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CCF FORTIS HOLDINGS LIMITED
(中 建 富 通 集 團 有 限 公 司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

**VERY SUBSTANTIAL DISPOSAL
DISPOSAL OF SHARES IN GBA HOLDINGS LIMITED
AND
RESUMPTION OF TRADING**

THE DISPOSAL

On 15 November 2021, the Vendors, indirect wholly-owned subsidiaries of the Company, the Purchaser and the Company as guarantor, entered into the Agreement, pursuant to which the Vendors conditionally agreed to sell the Sale Shares to the Purchaser at a total consideration of HK\$250,000,000.

Upon Completion, the Vendors will cease to have any shareholding interest in the Target Company.

LISTING RULES IMPLICATIONS

The Disposal

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is 75% or more, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

General

The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder. Insofar as the Company is aware, none of the Shareholders has any material interest in the Disposal. Hence, no Shareholder is required to abstain from voting on the resolutions in relation to the Agreement and the transactions contemplated thereunder at the SGM. A circular containing, among other things, (i) further details of the Disposal; (ii) the financial information of the Group; (iii) the financial information of the Target Company; (iv) the notice convening the SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 10 December 2021, as additional time is required to prepare the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 1:00 p.m. on Monday, 15 November 2021 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Wednesday, 17 November 2021.

Completion is conditional upon satisfaction of certain conditions precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

THE DISPOSAL

On 15 November 2021, the Vendors, indirect wholly-owned subsidiaries of the Company, the Purchaser and the Company as guarantor, entered into the Agreement, pursuant to which the Vendors conditionally agreed to sell the Sale Shares to the Purchaser at a total consideration of HK\$250,000,000. In consideration for the Purchaser entering into the Agreement, the Company has agreed to guarantee in favour of the Purchaser the due and punctual performance of the obligations of the Vendors under the Agreement subject to and upon the terms and conditions of the Agreement.

Subject matter

The Sale Shares represent a total of approximately 29.19% of all the issued shares of the Target Company.

Consideration

The consideration for the Disposal HK\$250,000,000, which shall be payable by the Purchaser to the Vendors (or their nominees) in cash in accordance with the following manner:

- (i) an amount of HK\$120,000,000 (the “**Initial Deposit**”) shall be payable by the Purchaser to the Second Vendor (or its nominee), against the requirements that the Initial Share Charge having been executed by the Vendors and two nominee directors from the Purchaser having been validly appointed by the Target Company, within thirty (30) days from the date of the Agreement;
- (ii) an amount of HK\$20,000,000 (the “**Further Deposit**”) shall be payable by the Purchaser to the First Vendor (or its nominee), against the requirement that all inter-company balances between the Group and the Target Group having been fully and finally settled, within thirty (30) days from the date of payment of the Initial Deposit or such later date as the parties thereto may agree;
- (iii) an amount of HK\$70,000,000 shall be payable upon Completion by the Purchaser to the First Vendor (or its nominee); and
- (iv) the balance of HK\$40,000,000 shall be payable by the Purchaser to the First Vendor (or its nominee) within sixty (60) days from the Completion Date (the “**Relevant Period**”), unless any material breach of the warranties and indemnity and undertakings given by the Vendors under the Agreement have been identified by the Purchaser any time during the Relevant Period, in which case the Purchaser and the Vendors shall reasonably and mutually agree on the amount to be deducted in respect of such material breach.

Pursuant to the Agreement, Completion is subject to, amongst other conditions, the Shareholders having approved at the SGM the entering into of the Agreement and the transaction contemplated thereunder. As such, Completion is expected to take place at least more than 60 days from the date of the Agreement. As the Initial Deposit (representing 48% of the Consideration) and the Further Deposit (representing 8% of the Consideration) will be payable within 30 days and 60 days, respectively from the date of the Agreement, Deposits representing 56% of the Consideration will be payable prior to the Completion Date. Although the balance of the Consideration of HK\$40,000,000 (representing 16% of the Consideration) will be payable within the 60 days from the Completion Date, this is required by the Purchaser to serve as warranty security against any material breach of warranties of the Vendors, which is fair and reasonable. As such, it is in the interest of the Company and the Shareholders as a whole to allow payment of the Consideration by instalments instead of full payment on the Completion Date.

