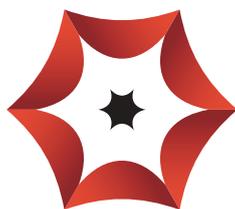


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China Jicheng Holdings Limited
中國集成控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1027)

PROPOSED SHARE CONSOLIDATION

PROPOSED SHARE CONSOLIDATION

The Board proposes that every twenty (20) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 3,786,000,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 189,300,000 Consolidated Shares in issue which are fully paid or credited as fully paid.

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 15 June 2020.

PROPOSED SHARE CONSOLIDATION

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Effects of the Share Consolidation

As at the date of this announcement, there are 3,786,000,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 189,300,000 Consolidated Shares in issue which are fully paid or credited as fully paid.

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 753,600,000 Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

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

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.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (ii) the Listing Committee of 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.

The Share Consolidation will become effective on the second Business Day immediately following 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, 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 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 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.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of 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 Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of 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 stated that market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules.

Taking into account of the closing price of HK\$0.021 per Share on 18 May 2020 (being the date of this announcement), the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules.

The Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot 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 Listing Rules as and when appropriate.

The Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares 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 of the Company 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 Monday, 6 July 2020, being the Second Business Day immediately after the date of the EGM, Shareholders may on or after Monday, 6 July 2020 and until Tuesday, 11 August 2020 (both days inclusive), submit their existing share certificates in purple colour for the Existing Shares to the Company's branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates in light green colour for the Consolidated Shares at the expense of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the share registrar of the Company for exchange. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

After 4:10 p.m. on Friday, 7 August 2020, trading will only be in Consolidated Shares which share certificates will be issued in light green colour. Existing share certificates in purple for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

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, 15 June

Closure of register of members for determining
the entitlement to attend and
vote at the EGM (both dates inclusive) Friday, 26 June to Thursday, 2 July

Latest time for lodging forms of proxy for the EGM. 11:00 a.m. on Tuesday, 30 June

Date and time of the EGM. 11:00 a.m. on Thursday, 2 July

Announcement of voting results of the EGM Thursday, 2 July

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 Monday, 6 July

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares Monday, 6 July

Dealing in the Consolidated Shares commences 9:00 a.m. on Monday, 6 July

Original counter for trading in the Existing Shares
in board lots of 10,000 Existing Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m. on Monday, 6 July

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 Monday, 6 July

Original counter for trading in the Consolidated Shares
in board lots of 10,000 Consolidated Shares
(in the form of new share certificates
for the Consolidation Shares) re-opens 9:00 a.m. on Monday, 20 July

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 Monday, 20 July

Designated broker starts to stand in the market to
provide matching services for odd lots of
the Consolidated Shares 9:00 a.m. on Monday, 20 July

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 Friday, 7 August

Parallel trading in the Consolidated Shares (in the form of
new share certificates for the Consolidation Shares and
existing share certificates) ends 4:10 p.m. on Friday, 7 August

Designated broker ceases to stand in the market to
provide matching services for odd lots of
the Consolidated Shares 4:10 p.m. on Friday, 7 August

Last day for free exchange of existing share certificates
for new share certificates for the Consolidated Shares Tuesday, 11 August

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 15 June 2020.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted 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
“Company”	China Jicheng Holdings Limited, a company with limited liability incorporated under the laws of the Cayman Islands and the issued shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.032 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be held to consider the ordinary resolution to be proposed to approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.0016 each in the existing capital of the Company before the Share Consolidation becoming effective
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Option(s)”	share option(s) granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted on 23 January 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
China Jicheng Holdings Limited
Huang Wenji
Chairman

Fujian Province, the PRC, 18 May 2020

As at the date of this announcement, the executive Directors are Huang Wenji, Yang Guang, Lin Zhenshuang and Chung Kin Hung, Kenneth; and the independent non-executive Directors are Tso Sze Wai, Yang Xuetai and Lee Kit Ying, Winnie.