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## THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares of the Company, you should at once hand this circular and the accompanying form of proxy to the purchaser or 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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### GTI HOLDINGS LIMITED

共享集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

**(Stock Code: 3344)**

### CONNECTED TRANSACTION – ENTERING INTO SUPPLEMENTAL DEED FOR THE EXTENSION OF TIME FOR THE FULFILLMENT OF PROFIT GUARANTEE

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



**HeungKong Capital Limited**

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A letter from the Board is set out on pages 4 to 11 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 12 to 13 of this circular. A letter from HeungKong Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 14 to 25 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Function Room 1, 3/F., Mira Place, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 June 2021 at 11 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

7 June 2021

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## CONTENT

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	12
<b>LETTER FROM HEUNGKONG CAPITAL</b> .....	14
<b>APPENDIX I – GENERAL INFORMATION</b> .....	I-1
<b>NOTICE OF EGM</b> .....	EGM-1

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## DEFINITIONS

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

“Acquisition”	the acquisition by Great Fortune of the Sale Share and the Sale Loan(s) from the Vendor pursuant to the Existing Agreements, the completion of which has taken place on 28 December 2018
“Agreement”	the conditional sale and purchase agreement dated 13 November 2018 and entered into between Great Fortune and the Vendor in respect of the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	GTI Holdings Limited (Provisional Liquidators Appointed) (For Restructuring Purposes), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3344)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Supplemental Deed and the transactions contemplated thereunder
“Existing Agreements”	the Agreement as amended and supplemented by the Supplemental Agreement
“Great Fortune”	Great Fortune Development Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Hao Xiangbin, being an executive Director, a director of Zhongcheng Huiyu and the father of the Vendor
“Hong Kong”	Hong Kong Special Administrative Region of PRC

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## DEFINITIONS

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“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely Mr. Chan Shu Kin, Mr. Chung Lim Tung, Mr. Ng Ka Lun and Mr. Zhou Weijia (alias Zhou Yi), established by the Board to advise the Independent Shareholders in respect of the terms of the Supplemental Deed and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than the Vendor, the Guarantor and their associates who are required by the Listing Rules to abstain from voting on the resolution(s) approving the Supplemental Deed and the transactions contemplated thereunder
“Independent Financial Adviser” or “HeungKong Capital”	HeungKong Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Jiu Zhou Financial”	Jiu Zhou Financial Group Limited (九洲金融集團有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company, which interested in 66% of the paid up capital of Zhongcheng Huiyu upon completion of the Acquisition and is interested in 51% of the paid up capital of Zhongcheng Huiyu as at the Latest Practicable Date
“JPLs”	the joint provisional liquidators of the Company appointed for restructuring purposes pursuant to an order of the Grand Court of the Cayman Islands dated 28 May 2020
“Latest Practicable Date”	1 June 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

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## DEFINITIONS

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“Sale Loan(s)”	all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor or its associates, on or at any time prior to the completion of the Acquisition, whether actual, contingent or deferred and irrespective of whether the same is due and payable on completion of the Acquisition
“Sale Share”	one (1) ordinary share of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Agreement
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Agreement dated 24 December 2018 and entered into among the Vendor, Great Fortune and the Guarantor in relation to, among others, the provision of profit guarantee
“Supplemental Deed”	the conditional supplemental deed to the Existing Agreements dated 29 January 2021 and entered into among the Vendor, Great Fortune and the Guarantor in relation to, among others, the extension of time for fulfillment of the agreed guaranteed profit
“Target Company”	Jiu Zhou Financial Group Co. Ltd., a company incorporated in the Cayman Islands with limited liability, which is wholly-owned by Great Fortune upon completion of the Acquisition
“Target Group”	the Target Company and its subsidiaries
“Vendor”	Mr. Hao Zhao
“Zhongcheng Huiyu”	Zhongcheng Huiyu Technology Services Company Limited* (中晟匯裕科技服務有限公司), a company established in the PRC with limited liability, which is owned as to 51% by Jiu Zhou Financial and as to 49% by Independent Third Parties
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

\* English name of such entity is the transliteration of its Chinese name for reference only

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## LETTER FROM THE BOARD

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### GTI HOLDINGS LIMITED

共享集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

**(Stock Code: 3344)**

*Executive Director:*

Mr. Ng Kwok Hung Perry

Mr. Hao Xiangbin

Mr. Tan Teng Hong

*Independent non-executive Director:*

Mr. Chan Shu Kin

Mr. Chung Lim Tung

Mr. Ng Ka Lun

Mr. Zhou Weijia (alias Zhou Yi)

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business in*

*Hong Kong:*

Unit B, 13/F

Winsan Tower

98 Thomson Road

Wan Chai, Hong Kong

7 June 2021

*To the Shareholders*

Dear Sir or Madam,

### CONNECTED TRANSACTION ENTERING INTO SUPPLEMENTAL DEED FOR THE EXTENSION OF TIME FOR THE FULFILLMENT OF PROFIT GUARANTEE

References are made to the announcements of the Company dated 13 November 2018 and 24 December 2018 in relation to the Acquisition and the completion announcement dated 28 December 2018 (collectively, the “**Previous Announcements**”). Reference is also made to the announcement of the Company dated 29 January 2021 in relation to the extension of time for the fulfillment of profit guarantee. Capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements unless otherwise specific herein.

As disclosed in the Previous Announcements, the Vendor has warranted and guaranteed that the audited consolidated net profit after tax (the “**Audited Net Profit**”) of Zhongcheng Huiyu for the financial years ending 31 December 2019, 31 December 2020 and 31 December 2021 shall not be less than RMB23,000,000, RMB28,000,000 and

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## LETTER FROM THE BOARD

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RMB34,000,000 (the “**Original Guaranteed Profit(s)**”) respectively and personal guarantee has been given by the Guarantor to guarantee the performance of the obligations by the Vendor under the Existing Agreements.

Pursuant to the Existing Agreements, if the actual Audited Net Profit of Zhongcheng Huiyu for the relevant year is less than the relevant Original Guaranteed Profit, the Vendor shall compensate Great Fortune a sum calculated as follows in cash:

$$\text{Compensation amount} = (\text{The Original Guaranteed Profit for the relevant year} \\ - \text{actual Audited Net Profit for the relevant year}) \times \\ 66\%$$

In the event that the actual Audited Net Profit is a negative figure, it shall be deemed as zero.

