing Price;
- (iii) a discount of approximately 22.28% to the theoretical average closing price of HK\$0.1544 per Consolidated Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (iv) a discount of approximately 21.26% to the theoretical average closing prices of HK\$0.1524 per Consolidated Share as quoted on the Stock Exchange for the ten (10) previous consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (v) a discount of approximately 16.67% to the theoretical ex-right price of approximately HK\$0.144 per Consolidated Share, based on the theoretical ex-right price of HK\$0.036 per Share and the Last Closing Price which is in turn based on the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 90.24% to the net asset value of the Company of approximately HK\$1.23 per Consolidated Share calculated based on the audited consolidated net asset value of the Company of approximately HK\$679 million as at 31 December 2022 and 551,538,300 Consolidated Shares based on 2,206,153,200 Shares in issue as at the Latest Practicable Date for the effect of the Share Consolidation; and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 11.11% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.144 per Consolidated Share (adjusted for the effect of the Share

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Consolidation based on theoretical ex-rights price of approximately HK\$0.036 per Share) and theoretical benchmarked price of HK\$0.16 per Consolidated Share (adjusted for the effect of the Share Consolidation based on the benchmarked price of HK\$0.04 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price of the Last Trading Day of HK\$0.04 per Share and the average closing prices per Share as quoted on the Stock Exchange in the five (5) trading days immediately prior to the Last Trading Day of HK\$0.0386 per Share)).

The net Subscription Price per Rights Share (after deducting the relevant expenses) upon full acceptance of the provisional allotment of Rights Issue will be approximately HK\$0.108 per Rights Share (assuming no change in the number of Shares in issue on or before the Record Date, save for the Share Consolidation).

The Subscription Price and the subscription ratio was determined by the Company with reference to, among other things, (i) the recent market prices of the Shares under the prevailing market conditions; (ii) the prevailing market conditions; and (iii) the financial condition and funding needs of the Group and the fund-raising size intended by the Company. After taking into account the terms of the Rights Issue and the reasons for the Rights Issue as disclosed in the section headed “Reasons for and benefits of the Rights Issue and intended use of proceeds” in this circular, the Directors (other than (i) Mr. Ong who has a material interest in the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking; and (ii) the members of the Independent Board Committee whose opinion will be set forth in this circular after considering the advice from the Independent Financial Adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, since (i) all Qualifying Shareholders will be offered the same opportunity to maintain their proportional interests in the Company; and (ii) the Subscription Price represents a discount of approximately 25.0% and 30.23% to the theoretical closing price of the Shares on the Last Trading Day and the theoretical average of the closing prices of the Shares for the last three months up to and including the Last Trading Day (adjusted for the effect of the Share Consolidation), respectively, and such discounts would encourage the Qualifying Shareholders to subscribe for their assured entitlements under the Rights Issue, the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* with the then issued Consolidated Shares in all respects. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

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The Rights Issue is only underwritten on a best effort basis and is not fully underwritten. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, and up to 52,682,040 Rights Shares are committed to be subscribed pursuant to the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking subject, however, to any Scaling-down vis-à-vis the GO Obligation.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders under PAL(s) or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Qualifying Shareholders

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders whose Shares are held by a nominee (or which are deposited in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than the Latest Lodging Time. The last day of dealing in the Shares on a cum-rights basis is Wednesday, 16 August 2023. The Shares will be dealt with on an ex-rights basis from Thursday, 17 August 2023.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date.

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Application for all or any part of a Qualifying Shareholder's entitlement to the Rights Shares should be made by completing the PAL and lodging the same with a cheque drawn on an account with, or a bank cashier's order issued by, a licensed bank in Hong Kong for the Rights Shares being applied for with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before the Latest Time for Acceptance.

The Qualifying Shareholders who take up their pro-rata entitlements in full will not experience any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. As at the Latest Practicable Date, there were a total of 16 Overseas Shareholders with addresses in the United Kingdom, the Republic of Singapore, the PRC and Macau.

The Board will make enquiries regarding the legal restrictions under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges pursuant to Rule 13.36(2)(a) of the Listing Rules. If, after making such enquiries and based on legal opinions provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory bodies or stock exchanges in the relevant places, no offer of the Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to such Overseas Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus.

The Company will, subject to the advice of the Company's legal advisers in the relevant jurisdictions where the Non-Qualifying Shareholders are located and to the extent reasonably practicable, send copies of the Overseas Letter and the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PALs to them. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained above.

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The Non-Qualifying Shareholders (which are excluded from the Rights Issue) would not have any entitlement under the Rights Issue. Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in their nil-paid form will form part of the Unsubscribed Rights Shares and if possible, be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Proceeds from each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Non-Qualifying Shareholder(s) in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for its own benefit to cover the administrative costs that it would have incurred. Any unsold entitlements of Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be offered for subscription by the Placing Agent to the independent placees under the Placing and, if not successfully placed out, will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements).

For the nil-paid Rights Shares that were sold in the market by the Company and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements under the Placing Agreement.

For details of the Compensatory Arrangements, please refer to the section headed “The Compensatory Arrangements and the Placing Agreement” in this circular.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. **Accordingly, Non-Qualifying Shareholders should exercise caution when dealing in the Shares.**

Closure of register of members

The register of members of the Company will be closed from Monday, 21 August 2023 to Friday, 25 August 2023 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

Basis of provisional allotment

The basis of the provisional allotments shall be four (4) Rights Shares for every five (5) Consolidated Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

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Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional entitlement to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit. No odd-lot matching services will be provided.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Friday, 22 September 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares.

If the Rights Issue does not become unconditional or is terminated, refund cheques will be despatched on or before Friday, 22 September 2023 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Scale-down mechanisms

Pursuant to the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements), as the Rights Issue is only underwritten by the Underwriter on a best-effort basis and non-fully underwritten basis, and so as to avoid the unwitting triggering of the GO Obligation, all applications for Rights Shares whether under the PAL(s) or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which does not trigger any GO Obligation on the part of the applicant or parties acting in concert with him/her/it. Any subscription monies of the Scale-down PAL Shares will be refunded to the applicants.

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In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, under PAL(s) shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any GO Obligation. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis, where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual Shareholders, the allocations of PAL(s) to members of the affected group should be made on a pro-rata basis by reference to the number of Consolidated Shares held by the affected applicants on the Record Date, but for avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, no part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms with their board lot size are expected to be traded in board lots of 16,000 (as the Existing Shares are currently traded on the Stock Exchange in board lots of 8,000) as their underlying Shares on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both nil-paid and fully-paid forms which are registered in the register of members of the Company will be subject to the payment of stamp duty, the Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

No application for excess Rights Shares

No application for excess Rights Shares will be offered to the Qualifying Shareholders. Any Untaken Rights Shares will be offered to independent Placees and/or taken up by the Underwriter pursuant to the terms of the Placing Agreement and the Underwriting Agreement, respectively.

The Board considers that since each Qualifying Shareholder will be given equal and fair opportunity to maintain their pro rata shareholding interests in the Company through the Rights Issue, the additional work which may be required to prepare for and administer the excess application arrangement (such as printing excess application forms and incurring professional fees to process and handle the excess applications) may not be justified. In addition, given that the Company has put in place the Compensatory Arrangements as required by Rule 7.21(1)(b) of the Listing Rules, details of which are set out in the paragraph headed “The Compensatory Arrangements and the Placing Agreement” below, there will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

In light of the above and that the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue (including no application for excess Rights Shares) through their votes at the SGM, the Board believes that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

The Company will make arrangements to dispose of the Unsubscribed Rights Shares, comprising the Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares, by offering the Unsubscribed Rights Shares to independent placees who are not Shareholders for the benefit of the relevant No Action Shareholders to whom they were offered under the Rights Issue.

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Any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the commission and expenses of the Placing Agent (including any other related costs and expenses) that is realised from the Placing (the “**Net Gain**”) (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the relevant No Action Shareholders and Non-Qualifying Shareholders in the matter set out below:

- (i) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for, and where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (ii) for Non-Qualifying Shareholders, the relevant Non-Qualifying Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) and Non-Qualifying Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

The Placing Agreement and the Supplemental Placing Agreements

On 7 June 2023 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements).

Pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Placing Agent has agreed to procure independent placee(s), on a best effort basis, to subscribe for up to 388,548,600 Unsubscribed Rights Shares after the Latest Time for Acceptance. The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price. The final price determination will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

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The principal terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) are set out below:

- Date : 7 June 2023 (after trading hours) (as amended and supplemented by the supplemental placing agreement dated 23 June 2023 (after trading hours) and the second supplemental placing agreement dated 10 July 2023 (after trading hours))
- Placing Agent : Silverbricks Securities Company Limited, a licensed corporation carrying out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
- As at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties
- Placing commission : 3.5% of the amount which is equal to the placing price multiplied by the total number of Unsubscribed Rights Shares that have been successfully placed by the Placing Agent during the Placing Period pursuant to the terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements)
- Placing price of the Unsubscribed Rights Shares : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price
- The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement
- Placees : The Unsubscribed Rights Shares shall only be offered by the Placing Agent to independent placees who and whose ultimate beneficial owner(s) are not Shareholders and are otherwise Independent Third Parties
- Placing Period : Friday, 15 September 2023 to Monday, 18 September 2023, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements

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- Conditions precedent : The placing of the Unsubscribed Rights Shares is subject to and conditional upon:
- (i) the passing by the Independent Shareholders at the SGM of ordinary resolutions to approve the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements), the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Rights Issue and the transactions contemplated thereunder;
 - (ii) the Share Consolidation having become effective;
 - (iii) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares;
 - (iv) the representations and warranties of the Company in the Placing Agreement remaining true and accurate in all material respects and none of the undertakings of the Company in the Placing Agreement having been breached in any material respects;
 - (v) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
 - (vi) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) not having been terminated in accordance with its terms.

The terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements and including the commission rate) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the prevailing market rate of commission. The Directors consider the terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) to be

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on normal commercial terms and are fair and reasonable. None of the Directors has a material interest in the transaction contemplated under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements).

Given that the Compensatory Arrangements would provide a compensatory mechanism for the No Action Shareholders, the Directors consider that the Compensatory Arrangements are in the interest of the Company and the Shareholders as a whole.

THE IRREVOCABLE UNDERTAKING

Top Pioneer Undertaking and Top Pioneer Supplemental Undertaking

As at the Latest Practicable Date, Top Pioneer, a substantial Shareholder, is beneficially interested in 263,410,200 Shares, representing approximately 11.94% of the issued share capital of the Company. On 7 June 2023, Top Pioneer has given an irrevocable undertaking (which was subsequently revised by the Top Pioneer Supplemental Undertaking dated 23 June 2023) in favour of the Company, that:

- (i) it will subscribe for 52,682,040 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 263,410,200 Shares wholly and beneficially held by it (which will be consolidated to 65,852,550 Consolidated Shares upon the Share Consolidation taken effect);
- (ii) it will not dispose of any of the 263,410,200 Shares (which will be consolidated to 65,852,550 Consolidated Shares upon the Share Consolidation taken effect) comprising the current shareholding in the Company owned by Top Pioneer, and such Shares will remain wholly and beneficially owned by it up to and including the Record Date;
- (iii) it will lodge or procure its acceptance of the 52,682,040 Rights Shares, which will be the number of Rights Shares provisionally allotted to it nil-paid under the Rights Issues, with the Registrar, with payment in full therefor, by no later than the Latest Time for Acceptance or otherwise in accordance with the instructions set out in the Prospectus Documents; and
- (iv) take appropriate steps, including, the disposal of such number of Shares necessary to ensure that sufficient public float exists in the shares of the Company in compliance with the Listing Rules upon completion of the Rights Issue.

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Save for the Top Pioneer Undertaking, as at the Latest Practicable Date, the Board has not received any information or irrevocable undertaking from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

THE UNDERWRITING AGREEMENT

On 7 June 2023 (after trading hours), the Company entered into the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) with the Underwriter in respect of the Rights Issue.

Pursuant to the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements), the Underwriter has agreed to underwrite, on a best effort basis, the Untaken Rights Shares pursuant to the terms and subject to the conditions set out in the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements), other than those Rights Shares provisionally allotted and undertaken to be subscribed by Top Pioneer pursuant to the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking.