The closing price of the Sale Shares on the date of the Agreement is HK\$536,671,000, calculated based on the closing price of the shares of the Target Company on 15 November 2021 of HK\$0.01 per share. The Consideration represents a discount of approximately 53.41% to the closing price of the Sale Shares on the date of the Agreement; and a discount of approximately 4.5% to 29.19% of the unaudited net asset value of the Target Company as at 30 June 2021 (i.e. HK\$261,834,300). The Target Company has been in a loss position in recent years due to (i) difficult operating environment for its principal businesses; (ii) the Chinese Government's continuing tight policies on residential properties which affect the Target Company's property development business in China; and (iii) the COVID-19 pandemic. As such, it is not expected the Target Company will turnaround in the near future. As such, the Company considers that the discount of the Consideration of approximately 4.5% to the net asset value of the net asset value of the Target Company is fair and reasonable.

The consideration for the Disposal was determined after arm's length negotiations between the Vendors and the Purchaser with reference to (i) the unaudited net asset value of the Target Company as at 30 June 2021 of HK\$897,000,000; (ii) historical operating and financial performance of the Target Group; (iii) the liquidity of the shares of the Target Company in the market; and (iv) the reasons set out in the section headed "Reasons for and Benefits of the Disposal" in this announcement.

Conditions Precedent

Completion is subject to and is conditional upon the satisfaction or waiver (as applicable) of each of the following conditions precedent:

- i) the ordinary shares of the Target Company remaining listed and traded on Main Board of the Stock Exchange at all times from the date of the Agreement to the Completion Date, subject to any suspension or halt of trading in connection with this Agreement and the transactions hereunder, and subject to any other suspension or halt of trading that does not last for more than fourteen (14) consecutive Trading Days;
- ii) it has not come to the attention of the Purchaser that any material adverse change has occurred or is likely to occur prior to the Completion Date;
- iii) the Purchaser being satisfied with the results of the due diligence review;
- iv) if warranties remaining true and accurate and not misleading in all respects and all the undertakings under the Agreement having been complied with by the Vendors;
- v) the Shareholders having approved the entering into of the Agreement and the transaction contemplated thereunder in accordance with the requirements of the Listing Rules;

- vi) all necessary consents, authorisations, licenses and approvals for and in connection with the sale and purchase of the Sale Shares having been obtained by the Vendors; and
- vii) all necessary consents, authorisations, licenses and approvals for and in connection with the sale and purchase of the Sale Shares having been obtained by the Purchaser.

The Purchaser may at any time waive the foregoing conditions set out in (i), (ii), (iii) and (iv) above. As the date of this announcement, none of the abovementioned conditions has been fulfilled or waived. If any of the foregoing conditions precedent has not been satisfied, or, as the case may be, waived by the Purchaser within 120 days from the date of the Agreement or such later date as the Purchaser may agree, the Agreement shall cease and determine (save and except the surviving provisions which shall continue to have full force and effect) and in which event the Vendors shall return the Deposits actually received (without interest) to the Purchaser within five (5) Business Days of the termination of the Agreement and neither party thereto shall have any obligations and liabilities hereunder save for any antecedent breaches of the terms thereof.

Share Charges

As security for the performance of the obligation of the Second Vendor to repay the Initial Deposit, the Second Vendor shall execute the Initial Share Charge upon the date of payment of the Initial Deposit.

As security for the performance of the obligation of the First Vendor to repay the Further Deposit, the First Vendor shall execute the Further Share Charge no later than three (3) Business Days after the date of payment of the Further Deposit.

Other Undertaking

Pursuant to the Agreement, the Vendors agreed and undertook in favour of the Purchaser to procure the holders of 10,914,993,990 Share Options to surrender their respective Share Options for cancellation, and, if necessary, to procure the necessary board resolutions to be duly passed to effectuate the same, on or before Completion.