According to the audited consolidated financial statements of Zhongcheng Huiyu for the year ended 31 December 2019, the Audited Net Profit of Zhongcheng Huiyu for the year ended 31 December 2019 was approximately RMB7,207,000 and accordingly, a shortfall of approximately RMB15,793,000 (the “**2019 Shortfall**”) was recorded. According to the Existing Agreements, the Vendor shall compensate Great Fortune in the amount of approximately RMB10,423,000. As at the Latest Practicable Date, the Vendor had paid the compensation in the amount of RMB7,810,000 to the Group. The remaining amount will be paid by the Vendor and/or the Guarantor on or before 31 July 2021. The 2019 Shortfall mainly arises from the adversely affected business development of Zhongcheng Huiyu due to winding up petition filed against the Company in the High Court of Hong Kong (the “**High Court**”) in August 2019 which seriously damaged the Group’s image and stopped certain customers (mainly financial institutions in the PRC) of Zhongcheng Huiyu to start new businesses with Zhongcheng Huiyu (i.e. the RMB banknotes clearing up services business). As most of the customers and potential customers of Zhongcheng Huiyu are financial institutions in the PRC, credibility is an important criterion used by the financial institutions to determine their outsourcing service providers. The winding up petition filed against the Company and the Company’s default in repayment of the bonds cast doubt on the financial position as well as the credibility of the Group. Potential customers adopted a wait-and-see attitude and would consider entering into contracts with Zhongcheng Huiyu until the Group’s financial difficulties had been resolved. As a result, the expansion of services to new financial institutions has been slowed down. As advised by the management of Zhongcheng Huiyu, they understood that certain financial institutions tend not to consider Zhongcheng Huiyu’s tender proposal for new projects. Therefore, Zhongcheng Huiyu did participate in some tendering processes in order to save costs.

Having considered the business prospects of Zhongcheng Huiyu and the reasons stated in the paragraph headed “Reasons for the Supplemental Deed” below, on 29 January 2021 (after trading hours), Great Fortune, the Vendor and the Guarantor have entered into the Supplemental Deed for, among other things, the extension of time for fulfillment of the agreed guaranteed profit, details of which are set out below.

The purpose of this circular is to provide you with, among other things, (i) further details of the Supplemental Deed and the transactions contemplated thereunder; (ii) recommendation of the Independent Board Committee; (iii) letter of advice from the

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## LETTER FROM THE BOARD

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Independent Financial Adviser; and (vi) the notice of the EGM to be convened for the purpose of considering and approving the Supplemental Deed and the transactions contemplated thereunder.

### THE SUPPLEMENTAL DEED

**Date:** 29 January 2021

**Parties:**

- (i) Purchaser : Great Fortune, an indirect wholly-owned subsidiary of the Company
- (ii) Vendor : Mr. Hao Zhao, the son of an executive Director Mr. Hao Xiangbin, therefore a connected person of the Company as at the date of the Supplemental Deed by virtue of being an associate of Mr. Hao Xiangbin
- (iii) Guarantor : Mr. Hao Xiangbin, an executive Director and the father of the Vendor, a connected person of the Company as at the date of the Supplemental Deed

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Vendor and the Guarantor was an Independent Third Party as at the date of entering into the Existing Agreements.

### Extension of time for fulfillment of the agreed guaranteed profit

Pursuant to the Supplemental Deed, the Vendor irrevocably warrants and guarantees to Great Fortune that the Audited Net Profit of Zhongcheng Huiyu for the financial year ended 31 December 2019 and for the financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 shall not be less than RMB23,000,000, RMB8,000,000, RMB30,000,000 and RMB36,000,000 (the "New Guaranteed Profit(s)") respectively and the Guarantor has agreed to guarantee the performance of the obligations by the Vendor under the Agreement (as amended and supplemented by the Supplemental Agreement and the Supplemental Deed).

The Company will publish an announcement in accordance with the Listing Rules if Zhongcheng Huiyu fails to achieve the New Guaranteed Profit and will include details of whether Zhongcheng Huiyu meets the New Guaranteed Profit in its published annual report of the relevant financial year.

### Conditions precedent

Completion of the Supplemental Deed is conditional upon:

- (i) the passing of the relevant resolution(s) by the Independent Shareholders at the EGM to approve the Supplemental Deed and the transactions contemplated thereunder; and



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## LETTER FROM THE BOARD

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- (ii) all necessary consents and approvals required to be obtained on the part of Great Fortune and the Vendor in respect of the Supplemental Deed and the transactions contemplated thereunder having been obtained.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

None of the above conditions can be waived. If any of the conditions mentioned above have not been fulfilled on or before 30 June 2021 or such later date as the parties to the Supplemental Deed may otherwise agree in writing, the Supplemental Deed shall cease and determine. None of the parties to the Supplemental Deed shall have any liability to the other parties under the Supplemental Deed, save for any antecedent breaches.

### Completion

Completion of the Supplemental Deed shall take place within three (3) business days after the above conditions have been fulfilled or at such later date as Great Fortune, the Vendor and the Guarantor may agree.

Save as disclosed above, all other material terms and conditions of the Existing Agreements shall remain unchanged and continue to be in full force and effect.

### REASONS FOR THE SUPPLEMENTAL DEED

The Company is an investment holding company. The Group is principally engaged in production, sale and trading of textile products (including surgical masks), trading of petroleum and chemical products and RMB banknotes clearing up services.

Zhongcheng Huiyu is a company established in the PRC and principally engaged in the provision of RMB banknotes clearing up services to financial institutions in the PRC. They offer one-stop professional financial outsourcing services for the branches of the People's Bank of China and its local commercial banks in the PRC. Upon completion of the Acquisition in 2018, Zhongcheng Huiyu became a non-wholly owned subsidiary of the Company. Upon completion of the Acquisition, the Group was indirectly interested in 66% of the paid up capital of Zhongcheng Huiyu and the remaining 34% was interested by Liansheng Xinding Financial Information Service (Shanghai) Co., Ltd.\* (聯晟信鼎金融信息服務(上海)有限公司) (“**Liansheng Xinding**”), an Independent Third Party. Upon capital injection made by Harbin Qixin SME Venture Capital Co., Ltd.\* (哈爾濱市企信中小企業創業投資有限公司) (“**Harbin Qixin**”) to Zhongcheng Huiyu in 2019 and as at the Latest Practicable Date, the Company is indirectly interested in 51% of the paid up capital of Zhongcheng Huiyu and the remaining 49% of the paid up capital of Zhongcheng Huiyu is interested as to approximately 26.27% by Liansheng Xinding and as to approximately 22.73% by Harbin Qixin. Liansheng Xinding is a fintech service provider and is ultimately owned as to 85% by Li Yuhui and as to 15% by Li Qiuju. Harbin Qixin is principally engaged in carrying out venture capital business with enterprise's own funds and act as an agent for venture capital investment business of other venture capital enterprises and other institutions etc. and is wholly-owned by Harbin Enterprise Credit Financing Guarantee Service Center\* (哈爾濱市企業信用融資擔保服務中心), which is a public institution in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Liansheng Xinding, Harbin Qixin and their respective ultimate beneficial owners is an Independent Third Party.

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## LETTER FROM THE BOARD

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As previously announced by the Company, the Company has certain liabilities that have fallen due and is facing legal actions for the repayment of debts. Several bondholders/creditors of the Company have filed winding up petitions against the Company in the High Court in August 2019 and 2020, which have seriously damaged the Group's image and the credibility in the view of the customers of Zhongcheng Huiyu (i.e. those financial institutions in the PRC). The customers of Zhongcheng Huiyu are mainly the financial institutions engaging in financial and banking business in the PRC. Some of them have withheld their cooperation plans of the RMB banknotes clearing up services business with Zhongcheng Huiyu due to the deteriorated image and credibility of the Group under the incidents relating to the Group's indebtedness and the High Court winding up petition. As such, the business development as well as the financial performance of Zhongcheng Huiyu have been seriously affected.