The principal terms of the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) are set out below:

| | | |
|---|---|--|
| Date | : | 7 June 2023 (after trading hours) (as amended and supplemented by the supplemental underwriting agreement dated 23 June 2023 (after trading hours) and the second supplemental underwriting agreement dated 10 July 2023 (after trading hours)) |
| Underwriter | : | Silverbricks Securities Company Limited, a licensed corporation carrying out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and its ordinary course of business includes underwriting of securities |
| Number of Rights Shares to be underwritten by the Underwriter | : | Up to 388,548,600 Rights Shares (after completion of the Share Consolidation and assuming no new Shares will be issued or repurchased on or before the Record Date) |

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Underwriting Commitment of the Underwriter : The Underwriter has conditionally agreed to underwrite, on a best effort basis, the Rights Shares (other than the Rights Shares agreed to be taken up by Top Pioneer under the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking) which have not been taken up by the Qualifying Shareholders and which have not been placed out by the Placing Agent under the Compensatory Arrangements. Accordingly, the Rights Issue is not fully underwritten

Underwriting commission : 4% of the aggregate Subscription Price in respect of the number of Underwritten Shares committed to be underwritten, subscribed for or procured to be subscribed for by the Underwriter in accordance with the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements)

Conditions of the completion of the Rights Issue and the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements)

The completion of the Rights Issue and the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) are conditional upon the following conditions being fulfilled:

- (i) the passing of the necessary resolutions at the SGM to approve the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Shareholders (other than those who are required to abstain from voting according to the Listing Rules or other application laws and regulations if necessary);
- (ii) the Share Consolidation having become effective;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of their dealings;

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- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the CWUMPO not later than the Prospectus Posting Date;
- (v) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue, on or before the Prospectus Posting Date;
- (vi) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (vii) the Company complying with all of its obligations under the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) in all material respects;
- (viii) the representations and warranties of the Company in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company in the Underwriting Agreement having been breached in any material respects;
- (ix) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (x) the entering into of binding agreements by the Underwriter with certain subscriber(s) procured by the Underwriter and/or sub-underwriter(s), which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber(s) procured by the Underwriter and/or sub-underwriter(s) and/or party or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons or associates of the respective subscribers shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Rights Issue;

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- (xi) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect;
- (xii) there being no Specified Event occurring prior to the Latest Time for Termination; and
- (xiii) the compliance with and performance of all the undertakings and obligations under the Top Pioneer Undertaking (as revised by the Top Pioneer Supplemental Undertaking).

Other than conditions (vii), (viii), (xiii) which can be waived in whole and in part by the Underwriter by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent above cannot be waived. In the event that the above conditions precedent have not been satisfied or waived on or before the Latest Time for Termination, all liabilities of the Company and the Underwriter under the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) by notice in writing to the Company prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day), if:

- (i) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or

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- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (ii) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) there is any change in the circumstances of the Company which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Rights Issue; or

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(vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

The Rights Issue is only underwritten on a best effort basis and is not fully underwritten. Pursuant to the Company's constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfilment or satisfaction of the conditions precedent of the Rights Issue, the Rights Issue shall proceed regardless of the conditions of its level of acceptances, and up to 52,682,040 Rights Shares are committed to be subscribed pursuant to the Top Pioneer Undertaking (as amended and supplemented by the Top Pioneer Supplemental Undertaking) subject, however, to any Scaling-down vis-à-vis the GO Obligation.

In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders under PAL(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUES AND INTENDED USE OF PROCEEDS

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.

Assuming all the Rights Shares are taken up, the net proceeds from the Rights Issue after deducting the incidental expenses are estimated to be approximately HK\$47.9 million (assuming no change in the number of Shares in issue on or before the Record Date). The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is estimated to be approximately HK\$0.108.

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The Company intends to apply the net proceeds from the Rights Issue as follows: (1) approximately 20% be used as the general working capital of the Group; (2) approximately 30% be used as investments in the catering and related business and to settle of the Transaction Consideration; (3) approximately 30% be used as investments in the Live Streaming Business; and (4) approximately 20% be used for the expansion of the finance business of the Group.

Assuming there will be no change in the issued share capital of the Company on or before the Record Date (save for the Share Consolidation) and all Qualifying Shareholders taking up their respective entitlement under the Rights Issues in full, the specific amount of funds intended to be allocated for the above four usages would be (1) approximately HK\$9.58 million be used as the general working capital of the Group including but not limited to salaries and overheads of general operation expenses of the Group; (2) approximately HK\$14.37 million be used as investments in the catering and related business, among which approximately HK\$9.87 million and HK\$4.5 million, respectively, will be used for purchasing of supplies and equipment for the catering business and settlement of the Transaction Consideration, respectively; (3) approximately HK\$14.37 million be used as investments in the Live Streaming Business among which approximately HK\$5.75 million, HK\$4.31 million and HK\$4.31 million, respectively, will be used as advertisement costs, rents and overheads, and remunerations, respectively; and (4) approximately HK\$9.58 million be used for the enrichment of general capital for operating and expansion of the finance business of the Group.

If the Rights Issue is undersubscribed and the size of the Rights Issue is reduced, the net proceeds are expected to be utilised with proportional reductions in the same usage scenarios as above.

The Group has been proactive in seeking appropriate investment opportunities in areas including but not limited to catering and related business and Live Streaming Business. As disclosed in the announcement of the Company dated 17 March 2023, the Group has entered into the sale and purchase agreement to acquire company holding catering related business at the Transaction Consideration of HK\$4.5 million; while as disclosed in the announcement of the Company dated 4 April 2023, the Group has established a wholly foreign owned enterprise in the PRC which principally engaged in the Live Streaming Business. For further details of the catering and related business and the Live Streaming Business, please refer to the section headed “Financial and Trading Prospects of the Group” in Appendix I to this circular.

In light of the financial performance of the Group which was still in a loss position for the year ended 31 December 2022 as well as the above expansion plan of the Group, the Board considers that it is vital for the Group to have access to additional funding and working capital in order to maintain its competitiveness in the market.

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The Directors have considered various ways of raising funds, including but not limited to debt financing, placing and open offer, and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board is of the view that while additional debt financing will increase the Group's gearing ratio, it will also increase the ongoing interest expenses of the Group which may in turn affect the profitability of the Company. In addition, debt financing may not be achievable on favourable terms in a timely manner, it may as well require pledge of assets and/or other kind of securities which may reduce the Group's flexibility in managing its portfolio.

On the other hand, the Board considered that the fundraising by way of the Rights Issue will improve the financial position of the Group immediately. The Board has also considered that open offer is less favorable to the Shareholders compared to the Rights Issue due to the flexibility of the Shareholders being able to sell their entitled nil-paid rights when they do not wish to take up the entitlements under the Rights Issue.

As for placing of new Shares, the Company has already completed a placing of new shares under general mandate on 20 September 2022.

Taking into account the costs and benefits of each of the alternatives as compared with the Rights Issue, the Directors (other than (i) Mr. Ong who has a material interest in the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking; and (ii) the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) considered that Rights Issue can enlarge the capital base of the Company and fulfil the funding needs of the Group while at the same time offering Qualifying Shareholders a chance to continue participating in the development of the Company and the Group in the near future by subscribing for their pro-rata Rights Shares at a relatively low price as compared to the historical market price of the Shares. Thus, the Directors (other than (i) Mr. Ong who has a material interest in the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking; and (ii) the members of the Independent Board Committee who will form their view after reviewing and considering the advice from the Independent Financial Adviser) are of the view that, despite any potential dilution impact which may arise to the Non-Qualifying Shareholders or Qualifying Shareholders who do not participate in the Rights Issue, raising funds by way of Rights Issue is more attractive and feasible in the current market condition, and thus, in the interests of the Company and the Shareholders as a whole.

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FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following fundraising activity involving issue of equity securities during the 12 months immediately preceding the Latest Practicable Date:

| Date of announcement | Event | Net proceeds raised | Intended use of net proceeds | Actual use of net proceeds as at the Latest Practicable Date |
|----------------------|---|--------------------------------|---|--|
| 20 September 2022 | Placing of new Shares under general mandate | Approximately HK\$18.7 million | (i) enrichment of general capital for operating and expansion of the Group's finance business; and (ii) enrichment of general working capital including salaries and allowance, legal and professional fee and overheads for operation of the Group's general expenses | (i) approximately HK\$12.5 million in respect of general capital for operating and expansion of the Group's finance business; and (ii) approximately HK\$6.2 million in respect of general working capital including salaries and allowance, legal and professional fee and overheads for operation of the Group's general expenses |

Save as disclosed above, the Company has not conducted other fundraising exercise involving issue of equity securities during the 12 months immediately preceding the Latest Practicable Date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, the tables below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Share Consolidation; (iii) immediately after completion of the Rights Issue assuming (a) full acceptance by the Qualifying Shareholders; (b) nil acceptance by the Qualifying Shareholders (except Top Pioneer) and all the Unsubscribed Rights Shares have been placed by the Placing Agent; and (c) nil acceptance by the Qualifying Shareholders and no independent places take up the Unsubscribed Rights Shares.

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| | As at the Latest Practicable Date | | Immediately upon completion of the Share Consolidation | | Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up all his/her/its entitlements under the Rights Issue) | | Immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders take up any of his/her/its entitlements under the Rights Issue except for Top Pioneer pursuant to the Top Pioneer Undertaking; and (b) all the Unsubscribed Rights Shares were placed to independent places under the Placing Agreement) | | Immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders take up any of his/her/its entitlements under the Rights Issue except for Top Pioneer pursuant to the Top Pioneer Undertaking; and (b) no independent places took up the Unsubscribed Rights Shares such that all the Unsubscribed Rights Shares were taken up by the Underwriter) | |
|--------------------------------|-----------------------------------|----------------------|--|----------------------|---|----------------------|--|----------------------|--|----------------------|
| | No. of Shares | Approx. percentage % | No. of Shares | Approx. percentage % | No. of Shares | Approx. percentage % | No. of Shares | Approx. percentage % | No. of Shares | Approx. percentage % |
| Substantial Shareholder | | | | | | | | | | |
| — Top Pioneer (Note 1) | 263,410,200 | 11.94 | 65,852,550 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 |
| Director | | | | | | | | | | |
| — Mr. Ong (Note 1) | 263,410,200 | 11.94 | 65,852,550 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 |
| Public Shareholders | | | | | | | | | | |
| — The Underwriter | — | — | — | — | — | — | — | — | 388,548,600 | 39.14 |
| — Independent places | — | — | — | — | — | — | 388,548,600 | 39.14 | — | — |
| — Other public Shareholders | 1,942,743,000 | 88.06 | 485,685,750 | 88.06 | 874,234,350 | 88.06 | 485,685,750 | 48.92 | 485,685,750 | 48.92 |
| Total | 2,206,153,200 | 100.00 | 551,538,300 | 100.00 | 992,768,940 | 100.00 | 992,768,940 | 100.00 | 992,768,940 | 100.00 |

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Notes:

1. Top Pioneer is wholly-owned by Mr. Ong. Accordingly, Mr. Ong is deemed to be interested in all the Shares by Top Pioneer by virtue of Part XV of the SFO.
2. Further announcement(s) will be made by the Company as soon as practicable when the total number of Unsubscribed Rights Shares to be placed by the Placing Agent to the independent placees and the number of placees are confirmed.
3. This scenario is for illustration purpose only and shall never occur. As one of the conditions precedent to the Underwriting Agreement, the Underwriter shall enter into binding agreements with subscriber(s) procured by the Underwriter and/or sub-underwriter(s), which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber(s) procured by the Underwriter and/or sub-underwriter(s) and/or party or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons or associates of the respective subscribers shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Rights Issue.
4. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LISTING RULES IMPLICATIONS

The Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%. Thus, in accordance with Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Independent Shareholders (comprising both the Qualifying Shareholders and the Non-Qualifying Shareholders) by way of poll at the SGM at which any controlling shareholders of the Company and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the proposed resolution(s) approving the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder. Since the Company has no controlling shareholder as at the Latest Practicable Date (and assuming there is no change up to the date of the SGM), Mr. Ong, Mr. Yuk Kai Yao and Ms. Lam Ka Lee, and their respective associates shall abstain from voting in favour of the proposed resolution approving the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder at the SGM.

LETTER FROM THE BOARD

Mr. Ong, the chairman of the Board and executive Director, is beneficially interested in the entire issued shares of Top Pioneer and hence, is deemed to be interested in the Shares owned by Top Pioneer by virtue of the SFO. As a result, he has therefore abstained from voting at the meeting of the Board convened to consider such matters, while Top Pioneer as an associate of Mr. Ong shall also abstain from voting in favour of the proposed resolution.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

5. GENERAL

The SGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Share Consolidation, the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder. Top Pioneer and any Shareholders who are involved in or interested in the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) and/or the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) shall abstain from voting on the resolutions to approve the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) and/or the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) at the SGM.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the proposed Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date. The Company will despatch the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send the PALs to the Non-Qualifying Shareholders.

6. WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Share Consolidation having become effective, the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) having become unconditional and the Underwriter not having terminated the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) in accordance with the terms thereof. Accordingly, the proposed Rights Issue may or may not proceed.

LETTER FROM THE BOARD

Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

7. RECOMMENDATIONS

The Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Wu Wai Shan, Mr. Lau Yik Lok and Mr. Leung Gar-gene, Vincent, has been established to advise the Independent Shareholders as to (i) whether the terms of the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how to vote on the resolution(s) at the SGM relating to the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements) and the transactions contemplated thereunder after taking into account the recommendations of the Independent Financial Adviser. Your attention is drawn to the letter from the Independent Board Committee set out on pages 51 to 52 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 53 to 77 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

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

LETTER FROM THE BOARD

8. ADDITIONAL INFORMATION

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

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



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

25 July 2023

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) CONSOLIDATED SHARES
HELD ON THE RECORD DATE
ON A BEST EFFORT AND NON-FULLY UNDERWRITTEN BASIS**

We refer to the circular of the Company dated 25 July 2023 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

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

Messis Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this respect. Having taken into account the terms of the Rights Issue, and the advice from Messis Capital Limited, we are of the opinion that although the entering into the Rights Issue is not in the ordinary and usual course of business of the Group, the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Rights Issue and the transactions contemplated thereunder.

