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JIADING INTERNATIONAL GROUP HOLDINGS LIMITED

嘉鼎國際集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 08153)

PROPOSED CAPITAL REORGANIZATION AND CHANGE IN BOARD LOT SIZE

Capital Reorganization

The Company proposed to implement the Capital Reorganization which involves (i) the Share Consolidation on the basis that every 20 issued Shares of par value HK\$0.004 each will be consolidated into 1 issued Consolidated Share of par value HK\$0.08 each; (ii) the Capital Reduction whereby the total number of issued Consolidated Shares resulting from the Share Consolidation shall be rounded down to the nearest whole number by cancelling any fraction of a Consolidated Share in the total number of issued Consolidated Shares of the Company and the reduction of the par value of each issued Consolidated Share from HK\$0.08 to HK\$0.0001; and (iii) the sub-division of each authorized but unissued Share into 40 New Shares of par value HK\$0.0001 each.

The Capital Reorganization is conditional upon, among others, the Shareholders' approval at the SGM.

Change in Board Lot Size

The Board proposed to change the board lot size for trading in the Shares from 20,000 Shares to 10,000 New Shares conditional upon the Capital Reorganization becoming effective.

SGM and circular

A circular containing further information on the Capital Reorganization and Change in Board Lot Size and the notice of the SGM will be dispatched to the Shareholders on or before 29 April 2024.

CAPITAL REORGANIZATION

The Directors proposed to reorganize the share capital of the Company in the following manner:

1. the Shares will be consolidated on the basis that every 20 issued Shares of par value HK\$0.004 each will be consolidated into 1 issued Consolidated Share of par value HK\$0.08 each;
2. immediately after the Share Consolidation becomes effective, the total number of issued Consolidated Shares shall be rounded down to the nearest whole number by cancelling any fraction of a Consolidated Share in the total number of issued Consolidated Shares of the Company resulting from the Share Consolidation and the par value of each issued Consolidated Share of HK\$0.08 will be reduced to HK\$0.0001 by cancelling the paid-up share capital to the extent of HK\$0.0799 on each issued Consolidated Share;
3. immediately after the Capital Reduction becomes effective, each authorized but unissued Share will be sub-divided into 40 New Shares of par value HK\$0.0001 each;
4. the credit arising from the Capital Reduction be transferred to the Contributed Surplus Account; and
5. the amount standing to the credit of the Contributed Surplus Account be applied in any manner as may be permitted under the Company's bye-laws, the Companies Act and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time and/or paying dividend and/or making any other distribution out of the Contributed Surplus Account from time to time without further authorisation from the Shareholders.

Fractional New Shares will be disregarded and not issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional New Shares will only arise in respect of the entire shareholding of a holder of the New Shares regardless of the number of share certificates held by such holder.

Effects of the Capital Reorganization

As at the date of this announcement, the authorized share capital of the Company consist of HK\$100,000,000 divided into 25,000,000,000 Shares of par value HK\$0.004 each, of which 1,834,136,305 Shares are in issue and fully paid. After the Capital Reorganization becoming effective, the authorized share capital in ordinary shares of the Company will be HK\$100,000,000 divided into 1,000,000,000,000 New Shares of par value HK\$0.0001 each, of which 91,706,815 New Shares will have been issued and fully paid.

The New Shares will rank pari passu in all respects with each other in accordance with the Company's memorandum and bye-laws. Other than the expenses to be incurred in relation to the Capital Reorganization, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional New Shares which may arise.

As at the date of this announcement, the Company has no intention to carry out other corporate action or arrangement in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and there is no agreement, arrangement, understanding and negotiation (concluded or otherwise) entered into by the Company for any potential fund raising activities in the next 12 months. However, the Board does not rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

Conditions of the Capital Reorganization

The Capital Reorganization is conditional upon the following:

- (1) the passing of a special resolution by the Shareholders to approve the Capital Reorganization at the SGM;
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares to be in issue; and
- (3) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda and the GEM Listing Rules to effect the Capital Reorganization.

Listing application

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares to be in issue upon the Capital Reorganization taking effect.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing in the New 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the New Shares to be admitted into CCASS established and operated by HKSCC.

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

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has outstanding options granted under the Terminated Option Scheme having the right to subscribe for 68,134,239 Shares. The Company will engage the auditors of the Company or an independent financial advisor to determine according to the Terminated Option Scheme any adjustments required to be made in respect of the exercise price and/or the number of shares subject to the options as a result of the Capital Reorganization. The Company will make further announcements about the adjustments in due course. Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are currently traded on the Stock Exchange in the board lot size of 20,000 Shares. Conditional upon the Capital Reorganisation becoming effective, the Board proposed to change the board lot size for trading in the New Shares to 10,000 New Shares.

Based on the closing price of HK\$0.017 per Share (equivalent to the theoretical closing price of HK\$0.34 per New Share) on 11 April 2024, (i) the market value of each board lot of 20,000 Shares is HK\$340; (ii) the market value of each board lot of 20,000 New Shares would be HK\$6,800, upon the Capital Reorganization becoming effective; and (iii) the market value of each board lot of 10,000 New Shares would be HK\$3,400 upon the Change in Board Lot Size becoming effective.

REASONS FOR THE CAPITAL REORGANIZATION AND CHANGE IN BOARD LOT SIZE

According to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. According to 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, (i) any trading price less than HK\$0.10 will be considered as approaching the extremities of HK\$0.01; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Company’s share prices have remained below HK\$0.10 and the value of each board lot has remained below HK\$2,000 for the past 6 months. In view of the prolonged period of share prices approaching extremity, the proposed Share Consolidation is justified to increase the corresponding share prices and to facilitate trading activities.