The business operation of Zhongcheng Huiyu is further affected by the outbreak of the coronavirus during 2020 and in early 2021 due to travel restrictions implemented in the PRC resulting from the outbreak of COVID-19. In particular, certain staff of Zhongcheng Huiyu were unable to work at the Group's offices due to lockdowns and travel restrictions imposed by the government. The Group's communication with internal and external parties were also affected by the working arrangements. Certain operating regions of Zhongcheng Huiyu such as Suihua, Daxinganling, Qiqihar in the Heilongjiang Province were forced to stop operating in January 2021 due to the outbreak of COVID-19. The operation has gradually resumed after the Chinese New Year in February 2021.

When the Company was aware that the profit guarantee for the year 2020 could not be met, the Company liaised with the Vendor/Guarantor for payment of the compensation. However, the Vendor/Guarantor was of the view that they have already agreed to pay the compensation for the 2019 Shortfall even it was mainly due to the winding up petition filed against the Company and they should not bear the compensation for the shortfall of 2020 because the business development and financial performance of Zhongcheng Huiyu were still greatly affected by the unresolved financial distress of the Group as same as in 2019 and as stated above, the outbreak of COVID-19 in 2020 had further hindered the business operation of Zhongcheng Huiyu.

The Directors are of the view that the 2019 Shortfall was attributable to abovementioned unforeseeable factors which were beyond the control of the Company, the Vendor and the Guarantor. Zhongcheng Huiyu is a major operation subsidiary of the Group with good prospect. The Guarantor is one of the directors and a key management of Zhongcheng Huiyu who has extensive experience in RMB banknotes clearing up services. He had worked in the management of a number of domestic commercial banks in the PRC before he joined Zhongcheng Huiyu. With more than 30 years of experience in the financial industry, the Guarantor has provided valuable contributions to the business development of Zhongcheng Huiyu in the past few years. Insisting on payment of the compensation for year 2020 or pursuing legal action against the Vendor and the Guarantor for compensation under the Original Guaranteed Profit might achieve short-term cash flow benefits for the Company if succeeded, but would be time consuming, costly and might even face difficulties given the Company's current financial difficulties and lack of financial resources to pursue legal actions. In addition, litigation would undermine the business relationship among the Company, the Vendor and the Guarantor which would likely have a long-term impact on the business operation of the RMB banknotes clearing up services business. In considering that

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## LETTER FROM THE BOARD

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the Vendor and the Guarantor agreed to increase the amount of the guaranteed profits for the years ending 31 December 2022 and 31 December 2023, the Company agreed to extend the profit guarantee period.

Given that Zhongcheng Huiyu suffered setback to its business development and financial performance and that the 2019 Shortfall was mainly due to unexpected circumstances which were out of the control of the Vendor and the management of Zhongcheng Huiyu, and considering (i) the business prospect of Zhongcheng Huiyu and the potential of the development in the RMB banknotes clearing up services business; and (ii) the upward revision in the amount of the New Guaranteed Profits for the years ending 31 December 2022 and 31 December 2023, upon arm's length negotiation among Great Fortune, the Vendor and the Guarantor, the parties agreed to extend the time for the fulfillment of the Original Guaranteed Profits.

The Directors (including the members of the Independent Board Committee) are of the view that the terms of the Supplemental Deed and the transactions contemplated thereunder are fair and reasonable and the entering into of the Supplemental Deed is in the interests of the Company and the Shareholders as a whole.

The Guarantor is interested in the transactions contemplated under the Supplemental Deed and accordingly has abstained from voting on the board resolution for approving the Supplemental Deed and the transactions contemplated thereunder.

### **LISTING RULES IMPLICATIONS**

The Guarantor as an executive Director is a connected person of the Company and the Vendor as the son of the Guarantor is a connected person of the Company by virtue of being an associate of the Guarantor. The Supplemental Deed and the transactions contemplated thereunder constitute non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the requirements of reporting, announcement and the approval of the Independent Shareholders at the EGM. As at the Latest Practicable Date, the Vendor is interested in 96,100,000 Shares, representing approximately 1.53% of the existing share capital of the Company. The Vendor, the Guarantor and their respective associates will abstain from voting for the resolution(s) to approve the Supplemental Deed and the transactions contemplated thereunder at the EGM.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of ascertaining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 23 June 2021 to Monday, 28 June 2021 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 22 June 2021 (Tuesday).

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## LETTER FROM THE BOARD

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### EGM

A notice of EGM to be held at Function Room 1, 3/F., Mira Place, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on 28 June 2021 at 11 a.m. is set out on pages EGM-1 to EGM-3 of this circular for the purpose of considering and, if thought fit, approving, among other things, the Supplemental Deed and the transactions contemplated thereunder.

The form of proxy for use in the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are required to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 11 a.m. on 26 June 2021 (Hong Kong Time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Supplemental Deed and the transactions contemplated thereunder. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The Vendor, the Guarantor and their close associates, and any person who has a material interest in the Supplemental Deed and the transaction contemplated thereunder are required to abstain from voting on the relevant resolution(s) to be proposed at the EGM. As at the Latest Practicable Date, the Vendor is interested in 96,100,000 Shares (representing approximately 1.53% of the total issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of his shares in the Company), and shall abstain from voting on the relevant resolution(s) to approve the Supplemental Deed and the transactions contemplated thereunder to be proposed at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, no Shareholder has a material interest in the Supplemental Deed and the transactions contemplated thereunder and shall be required to abstain from voting at the EGM in respect of the relevant resolution(s).

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by way of poll. Therefore, all resolution(s) proposed at the EGM will be voted by poll.

### RECOMMENDATION

The Independent Board Committee, having considered the terms and conditions of the Supplemental Deed and after taking into account the advice from the Independent Financial Advisor, is of the opinion that though the entering into of the Supplemental Deed is not in the ordinary and usual course of business of the Group, the Supplemental Deed was entered into on normal commercial terms and that the terms of the Supplemental Deed are fair and reasonable and in the interests of the Group so far as the Independent Shareholders are

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## LETTER FROM THE BOARD

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concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve, among other things, the Supplemental Deed and the transactions contemplated thereunder.

You are advised to read carefully the letter from the Independent Board Committee set out on pages 12 to 13 of this circular. You are also advised to read carefully the letter from the Independent Financial Advisor on pages 14 to 25 of this circular which contains its advice to the Independent Board Committee.

The Board having taken into account the advice of the Independent Financial Adviser and the Independent Board Committee considers that the terms of the Supplemental Deed are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the members of the Independent Board Committee) recommend the Independent Shareholders to vote in favor of the resolution(s) to be proposed at the EGM to approve the Supplemental Deed and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**GTI Holdings Limited**  
*(Provisional Liquidators Appointed)*  
*(For Restructuring Purposes)*  
**Ng Kwok Hung Perry**  
*Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### GTI HOLDINGS LIMITED

共享集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

**(Stock code: 3344)**

7 June 2021

*To the Independent Shareholders*

Dear Sir or Madam,

#### **CONNECTED TRANSACTION ENTERING INTO SUPPLEMENTAL DEED FOR THE EXTENSION OF TIME FOR THE FULFILLMENT OF PROFIT GUARANTEE**

We refer to the circular of the Company dated 7 June 2021 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall bear the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider whether the terms of the Supplemental Deed and the transactions contemplated thereunder are 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, and to advise the Independent Shareholders on how to vote, taking into account the advice of the Independent Financial Adviser. HeungKong Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 11 of the Circular, and the letter from HeungKong Capital to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of whether the terms of the Supplemental Deed and the transactions contemplated thereunder are 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, and to the Independent Shareholders on how to vote as set out on pages 14 to 25 of the Circular.