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

Ms. Wu Wai Shan

Mr. Lau Yik Lok

**Mr. Leung Gar-Gene
Vincent**

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

MESSIS 大有融資

25 July 2023

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

Dear Sir/Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY FIVE (5) CONSOLIDATED SHARES HELD ON THE RECORD DATE ON A BEST EFFORT AND NON-FULLY UNDERWRITTEN BASIS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed Rights Issue, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 25 July 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References is made Circular in relation to the Company’s proposal to raise approximately HK\$52.9 million (before expenses) by issuing 441,230,640 Rights Shares on the basis of four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date. The estimated net proceeds of the Rights Issue will be approximately HK\$47.9 million. The Company intends to apply net proceeds from the Rights Issue to (i) general working capital of the Group; (ii) investing in the catering and related business and settling the Transaction Consideration; (iii) investing in the Live Streaming Business; and (iv) expansion of the finance business of the Group.

As the Rights Issue would increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to approval by the Independent Shareholders at the SGM by poll in accordance with the requirements of Rules 7.19A and 7.27A of the Listing Rules, and any controlling Shareholders and their respective associates or, where there are no controlling

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolutions relating to the Rights Issue.

The Independent Board Committee, comprising all of the independent non-executive Directors, has been established to advise the Independent Shareholders on (i) the terms of the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement), the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreement) and the transactions contemplated thereunder; and (ii) how to vote on the resolution(s) at the SGM.

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

OUR INDEPENDENCE

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

Date of the relevant announcement and our letter of advice

Nature of the transaction

18 July 2022

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

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the representations made to us by the Company, the Directors and the management of the Company. We have assumed that all statements, information and representations provided by the Company, the Directors and the management of the Company, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us.

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

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group, or their respective subsidiaries or associates. We have not considered the taxation implication on the Group or the Shareholders as a result of the Rights Issue. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of us is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not be used out of context.

Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our opinion in respect of the Rights Issue, we have taken into account the principal factors and reasons set out below:

1. Reasons for the Rights Issue

A. Business and financial overview of the Group

The Group's revenue principally represented involved in the investment holding, development and sale of land and properties in the PRC (the "**Property Business**"), the money lender business in Hong Kong (the "**Finance Business**") and automobile business in Hong Kong (the "**Automobile Business**"). Set out below are the financial results of the Group extracted from the annual report of the Company for the year ended 31 December 2022 ("**Annual Report 2022**"):

Table 1: Segment revenue of the Group

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Table 2: Consolidated statement of financial position of the Group

| | As at 31 December | |
|--|--------------------------|------------------|
| | 2021 | 2022 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | <i>(audited)</i> | <i>(audited)</i> |
| Non-current assets | 290,000 | 170,000 |
| Current assets | 688,000 | 584,000 |
| Non-current liabilities | 1,000 | — |
| Current liabilities | 98,000 | 75,000 |
| Net current assets | 590,000 | 509,000 |
| Net assets attributable to owners of the Company | 879,000 | 679,000 |

Financial year ended 31 December 2022 (“**FY2022**”) versus financial year ended 31 December 2021 (“**FY2021**”)

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

As set out in the Table 1 above, the revenue of the Group decreased by approximately 88.1% from approximately HK\$469 million for FY2021, to approximately HK\$56 million for FY2022. During FY2022, revenue of approximately HK\$25 million was mainly derived from sales of some of the remaining units of Evian Villa and CCT Land-Jun Mansion, whereas the revenue of approximately HK\$466 million for FY2021 was largely attributable to the sales of the property units of Evian Villa and CCT Land-Jun Mansion. For FY2022, the Property Business is the Group’s important business segment in terms of revenue, contributing approximately 44.6% of the Group’s total revenue. However, the revenue from Property Business decreased due to absence of contribution from Landmark City in FY2022. The revenue of Property Business decreased mainly due to (i) the negative impact arising from the outbreak of COVID-19 which affected the sales of properties; and (ii) the weak economy in the PRC. The Finance Business contributed revenue of approximately HK\$5 million for FY2022 compared to approximately HK\$3 million for FY2021. The Automobile Business contributed revenue of approximately HK\$26 million for FY2022 compared to nil for FY2021.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

As a result of the foregoing, the Group recorded a loss of approximately HK\$175 million for FY2022 as compared to a loss of approximately HK\$60 million for FY2021, which was mainly due to (i) decrease in fair value of financial assets at fair value through profit or loss due to lower fair value of financial assets; (ii) increase in write-down of properties held for sale to net realisable value due to weak property market in the PRC; and (iii) decrease in revenue from sale of properties due to negative impact arising from the outbreak of COVID-19 and weak economy in PRC. We have also noted from the Annual Report 2022 that the Group has recorded loss for five consecutive financial years. We are of the view that the Group is in need to open up new revenue streams in order to improve its financial performances.

B. Reasons for the Rights Issue and the use of proceeds

According to the Letter from the Board, the gross proceeds from the Rights Issue will be approximately HK\$52.9 million. The net proceeds from the Rights Issue after deducting all relevant expenses are estimated to be approximately HK\$47.9 million. The net price per Rights Share (after deducting the cost and expenses of the Rights Issue) is approximately HK\$0.108 per Rights Share.

As discussed with the management of the Company, it is the Group's target to diversify its business and opening up new revenue streams. Considering the continuous net loss position for five financial years, we are of the view that it is necessary for the Company to focus on expanding their scope of business and attempt to open up new revenue streams.

The Company intends to apply the net proceeds from the Rights Issue as follows: (1) approximately 20% to be used as the general working capital of the Group; (2) approximately 30% to be used as investments in the catering and related business and to settle of the Transaction Consideration; (3) approximately 30% to be used as investments in the Live Streaming Business; and (4) approximately 20% to be used for the expansion of the Finance business of the Group.

As discussed with the management of the Company, the Group has been proactive in seeking appropriate investment opportunities in areas including but not limited to catering and related business and Live Streaming Business. We have also reviewed the announcement of the Company dated 17 March 2023, the Group has entered into the sale and purchase agreement to acquire a company holding catering related business at the transaction consideration of HK\$4.5 million. According to the announcement of the Company dated 4 April 2023, in light of the rapid

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

development and wide acceptance of short video platforms, live streaming and livestream commerce in the PRC as well as the significant growth in the live streaming-related sectors over the past few years, it is expected that the Live Streaming Business will continue to expand at a fast pace in the near future. The Group has established a wholly foreign owned enterprise in the PRC which principally engaged in the Live Streaming Business.

As part of our work done and in order to get a better grasp of the live streaming business in Hong Kong and the PRC, we have conducted our own desktop research. We noted that based on a research, there were over 750 million live streaming users across the PRC. E-commerce, gaming, concerts, reality show, and sports were the most streamed content categories. The live streaming market in the PRC is anticipated to reach US\$103.39 billion in 2026, experiencing growth at a CAGR of 35.29% during the period spanning from 2022 to 2026. Factors such as increasing population, growing adoption of smartphones, accelerating penetration of 4G and 5G networks, surging integration with artificial intelligence, mounting penetration of internet users and expanding urbanization would drive the growth of the market. We consider the Company's plan to enter into the Live Streaming Business could diversify the revenue stream of the Company and hence may enhance the shareholders' return.

For the catering and related business, we have discussed with the management of the Company and reviewed the sales and purchase agreement and noted that the newly acquired catering and related business is managed by a group of well experienced management with more than 5 years' experience in catering and related businesses, who had been restaurant managers or chefs at Chinese restaurants, Japanese restaurants, Michelin starred restaurant or hotels in Hong Kong. The catering business provides Chinese cuisine and targets the high end catering market. It is situated at a well known business district in Hong Kong, being the International Commerce Centre on top of Kowloon station. As informed by the management of the Company, the catering and related business has commenced operation in March 2023. We are of the view that with the uplift of restrictions in relation to COVID-19 and the opening up of borders and influx of tourist, the catering and related business may also open up new revenue stream of the Company and hence may enhance the shareholders' return.

For the Finance Business, we noted from the Annual Report 2022 that the revenue from Finance Business recorded approximately HK\$5 million for FY2022 as compared to approximately HK\$3 million for FY2021, loan and interest receivables of the Group increased from approximately HK\$72 million in FY2021 to approximately HK\$79 million in FY2022. We are of the view that the Finance Business will continue to contribute stable stream of interest income to the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We noted from the Annual Report 2022 that the Group's cash and bank balances had reduced from approximately HK\$48 million as at 31 December 2021 to HK\$27 million as at 31 December 2022, and further reduced to approximately HK\$5.7 million as at the Last Trading Day. Such deterioration in the cash level of the Company was due to cash flow used in business operating activities as well as investing activities. In light of the financial performance of the Group which has recorded net loss position for consecutive years as well as the above expansion plan of the Group, the Board considers that it is vital for the Group to have access to additional funding and working capital in order to maintain its competitiveness in the market.

As stated in the Letter from the Board, the Directors consider that the Rights Issue will strengthen its capital structure without incurring debt financing cost. Debt financing will result in additional interest burden, higher gearing ratio and repayment obligation of the Group.

In addition, debt financing may not be achievable on favourable terms in a timely manner. The Board has also considered other fund-raising alternatives, including placing of new Shares and open offer. As for placing of new Shares, the Company has already completed a placing of new shares under general mandate on 20 September 2022.

Open offer is similar to a rights issue and offers the Qualifying Shareholders an opportunity to participate, but it does not allow free trading of rights entitlements in the open market.

The Rights Issue will allow all the Qualifying Shareholders the equal opportunity to subscribe for their respective pro rata provisional entitlement of the Rights Shares and hence avoids dilution in their shareholding interests in the Company.

Having considered the feasibility of various fund-raising methods and the pros of the Rights Issue compared to alternative methods as discussed above, we concur with the Directors' view that the Rights Issue is the most suitable fund-raising method to the Group under the current circumstances.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Principal terms of the Rights Issue

A. Summary of principal terms

The key terms of the Rights Issue are summarised below:

| | | |
|---|---|---|
| Basis of the Rights Issue | : | Four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date |
| Subscription Price | : | HK\$0.12 per Rights Share |
| Number of Shares in issue as at the Latest Practicable Date | : | 2,206,153,200 Shares |
| Number of Consolidated Shares upon the Share Consolidation becoming effective (assuming no further issue of Shares from the Latest Practicable Date to the Record Date) | : | 551,538,300 Consolidated Shares |
| Number of Rights Shares to be issued pursuant to the Rights Issue | : | Up to 441,230,640 Rights Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date, save for the Share Consolidation), which (when allotted, issued and fully paid) will rank pari passu with the then issued Consolidated Shares in all respects |
| Aggregate nominal value of the Rights Shares | : | Up to HK\$17,649,225.6 (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date) |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

| | | |
|---|---|--|
| Total number of Shares in issue after completion of Share Consolidation and as enlarged by the allotment and issue of the Rights Shares | : | Up to 992,768,940 Shares (assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) |
| Gross proceeds from the Rights Issue | : | Up to approximately HK\$52.9 million before deduction of the costs and expenses which the Company will incur in the Rights Issue (assuming no change in the issued share capital of the Company after the completion of the Share Consolidation and on or before the Record Date, and all Qualifying Shareholders taking up their respective entitlement under the Rights Issue in full) |
| Net proceeds from the Rights Issue | : | Approximately HK\$47.9 million |
| Right of excess applications | : | Qualifying Shareholders may not apply for the Rights Shares in excess of their provisional allotment |

For further information of the Rights Issue, please refer to the paragraph headed “Proposed Rights Issue” in the “Letter from the Board” of the Circular.

B. Subscription Price

The Subscription Price is HK\$0.12 per Rights Share payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price of HK\$0.12 per Rights Share represents:

- (a) a discount of approximately 16.67% to the theoretical closing price of HK\$0.144 per Consolidated Share with reference to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Consolidation;
- (b) a discount of approximately 25% to the Last Closing Price;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (c) a discount of approximately 22.28% to the theoretical average closing price of HK\$0.1544 per Consolidated Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (d) a discount of approximately 21.26% to the theoretical average closing prices of HK\$0.1524 per Consolidated Share as quoted on the Stock Exchange for the ten (10) previous consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (e) a discount of approximately 16.67% to the theoretical ex-right price of approximately HK\$0.144 per Consolidated Share, based on the theoretical ex-right price of HK\$0.036 per Share and the Last Closing Price which is in turn based on the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (f) a discount of approximately 90.24% to the net asset value of the Company of approximately HK\$1.23 per Consolidated Share calculated based on the audited consolidated net asset value of the Company of approximately HK\$679 million as at 31 December 2022 and 551,538,300 Consolidated Shares based on 2,206,153,200 Shares in issue as at the Latest Practicable Date for the effect of the Share Consolidation; and
- (g) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 11.11% to the existing Shareholders if they elect not to participate in the Rights Issue, which is calculated based on the theoretical ex-rights price of approximately HK\$0.144 per Consolidated Share (adjusted for the effect of the Share Consolidation based on theoretical ex-rights price of approximately HK\$0.036 per Share) and theoretical benchmarked price of HK\$0.16 per Consolidated Share (adjusted for the effect of the Share Consolidation based on the benchmarked price of HK\$0.04 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price of the Last Trading Day of HK\$0.04 per Share and the average closing prices per Share as quoted on the Stock Exchange in the five (5) trading days immediately prior to the Last Trading Day of HK\$0.0386 per Share)).

