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## **Wan Kei Group Holdings Limited**

### **宏基集團控股有限公司**

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

**(Stock Code: 1718)**

## **PROPOSED SHARE CONSOLIDATION**

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1 each.

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 5,000 Consolidated Shares. Based on the closing price of HK\$0.100 per Existing Share (equivalent to HK\$1.00 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$5,000.

### **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Monday, 30 October 2023.

**Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of its conditions. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

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### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000, divided into 2,000,000,000 Existing Shares of HK\$0.01 each, of which 960,000,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Immediately upon the Share Consolidation becoming effective and assuming there will be no change in the issued share capital of the Company from the date of this announcement and up to the effective date of the Share Consolidation, the authorised share capital of the Company shall be HK\$20,000,000, divided into 200,000,000 Consolidated Shares of HK\$0.1 each, of which 96,000,000 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in the same class.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

### **Outstanding options, warrants or other securities**

As at the date of this announcement, the Company does not have any outstanding options, warrants or other securities in issue which are convertible or exchangeable into the Existing Shares.

### **Conditions of the Share Consolidation**

The implementation of the Share Consolidation is conditional upon the fulfilment of the following:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Wednesday, 22 November 2023 subject to the fulfilment of the above conditions.

### **Listing Application**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation being effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **REASONS FOR THE SHARE CONSOLIDATION**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The Guide on Trading Arrangements has further stated that (i) market price of the Shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Based on the closing price of HK\$0.100 per Existing Share as at the date of this announcement, and the board lot size of 5,000 Existing Share, the board lot value of Existing Shares is HK\$500, which is lower than HK\$2,000. After the Share Consolidation becoming effective, the estimated board lot value of the Consolidated Shares will be HK\$5,000. As such, the Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks or securities houses will charge a minimum transaction costs for each securities trade. In addition, the Board considers that the corresponding upward adjustment in the trading price per Consolidated Share as a result of the Share Consolidation will make investing in the shares of the Company more attractive to a broader range of investors, and thus further broaden the shareholder base of the Company.

The Company believes the Share Consolidation will not have any material adverse effect on the financial position of the Company nor result in change in the relative rights of the Shareholders.

In view of the above reasons, the Company is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months. However, the Directors will not rule out any fundraising activities they may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development. The Directors will carefully consider the likely impact on the Shareholders before they will proceed on any fundraising exercises and make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

## **NO CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 5,000 Consolidated Shares. Based on the closing price of HK\$0.100 per Existing Share (equivalent to HK\$1.00 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 5,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$5,000.

## **OTHER ARRANGEMENTS**

### **Fractional entitlement to Consolidated Shares**

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

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

**Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.**

### **Exchange of certificates for Consolidated Shares**

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 22 November 2023, Shareholders may on or after Wednesday, 22 November 2023 and until Tuesday, 2 January 2024 (both days inclusive), submit their existing share certificates in purple colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates in blue colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.5 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar for exchange of new share certificates.

After 4:10 p.m. on Thursday, 28 December 2023, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Existing share certificates in purple colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title, and may be exchanged for share certificates for the Consolidated Shares at any time at the expense of the Shareholders.

## **EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the EGM ..... On or before  
Monday, 30 October 2023

Latest time for lodging transfers of shares in order to  
qualify for attendance and voting at the EGM ..... 4:30 p.m. on  
Tuesday, 14 November 2023

Closure of register of members for entitlement  
to attend and vote at the EGM ..... Wednesday, 15 November 2023 to  
Monday, 20 November 2023  
(both days inclusive)

Latest time for lodging forms of proxy for the EGM ..... 2:30 p.m. on  
Saturday, 18 November 2023

Date and time of the EGM ..... 2:30 p.m. on  
Monday, 20 November 2023

Publication of the announcement of the results of the EGM. .... Monday, 20 November 2023

***The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.***

Effective date of the Share Consolidation . . . . .	Wednesday, 22 November 2023
First day of free exchange of Existing Share certificates for new share certificates for Consolidated Shares. . . . .	Wednesday, 22 November 2023
Dealing in the Consolidated Shares commences. . . . .	9:00 a.m. on Wednesday, 22 November 2023
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of Existing Share certificates) temporarily closes. . . . .	9:00 a.m. on Wednesday, 22 November 2023
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of Existing Share certificates) opens. . . . .	9:00 a.m. on Wednesday, 22 November 2023
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens. . . . .	9:00 a.m. on Wednesday, 6 December 2023
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and Existing Share certificates) commences . . . . .	9:00 a.m. on Wednesday, 6 December 2023
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares. . . . .	9:00 a.m. on Wednesday, 6 December 2023
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares. . . . .	4:00 p.m. on Thursday, 28 December 2023
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of Existing Share certificates) closes . . . . .	4:10 p.m. on Thursday, 28 December 2023

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and Existing Share certificates) ends. . . . . 4:10 p.m. on Thursday, 28 December 2023

Last day for free exchange of Existing Share certificates for new share certificates for the Consolidated Shares. . . . . 4:30 p.m. on Tuesday, 2 January 2024

## GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further detail of the proposed Share Consolidation and the notice convening the EGM is expected to be despatched to the Shareholders on or before Monday, 30 October 2023.

**Shareholders should take note that the Share Consolidation is conditional upon the fulfilment of its conditions. Therefore, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time



“Company”	Wan Kei Group Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability whose shares are listed on the Stock Exchange (stock code: 1718)
“Consolidated Share(s)”	ordinary share(s) which will have a par value of HK\$0.1 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
“Existing Share(s)”	ordinary share(s) currently having a par value of HK\$0.01 each in the share capital of the Company before the implementation of the Share Consolidation
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Guide on Trading Arrangements”	the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s), or as the context may require, the Consolidated Share(s)

“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1
“Shareholder(s)”	registered holder(s) of the Existing Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**Wan Kei Group Holdings Limited**  
**Yan Shuai**  
*Chairman*

Hong Kong, 13 October 2023

*As at the date of this announcement, the executive Directors are Mr. Yan Shuai, Mr. Zhu Jiayu and Mr. Bai Huawei; the non-executive Directors are Mr. Zhang Zhenyi and Mr. Chui Kwong Kau; and the independent non-executive Directors are Mr. Lo Wa Kei Roy, Mr. Eric Todd, Mr. Jiang Senlin and Mr. Zhang Yi.*