Having considered the terms of the Supplemental Deed, the reasons of entering into the Supplemental Deed and the advice of HeungKong Capital, we are of the opinion that though the entering into the Supplemental Deed is not in the ordinary and usual course of business of the Group, the Supplemental Deed and the transactions contemplated thereunder are on

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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normal commercial terms and the terms of the Supplemental Deed are 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 to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Supplemental Deed and the transactions contemplated thereunder.

*Yours faithfully,*

*For and on behalf of the Independent Board Committee*

Mr. Chan Shu Kin  
*Independent  
non-executive  
Director*

Mr. Chung Lim Tung  
*Independent  
non-executive  
Director*

Mr. Ng Ka Lun  
*Independent  
non-executive  
Director*

Mr. Zhou Weijia  
(alias Zhou Yi)  
*Independent  
non-executive  
Director*

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## LETTER FROM HEUNGKONG CAPITAL

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*The following is the full text of a letter of advice from HeungKong Capital to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Deed and the transactions contemplated thereunder prepared for the purpose of inclusion in this circular.*



Suite 622, Ocean Centre  
Harbour City  
Kowloon  
Hong Kong

7 June 2021

*To the Independent Board Committee and the Independent Shareholders of  
GTI Holdings Limited*

Dear Sirs,

### CONNECTED TRANSACTION ENTERING INTO SUPPLEMENTAL DEED FOR THE EXTENSION OF TIME FOR THE FULFILLMENT OF PROFIT GUARANTEE

#### INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed and the transactions contemplated thereunder, details of which are set out in the letter from the board (the “**Board Letter**”) contained in the circular issued by the Company to the Shareholders dated 7 June 2021 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, the Vendor has warranted and guaranteed that the audited consolidated net profit after tax (the “**Audited Net Profit**”) of Zhongcheng Huiyu for the financial years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 shall not be less than RMB23,000,000, RMB28,000,000 and RMB34,000,000 (the “**Original Guaranteed Profit(s)**”) respectively and personal guarantee has been given by the Guarantor to guarantee the performance of the obligations by the Vendor under the Existing Agreements. Pursuant to the Existing Agreements, if the actual Audited Net Profit of Zhongcheng Huiyu for the relevant year is less than the relevant Original Guaranteed Profit, the Vendor shall compensate Great Fortune a sum calculated as follows in cash:

**Compensation amount = (The Original Guaranteed Profit for the relevant year – actual Audited Net Profit for the year) × 66%**

In the event that the actual Audited Net Profit is a negative figure, it shall be deemed as zero.



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## LETTER FROM HEUNGKONG CAPITAL

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Based on the audited financial statements of Zhongcheng Huiyu for the year ended 31 December 2019, the Audited Net Profit was approximately RMB7,207,000 and accordingly, a shortfall of approximately RMB15,793,000 (the “**2019 Shortfall**”) was recorded. In accordance with the Existing Agreements, the Vendor shall compensate Great Fortune in the amount of approximately RMB10,423,000. As at the Latest Practicable Date, the Vendor had paid the compensation amount of RMB7,810,000 to the Group. The remaining amount will be paid by the Vendor and/or the Guarantor on or before 31 July 2021.

The 2019 Shortfall mainly arises from the adversely affected business development of Zhongcheng Huiyu due to the winding up petition filed against the Company in the High Court of Hong Kong in August 2019 which seriously damaged the Group’s image and stopped certain customers (mainly financial institutions in the PRC) of Zhongcheng Huiyu to enter into RMB banknotes clearing up services contracts with them. As most of the customers and potential customers of Zhongcheng Huiyu are financial institutions in the PRC, credibility is an important criterion used by the financial institutions to determine their outsourcing service providers. The winding up petition filed against the Company and the Company’s default in repayment of the bonds cast doubt on the financial position as well as the credibility of the Group. Potential customers adopted a wait-and-see attitude and would consider entering into contracts with Zhongcheng Huiyu until the Group’s financial difficulties had been resolved. As a result, the expansion of services to new financial institutions has been slowed down. As advised by the management of Zhongcheng Huiyu, they understood that certain financial institutions tend not to consider Zhongcheng Huiyu’s tender proposal for new projects. Therefore, Zhongcheng Huiyu did not participate in some tendering processes in order to save costs.

On 29 January 2021, Great Fortune, the Vendor and the Guarantor have entered into the Supplemental Deed for, among others, the extension of time for fulfillment of the agreed guaranteed profit and the amendment of certain terms of the Existing Agreements.

As at the Latest Practicable Date, the Guarantor, as an executive Director, is a connected person of the Company and the Vendor, as the son of the Guarantor, is a connected person of the Company by virtue of being an associate of the Guarantor. The Vendor is interested in 96,100,000 Shares, representing approximately 1.53% of the total issued share capital of the Company, and controlled or were entitled to control over the voting right in respect of his shares in the Company. The Supplemental Deed and the transactions contemplated thereunder constitute a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the requirements of reporting, announcement and the approval of the Independent Shareholders at the EGM.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan Shu Kin, Mr. Chung Lim Tung, Mr. Ng Ka Lun, and Mr. Zhou Weijia (alias Zhou Yi), has been formed to advise the Independent Shareholders as to (i) whether the Supplemental Deed was entered into on normal commercial terms and the terms of the Supplemental Deed are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Supplemental Deed is in the interests of the Group and the Independent Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the Supplemental Deed and the transactions contemplated thereunder at the EGM.

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## LETTER FROM HEUNGKONG CAPITAL

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### OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years prior to the Latest Practicable Date, there was no engagement between the Company and us. Apart from normal advisory fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in respect of the transactions.

### BASIS OF OUR OPINION

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and Management for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the Latest Practicable Date.

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 and belief, 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 where omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and Management, nor have we conducted an independent investigation into the business and affairs of the Group.

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## LETTER FROM HEUNGKONG CAPITAL

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Deed, we have taken into consideration the following factors and reasons:

#### 1. Background and reasons for the Supplemental Deed

##### *Business overview of the Group*

With reference to the Board Letter, the Group is principally engaged in production, sale and trading of textile products (including surgical masks), trading of petroleum and chemical products and RMB banknotes clearing up services.