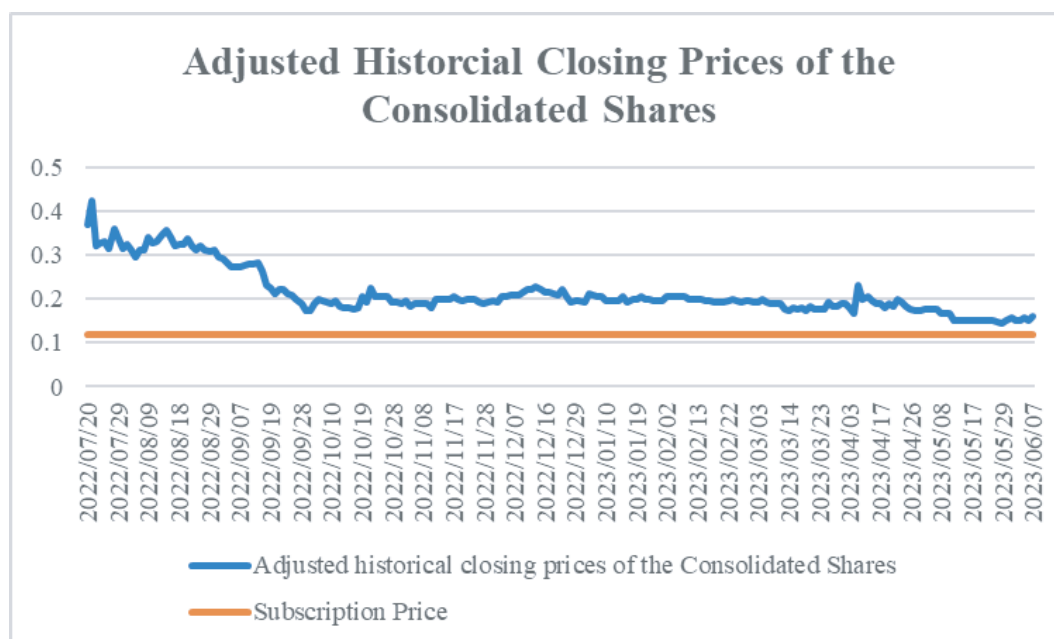
Based on the above, we note that the Subscription Price in general represents a discount to the prevailing market price of the Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison with adjusted historical closing prices of the Consolidated Shares

In order to assess the fairness and reasonableness of the Subscription Price, we have performed a review on the daily closing prices of the Consolidated Shares and trading volume of the Shares from 20 July 2022 (being the first trading day after the Company's capital reorganisation and change in board lot size) to and including the Last Trading Day (the "**Review Period**"), which we consider the period long enough to illustrate the historical trend and level of movements of the Consolidated Shares for conducting a reasonable and meaningful comparison between the adjusted closing price of the Consolidated Shares and the Subscription Price.

Set out below is a chart showing the daily adjusted closing prices of the Consolidated Shares as quoted on the Stock Exchange during the Review Period:



Source: the website of the Stock Exchange (<http://www.hkex.com.hk>)

During the Review Period, the lowest adjusted closing price per Consolidated Share was HK\$0.144 recorded on 29 May 2023, while the highest adjusted closing price per Consolidated Share was HK\$0.424 recorded on 21 July 2022. The average daily adjusted closing price per Consolidated Share was approximately HK\$0.214 per Share.

We note that the Subscription Price of HK\$0.12 per Rights Share was in general below the daily adjusted closing prices of the Consolidated Share throughout the Review Period and represents (i) a discount of approximately 71.70% from the highest adjusted closing price of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Consolidated Shares; (ii) a discount of approximately 16.67% from the lowest adjusted closing price of Consolidated Shares; and (iii) a discount of approximately 43.93% from the average daily adjusted closing price of Consolidated Shares during the Review Period.

We consider that the adjusted closing prices and general decreasing price trend of the Consolidated Shares during the Review Period should have reflected market evaluation on the recent financial performance/position and development of the Group. Hence, we consider it is fair and reasonable for the Company to determine the Subscription Price with reference the prevailing market price, particularly the more recent adjusted closing prices, of the Consolidated Shares and a discount to enhance the attractiveness of the Rights Issue given the diverging performance between the Share price of the Consolidated Shares and the general stock market.

Review on the trading liquidity of the Shares

The table below sets out the trading volume of the Shares during the Review Period:

| | Total monthly trading volume of the Shares <i>(Shares)</i> | Number of trading days | Average daily trading volume of the Shares <i>(Note 1)</i> | Number of Shares in issue by the end of the month <i>(Shares)</i> | Percentage of average daily trading volume to total number of Shares in issue <i>(Note 2)</i> |
|--|---|------------------------------|---|---|---|
| 2022 | | | | | |
| July (from 20 July 2022) | 942,486,497 | 8 | 117,810,812 | 1,838,461,000 | 6.41% |
| August | 263,810,552 | 23 | 11,470,024 | 1,838,461,000 | 0.62% |
| September | 208,286,700 | 21 | 9,918,414 | 1,838,461,000 | 0.54% |
| October | 282,234,474 | 20 | 14,111,724 | 2,206,153,200 | 0.64% |
| November | 93,480,126 | 22 | 4,249,097 | 2,206,153,200 | 0.19% |
| December | 63,081,185 | 20 | 3,154,059 | 2,206,153,200 | 0.14% |
| 2023 | | | | | |
| January | 97,772,682 | 18 | 5,431,816 | 2,206,153,200 | 0.25% |
| February | 44,960,174 | 20 | 2,248,009 | 2,206,153,200 | 0.10% |
| March | 33,909,455 | 23 | 1,474,324 | 2,206,153,200 | 0.07% |
| April | 258,243,445 | 17 | 15,190,791 | 2,206,153,200 | 0.69% |
| May | 96,586,660 | 21 | 4,599,365 | 2,206,153,200 | 0.21% |
| June (up to and including the Last Trading Day) | 5,843,280 | 5 | 1,168,656 | 2,206,153,200 | 0.05% |

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Source: the website of the Stock Exchange (<http://www.hkex.com.hk>)

Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.
2. Calculation is based on the average daily trading volume of Shares divided by the total issued Shares of the Company at the end of each respective month or as at the Last Trading Day.

From the table above, the average number of Shares traded per trading day in each month during the Review Period as a percentage of the total number of issued Shares ranged from approximately 0.05% to approximately 6.41%. We noted that the trading volume was particularly high in July 2022 right after the capital reorganisation and share consolidation of the Group, which we consider it as the result of the capital reorganisation as the percentage of average daily trading volume to total number of Shares in issue fluctuates from 0.05% to 0.69% in the subsequent months and have never exceeded 1%, which indicates a thin trading liquidity of the Shares during the Review Period.

Taking into account the declining trend of the adjusted closing prices of the Consolidated Shares and the thin trading volume of the Shares, we consider that it is justifiable for the Subscription Price to be set at a discount to increase the attractiveness of the Rights Issue to the Qualifying Shareholders.

Comparison with recent rights issue transactions

With a view to assess the fairness and reasonableness of the terms of the Rights Issue, we have conducted market research on recent proposed rights issue transactions based on the following selection criteria: (i) the shares of the company are listed on the Stock Exchange; (ii) the rights issue transaction with gross proceeds of less than HK\$100 million having considered the estimated size of gross proceeds from the Rights Issue, being up to approximately HK\$52.9 million; (iii) the exclusion of rights issue transactions of A-Shares and H-Shares; and (iv) the proposed rights issues announced during the 6-month period commencing from 8 December 2022 up to and including the Last Trading Day which we considered to be an appropriate, fair and representative timeframe to provide us with the most recent and relevant information to demonstrate the prevailing market practice prior to the Last Trading Day and identify an exhaustive and representative sample set (the “**Rights Issue Comparables**”) of similar rights issues conducted by other listed companies on the Stock Exchange (the “**Criteria**”).

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Although the Rights Issue Comparables may be different from the Group in terms of business nature, financial position and funding requirements, the Rights Issue Comparables can serve as a reference for the recent market practice and provide an insight to the reasonableness of the major terms of the Rights Issue. The major terms of the Rights Issue Comparables are summarised as below:

| Date of announcement | Company name (Stock code) | Basis of entitlement | Gross Proceeds (HK\$, million) | Premium/(Discount) of subscription price over/to | | | | Underwriting Commission (%) | Placing Commission (%) | Fully underwritten (Yes/No) | Excess application (Yes/No) |
|----------------------|--|----------------------|-----------------------------------|--|-------------------------------------|------------------------------------|---------------------------------|-------------------------------------|------------------------------------|-----------------------------|-----------------------------|
| | | | | the closing price on the Last Trading Day (%) | the theoretical ex-rights price (%) | the consolidated NAV per Share (%) | Theoretical dilution effect (%) | | | | |
| 5-Jun-23 | Solomon Worldwide Holdings Limited (8133) | 1 for 2 | 10.20 | (20.80) | (15.80) | 66.70 | (7.30) | 1.50 | N/A | No | Yes |
| 30-May-23 | Min Fu International Holding Limited (8511) | 1 for 2 | 24.00 | (8.26) | (5.66) | 12.36 | (3.30) | N/A | 4.00 | No | No |
| 29-May-23 | Hao Bai International (Cayman) Limited (8431) | 1 for 2 | 18.42 | (5.66) | (3.85) | 36.99 | (3.83) | N/A | 1.60 | No | No |
| 25-May-23 | China Investment Development Limited (204) | 1 for 1 | 54.50 | (41.18) | (26.11) | (83.05) | (20.39) | N/A | N/A | No | No |
| 25-May-23 | Jimu Group Limited (8187) | 2 for 1 | 14.40 | 15.60 | 4.70 | No disclosure | No disclosure | fixed commission fee of HK\$100,000 | N/A | Yes | Yes |
| 17-May-23 | CROSSTEC Group Holdings Limited (3893) | 1 for 2 | 17.28 | (9.09) | (6.26) | N/A | (3.02) | N/A | N/A | No | Yes |
| 8-May-23 | Tongda Hongtai Holdings Limited (2363) | 2 for 1 | 95.30 | (16.70) | (6.60) | N/A | (11.10) | N/A | 2.50 | No | No |
| 28-Apr-23 | PT International Development Corporation Limited (372) | 1 for 2 | 36.30 | (69.20) | (60.00) | (87.30) | (23.10) | 0.50 | 0.25 | Yes | No |
| 14-Apr-23 | Finet Group Limited (8317) | 1 for 2 | 33.90 | (52.40) | (42.20) | 96.10 | (17.97) | 0.00 | fixed commission fee of HK\$20,000 | Yes | No |
| 13-Apr-23 | Pinestone Capital Limited (804) | 1 for 2 | 30.46 | (40.79) | (31.47) | (62.97) | (13.60) | N/A | 1.50 | No | No |
| 6-Apr-23 | Luk Hing Entertainment Group Holdings Limited (8052) | 1 for 1 | 43.90 | (5.88) | (3.03) | N/A | (2.94) | 3.00 | 3.00 | Yes | No |
| 6-Apr-23 | Kingland Group Holdings Limited (1751) | 1 for 2 | 14.92 | (70.40) | (61.30) | 262.75 | (23.47) | N/A | 3.50 | No | No |