The holders of the Share Options are as follows:

Holder	Capacity in the Target Company	No. of Share Options
Mak Shiu Tong, Clement	Chairman and Executive Director	2,620,000,000
Cheng Yuk Ching, Flora	Executive Director	3,445,000,000
Tam Ngai Hung, Terry	Executive Director	3,445,000,000
Chow Siu Ngor	INED	35,000,000
Lau Ho Kit, Ivan	INED	35,000,000
Tam King Ching, Kenny	INED	35,000,000
Other eligible participant	-	<u>1,299,993,990</u>
Total		<u>10,914,993,990</u>

As the Purchaser does not want any dilution of their shareholding in the Target Company after Completion due to the possible exercise of the Share Options, the Purchaser requires the Vendors to undertake to procure the holders of approximately 10.9 billion Share Options to surrender the Share Options before Completion. All the holders of the Share Options have indicated that they will surrender their respective Share Options prior to Completion without any compensation payable to them.

COMPLETION

As at the date of this announcement, the Company, through the Vendors, held the Sale Shares (representing a total of approximately 29.19% of all the issued shares of the Target Company).

Upon Completion, the Vendors will cease to have any shareholding interest in the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company. The Target Group is principally engaged in the development and sale of properties and money lending business.

The table below sets forth the audited consolidated net loss before and after taxation of the Target Group for the two financial years ended 31 December 2020 based on the audited financial information of the Target Company prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2019	2020
	(Audited)	(Audited)
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net loss before tax from continuing operations	(135)	(174)
Net loss after tax (including loss from discontinuing operation)	(123)	(166)

The unaudited net asset value of the Target Group as at 30 June 2021 was HK\$897,000,000.

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company. The Group is principally engaged in: (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business; (iv) investment in collectible precision devices; and (v) cultural entertainment business.

The First Vendor

The First Vendor is an indirect wholly-owned subsidiary of the Company, which is principally engaged in securities business.

The Second Vendor

The Second Vendor is an indirect wholly-owned subsidiary of the Company, which is principally engaged in securities business.

The Purchaser

The Purchaser, a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. The Purchaser is owned in equal shares of 50% each by Mr. Ong Chor Wei (“**Mr. Ong**”) and Mr. Chu Hin Ming Alfonso (“**Mr. Chu**”), both being individuals residing in Hong Kong. Mr. Ong is an associate member of The Institute of Chartered Accountants in English and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Ong has over 30 years of experience in finance and accounting. Mr. Chu is a fellow member of both Royal Institute of Chartered Surveyors and Chartered Institute of Building of United Kingdom. Mr. Chu is a seasoned real estate professional who has been practising in the Asia Pacific Region for almost four decades.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is a third party independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that it is a good opportunity for the Group to realise its investment in the Target Company so as to better allocate the Group’s resources to focus on the other principal businesses of the Group. The Disposal will generate more cash flow of the Group and enhance the financial position of the Group. Although the Disposal will give rise to an unaudited loss of approximately HK\$288 million, such loss is a non-cash loss and represents approximately 6.51% of the total assets of the Group as at 30 June 2021. This loss will not have any adverse effect on the cash flow position of the Group and will not have any material adverse effect on the financial position of the Group. As the Target Company is in a loss position and has not paid any dividend, the continuing holding of the investment in the Sale Shares will not generate any benefit to the Group at least in the near future. On the other hand, the Disposal will give rise to net proceeds of approximately HK\$249 million to the Company, of which approximately HK\$140 million will be utilised to reduce its borrowings and therefore its future interest costs will also be decreased. There will remain a balance of the net proceeds from the Disposal of approximately HK\$109 million to be applied for the development and expansion of the Company’s principal business and as general working capital. As such, the cash flow and financial position of the Group will be improved as a result of the Disposal.