Set out below is a summary of the audited/unaudited consolidated financial information of the Group for the twelve months ended 31 December 2020 and two years ended 31 December 2019 as extracted from the 2020 second interim report (the “**Interim Report**”) and annual report 2019 (the “**Annual Report**”), respectively:

	<b>For the year ended 31 December 2018 (Audited) HK\$'000</b>	<b>For the year ended 31 December 2019 (Audited) HK\$'000</b>	<b>For the twelve months ended 31 December 2020 (Unaudited) HK\$'000</b>
<b>Revenue</b>	611,052	704,356	319,276
– Production, sale and trading of textile products	285,551	147,946	7,440
– Trading of petroleum and chemical products	324,763	518,627	279,841
– Provision of financial services	738	438	–
– RMB banknotes clearing up services and others	–	37,345	31,995
Gross profit/(loss)	(7,230)	(30,943)	15,753
Loss before income tax	(274,682)	(629,093)	(636,539)
<b>Loss for the year/ period</b>	<b>(275,424)</b>	<b>(632,759)</b>	<b>(641,322)</b>

##### *For the year ended 31 December 2019 vs the year ended 31 December 2018*

As disclosed in the Annual Report, the Group recorded revenue of approximately HK\$704.4 million for the year ended 31 December 2019 (comprising turnover from trading of petroleum and chemical products of approximately HK\$518.6 million and textile business of approximately HK\$147.9 million), represented an increase by 15.3% from approximately HK\$611.1 million for the year ended 31 December 2018, such increase in turnover was mainly driven by the commencement of trading of chemical

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## LETTER FROM HEUNGKONG CAPITAL

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products in 2019. The rapid development of trading of petroleum and chemical products became the major contributor of the growth in turnover of the Group and it represented approximately 73.6% of the Group's total revenue during the year ended 31 December 2019.

On the other hand, the Group recorded a decrease in revenue of textile business of approximately HK\$137.6 million or approximately 48.2%, which was due to an ongoing difficulty in the operating condition.

As for RMB banknotes clearing up services business, the Group recorded revenue of approximately HK\$37.3 million, which represented approximately 5.3% of the Group's total revenue for the year ended 31 December 2019. However, due to the allowance for impairment loss of trade and other receivables of approximately HK\$8.7 million made in the year ended 31 December 2019, the Group achieved a profit of approximately HK\$145,000 on this business segment. Without taking into account of the adjustment of bad debt provision, the profit of RMB banknotes clearing up services business would be approximately HK\$8.8 million.

The loss for the year was approximately HK\$632.8 million for the year ended 31 December 2019, represented the net loss for the year increased by approximately 129.8% from approximately HK\$275.4 million for the year ended 31 December 2018. It was mainly attributable to the continuance of the US-China trade war and the withdrawal of the United Kingdom from the European Union, which added uncertainties to the global economy for 2019 and beyond.

Given that the Group has been loss-making since the year ended 31 December 2014, the Directors believe that it is an opportunity to diversify the business and the RMB banknotes clearing up services business provides a new revenue driver and an opportunity to diversify the business which could lead to a turnaround of the Group's financial performance and financial situation.

### ***For the twelve months ended 31 December 2020 vs the year ended 31 December 2019***

As disclosed in the Interim Report, the Group recorded revenue of approximately HK\$319.3 million (comprising turnover from trading of petroleum and chemical products of approximately HK\$279.8 million, textile business of approximately HK\$7.4 million, and RMB banknotes clearing up services business of approximately HK\$32.0 million), represented a decrease of approximately 54.7% from approximately HK\$704.4 million for the year ended 31 December 2019, such decrease was mainly attributable to combined effects of (i) unfavorable market condition and intensive oil price which resulted in a drop of revenue in the trading of petroleum and chemical products segment; and (ii) stoppage in production in Cambodia due to the suspension in operation of the factory under court order in Cambodia which resulted in a drop of revenue in the textile business segment.

The loss for the period was approximately HK\$641.3 million, represented the net loss for the year increased by approximately 1.4%, from approximately HK\$632.8 million for the year ended 31 December 2019. Due to the continuous loss mentioned

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## LETTER FROM HEUNGKONG CAPITAL

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above, the global economic outlook beyond 2020 will remain highly uncertain. The Directors expect severe setback over the next few months as the textile business in Anhui can only be improved when the pandemic is lifted.

### *Background of Zhongcheng Huiyu and the Acquisition*

With reference to the Board Letter, Zhongcheng Huiyu is principally engaged in the provision of RMB banknotes clearing up services to financial institutions in the PRC. They offered one-stop professional financial outsourcing services for the branches of the People's Bank of China (the "PBOC") and other local commercial banks in the PRC. Upon completion of the Acquisition on 28 December 2018, Zhongcheng Huiyu became a non-wholly owned subsidiary of the Company. Upon completion of the Acquisition, the Group was indirectly interested in 66% of the paid up capital of Zhongcheng Huiyu and the remaining 34% was interested by Liansheng Xinding Financial Information Service (Shanghai) Co., Ltd.\* (聯晟信鼎金融信息服務(上海)有限公司) ("**Liansheng Xinding**"), an Independent Third Party. Upon capital injection made by Harbin Qixin SME Venture Capital Co., Ltd.\* (哈爾濱市企信中小企業創業投資有限公司) ("**Harbin Qixin**") to Zhongcheng Huiyu in 2019 and as at the Latest Practicable Date, the Company is indirectly interested in 51% of the paid up capital of Zhongcheng Huiyu and the remaining 49% of the paid up capital of Zhongcheng Huiyu is interested as to approximately 26.27% by Liansheng Xinding and as to approximately 22.73% by Harbin Qixin. Liansheng Xinding is a fintech service provider and is ultimately owned as to 85% by Li Yuhui and as to 15% by Li Qiuju. Harbin Qixin is principally engaged in carrying out venture capital business with enterprise's own funds and acting as an agent for venture capital investment business of other venture capital enterprises and other institutions etc. and is wholly-owned by Harbin Enterprise Credit Financing Guarantee Service Center\* (哈爾濱市企業信用融資擔保服務中心), which is a public institution in the PRC. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, each of Liansheng Xinding, Harbin Qixin and their respective ultimate beneficial owners is an Independent Third Party.

With reference to the announcement of the Company dated 13 November 2018, Great Fortune entered into the Agreement with the Vendor, in acquiring Zhongcheng Huiyu for a consideration of HK\$101 million. The consideration was determined after arm's length negotiations between Great Fortune and the Vendor principally taking into account, among other things, (i) the historical financial performance of Zhongcheng Huiyu; (ii) the unaudited adjusted consolidated net asset value of Zhongcheng Huiyu as at 30 September 2018; (iii) the opportunity for the Group to diversify its business with the introduction of the RMB banknotes clearing up services; and (iv) the future prospect of the RMB banknotes clearing up services in the PRC. On 24 December 2018, Great Fortune and the Vendor further entered into a supplemental agreement which Mr. Hao Xiangbin, father of the Vendor, agreed to act as the Guarantor to guarantee the performance of the obligations by the Vendor under the agreement. The Vendor guaranteed to Great Fortune that the Audited Net Profit of Zhongcheng Huiyu for the financial years ended/ending 31 December 2019, 31 December 2020 and 31 December 2021 shall not be less than RMB23,000,000, RMB28,000,000 and RMB34,000,000 respectively.

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## LETTER FROM HEUNGKONG CAPITAL

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### *Reasons for the Supplemental Deed*

With reference to the Board Letter, the Company has certain liabilities that have fallen due and is facing legal actions for the repayment of debts. Several bondholders/creditors of the Company have filed winding up petitions against the Company in the High Court of Hong Kong in August 2019 and 2020, which have seriously damaged the Group's image and the credibility in the view of the customers of Zhongcheng Huiyu (i.e. those financial institutions in the PRC). Customers of Zhongcheng Huiyu are mainly financial institutions in the PRC and some of them have withheld their cooperation plans of the RMB banknotes clearing up services business with Zhongcheng Huiyu as a result. The business development as well as the financial performance of Zhongcheng Huiyu have been seriously affected.