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| Date of announcement | Company name (Stock code) | Basis of entitlement | Premium/(Discount) of subscription price over/to | | | | | Theoretical dilution effect | Underwriting Commission | Placing Commission | Fully underwritten | Excess application |
|----------------------|---|----------------------|--|---|-------------------------------------|------------------------------------|---------|-----------------------------|-------------------------|--------------------|--------------------|--------------------|
| | | | Gross Proceeds (HK\$, million) | the closing price on the Last Trading Day (%) | the theoretical ex-rights price (%) | the consolidated NAV per Share (%) | | | | | | |
| 27-Mar-23 | Sandmartin International Holdings Limited (482) (Note 4) | 3 for 2 | 88.60 | (16.67) | (7.41) | (22.38) | (10.00) | 1.00 | 2.00 | Yes | No | |
| 16-Mar-23 | Golden Power Group Holdings Limited (3919) | 1 for 2 | 19.80 | (19.70) | (14.06) | (87.07) | (9.00) | 4.00 | N/A | Yes | Yes | |
| 6-Mar-23 | CBK Holdings Limited (8428) | 5 for 1 | 20.61 | (15.87) | (2.93) | (70.62) | (13.23) | N/A | 3.50 | No | No | |
| 17-Feb-23 | State Innovation Holdings Limited (8275) | 3 for 2 | 35.30 | (26.50) | (12.50) | (64.74) | (16.00) | N/A | 2.50 | No | No | |
| 27-Jan-23 | Alco Holdings Limited (328) | 4 for 1 | 90.69 | (25.00) | (6.25) | N/A | (20.00) | N/A | 0.50 | No | No | |
| 11-Jan-23 | Add New Energy Investment Holdings Group Limited (2623)(Note 4) | 1 for 3 | 99.85 | (13.60) | (10.90) | (10.50) | (3.40) | 0.00 | 1.00 | No | No | |
| 10-Jan-23 | Kinetix Systems Holdings Limited (8606) | 1 for 2 | 31.30 | (29.35) | (21.69) | (47.01) | (9.78) | N/A | 1.30 | No | No | |
| 6-Jan-23 | SDM Education Group Holdings Limited (8363) | 1 for 2 | 23.84 | 0.00 | 0.00 | N/A | 0.00 | 4.00 | N/A | Yes | Yes | |
| 29-Dec-22 | New Amante Group Limited (8412) | 1 for 2 | 12.60 | (10.60) | (7.30) | N/A | (5.63) | 1.50 | N/A | No | Yes | |
| 28-Dec-22 | Jiading International Group Holdings Limited (8153) | 1 for 2 | 51.00 | (50.00) | (40.12) | 30.00 | (17.28) | N/A | 3.50 | No | No | |
| | Maximum | | 99.85 | 15.60 | 4.70 | 262.75 | 0.00 | 4.00 | 4.00 | | | |
| | Minimum | | 10.20 | (70.40) | (61.30) | (87.30) | (23.47) | 0.00 | 0.25 | | | |
| | Average | | 39.42 | (24.18) | (17.31) | (2.05) | (11.16) | 1.72 | 2.19 | | | |
| | Median | | 30.88 | (18.20) | (9.16) | (22.38) | (10.00) | 1.50 | 2.25 | | | |
| | The Company | 4 for 5 | 52.90 | (25.00) | (16.67) | (90.24) | (11.10) | 4.00 | 3.50 | No | No | |

Notes:

- The theoretical ex-rights price is calculated by adding the market value of all the issued shares (based on the closing price of the shares on the last trading day) with the gross amount of subscription proceeds expected to be received from the rights issue (before expenses), and then divided by the total number of issued shares as enlarged by the rights issue. For example, in case of every 1 rights share for every 2 existing shares, $(2 \times \text{closing price on the last trading day} + 1 \times \text{the subscription price}) / (2 + 1)$ (as defined under Rule 7.27B of the Listing Rules or Rule 10.44A of the Rules Governing the Listing of Securities on GEM of the Stock Exchange).

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2. Maximum dilution effect of each rights issue is calculated as: $(\text{number of rights shares and (if any) bonus shares to be issued under the basis of entitlement}) / (\text{number of shares held for the entitlement for the rights shares under the basis of entitlement} + \text{number of rights shares and (if any) bonus shares to be issued under the basis of entitlement}) \times 100\%$. For example, for a rights issue with basis of 1 rights share for every 1 share held with bonus issue on the basis of 1 bonus share for every 1 rights share taken up, the maximum dilution effect is calculated as $((1+1)/(1+1+1)) \times 100 = 66.66\%$.
3. "N/A" denotes that the rights issue was conducted on a non-underwritten basis.
4. Based on our research, the underwriter of Sandmartin International Holdings Limited and Add New Energy Investment Holdings Group Limited were connected parties to the subject listed company, respectively; whereas the underwriters of the remaining Rights Issue Comparables were independent third parties.

As set out in the table above, we noted that:

- (i) the premium or discount of subscription price over or to the closing price on the Last Trading Day of the Rights Issue Comparables ranged from a discount of approximately 70.40% to a premium of 15.60% (the "**Comparable LTD Range**"), with the average and median of discounts of approximately 24.18% and 18.2% respectively. The Subscription Price represents a discount of approximately 25.0% based on the adjusted closing price per Consolidated Shares on the Last Trading Day, which is within the Comparable LTD Range, close to and slightly higher than the average discount of Comparable LTD Range and with a lower discount than the median of Comparable LTD Range;
- (ii) the premium or discount of subscription price over or to the theoretical ex-rights price of the Rights Issue Comparables ranged from a discount of approximately 61.30% to a premium of 4.70% (the "**Comparable TERP Range**"), with the average and median of discounts of approximately 17.31% and 9.16%, respectively. The Subscription Price represents a discount of 16.67% to the theoretical ex-rights price approximately HK\$0.144 per Consolidated Share, based on the theoretical ex-right price of HK\$0.036 per Share and the Last Closing Price which is in turn based on the closing price of HK\$0.04 per Share as quoted on the Stock Exchange on the Last Trading Day, which is within the Comparable TERP Range and with a slightly lower discount than the average of Comparable TERP Range and higher than the median of Comparable TERP Range;
- (iii) the premium or discount of subscription prices over or to the consolidated NAV per share of the Rights Issue Comparables ranged from a discount of approximately 87.30% to a premium of approximately 262.75% (the "**Comparable NAV Range**"), with average and median of discounts of approximately 2.05% and 22.38%, respectively. The Subscription Price represents a discount of approximately 90.24% to the net asset value of the Company of approximately HK\$1.23 per Consolidated Share calculated based on the audited consolidated net asset value of the Company of approximately HK\$679 million as at 31 December 2022 and 551,538,300 Consolidated Shares based

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on 2,206,153,200 Shares in issue as at the Latest Practicable Date for the effect of the Share Consolidation, which is slightly higher than highest discount of the Comparable NAV Range;

- (iv) the theoretical dilution effect of the Comparable Rights Issue ranged from approximately nil% to 23.47% (the “**Comparable Dilution Range**”), with average and median dilution effects of approximately 11.16% and 10.0%, respectively. The theoretical dilution effect of the Rights Issue of approximately 11.1% to the existing Shareholders if they elect not to participate in the Rights Issue is within the Comparable Dilution Range, being very close to the average and median dilution effects of the Comparable Rights Issue. As the theoretical dilution effect of the Rights Issue is below 25%, it is in compliance with Rule 7.27B of the Listing Rules; and
- (v) it is noted from the Letter from the Board that the Qualifying Shareholders will not be entitled to subscribe for any Rights Shares in excess of their respective entitlements. Based on our analysis on the Rights Issue Comparables, we noted that 16 out of 22 Rights Issue Comparables, did not offer excess application as part of the rights issue. On this basis, we considered the absence of excess application to be not uncommon market practice. Furthermore, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, for Qualifying Shareholders who accept their respective entitlements under the Rights Issue in full, they would be able to maintain their respective existing shareholdings in the Company after completion of the Rights Issue. As such, we considered that the absence of excess application arrangement is acceptable so far as the Independent Shareholders are concerned.

We note that the NAV Discount of approximately 90.24% is slightly higher than the highest discount of the Rights Issue Comparables. As disclosed in the section headed “*Comparison with adjusted historical closing prices of the Consolidated Shares*” above, we made comparison between the adjusted closing price of the Consolidated Shares during the Review Period and net asset value of approximately HK\$1.23 per Consolidated Share calculated based on the audited consolidated net asset value of the Company of approximately HK\$679 million as at 31 December 2022 and 551,538,300 Consolidated Shares based on 2,206,153,200 Shares in issue as at the Latest Practicable Date for the effect of the Share Consolidation (“**2022 Net Asset Value Per Consolidated Share**”). The highest and the lowest adjusted closing prices of the Consolidated Shares of HK\$0.424 and HK\$0.144 during the Review Period represent a discount of approximately 65.53% and 88.29% to the 2022 Net Asset Value Per Consolidated Share, whereas the average adjusted closing price of the Consolidated Shares of approximately HK\$0.214 represents a discount of approximately 82.60% to the 2022 Net Asset Value Per Consolidated Share.

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Although the discount of the Subscription Price to the 2022 Net Asset Value Per Consolidated Share is slightly higher than the highest discount of the Comparable NAV Range, taking into account (i) the significant discount of each of the highest, lowest and average adjusted closing prices of the Consolidated Shares to the 2022 Net Asset Value Per Consolidated Share during the Review Period, being the whole time after the share consolidation and capital restructuring of the Group; (ii) the discount of the Subscription Price to the adjusted closing price per Consolidated Share on the Last Trading Day and the discount of the Subscription Price to the theoretical ex-rights price per Consolidated Share on the Last Trading Day are within the Comparable LTD Range and the Comparable TERP Range and close to the discount of the Rights Issue Comparables; (iii) the reasons and benefits of the Rights Issue; and (iv) the Rights Issue (including utilising part of the net proceeds from the Rights Issue for the expansion of the Group's businesses) will replenish the Group's working capital and hence opening up new revenue streams for the Group, setting the Subscription Price close to the 2022 Net Asset Value per Consolidated Share would discourage the underwriters to underwrite or Independent Shareholders to participate in the Rights Issue. Moreover, as discussed with the management of the Company, it is the Company's target to provide Shareholders with a chance to subscribe to the Shares in a discounted price without diluting their respective shareholdings.

In view of (i) the Subscription Price represents a discount of approximately 25.0% to the adjusted closing price per Consolidated Share on the Last Trading Day which is within the Comparable LTD Range; (ii) the Subscription Price represents a discount of 16.67% to the theoretical ex-rights price per Share based on the adjusted closing price per Consolidated Share on Last Trading Day is within the Comparable TERP Range; (iii) the theoretical dilution effect of the Rights Issue is within the Comparable Dilution Range; (iv) our analysis on the absence of excess application arrangement; and (v) the Subscription Price is available to all Qualifying Shareholders without any prejudice or favoritism towards any particular party, we consider that the principal terms of the Rights Issue (including the Subscription Price) and potential dilution of the Rights Issue are fair and reasonable to the Shareholders and in the interests of the Company and the Shareholders as a whole.

C. Other terms

Underwriting commission

With reference to the Letter from the Board, on 7 June 2023 (after trading hours), the Company entered into the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreement) with the Underwriter in respect of the Rights Issue, pursuant to which the Underwriter has agreed to underwrite, on a best effort and non-fully underwritten basis, the Untaken Rights Shares, being all the Unsubscribed Rights Shares other than those Rights Shares provisionally allotted and undertaken to be subscribed by Top Pioneer

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pursuant to the Top Pioneer Undertaking and the Top Pioneer Supplemental Undertaking, pursuant to the terms and subject to the conditions set out in the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreement). Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “The Underwriting Agreement” in the Letter from the Board.

In respect of the underwriting commission, pursuant to the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreement), the Underwriter will charge 4% of the aggregate Subscription Price in respect of the number of Underwritten Shares committed to be underwritten, subscribed for or procured to be subscribed for by the Underwriter in accordance with the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements). Reference is made to the Rights Issue Comparable as shown in the section headed “*Comparison with recent rights issue transactions*” above, the underwriting commissions of the Rights Issue Comparable range from nil to 4%, and the underwriting commission of 4% of the Rights Issue is within such range and lies on the upper end of the range. Reference is made to our analysis on the liquidity of the Shares in the section headed “*Review on the trading liquidity of the Shares*”, given the thin liquidity of the Shares, we are of the view that lucrative incentives will have to be offered in order to attract underwriters to underwrite and participate in the Rights Issue. We consider that the underwriting commission of 4% payable to the Underwriter is in line with the normal market practice and is fair and reasonable so far as the Company and the Shareholders are concerned.

Placing commission

As set out in the Letter from the Board, the terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement), including the rate of placing commission, were determined after arm’s length negotiation between the Company and the Placing Agents with reference to the size of the Rights Issue and the prevailing market rate of commission. The Directors consider the terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) are on normal commercial terms and fair and reasonable. For further details of the principal terms of the Placing Agreement, please refer to section headed “The Placing Agreement and the Supplemental Placing Agreements” in the Letter from the Board. The Placing Agent to the Company will receive 3.5% of the amount which is equal to the placing price multiplied by the total number of the Unsubscribed Rights Shares that have been successfully placed by them during the Placing Period as the placing commission. According to the Rights Issue Comparables as set out in the section headed “*Comparison with recent rights issue transactions*” above, the placing commission of the Rights Issue Comparables ranged from 0.25% to 4.0%, with average placing commission of approximately 2.19% respectively. As the placing

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commission falls within the range of the Rights Issue Comparables, we are of the view that the placing commission is fair and reasonable and in the interests of the Company and Independent Shareholders as a whole.