In addition, the Company is prohibited from issuing new shares at below their par value under the Company’s bye-laws and the Companies Act. The Capital Reduction will give the Company greater flexibility in pricing any future issue of shares.

The Change in Board Lot Size will lower the value of each board lot and attract more investors and broaden its Shareholder base, thus enhance the liquidity in trading of the New Shares.

Based on the closing share price of HK\$0.017 on 11 April 2024, the proposed Capital Reorganization and Change in Board Lot Size will result in the increase of the value of each board lot from HK\$340 to HK\$3,400.

Accordingly, the Board is of the view that the Capital Reorganization and Change in Board Lot Size are in the interest of the Company and the Shareholders as a whole.

ARRANGEMENT ON ODD LOT TRADING

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

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

EXCHANGE OF SHARE CERTIFICATES

The new share certificates will be in the colour of orange in order to distinguish them from the existing share certificates which are blue in colour. Subject to the Capital Reorganization becoming effective, Shareholders may during the prescribed period submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for certificates of the New Shares (on the basis of 20 existing Shares for 1 New Share) within the prescribed time. Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders.

Subject to the Capital Reorganization becoming effective, after 4:10 p.m. on 25 June 2024, trading will only be in New Shares and existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for share certificates for New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganization and Change in Board Lot Size:

Despatch of circular with notice of SGM	On or before Monday, 29 April 2024
Latest time for lodging transfers of Shares in order to qualify for SGM	4:30 p.m. on Friday, 10 May 2024
Register of members closes (both days inclusive)	From Monday, 13 May 2024 to Friday, 17 May 2024
Latest time for lodging proxy form	11:00 a.m. on Wednesday, 15 May 2024
Record date for SGM	Friday, 17 May 2024
Date of SGM	11:00 a.m. on Friday, 17 May 2024
Announcement on results of SGM	Friday, 17 May 2024
Register of members re-opens	Monday, 20 May 2024
Effective date for the Capital Reorganization	9:00 a.m. on Tuesday, 21 May 2024
First day for free exchange of existing share certificates for new share certificates	Tuesday, 21 May 2024
Dealing in New Shares commences	9:00 a.m. on Tuesday, 21 May 2024
Original counter for trading in Shares in board lots of 20,000 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 21 May 2024
Temporary counter for trading in New Shares in board lots of 1,000 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 21 May 2024

Original counter for trading in New Shares in board lots of 10,000 New Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 4 June 2024
Parallel trading in New Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Tuesday, 4 June 2024
Designated broker starts to stand in the market to provide matching services for odd lots of New Shares	9:00 a.m. on Tuesday, 4 June 2024
Designated broker ceases to stand in the market to provide matching services for odd lots of New Shares	4:00 p.m. on Tuesday, 25 June 2024
Temporary counter for trading in New Shares in board lots of 1,000 New Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 25 June 2024
Parallel trading in New Shares in the form of new share certificates and existing share certificates closes	4:10 p.m. on Tuesday, 25 June 2024
Last day for free exchange of existing share certificates for new share certificates	Thursday, 27 June 2024

The expected timetable set out above is subject to the results of the SGM and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates.

SGM AND CIRCULAR

The Capital Reorganization is subject to, among others, the Shareholders' approval at the SGM. A circular containing further information on the Capital Reorganization and Change in Board Lot Size and the notice of the SGM will be dispatched to the Shareholders on or before 29 April 2024.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Reduction”	the proposed capital reduction whereby the total number of issued Consolidated Shares resulting from the Share Consolidation shall be rounded down to the nearest whole number by cancelling any fraction of a Consolidated Share in the total number of issued Consolidated Shares of the Company and a reduction of the par value of each issued Consolidated Share from HK\$0.08 to HK\$0.0001 by cancelling the paid-up share capital to the extent of HK\$0.0799 on each issued Consolidated Share
“Capital Reorganization”	the proposed capital reorganization of the Company’s share capital involving (i) the Share Consolidation; (ii) the Capital Reduction; and (iii) the Sub-division
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system
“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 from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Shares to 10,000 New Shares
“Companies Act”	the Companies Act 1981 of Bermuda in effect from time to time, as amended from time to time
“Company”	Jiading International Group Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“Consolidated Shares”	ordinary share(s) of par value HK\$0.08 each in the issued share capital of the Company after the Share Consolidation becoming effective but before the Capital Reduction becoming effective

“Contributed Surplus Account”	the account designated as the contributed surplus account of the Company within the meaning of the Companies Act
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being 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
“New Shares”	ordinary share(s) of par value HK\$0.0001 each in the share capital of the Company after the Capital Reorganization becoming effective
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganization
“Shareholder(s)”	the holder(s) of the Shares and/or New Shares
“Share(s)”	ordinary share(s) of par value HK\$0.004 each in the authorized share capital of the Company prior to the Capital Reorganization becoming effective

“Share Consolidation”	the proposed consolidation of every 20 issued Shares into 1 Consolidated Share in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the proposed sub-division of each authorized but unissued Share into 40 New Shares of par value HK\$0.0001 each
“Terminated Option Scheme”	the Company’s share option scheme adopted on 27 March 2020 and terminated on 6 April 2023
“%”	per cent

By Order of the Board of
Jiading International Group Holdings Limited
Mou Zhongwei
Chairman

Hong Kong, 12 April 2024

As of the date of this announcement, the executive Directors are Mr. Mou Zhongwei and Mr. Li Guangying; the non-executive Directors are Ms. Wang Dongmei and Ms. Liu Ying; and the independent non-executive Directors are Mr. Luo Ji, Mr. Lui Chi Kin and Mr. Shin Ho Chuen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website <http://www.hkexnews.hk> for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://jiadingint.com>.