The business operation of Zhongcheng Huiyu is further affected by the outbreak of the COVID-19 during 2020 and in early 2021 due to travel restrictions implemented in the PRC. In particular, certain staffs of Zhongcheng Huiyu were unable to work at the Group's offices due to lockdowns and travel restrictions imposed by the government. The Group's communication with internal and external parties were also affected by the working arrangements. Certain operating regions of Zhongcheng Huiyu such as Suihua, Daxinganling, Qiqihar in the Heilongjiang Province were forced to stop in January 2021 due to the outbreak of COVID-19. The operation has gradually resumed after the Chinese New Year in February 2021.

When the Company was aware that the profit guarantee for the year 2020 could not be met, the Company liaised with the Vendor/Guarantor for payment of the compensation. However, the Vendor/Guarantor was of the view that they have already agreed to pay the compensation for the 2019 Shortfall even it was mainly due to the winding up petition filed against the Company and they should not bear the compensation for the 2020 shortfall since the business development and financial performance of Zhongcheng Huiyu were still greatly affected by (i) the unresolved financial distress of the Group since 2019 and (ii) as stated above, the outbreak of COVID-19 in 2020 which further hindered the business operation of Zhongcheng Huiyu.

As advised by the Directors, they are of the view that the 2019 Shortfall was attributable to aforementioned unforeseeable factors which are beyond the control of the Company, the Vendor and the Guarantor. With reference to the Annual Report, the Guarantor, Mr. Hao Xiangbin, is one of the directors and a key management of Zhongcheng Huiyu who has extensive experience in RMB banknotes clearing up services. He has 30 years of experience in the financial industry and has provided valuable contributions to the business development of Zhongcheng Huiyu in the past years by successfully developed 19 RMB banknotes clearing up services centres in the PRC. Claiming the compensation under the Original Guaranteed Profit through legal action might achieve short-term cash flow benefits for the Company if succeeded, but would be time consuming, costly and might even face difficulties given the Company's current financial difficulties and lack of financial resources to pursue legal actions. In addition, litigation would undermine the business relationship among the Company, the Vendor and the Guarantor which would likely to have a long-term impact on the business operation of the RMB banknotes clearing up services business. In considering

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## LETTER FROM HEUNGKONG CAPITAL

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that the Vendor and the Guarantor agreed to increase the amount of the guaranteed profits for the years ending 31 December 2022 and 31 December 2023, the Company agreed to extend the profit guarantee period.

Given that Zhongcheng Huiyu suffered setback to its business development and the 2019 Shortfall was mainly due to unexpected circumstances which were out of the control of the Vendor and the management of Zhongcheng Huiyu, and considering (i) the business prospect of Zhongcheng Huiyu and the potential of the development in the RMB banknotes clearing up services business; and (ii) the upward revision in the amount of the New Guaranteed Profits for the years ending 31 December 2022 and 31 December 2023, upon arm's length negotiation among Great Fortune, the Vendor and the Guarantor, the parties agreed to extend the time for the fulfillment of the Original Guaranteed Profits.

Despite the business of Zhongcheng Huiyu is seriously affected by the winding up petitions against the Company and the outbreak of COVID-19 as discussed above, it still managed to contribute approximately 10.0% of the Group's total revenue for the twelve months ended 31 December 2020 according to the Interim Report. As disclosed in the Interim Report, the revenue of RMB banknotes clearing up services business segment recorded a decrease of approximately 14.3% for the twelve months ended 31 December 2020, which outperformed other business segments of the Group which had an average decrease of 80.3%. We are advised by the management of Zhongcheng Huiyu that (i) the better performance is mainly due to its ability to retain most of its existing customers since the Acquisition as the RMB banknotes clearing up services is an industry with high entry barriers; and (ii) even though Zhongcheng Huiyu could not expand its business as planned, it is still able to maintain the current business relationship due to its extensive experience, credibility and fulfillment of regulatory requirements.

As advised by the Directors and management of Zhongcheng Huiyu, Zhongcheng Huiyu will continue to (i) retain their cooperation plans of the RMB banknotes clearing up services business with financial institutions in the PRC; and (ii) expand its potential customers base in the RMB banknotes clearing up services business to Harbin and Guiyang, and scale up to different cities in the PRC. Thus, the management of Zhongcheng Huiyu is confident that once the Company's financial difficulties are resolved, the businesses of Zhongcheng Huiyu will resume normal and start growing again.

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## LETTER FROM HEUNGKONG CAPITAL

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We have conducted independent research on the operating environment of the RMB banknotes clearing up services business (“**Independent Research**”). With reference to a guidance note\* (銀辦發[2013]14號) published by the PBOC, banks could engage third party service providers for clearing up of banknotes to meet the regulatory requirement of clearing up all the cash circulated by banks. According to the article published by the Technology Department\* (科技司) of PBOC dated 14 December 2018, even though electronic payment has become popular with the advancement of payment technology, cash is still essential and also the fundamental payment method for the public. Therefore, the Currency, Gold and Silver Bureau of the PBOC initiated the drafting of the financial industry standards of “Inappropriate Circulated RMB – Banknotes”\* (《不宜流通人民幣紙幣》), which was implemented on 25 May 2017. The standard sets out strict requirements/standards for the Renminbi banknotes that are appropriate to circulate. Further, with reference to the statistics published by the PBOC, the currency in circulation (M0) of the PRC was approximately RMB8,431.45 billion. Considering that (i) banks could utilise third party service providers for RMB banknotes clearing up services as instructed by the PBOC, (ii) stricter requirements/standards for the appropriateness of the RMB banknotes circulating in the PRC, and (iii) large amount of currency circulating in the PRC, the business prospect of Zhongcheng Huiyu, the potential of the development of the RMB banknotes clearing up services business and the needs in such services remain positive.

We have obtained and reviewed (i) public bidding announcements in relation to the outsourcing of RMB banknotes clearing up and management services published by different banks in the PRC from Procurement Web of PRC Government\* (中國政府採購網) and noted that “good business reputation, adopt sound accounting system, and be qualified and credible” were among the requirements for the service providers, upon our enquiry with the Company and based on the experiences of Zhongcheng Huiyu’s management, should Zhongcheng Huiyu intend to participate in the bid, it must meet the credibility requirements as most of the existing customers of Zhongcheng Huiyu are state-owned enterprises of the PRC which have strict requirements on the credibility of vendors; (ii) service contracts signed between Zhongcheng Huiyu and its existing customers and noted the terms “the service provider must have a good business reputation, adopt sound accounting system, and be qualified and credible” from the signed contracts; and (iii) the full customer list (“**Independent Work-done**”).