Potential dilution effect of the Rights Issue

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue under various scenarios (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to immediately after completion of the Rights Issue):

| | As at the Latest Practicable Date | | Immediately upon completion of the Share Consolidation | | Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up all his/her/its entitlements under the Rights Issue) | | Immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders take up any of his/her/its entitlements under the Rights Issue except for Top Pioneer pursuant to the Top Pioneer Undertaking; and (b) all the Unsubscribed Rights Shares were placed to independent placees under the Placing Agreement) (Note 2) | | Immediately after completion of the Rights Issue (assuming (a) no Qualifying Shareholders take up any of his/her/its entitlements under the Rights Issue except for Top Pioneer pursuant to the Top Pioneer Undertaking; and (b) no independent placees took up the Unsubscribed Rights Shares such that all the Unsubscribed Rights Shares were taken up by the Underwriter) (Notes 2 & 3) | |
|---------------------------------|-----------------------------------|--------------------|--|--------------------|---|--------------------|--|--------------------|---|--------------------|
| | No. of Shares | Approx. percentage | No. of Shares | Approx. percentage | No. of Shares | Approx. percentage | No. of Shares | Approx. percentage | No. of Shares | Approx. percentage |
| | | % | | % | | % | | % | | % |
| Substantial Shareholders | | | | | | | | | | |
| Top Pioneer (Note 1) | 263,410,200 | 11.94 | 65,852,550 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 |
| Director | | | | | | | | | | |
| Mr. Ong (Note 1) | 263,410,200 | 11.94 | 65,852,550 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 | 118,534,590 | 11.94 |
| Public Shareholders | | | | | | | | | | |
| The Underwriter | — | — | — | — | — | — | — | — | 388,548,600 | 39.14 |
| Independent placees | — | — | — | — | — | — | 388,548,600 | 39.14 | — | — |
| Other public Shareholders | 1,942,743,000 | 88.06 | 485,685,750 | 88.06 | 874,234,350 | 88.06 | 485,685,750 | 48.92 | 485,685,750 | 48.92 |
| Total | 2,206,153,200 | 100.00 | 551,538,300 | 100.00 | 992,768,940 | 100.00 | 992,768,940 | 100.00 | 992,768,940 | 100.00 |

Notes:

- Top Pioneer is wholly-owned by Mr. Ong. Accordingly, Mr. Ong is deemed to be interested in all the Shares by Top Pioneer by virtue of Part XV of the SFO.
- Further announcement(s) will be made by the Company as soon as practicable when the total number of Unsubscribed Rights Shares to be placed by the Placing Agent to the independent placees and the number of placees are confirmed.

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3. This scenario is for illustration purpose only and shall never occur. As one of the conditions precedent to the Underwriting Agreement, the Underwriter shall enter into binding agreements with subscriber(s) procured by the Underwriter and/or sub-underwriter(s), which shall be Independent Third Parties, for placing and/or sub-underwriting the Rights Shares, such that neither the Underwriter nor any of the subscriber(s) procured by the Underwriter and/or sub-underwriter(s) and/or party or parties acting in concert (having the meaning as set out in the Takeovers Code) with the respective subscribers or any of the connected persons or associates of the respective subscribers shall be interested in 10% or more of the issued share capital of the Company as enlarged by the Rights Issue.
4. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and to participate in the future business development of the Company should they wish to do so. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. Details of the changes in shareholding structure of the Company resulting from completion of the Rights Issue are set out in the table above. Assuming (a) none of the Qualifying Shareholders take up any of the Rights Shares except for Top Pioneer pursuant to the Top Pioneer Undertaking; and (b) no independent places take up the Unsubscribed Rights Shares such that all the Unsubscribed Rights Shares were taken up by the Underwriter, the shareholding of the existing Independent Shareholders will be decreased from approximately 88.06% as at the Latest Practicable Date to approximately 48.92% upon completion of the Rights Issue. The possible maximum dilution effect to shareholdings of the existing Independent Shareholders who do not subscribe to the Rights Issue is approximately 44.45%. The above scenario is for illustration purpose only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including but not limited to the results of acceptance of the Rights Issue.

In all cases of rights issue, the dilution on the shareholding of those qualifying shareholders who do not take up in full their provisional allotments under the rights issue is inevitable. In fact, the dilution magnitude of any rights issue depends mainly on the extent of the basis of entitlement under such exercise since the higher offering ratio of new shares to existing shares is, the greater the dilution on the shareholding would be.

Having considered (i) the dilution effect is not prejudicial as all Qualifying Shareholders are offered an equal opportunity to participate in the enlargement of the capital base of the Company and Independent Shareholders' interests in the Company will not be diluted if they elect to exercise their full provisional allotments under the Rights Issue; (ii) shareholding dilution is inherent in rights issue in general; (iii) the imminent need of financial resources for the Company

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in order to diversify business portfolio and opening up new revenue streams; and (iv) the positive impact on the financial position of the Group as a result of the Rights Issue as detailed in paragraph headed “*Possible financial effects of the Rights Issue*” below, we are of the view that the potential dilution effect on the shareholding, which may only happen to the Qualifying Shareholders who decide not to subscribe for their pro-rata Rights Shares, is justifiable.

3. Possible financial effects of the Rights Issue

Net tangible assets

Set out in Appendix II to the Circular is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Pro Forma Statement**”), which illustrated the effects of the Share Consolidation and Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Share Consolidation and Rights Issue had taken place on 31 December 2022. According to the Pro Forma Statement, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 would increase from approximately HK\$679 million to approximately HK\$726.9 million immediately after completion of the Share Consolidation and the Rights Issue. The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company as at 31 December 2022 would decrease from approximately HK\$1.23 taking into account the effect of the Share Consolidation to approximately HK\$0.73 per Share immediately after completion of the Share Consolidation and Rights Issue.

Working capital

As stated in the Letter from the Board, approximately HK\$9.58 million of the net proceeds from the Rights Issue would be used for general working capital of the Group. As such, the working capital position of the Group would improve upon completion of the Rights Issue.

Gearing ratio

With reference to the Annual Report 2022, the gearing ratio of the Group (calculated by dividing total debt by total equity) as at 31 December 2022 was approximately 0.29%. Immediately after the completion of the Rights Issue, the capital base of the Company would increase, which would in turn decrease the gearing ratio of the Group.

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Though the unaudited consolidated net tangible assets per Share attributable to owners of the Company as set out in the Pro Forma Statement would decrease immediately after completion of the Share Consolidation and Rights Issue, we consider the benefits of the Rights Issue on the liquidity and the overall financial position of the Company as discussed above would outweigh the impact on the dilution of net tangible assets per Share.

4. Fund raising activities of the Company during the past twelve months

Saved as disclosed below, the Company has not conducted any equity fund raising activity in the past twelve months immediately preceding the Latest Practicable Date.

| Date of announcement | Event | Net proceeds raised | Intended use of net proceeds | Actual use of net proceeds as at the Latest Practicable Date |
|----------------------|---|--------------------------------|---|--|
| 20 September 2022 | Placing of new Shares under general mandate | Approximately HK\$18.7 million | (i) enrichment of general capital for operating and expansion of the Group's finance business; and (ii) enrichment of general working capital including salaries and allowance, legal and professional fee and overheads for operation of the Group's general expenses | (i) approximately HK\$12.5 million in respect of general capital for operating and expansion of the Group's finance business; and (ii) approximately HK\$6.2 million in respect of general working capital including salaries and allowance, legal and professional fee and overheads for operation of the Group's general expenses |

RECOMMENDATION

Having considered the abovementioned principal factors and reasons for the Rights Issue, in particular that:

- (i). the shareholding interests of the Qualifying Shareholders who take up their provisional allotments of the Rights Issues in full will not be diluted;
- (ii). it is a common market practice for subscription prices of rights issue exercises to be set at a discount to the prevailing market prices of the relevant shares in order to enhance the attractiveness of the rights issue and to encourage the existing shareholders to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

participate in the rights issue, particularly considering the fact that the adjusted closing prices of the Consolidated Shares in the Review Period was in general on downward trend and the trading liquidity of the Shares during the Review Period was thin;

- (iii). the discounts represented by the Subscription Price to the adjusted closing price of the Consolidated Shares on the Last Trading Day and to the theoretical ex-rights price are within the corresponding ranges of discounts represented by the Rights Issue Comparables;
- (iv). the Group recorded net losses from continuing operations for the five financial years ended 31 December 2022. As majority of the proceeds from the Rights Issue, being approximately 80% of the net proceeds would be used on the investments or expansion of catering and related business, Live Streaming Business and Finance Business, it would be beneficial to the Company's future development and expansion, and hence opening up new revenue streams; and
- (v). the Rights Issue offers all the Qualifying Shareholders an equal opportunity to subscribe for their pro-rata provisional entitlement of the Rights Shares,

we are of the opinion that although the entering into the Rights Issue is not in the ordinary and usual course of business of the Group, the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Rights Issue and the transactions contemplated thereunder.

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

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

1. FINANCIAL INFORMATION OF THE GROUP

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

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

2. STATEMENT OF INDEBTEDNESS

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

Bank overdraft

As at the close of business on 31 May 2023, the Group had bank overdraft of approximately HK\$1,990,000, which was secured by the Group's pledged time deposit.

Lease liabilities

As at the close of business on 31 May 2023, the Group had lease liabilities of approximately HK\$18,215,000.

Other borrowings

As at the close of business on 31 May 2023, the Group had other borrowings of approximately HK\$17,995,000.

Save as disclosed above and apart from intra-group liabilities, at the close of business on 31 May 2023, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans or other similar indebtedness, lease liabilities or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgage, charges, guarantees or other material contingent liabilities.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present financial resources available to the Group, including the present internal resources and funds and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for at least twelve months from the date of this circular.

4. NO MATERIAL CHANGE

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

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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

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

the PRC. The said factors had created challenges and pressures on the Property Business, and since the Property Business has contributed approximately 44.6% of the Group's total revenue, the Group's financial performance for the year ended 31 December 2022 had deteriorated accordingly.

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

The Company wishes to provide further information on the Catering Business and the Live Streaming Business.

Catering Business

The Group oversees and monitors the monthly accounts and performance of the Catering Business, while the day-to-day operation of the Catering Business has mainly been carried out by the management of Kei Waa Limited ("**Kei Waa**"), a subsidiary of the Group which holds the Catering Business.

To the best knowledge of the Directors and as at the Latest Practicable Date, Kei Waa operates a full-service restaurant (being traditional sit-down restaurant with full table services provided by waiters), being The Kitin, which situates at a well-known business district in Hong Kong, being the International Commerce Centre on top of Kowloon station, and provides Chinese cuisine and targets the high-end catering market. The restaurant aims to serve fresh and delicious cuisine of consistent quality as well as to provide attentive service to the customers in order to create outstanding dining experience.

In addition, the Catering Business also consists of sale and distribution of food products including readily-cooked food. The Group would purchase food products from suppliers (including brand owners) and would sell the food products to various food distributors in Hong Kong and Macau.

The customer base of the Catering Business consists mainly of retail customers from general masses and food distributors; while the suppliers mainly include suppliers for food ingredient, beverage and food packaging materials.

To the best knowledge of the Directors and as at the Latest Practicable Date, the Catering Business has around 20 to 30 employees consisting of chefs, managers and general staff, and 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.

Although the Catering Business may not be of the same nature as the existing principal businesses of the Group, the Group sees the Catering Business as a favourable complement to its current operations as it generates cash inflow on a daily basis and would diversify its business risks. To capitalize on this opportunity, the Group would leverage on the expertise and networks of its joint venture partners, who are seasoned market participants in the culinary industry in Hong Kong, and the Group is confident that this investment will yield a positive return in the medium term.

Live Streaming Business

The Live Streaming Business mainly comprises 3 sectors, namely, (1) production of contents for live streaming; (2) e-commerce; and (3) advertising, all of which will make use of the short video platform(s) and social media platform(s) in the mainland China.

As for the production of contents for live streaming, the Group through its subsidiary will contract with streamers and influencers in the mainland China and will provide artist management services as well as suitable venue and premises for these streamers and influencers to produce high-quality live streaming contents in areas including entertainment and gaming, with or without the assistance of the Group's producers. These contents will be provided to individuals, being the viewers of the relevant short video and social media platform(s), and will generate revenue to the Group through sharing of profit from tips and rewards that are donated and gifted by the viewers.

As for e-commerce, the Group will (1) source suitable brand partners, distributors or wholesalers; (2) select goods from these parties; and (3) sell the relevant goods to end consumers through the use of live-streaming marketing with the help of the contracted streamers and influencers, which generates product sales revenue. After the transaction has completed, the Group will then pay commissions to the contracted streamers and influencers. The Group does not assume inventory ownership of the goods to be sold as such goods will be provided to the end customers directly, and hence, is not subject to any inventory risk.

As for advertising, the Live Streaming Business will generate advertising fees through assisting the advertisers to reach targeted audience by provision of promoting and advertising services through live-streaming and e-commerce, including performance-based advertising services and display-based advertising services.

The target customer base of the Live Streaming Business will consist mainly of (1) advertisers and merchants who engage the Group to promote the sale of their goods and/or services; (2) retail customers for e-commerce; and (3) individuals who are the viewers of live streaming hosted and conducted by our contracted live streamers. The suppliers of the Live Streaming Business will mainly include suppliers of video production equipment (including but not limited to cameras, computers, audio-visual equipment and lighting equipment) and wholesalers.