In view of the above, the Directors (including the INEDs) are of the view that the terms of the Agreement were entered into on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Company’s investment in the Sale Shares has been accounted as financial assets at fair value through profit or loss. Subject to final audit, it is expected that the Group will record an unaudited loss on the Disposal of approximately HK\$288,000,000, which is calculated by the difference between the book value of the Sale Shares in the accounts of the Company as at 30 June 2021 of approximately HK\$537,000,000 and the consideration for the Disposal of HK\$250,000,000; and less the related transaction costs, taxes and expenses of the Disposal. The actual loss arising from the Disposal at

Completion may be different from the abovenamed estimated figures and will be computed based on the actual figures at Completion.

The Company intends to apply the net proceeds from the Disposal in the amount of HK\$249,000,000 as follows:

- (i) approximately HK\$70,000,000 (actual amount subject to negotiation with the bank) to repay the bank loan in order the release the encumbrances on the First Sale Shares pledged to the bank (*Note*);
- (ii) approximately HK\$70,000,000 to prepay the loan borrowed by the Company from a subsidiary of the Target Company in June 2021, which will mature on 2 June 2023; and
- (iii) the balance of the net proceeds from the Disposal (after discharging the borrowings in (i) and (ii) above) to be applied for the development and expansion of the principal businesses of the Company and as general working capital.

Note: the First Sale Shares are pledged to a banker of the Group as additional security to secure the loans (which are mainly mortgage loans) borrowed from the banker. The maturity dates of the loans range from 2023 to 2042.

LISTING RULES IMPLICATIONS

The Disposal

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General

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RESUMPTION OF TRADING

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Completion is conditional upon satisfaction of certain conditions precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the sale and purchase agreement dated 15 November 2021 entered into by and among the Vendors, the Purchaser and the Company in relation to the Disposal
“Board”	board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	CCT Fortis Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares are listed on the Main Board of the Stock Exchange (stock code: 00138)
“Completion”	completion of the Disposal
“Completion Date”	the date falling two (2) Business Days after fulfillment (or waiver) of the conditions precedent under the Agreement, or such other date as the Vendors and the Purchaser may agree in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deposits”	the Initial Deposit and the Further Deposit
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares under the Agreement
“First Sale Shares”	28,467,100,000 Shares, representing approximately 15.48% of all the issued shares of the Target Company
“First Vendor”	CCT Telecom Securities Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company

“Further Share Charge”	the share charge to be executed by the First Vendor in favour of the Purchaser no later than three (3) Business Days after the date of payment of the Further Deposit in relation to the charge of 4,290,000,000 ordinary shares of the Target Company by the First Vendor in favour of the Purchaser as security for the performance of the obligation of the First Vendor to repay the Further Deposit
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INED”	independent non-executive director
“Initial Share Charge”	the share charge to be executed by the Second Vendor in favour of the Purchaser upon the date of payment of the Initial Deposit in relation to the charge of the Second Sale Shares by the Second Vendor in favour of the Purchaser as security for the performance of the obligation of the Second Vendor to repay the Initial Deposit
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Top Pioneer Holdings Limited, a company incorporated in Hong Kong with limited liability
“Sale Shares”	the First Sale Shares and the Second Sale Shares
“Second Sale Shares”	25,200,000,000 Shares, representing approximately 13.71% of all the issued shares of the Target Company
“Second Vendor”	Ever Sino Group Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approve, the Disposal
“Share(s)”	ordinary shares of the Company
“Share Option(s)”	the share option(s) granted by the Target Company under the share option scheme adopted by the Target Company pursuant to the resolution passed at the annual general meeting of the Target Company on 27 May 2011 and expired on 26 May 2021; and (ii) the share option scheme adopted by the Target Company pursuant to the resolution passed at the annual general meeting of the Target Company on 23 June 2021
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	GBA Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 00261)

“Target Group”	the Target Company and its subsidiaries from time to time
“Trading Day”	a day on which the Stock Exchange is open for dealing business in Hong Kong
“Vendors”	the First Vendor and the Second Vendor
“%”	per cent.

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

Hong Kong, 16 November 2021

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