Having considered the abovementioned factors, in particular, that (i) Zhongcheng Huiyu has already contributed a sizeable revenue to the Group which contributed 10.0% of the Group’s total revenue for the twelve months ended 31 December 2020; (ii) our Independent Research and Independent Work-done; (iii) the ongoing litigations and the filed winding-up petitions against the Company; (iv) the outbreak of COVID-19 pandemic reduced payments with cash as lockdown measures implemented and the potential of cash being a medium for transmission of coronavirus which caused negative impacts to the business of Zhongcheng Huiyu and led to the 2019 Shortfall; and (v) the future prospects of the Group and Zhongcheng Huiyu, we concur with the Directors’ view that the entering into of the Supplemental Deed is in the interests of the Company and the Shareholders as a whole.



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## LETTER FROM HEUNGKONG CAPITAL

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### 2. Principal terms of the Supplemental Deed

The principal terms of the Supplemental Deed are set out as follow:

- Date:** 29 January 2021
- Parties:**
- (i) Purchaser: Great Fortune, an indirect wholly-owned subsidiary of the Company
  - (iii) Vendor: Mr. Hao Zhao, the son of an executive Director Mr. Hao Xiangbin, therefore a connected person of the Company as at the date of the Supplemental Deed by virtue of being an associate of Mr. Hao Xiangbin
  - (ii) Guarantor: Mr. Hao Xiangbin, an executive Director and the father of the Vendor, a connected person of the Company as at the date of the Supplemental Deed

**Extension of time for fulfillment of the agreed guaranteed profit:** Pursuant to the Supplemental Deed, the Vendor irrevocably warrants and guarantees to Great Fortune that the Audited Net Profit of Zhongcheng Huiyu for the financial year ended 31 December 2019 and for the financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 shall not be less than RMB23,000,000, RMB8,000,000, RMB30,000,000 and RMB36,000,000 respectively and the Guarantor has agreed to guarantee the performance of the obligations by the Vendor under the Agreement (as amended and supplemented by the Supplemental Agreement and the Supplemental Deed).

With reference to the Board Letter, based on the audited financial statements of Zhongcheng Huiyu for the year ended 31 December 2019, the audited consolidated net profit after tax was approximately RMB7,207,000, and accordingly, a shortfall of approximately RMB15,793,000 was recorded. In accordance with the Existing Agreements, the Vendor shall compensate Great Fortune in the amount of approximately RMB10,423,000. As at the Latest Practicable Date, the Vendor had paid the compensation amount of RMB7,810,000 to the Group. The remaining amount will be paid by the Vendor and/or the Guarantor on or before 31 July 2021.

As stated in the Annual Report, the Group planned to develop a new business line of digital currency and related services business and expected the sales of coin machines to commercial banks in the PRC will generate revenue in the coming years. As advised by the Directors, RMB banknotes clearing up services business continues to be the principal business of Zhongcheng Huiyu and the new business line of digital currency and related service business will be developed in the coming years.

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## LETTER FROM HEUNGKONG CAPITAL

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Also, we are advised by the Directors that the Company has been benefiting from the extensive experiences and expertise of the Guarantor, Mr. Hao Xiangbin in the RMB banknotes clearing up services business. Mr. Hao Xiangbin has worked in the management of a number of domestic commercial banks in the PRC and has more than 30 years of experience in the financial industry. He has successfully developed a business currently with 19 RMB banknotes clearing up services centres all over the PRC. Upon our enquiry with the Company, the parties concerned, i.e. the Vendor, Guarantor and Zhongcheng Huiyu, have made reasonable assessment of the business operation of Zhongcheng Huiyu, and are confident to increase the New Guaranteed Profits by RMB2,000,000, from RMB28,000,000 to RMB30,000,000 and from RMB34,000,000 to RMB36,000,000, for the years ending 31 December 2022 and 31 December 2023 respectively. We obtained a business operation report of Zhongcheng Huiyu prepared by its management and we are advised in an interview that the businesses are expected to gradually recover once the Company's financial difficulties are resolved and they are already in the process of negotiating new contracts. Zhongcheng Huiyu also developed a new business of providing banknotes disinfection machine to financial institutions under the COVID-19 pandemic.

Having considered that (i) the current difficult situation for Zhongcheng Huiyu, (ii) it will be time consuming, costly and may even face difficulties given the current circumstances to pursue other actions in relation to the 2019 Shortfall; (iii) the future business prospect of Zhongcheng Huiyu, the potential of the development of the RMB banknotes clearing up services business and the opportunity of the new business line of digital currency and related services; (iv) the upward revision in the amount of the guaranteed profit for the years ending 31 December 2022 and 31 December 2023; (v) the Group is currently undergoing debt restructuring, upon arm's length negotiation between Great Fortune, the Vendor and the Guarantor, parties agreed to extend the time for the fulfillment of the Original Guaranteed Profits; and (vi) the Company could operate normally once the financial difficulties are resolved, we consider the New Guaranteed Profits to be fair and reasonable.

Taking into account the above, though entering into the Supplemental Deed is not in the ordinary and usual course of business of the Group, we concur with the Directors' view that the terms of the Supplemental Deed are on normal commercial terms and are fair and reasonable, and entering into the Supplemental Deed is in the interests of the Group and the Independent Shareholders as a whole.

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## LETTER FROM HEUNGKONG CAPITAL

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### RECOMMENDATION

Having considered the above-mentioned principal factors and reasons, we concur with the Directors' view that (i) the Supplemental Deed was entered into on normal commercial terms and the terms of the Supplemental Deed are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) entering into the Supplemental Deed is in the interests of the Group and the Independent Shareholders as a whole. We would therefore recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution(s) to approve the Supplemental Deed and the transactions contemplated thereunder at the EGM.

Yours faithfully,  
For and on behalf of  
**HeungKong Capital Limited**  
**Robert Shum**  
*Executive Director*

*Mr. Robert Shum is a licensed person under the Securities and Future Ordinance to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and has over 10 years' experience in participating and advising in various initial public offerings and transactions involving companies listed in Hong Kong.*

## 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. DISCLOSURE OF INTERESTS

### (a) Directors and chief executive

As at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company, or any of its associated corporation (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 the directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (“**Model Code**”).

### (b) Substantial Shareholders

As at the Latest Practicable Date, the persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company 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 as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholders	Capacity/nature of interests	Number of ordinary share(s) held	Total interests as percentage of the issued share capital (approximate)
Gold Train Investments Limited (“ <b>Gold Train</b> ”)	Beneficial owner ( <i>Note 1</i> )	3,097,476,000	49.18%
China Great Wall AMC (International) Holdings Company Limited (“ <b>China Great</b> ”)	Security interest ( <i>Note 2</i> )	2,752,332,765	43.70%
Wong Wing Sze Tiffany	Joint and several receivers and managers ( <i>Note 3</i> )	2,752,332,765	43.70%
Yeung Mei Lee	Joint and several receivers and managers ( <i>Note 3</i> )	2,752,332,765	43.70%

*Notes:*

1. The entire issued capital of Gold Train was owned by Mr. Poon Sum, a former Director. Mr. Poon Sum was also the sole director of Gold Train. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Gold Train has been wound up by an order of the High Court on 9 September 2020 with liquidators appointed for Gold Train and over its assets. Gold Train is holding an aggregate of 3,097,476,000 Shares, representing approximately 49.18% of the issued share capital of the Company, of which 2,752,332,765 Shares, representing approximately 43.7% of the issued share capital of the Company, have been received by the joint and several receivers and managers and the liquidators of Gold Train are entitled to control and exercise the voting rights over the remaining 345,143,235 Shares, representing approximately 5.5% of the issued share capital of the Company.
2. China Great, having a security interest in 2,752,332,765 Shares, was interested in 2,752,332,765 Shares by virtue of the SFO, of which China Great filed a winding-up petition and a bankruptcy petition against Gold Train and Mr. Poon Sum respectively. Details were set out in the announcement of the Company dated 19 January 2020.
3. Ms. Wong Wing Sze Tiffany and Ms. Yeung Mei Lee of Alvarez & Marsal Asia Limited were appointed as joint and several receivers and managers over 2,752,332,765 Shares held by Gold Train.