The Live Streaming Business is still in its initial stage of development with limited manpower. To the best knowledge of the Directors and as at the Latest Practicable Date, the Live Streaming Business has around 3 employees consisting of marketing staff and business development staff. The Group has recruited and has been recruiting more experienced market players in the PRC digital marketing market for its operation, and intends to recruit further manpower in the near future including but not limited to producers, marketing staff, technology developers, influencers and streamers, aiming to capture the business opportunities from the fast-growing live streaming-related sectors and to gain more exposure and expand the Group's business presence in the PRC e-commerce market.

Since both of the Catering Business and the Live Streaming Business are still at the early stage of development, the main source of funding for the two businesses would be internal resources of the Group such as funds raised and to be raised from investors as well as bank borrowings.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Share Consolidation and the Rights Issue on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Share Consolidation and the Rights Issue had taken place on 31 December 2022.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and based on the judgements, estimates and assumptions of the Directors, and because of the hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company had the Share Consolidation and Rights Issue been completed as at 31 December 2022 or at any future date.

| Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 | Estimated net proceeds from the Rights Issue | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company after completion of the Share Consolidation and the Rights Issue | Audited consolidated net tangible assets per Share attributable to the owners of the Company before completion of the Share Consolidation and the Rights Issue | Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company after completion of the Share Consolidation and the Rights Issue |
|--|--|---|--|--|
| <i>HK\$ million</i> <i>(Note 1)</i> | <i>HK\$ million</i> <i>(Note 2)</i> | <i>HK\$ million</i> | <i>HK\$</i> <i>(Note 3)</i> | <i>HK\$</i> <i>(Note 4)</i> |
| Based on 441,230,640 Right Shares to be issued at Subscription Price of HK\$0.12 per Rights Share | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |
| | 679.0 | 47.9 | 726.9 | 0.31 |

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 is extracted from the published annual report of the Company for the year ended 31 December 2022, which is equal to the consolidated net assets attributable to owners as at 31 December 2022 of HK\$679 million.
2. The estimated net proceeds from the Rights Issue are based on 441,230,640 Rights Shares to be issued at the Subscription Price of HK\$0.12 each per Rights Share, after deduction of the related expenses including, among others, placing commission and other professional fees of approximately HK\$5.0 million.
3. The audited consolidated net tangible assets of the Group attributable to the owners of the Company per Share before the completion of the Share Consolidation and the Rights Issue is determined based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2022 of HK\$679 million as set out in note 1 above, divided by 2,206,153,200 shares in issue as at 31 December 2022.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Share Consolidation and the Rights Issue per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 immediate after the Rights Issue had taken place of approximately HK\$726.9 million divided by 992,768,940 shares which comprise 551,538,300 Consolidated Shares and 441,230,640 Rights Shares to be issued under the Rights Issue.
5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2022.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the accountants' report received from Crowe (HK) CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's Unaudited Pro Forma Financial Information prepared for the purpose of inclusion in this circular.



國富浩華 (香港) 會計師事務所有限公司
Crowe (HK) CPA Limited
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9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong
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www.crowe.hk

TO THE BOARD OF DIRECTORS OF GBA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of GBA Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2022 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix II to the circular issued by the Company dated 25 July 2023 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Share Consolidation and Rights Issue as defined in the Circular on the Group's consolidated net tangible assets attributable to owners of the Company as at 31 December 2022 as if the Share Consolidation and the Rights Issue had taken place at 31 December 2022. As part of this process, information about the Group's net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2022, on which an auditor report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7, Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (“**AG 7**”), issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong

25 July 2023

Chung Wai Chuen, Alfred
Practising Certificate Number: P05444

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately following the completion of the Share Consolidation but before the completion of the Rights Issue; and (iii) immediately after the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue (save for the Share Consolidation) and there is full acceptance by the Qualifying Shareholders) are as follows:

(i) as at the Latest Practicable Date

| | | |
|--|----------------------------------|----------------------|
| <i>Authorised share capital:</i> | | <i>HK\$</i> |
| <u>300,000,000,000</u> | Existing Shares of HK\$0.01 each | <u>3,000,000,000</u> |
| <i>Issued and paid-up share capital:</i> | | |
| <u>2,206,153,200</u> | Existing Shares of HK\$0.01 each | <u>22,061,532</u> |

(ii) immediately following the completion of the Share Consolidation but before the completion of the Rights Issue

Authorised share capital: *HK\$*

| | | |
|-----------------------|--------------------------------------|-------------------------|
| <u>75,000,000,000</u> | Consolidated Shares of HK\$0.04 each | <u>3,000,000,000.00</u> |
|-----------------------|--------------------------------------|-------------------------|

Issued and paid-up share capital:

| | | |
|--------------------|--------------------------------------|----------------------|
| <u>551,538,300</u> | Consolidated Shares of HK\$0.04 each | <u>22,061,532.00</u> |
|--------------------|--------------------------------------|----------------------|

(iii) immediately after the completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue (save for the Share Consolidation) and there is full acceptance by the Qualifying Shareholders)

Authorised share capital: *HK\$*

| | | |
|-----------------------|--------------------------------------|-------------------------|
| <u>75,000,000,000</u> | Consolidated Shares of HK\$0.04 each | <u>3,000,000,000.00</u> |
|-----------------------|--------------------------------------|-------------------------|

Issued and paid-up share capital:

| | | |
|--------------------|---|----------------------|
| 551,538,300 | Consolidated Shares immediately following the Share Consolidation having become effective | 22,061,532.00 |
| <u>441,230,640</u> | Rights Shares to be allotted and issued upon completion of the proposed Rights Issue | <u>17,649,225.60</u> |
| <u>992,768,940</u> | Shares in issue immediately upon completion of the Rights Issue | <u>39,710,757.60</u> |

All of the Consolidated Shares and the Rights Shares when allotted, issued and fully paid, will rank *pari passu* in all respects with all the Shares in issue as at the date of the allotment and issue. The Consolidated Shares and the Rights Shares to be issued will be listed on the Stock Exchange.

The Company had not issued any Shares since 31 December 2022, being the date on which the latest audited financial statements of the Group were made up and up to the Latest Practicable Date.

The Company will apply to the Stock Exchange for the listing of and permission to deal in the Consolidated Shares and the Rights Shares in both of their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed, or dealt in, on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares, Consolidated Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests and short positions in the securities of the Company or its associated corporations

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

Interests in the Shares of the Company (Long Positions)

| Name of Director | Nature of interest | Number of Shares interested | Approximate percentage of issued capital of the Company (Note 1) |
|------------------|--|-----------------------------------|---|
| Mr. Ong Chor Wei | Interest of controlled corporation (Note 2) | 263,410,200 | 11.94% |

Notes:

1. The percentage had been calculated on the basis of 2,206,153,200 issued Shares as at the Latest Practicable Date.
2. Mr. Ong beneficially owns 100% of the issued share capital of Top Pioneer. Therefore, Mr. Ong is deemed to be interested in all the Shares held by Top Pioneer for the purpose of the SFO. Mr. Ong and Top Pioneer are regarded as a group of Controlling Shareholders acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 11.94% of the issued share capital of the Company. Mr. Ong is also a director of Top Pioneer.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and their respective associates had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or proposed Director was a director or employee of a company which had any interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

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

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

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

| Name of Shareholder | Nature of interest | Number of Shares interested | Approximate percentage of issued capital of the Company (Note 1) |
|--------------------------------------|---|------------------------------------|---|
| CCT Fortis Holdings Limited (Note 2) | Interest of controlled corporation (Note 2) | 268,335,500 | 12.16% |
| Mak Chun Kiu (Note 2) | Interest of controlled corporation (Note 2) | 268,335,500 | 12.16% |
| Mak Shiu Tong (Note 2) | Interest of controlled corporation (Note 2) | 268,335,500 | 12.16% |

Notes:

1. The percentage had been calculated on the basis of 2,206,153,200 issued Shares as at the Latest Practicable Date.
2. CCT Fortis Holdings Limited is interested in 100% of issued share capital in CCT Capital International Holdings Limited, which in turns own 100% of issued share capital in CCT Telecom Securities Limited and Ever Sino Group Limited. Accordingly, CCT Fortis Holdings Limited is deemed to be interested in the security interest in the Shares acquired by CCT Telecom Securities Limited and Ever Sino Group Limited by virtue of Part XV of the SFO. CCT Fortis Holdings Limited is in turn owned as to 51.08% and 54.01% by Mr. Mak Chun Kiu and Ms. Mak Shiu Tong, respectively, and hence, Mr. Mak Chun Kiu and Ms. Mak Shiu Tong are also deemed to be interested in the security interest in the Shares by virtue of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware that there is any other persons (other than the Directors or chief executives of the Company) who had, or was deemed to have, an interest or short position in the Shares, underlying shares or debentures of the Company (i) which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were required, pursuant to section 336 of the SFO, to be entered in the register to be kept by the Company.

4. DIRECTOR'S SERVICE CONTRACTS

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

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

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

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

6. DIRECTORS' INTERESTS IN COMPETING INTERESTS

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

7. LITIGATION

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

8. EXPERTS AND CONSENTS

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

| Name | Qualifications |
|------------------------|--|
| Messis Capital Limited | a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO |
| Crowe (HK) CPA Limited | Certified Public Accountants |

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

As at the Latest Practicable Date, none of the above experts had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the above experts had any direct or indirect interests in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

9. MATERIAL CONTRACTS

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

- (a) the agreement for the sale and purchase dated 30 December 2022 entered into between Regal Fair Limited (as purchaser) and Mr. Ma Hing Cheong (as vendor) in relation to of the acquisition of the entire equity interest and shareholder's loans of Universal Flair Limited;

- (b) the agreement for the sale and purchase dated 17 March 2023 entered into between Regal Fair Limited (as purchaser) and Mr. Ma Hing Cheong (as vendor) in relation to of the acquisition of the entire equity interest and shareholder's loans of Charm Vision Enterprises Incorporated;
- (c) the Underwriting Agreement;
- (d) the Placing Agreement;
- (e) the Supplemental Underwriting Agreements; and
- (f) the Supplemental Placing Agreements.

10. EXPENSES

The expenses in connection with the Rights Issue, including but not limited to financial advisory fees, placing commission, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$5 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors

Executive Directors

Mr. Ong Chor Wei (*Chairman*)

Mr. Yuk Kai Yao (*Deputy Chairman and CEO*)

Ms. Lam Ka Lee

Independent non-executive Directors

Ms. Wu Wai Shan

Mr. Lau Yik Lok

Mr. Leung Gar-Gene Vincent

Audit committee

Ms. Wu Wai Shan (*Chairman*)

Mr. Lau Yik Lok

Mr. Leung Gar-gene Vincent

| | |
|---|---|
| Nomination committee | Mr. Ong Chor Wei (<i>Chairman</i>) Mr. Yuk Kai Yao Ms. Wu Wai Shan Mr. Lau Yik Lok Mr. Leung Gar-Gene Vincent |
| Remuneration committee | Mr. Lau Yik Lok (<i>Chairman</i>) Mr. Ong Chor Wei Mr. Yuk Kai Yao Ms. Wu Wai Shan Mr. Leung Gar-Gene Vincent |
| Registered office | Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10 Bermuda |
| Head office and principal place of business in Hong Kong | Room 1415, 14/F., Leighton Centre 77 Leighton Road Causeway Bay Hong Kong |
| Authorised representatives | Mr. Ong Chor Wei Ms. Cheung Yin, <i>HKICPA</i> |
| Company secretary | Ms. Cheung Yin, <i>HKICPA</i> |
| Principal share registrar | Ocorian Management (Bermuda) Limited Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10 Bermuda |
| Branch share registrar in Hong Kong | Tricor Tengis Limited 17th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong |

| | |
|--|--|
| Principal bankers | Bank of Communication (Hong Kong) Limited 20 Pedder Street, Central Hong Kong |
| Placing Agent | Silverbricks Securities Company Limited Units 1004–1006, 10/F. Shun Tak Centre China Merchants Tower 168–200 Connaught Road Central Sheung Wan, Hong Kong |
| Underwriter | Silverbricks Securities Company Limited Units 1004–1006, 10/F. Shun Tak Centre China Merchants Tower 168–200 Connaught Road Central Sheung Wan, Hong Kong |
| Auditors and reporting accountants | Crowe (HK) CPA Limited 9/F Leighton Centre 77 Leighton Road, Causeway Bay Hong Kong |
| Legal adviser to the Company in relation to the Rights Issue | <i>As to Hong Kong laws:</i> Michael Li & Co. 19th Floor, Prosperity Tower 39 Queen’s Road Central Central, Hong Kong |
| Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders | Messis Capital Limited Room 1001, 10/F, OfficePlus @Wanchai No.303 Hennessy Road Wanchai, Hong Kong |

12. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Ong Chor Wei, aged 53, has been appointed as a non-executive Director with effect from 3 January 2022 and redesignated to an executive Director with effect from 7 April 2022. Mr. Ong is an executive director of Net Pacific Financial Holdings Limited and a non-executive director of Joyas International Holdings Limited, both of which are listed on the Singapore Exchange. He is also an independent non-executive director of Denox Environmental & Technology Holdings Limited (stock code: 1452) and Smart Globe Holdings Limited (stock code: 1481), all of which are listed on the Stock Exchange.

