

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

MOS HOUSE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1653)

PROPOSED SHARE CONSOLIDATION

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of HK\$0.1 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the AGM.

GENERAL

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the AGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution relating to the proposed Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation and the notice convening the AGM and related proxy form is expected to be despatched to the Shareholders on or about Thursday, 30 July 2020.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" below. Accordingly, the Share Consolidation may or may not proceed.

Shareholders or potential investors should also note that (i) significant number of odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

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 will be consolidated into one (1) Consolidated Share of HK\$0.1 each in the share capital of the Company:

Conditions of the proposed Share Consolidation

The Share Consolidation is conditional upon the following conditions:

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

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the Effective Date, i.e. being the second Business Day immediately after the date of passing of the ordinary resolution approving the Share Consolidation at the AGM.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Existing Shares with par value of HK\$0.01 each.

Upon the Share Consolidation becoming effective and assuming that no changes on the authorized share capital of the Company from the date hereof until the Effective Date, the authorised share capital of the Company will become HK\$50,000,000 divided into 500,000,000 Consolidated Shares with par value of HK\$0.1 each.

As at the date of this announcement, 2,400,000,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares will be issued or repurchased from the date hereof until the Effective Date, 240,000,000 Consolidated Shares will be in issue. The Company has no outstanding convertible bonds, share options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Company's articles of association. 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 shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares that arise from the Share Consolidation which will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

Application for listing of the Consolidated Shares

An 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 Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or 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 in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Board lot size

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 20,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 20,000 Shares. Based on the closing price of HK\$0.069 per Share as quoted on the Stock Exchange at the date of this announcement, the value for each board lot of 20,000 Existing Shares was HK\$1,380 and the theoretical market value for each board lot of 20,000 Consolidated Shares assuming the Share Consolidation had become effective, would be HK\$13,800.

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 of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts 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 of the Company.

Holdings 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 share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 4 September 2020, being the second Business Day immediately after the date of the AGM, the Shareholders may during the period from Friday, 4 September 2020 and up to 4:00 p.m. on Wednesday, 14 October 2020 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of light blue) to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of light yellow) at the expense of the Company.

Thereafter, share certificates for the Existing Shares 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) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:00 p.m. on Wednesday, 14 October 2020, trading will only be in Consolidated Shares. Share certificates for the Existing Shares will continue to remain good evidence of legal title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

According to rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. 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 30 August 2019 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.

The share price of the Company has been below HK\$0.1 and the existing board lot value of Existing Shares has been below HK\$2,000 for most of the time during the past 12 months. The Board considers that the proposed Share Consolidation, resulting in HK\$0.69 per Consolidated Share and HK\$13,800 per board lot of Consolidated Shares (based on the current closing price of HK\$0.069 per Existing Share as at the date of the announcement), would enable the Company to avoid the occurrence of non-compliance with the trading requirements under the Listing Rules. Further, the Share Consolidation would 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/securities houses will charge a minimum transaction costs for each securities trade. It is expected that the Share Consolidation will increase the value of each board lot of the Consolidated Shares to more than HK\$2,000. Accordingly, the Board considers that the Share Consolidation is a feasible option.

The Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors and to extend the shareholder base of the Company. It is also considered that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company. The Directors also believe that the Share Consolidation will provide greater opportunity for and more flexibility in the Company’s possible equity fund raising in the future. As at the date of this announcement, there is no understanding, agreement or arrangement for any such fund raising activity nor is there any plan or conclusion for the format of any such corporate actions or arrangements for such fund raising for the next twelve months.

The Board 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 and are in the interests of the Company and the Shareholders as a whole.

Shareholders or potential investors should note that (i) significant number of odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

EXPECTED TIMETABLE

Event	Time and Date
Despatch date of circular with notice of the AGM	Thursday, 30 July 2020
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the AGM.....	4:30 p.m. on Thursday, 27 August 2020
Closure of the register of members for the entitlement to attend and vote at the AGM (both days inclusive).....	Friday, 28 August 2020 to Wednesday, 2 September 2020
Latest date and time for lodging the proxy forms for the AGM.....	11:00 a.m. on Monday, 31 August 2020
Date and time of the AGM	11:00 a.m. on Wednesday, 2 September 2020
Publication of announcement of voting results of the AGM...	Wednesday, 2 September 2020
Effective date of the Share Consolidation	Friday, 4 September 2020
Dealing in the Consolidated Shares commences.....	9:00 a.m. on Friday, 4 September 2020
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 4 September 2020
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares temporarily closes.....	9:00 a.m. on Friday, 4 September 2020
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 4 September 2020
Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 18 September 2020
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Friday, 18 September 2020

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Friday, 18 September 2020

Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on Monday, 12 October 2020

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends 4:10 p.m. on Monday, 12 October 2020

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:10 p.m. on Monday, 12 October 2020

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Wednesday, 14 October 2020

The expected timetable set out above is subject to the result of relevant resolution of the AGM and is therefore for indicative purpose only. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The Share Consolidation is conditional upon, among other things, the passing of an ordinary resolution by the Shareholders at the AGM and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as none of the Shareholders or their associates would have a material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution relating to the proposed Share Consolidation.

A circular containing, among other things, details of the Share Consolidation and the notice convening the AGM is expected to be despatched to the Shareholders on or about Thursday, 30 July 2020.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraphs headed "Conditions of the proposed Share Consolidation" above. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company to be held at 50/F, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong at 11:00 a.m. on Wednesday, 2 September 2020
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system, which is established and operated by the 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 from time to time
“Company”	MOS House Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1653)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Share Consolidation shall become effective, being the second Business Day immediately after the date of the passing of the ordinary resolution approving the Share Consolidation at the AGM
“Existing Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective

“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\$”	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 Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case maybe
“Shareholders”	holder(s) of the issued Shares
“Share Consolidation”	the share consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
MOS House Group Limited
Simon Tso
Chairman

Hong Kong, 17 July 2020

As at the date of this announcement, the Board comprises of two executive Directors, namely Mr. Simon Tso and Ms. Tsui To Fei and three independent non-executive Directors, namely Mr. Ho Wing Tim, Mr. Ng Wang To and Ms. Law Chui Yuk.

This announcement, 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 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.