Save as disclosed above, as at the Latest Practicable Date, no other substantial shareholder or person had an interest or short position in the shares or underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

### **3. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors nor any of their respective close associates had interests in businesses, other than being a director of the Group and their respective close associates, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

### **4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Company or any member of the Group within one year without payment of compensation (other than statutory compensation)).

### **5. INTERESTS IN CONTRACTS OR ARRANGEMENT**

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

### **6. INTEREST IN ASSETS**

As at the Latest Practicable Date, none of the Directors and expert referred in the paragraph headed "Qualification and consent of expert" in this appendix had any direct or indirect interest in any asset which, since 31 December 2019 (the date to which the latest published audited financial statements of the Group were made up), had been or were proposed to be acquired or disposed of by, or leased to, the Company or any member of the Group.

**7. MATERIAL ADVERSE CHANGE**

Save and except the Company has certain liabilities that have fallen due and is facing legal actions for the repayment of debts, including four winding up petitions filed against the Company in the High Court and the JPLs has been appointed by the Grand Court of the Cayman Islands on 28 May 2020 on a light touch approach for restructuring purpose, details/status/progress of which have been announced by the Company from time to time, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial and trading position of the Group as at 31 December 2019, the date to which the latest published audited financial statements of the Group were made up.

**8. QUALIFICATION AND CONSENT OF EXPERT**

The following sets out the qualification of the expert who have given opinions, letter or advice included in this circular:

<b>Name</b>	<b>Qualifications</b>
HeungKong Capital	a licensed corporation to carry out type 6 (advising in corporate finance) regulated activity under SFO

The letter or report of HeungKong Capital is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, HeungKong Capital did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019, the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, HeungKong Capital was not interested beneficially or non-beneficially in any shares of the Company or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

HeungKong Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and references to its name in the form and context in which they respectively appear.

**9. GENERAL**

- (a) The secretary of the Company is Mr. Chan Ching, who is member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Unit B, 13/F., Winsan Tower, 98 Thomson Road, Wanchai, Hong Kong.
- (c) The Company's share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) In the event of any inconsistency, the English texts of the circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit B, 13/F., Winsan Tower, 98 Thomson Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the letter from the Board, the text of which is set out in the section headed "Letter from the Board" in this circular;
- (c) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" in this circular;
- (d) the letter from HeungKong Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from HeungKong Capital" in this circular;
- (e) the written consents from HeungKong Capital;
- (f) the Agreement;
- (g) the Supplemental Agreement;
- (h) the Supplemental Deed; and
- (i) this circular.

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## NOTICE OF EGM

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### GTI HOLDINGS LIMITED

共享集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

**(Stock code: 3344)**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “**Meeting**”) of shareholders of GTI Holdings Limited (the “**Company**”) will be held at Function Room 1, 3/F., Mira Place, 118 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 June 2021 at 11 a.m., as special business, to consider and, if thought fit, pass with or without amendments the following resolution as ordinary resolution of the Company:

1. “**THAT:**

- (a) the conditional supplemental deed dated 29 January 2021 (the “**Supplemental Deed**”, details of which are disclosed in the circular of the Company dated 7 June 2021 (the “**Circular**”)) entered into among Great Fortune Development Limited, an indirect wholly-owned subsidiary of the Company, as purchaser, Mr. Hao Zhao as vendor (the “**Vendor**”) and Mr. Hao Xiangbin as guarantor to the Vendor in relation to, the extension of time for the fulfillment of the agreed guaranteed profit and the amendment of certain terms of the conditional sale and purchase agreement dated 13 November 2018 (as amended and supplemented by a supplement agreement dated 24 December 2018) in relation to the acquisition of the entire issued share capital of and loans due by Jiu Zhou Financial Group Co. Ltd. to the Vendor or its associates (a copy of the Supplemental Deed is marked “A” and produced to the Meeting and signed by the chairman of the Meeting (the “**Chairman**”) for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and
- (b) any one or more of the directors of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as he/she/they consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Supplemental Deed and the transactions contemplated thereunder.”

By Order of the Board  
**GTI Holdings Limited**  
*(Provisional Liquidators Appointed)*  
*(For Restructuring Purposes)*  
**Ng Kwok Hung Perry**  
*Executive Director*

Hong Kong, 7 June 2021



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## NOTICE OF EGM

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*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

Unit B, 13/F  
Winsan Tower  
98 Thomson Road  
Wan Chai, Hong Kong

*Notes:*

- (1) The resolution(s) put to the vote at the Meeting will be taken by poll except where the chairman of the Meeting, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted by a show of hands in accordance with the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
- (2) Any member of the Company entitled to attend and vote at the Meeting (or any adjournment thereof) is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
- (3) In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he/she/it so wish and in such event, the form of proxy shall be deemed to be revoked.
- (4) In the case of joint holders of Share(s) of the Company, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such Share(s) as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share(s) shall alone be entitled to vote in respect thereof.
- (5) For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Wednesday, 23 June 2021 to Monday, 28 June 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 22 June 2021.
- (6) In light of the ongoing outbreak of coronavirus ("COVID-19") and in the best interest of protecting the health of Shareholders and other attendees who will attend the Meeting, special precautionary measures will be implemented by the Company, the details of which are as follows:
  - (i) All attendees are required to wear self-prepared surgical mask at all times during their attendance of the Meeting;
  - (ii) All attendees are required to use hand sanitizer gel before entry and compulsory body temperature checks will be conducted before being given access to the Meeting venue;
  - (iii) Seat arrangement will be given at the Meeting venue to maintain an appropriate social distance and the number of attendees at the Meeting will be limited according to the latest regulations announced by the government;
  - (iv) There will be no corporate gift or souvenir distributed and no refreshment will be served at the Meeting; and

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## NOTICE OF EGM

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- (v) Should any attendee refuse to comply with any of the abovementioned measures, the Company reserves the right to deny access of such attendee to the Meeting venue.

*Shareholders are strongly encouraged to appoint the chairman of the Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Meeting in person.*

*Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as appropriate.*

*As at the date of this notice, the Board comprises (i) Mr. Ng Kwok Hung Perry, Mr. Hao Xiangbin and Mr. Tan Teng Hong as executive Directors; and (ii) Mr. Chan Shu Kin, Mr. Chung Lim Tung, Mr. Ng Ka Lun and Mr. Zhou Weijia (alias Zhou Yi) as independent non-executive Directors.*