Previously, Mr. Ong was an independent non-executive director of Nameson Holdings Limited (stock code: 1982), from 2016 to 2022, and O-Net Technologies (Group) Limited (stock code: 877), from 2010 to 2020. Mr. Ong was a non-executive director and re-designated as an independent non-executive director of Man Wah Holdings Limited (stock code: 1999), from March 2010 to May 2012 and from May 2012 to March 2022, respectively. He was also a non-executive director of Prosperous Printing Company Limited (stock code: 8385) from 2016 to 2020, which is listed on GEM of the Stock Exchange. From 2017 to 2019, Mr. Ong was a non-executive director of Vico International Holdings Limited (stock code: 1621), a company listed on the Stock Exchange. He was also an executive director on a part-time basis of Zibao Metals Recycling Holdings Plc (a company trading on AIM, a market operated by the London Stock Exchange Plc) from 2014 to 2019.

Mr. Ong has over 30 years of experience in finance and accounting. He holds a Bachelor of Laws degree from The London School of Economics and Political Science, The University of London. Mr. Ong also holds a distance learning degree in Masters in Business Administration which was jointly awarded by The University of Wales and The University of Manchester. Mr. Ong is an associate member of The Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Yuk Kai Yao, aged 42, has been appointed as executive Director with effect from 19 May 2022. Mr. Yuk has been acting as a sales director of China Financial Services Holdings Limited (stock code: 605), a company listed on the Main Board of the Stock Exchange since January 2016. He is responsible for overseeing the group of China Financial Services Holdings Limited's Hong Kong sales teams and sales strategies and business development activities.

Mr. Yuk has also been appointed as an independent non-executive director of Grand Talents Group Holdings Limited (stock code: 8516), a company listed on the GEM of the Stock Exchange since September 2018.

Mr. Yuk was a vice president of Aceso Life Science Group Limited (formerly known as Hao Tian Development Group Limited) (stock code: 474), a company listed on the Main Board of the Stock Exchange, during the period from January 2013 to December 2015. He was responsible for driving the sales activities of money lender business as well as fund raising and treasury matters.

Mr. Yuk worked in The Hong Kong and Shanghai Banking Corporation Limited from September 2007 to March 2012 with his last position held as an associate director. He also worked in Standard Chartered Bank (Hong Kong) Limited from March 2007 to September 2007 with his last position held as a manager.

Mr. Yuk graduated from The University of Hong Kong with a Bachelor Degree of Economics and Finance in 2004.

Ms. Lam Ka Lee, aged 39, has been appointed as executive Director with effect from 30 June 2023. Ms. Lam received a Bachelor of Business (Accounting) degree in 2007 and a Diploma in Business Administration in 2004, both from Swinburne University of Technology. Ms. Lam has over 10 years of experience in business management, investment banking and operation control. In 2017, she passed the Principles and Practice of Insurance, General Insurance, Long Term Insurance, and Investment-linked Long Term Insurance examinations, as part of the Insurance Intermediaries Qualifying Examination.

Ms. Lam worked as a trading support specialist at the Bank of America Merrill Lynch from June 2009 to October 2011. She then moved to Barclays Capital Asia Limited, working as an analyst from October 2011 to September 2012. Ms. Lam subsequently joined ABN AMRO Clearing HK Limited, where she served as an operations officer from September 2012 to August 2016. From June 2016 to September 2019, Ms. Lam served as an executive Director of Huisheng International Holdings Limited (stock code: 1340), a company listed on the Stock Exchange. From October 2019 to November 2020, Ms. Lam served as the head of operations of Black Marble Securities Limited, a subsidiary of Lerado Financial Group Company Limited (stock code: 1225), which is listed on the Stock Exchange. Ms. Lam has been appointed as a freelance wealth management manager at AIA International Limited since February 2017.

Ms. Lam is currently an independent director of Magic Empire Global Limited, a company listed on NASDAQ (ticker: MEGL).

Independent non-executive Directors

Ms. Wu Wai Shan, aged 35, has been appointed as independent non-executive Director with effect from 10 June 2022. Ms. Wu is currently the Investor Relations Senior Manager of Beijing Enterprises Urban Resources Group Limited (“**Beijing Enterprises**”) (stock code: 03718)

since April 2020 and she joined Beijing Enterprises as Investor Relations Manager and Assistant Finance Manager from June 2017 to January 2018 and as Investor Relations Manager from January 2018 to April 2020. She is responsible for formulating the investor relations strategies for the Company and conducting meetings with investors.

Ms. Wu worked in Kong Sun Holdings Limited (stock code: 00295) from August 2016 to May 2017 with her last position held as Assistant Finance Manager. She also worked in China Mobile Games and Entertainment Group (HK) Limited from September 2015 to August 2016 with her last position held as Assistant Finance Manager. She also worked in China Resources Enterprise, Limited (currently named China Resources Beer (Holdings) Company Limited) (stock code: 00291) from May 2014 to June 2015 with her last position held as Deputy Financial Accounting Manager. She also worked in RSM Nelson Wheeler from July 2010 to November 2013 with her last position held as Senior Accountant.

Ms. Wu obtained a Bachelor of Business Administration in Accounting from Lingnan University in 2010. Ms. Wu was admitted as a member of the HKICPA since 2014.

Mr. Lau Yik Lok, aged 60, has been appointed as independent non-executive Director with effect from 1 August 2022. Mr. Lau has been the managing director of Excellent Network Limited since 2010, a company principally engaged in providing professional immigration advisory services and talks, and assisting in processing applications to clients in the PRC, including the management of China's state-owned enterprises.

Mr. Lau served as an independent non-executive director of Pak Wing Group (Holdings) Limited (currently named China Hongbao Holdings Limited) ("**Pak Wing Group**") (stock code: 8316) from January 2017 to August 2018, a company listed on the GEM of the Stock Exchange. He has also been appointed as a non-executive director of Grand Talents Group Holdings Limited (stock code: 8516) from December 2017 to November 2019, a company listed on the GEM of the Stock Exchange. He also served as an executive director and a chief executive officer of Pak Wing Group from September 2020 to February 2021. Mr. Lau worked in JB Group from 2003 to 2009 with his last position held as Group consultant. He also worked in Asia Commercial Bank from September 2001 to August 2003 with his last position held as account manager and DBS (Hong Kong) from November 1993 to August 2001 with his last position held as assistant manager. He also worked in Standard Chartered Bank (Hong Kong) Limited from 1983 to 1989 with his last position held as supervisor.

Mr. Leung Gar-gene Vincent, aged 37, is an experienced finance and accounting professional. He is currently a director of Gemcoast Limited, a private company in Hong Kong principally engaged in providing financial consultancy services to its clients. He is a member of

Chartered Accountants in Australia and New Zealand and is a member of its Hong Kong Council. He is also a licensed person to carry on Type 9 (asset management) regulated activity under the SFO since July 2019.

Since November 2017, Mr. Leung has been and continues to serve as an independent non-executive director of Prosperous Printing Company Limited (stock code: 8385). Previously, Mr. Leung was an independent non-executive director of Samson Paper Holdings Limited (currently named C&D Newin Paper & Pulp Corporation Limited) (stock code: 731) from July 2020 to January 2022.

13. DOCUMENTS ON DISPLAY

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

- (a) the Letter from the Board, the text of which is set out on pages 16 to 50 of this circular;
- (b) the Letter from the Independent Board Committee, the text of which is set out on pages 51 to 52 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 53 to 77 of this circular;
- (d) the annual reports of the Company for each of the three years ended 31 December 2020, 2021 and 2022;
- (e) the report from Crowe (HK) CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (f) the written consents as referred to in the paragraph headed “9. Experts and consents” in this appendix; and
- (g) the material contracts as referred to in the paragraph headed “10. Material contracts” in this appendix.

14. MISCELLANEOUS

- (a) The business address of all directors and senior management of the Company is Room 1415, 14/F., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong.

- (b) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) As at the Latest Practicable Date, the Group had no significant foreign exchange exposure.
- (d) In case of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

NOTICE OF SGM



GBA HOLDINGS LIMITED

GBA集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**” or “**SGM**”) of GBA Holdings Limited (the “**Company**”) will be held at 1/F., Function Room, 7–9 Minden Avenue, Tsimshatsui, Kowloon, Hong Kong on Monday, 14 August 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the second business day immediately following the day of passing of this resolution, being a day on which the shares of the Company are traded on the Stock Exchange:
 - (a) every four (4) issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of HK\$0.04 each (each a “**Consolidated Share**”), and such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company (the “**Share Consolidation**”);
 - (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the board (the “**Board**”) of directors (the “**Directors**”) of the Company may think fit; and
 - (c) the Directors be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing.”

NOTICE OF SGM

2. **“THAT** conditional upon (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (as defined below) to be allotted and issued to the shareholders of the Company (the **“Shareholders”**) pursuant to the terms and conditions of the Rights Issue (as defined below); and (ii) the Underwriting Agreement (as defined below) becoming unconditional and not being terminated in accordance with its terms:
- (a) the issue by way of rights (the **“Rights Issue”**) of up to 441,230,640 Consolidated Shares of HK\$0.04 each in the share capital of the Company (each a **“Rights Share”**) to the Shareholders (the **“Qualifying Shareholders”**) whose names appear on the register of members of the Company on the date by reference to which entitlements to the Rights Issue are to be determined (the **“Record Date”**) (excluding those Shareholders (the **“Non-Qualifying Shareholders”**) of the Company with registered addresses as shown in the register of members of the Company at the close of business on the Record Date in places outside Hong Kong in respect of whom the Board considers it necessary or expedient not to offer the Rights Shares after making the relevant enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory body or stock exchange in those places), in the proportion of four (4) Rights Shares for every five (5) Consolidated Shares held on the Record Date at the subscription price of HK\$0.12 per Rights Share be and is hereby approved;
 - (b) the placing agreement (the **“Placing Agreement”**) dated 7 June 2023 (as amended and supplemented by the supplemental placing agreement dated 23 June 2023 and the second supplemental placing agreement dated 10 July 2023 (collectively the **“Supplemental Placing Agreements”**) and from time to time) and entered into among the Company and Silverbricks Securities Company Limited (a copy of the Placing Agreement and the Supplemental Placing Agreements has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
 - (c) the underwriting agreement (the **“Underwriting Agreement”**) dated 7 June 2023 (as amended and supplemented by the supplemental underwriting agreement dated 23 June 2023 and the second supplemental underwriting agreement dated 10 July 2023 (collectively the **“Supplemental Underwriting Agreements”**) and from time to time) and entered into among the Company and Silverbricks Securities Company Limited (a copy of the Underwriting Agreement and the Supplemental Underwriting Agreements has been produced to the Meeting marked “B” and signed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

NOTICE OF SGM

- (d) the Board or a committee thereof be and is hereby authorised to allot and issue the Rights Shares (in both nil-paid form and fully-paid form) pursuant to or in connection with the Rights Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to Non-Qualifying Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company; and
- (e) any Director be and is hereby authorised to sign and execute such documents and do all such acts and things or as they consider necessary, desirable or expedient in connection with the implementation of or giving effect to the Rights Issue, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) the Underwriting Agreement (as amended and supplemented by the Supplemental Underwriting Agreements and from time to time) and the transactions contemplated thereunder.”

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

Hong Kong, 25 July 2023

Registered office:

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

Head office and principal place of business in

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

Notes:

- (1) The register of members of the Company will be closed from Tuesday, 8 August 2023 to Monday, 14 August 2023 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the SGM, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 7 August 2023.

NOTICE OF SGM

- (2) Any shareholder entitled to attend and vote at the SGM or at any adjourned meeting thereof (as the case may be) is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint not more than two proxies (who must be an individual or individuals) to attend and vote instead of him/her on the same occasion or if a recognised clearing house (or its nominee) is a shareholder of the Company, it may appoint the number of person(s) to act as its proxy or proxies not exceeding the number of shares held by it. A proxy need not be a shareholder of the Company but must attend the SGM or any adjourned meeting thereof (as the case may be) in person to represent him/her.
- (3) In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time appointed for holding the SGM (i.e. not later than 11:00 a.m. on Saturday, 12 August 2023, Hong Kong time) or any adjourned meeting thereof (as the case may be). Such prescribed form of proxy for use at the SGM is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.gbaholdings.com/.
- (4) Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the SGM or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (5) Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the AGM or at any adjourned meeting thereof (as the case may be), either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM or at any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (6) Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at the SGM will be taken by poll except where the chairman of the SGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the matter prescribed under Rule 13.39(5) of the Listing Rules.

As at the date hereof, the executive Directors are Mr. Ong Chor Wei, Mr. Yuk Kai Yao and Ms. Lam Ka Lee; and the independent non-executive Directors are Ms. Wu Wai Shan, Mr. Lau Yik Lok and Mr. Leung Gar-Gen Vincent.