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Wise Ally International Holdings Limited

麗年國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9918)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.2. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders by way of ordinary resolution at the EGM.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 8,000 Existing Shares. Subject to the Share Consolidation becoming effective, the Board proposes to change the board lot size for trading on the Stock Exchange from 8,000 Existing Shares to 2,000 Consolidated Shares.

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, details of the Share Consolidation and a notice convening the EGM is expected to be despatched to the Shareholders on or before Monday, 29 August 2022.

Shareholders and potential investors of the Company should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

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

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.2.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions being fulfilled:

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

The Share Consolidation is expected to become effective on the second Business Day immediately following the fulfillment of the above conditions (i.e. 16 September 2022).

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each, of which 2,000,000,000 Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no further Consolidated Shares will be allotted and issued or repurchased or surrendered prior thereto, the authorised share capital of the Company will remain at HK\$100,000,000 but will be divided into 500,000,000 Consolidated Shares of par value of HK\$0.2 each, of which 100,000,000 Consolidated Shares will be in issue as fully paid or credited as fully paid.

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

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof 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 to which Shareholders may be entitled.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

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 exchanges other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to the 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.

Odd lot arrangements

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, for the sale and purchase of odd lots of the Consolidated Shares arising from the Share Consolidation. Details of such arrangement will be set out in the circular in relation to, among other things, the Share Consolidation to be despatched to the Shareholders as soon as practicable.

Shareholders holding 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. Details of the matching service will be set out in the circular to be despatched to the Shareholders.

Exchange of share certificates

Should the Share Consolidation become effective, Shareholders may, during the period from 16 September 2022 to 25 October 2022 (both days inclusive), submit existing share certificates in pale blue colour for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange, at the expense of the Company, for new share certificates in green colour for Consolidated Shares.

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 branch share registrar and transfer office of the Company for exchange.

Thereafter, share certificates for 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 allowed by the Stock Exchange) for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever the number of share certificates involved is higher.

Subject to and upon the Share Consolidation becoming effective, after close of business on Friday, 21 October 2022, trading will only be in Consolidated Shares which share certificates will be issued in green colour. Existing share certificates in pale blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will continue to be good evidence of legal title and may be exchanged for share certificates for the Consolidated Shares at any time at the expense of the Shareholders.

Adjustments in relation to other securities of the Company

Under the relevant terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the number of shares falling to be issued, the method of exercise of the share options and the exercise price upon exercise of the Share Options pursuant to the terms thereof. Since the adoption date of the Share Option Scheme and up to the date of this announcement, no Share Option has been granted by the Company under the Share Option Scheme. The Company will make further announcement(s) on the grant of the Share Options or such adjustment(s) to the Share Options as and when appropriate pursuant to the Listing Rules.

Save as disclosed above, as at the date of this announcement, the Company has no outstanding options, derivatives, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED 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 8,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 8,000 Existing Shares to 2,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.09 per Existing Share (equivalent to the theoretical closing price of HK\$1.80 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$720; (ii) the value of each board lot of 8,000 Consolidated Shares would be HK\$14,400 on the assumption that the Share Consolidation becomes effective; and (iii) the value of each board lot of 2,000 Consolidated Shares would be HK\$3,600 on the assumption that the Change in Board Lot Size has also become effective.

The Change in Board Lot Size will not result in any change in relative rights of the Shareholders.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

According 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 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 has further stated that market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules.

In view that the Shares had been traded at around or below HK\$0.10 at most of the time in the past 12 months, except from 5 August 2021 to 21 September 2021 (based on the closing price per Share as quoted on the Stock Exchange), the Board proposes to implement the Share Consolidation and Change in Board Lot Size. The proposed Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Company believes that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors, and thus further broaden the shareholder base of the Company.

Furthermore, it is expected that the Share Consolidation will substantially increase the value of each board lot if the board lot size remains unchanged at 8,000 Consolidated Shares. The Company considers that the proposed Change in Board Lot Size will help maintain the trading amount for each board lot at a reasonable level and attract more investors and increase the liquidity of the Shares. The Company considered that the expected market value of each board lot of HK\$3,600 (based on the theoretical closing price of HK\$1.80 per Consolidated Share) after the Share Consolidation and the Change in Board Lot Size becoming effective is at a reasonable level for the following reasons: (i) if the expected market value of each board lot is set at a higher level, it may reduce potential investors' interest in acquiring the Shares and as a result decrease the liquidity of the Shares; and (ii) it enables the Company to comply with the Guide on Trading Arrangements which requires the expected board lot value to be greater than HK\$2,000.

In view of the above reasons, the Company considers the Share Consolidation and Change in Board Lot Size are justifiable. Accordingly, the Company is of the view that the Share Consolidation and the Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company does not have any intention nor has any concrete plans to carry out other corporate actions or conduct any equity fundraising activity which may have an effect of undermining or negating the intended purpose of the Share Consolidation in the next 12 months.

EXPECTED TIMETABLE

The expected timetable of the proposed Share Consolidation and Change in Board Lot Size is as follows:

Events	Time and Date 2022
Expected date of despatch of the circular with notice and proxy form of the EGM	Monday, 29 August
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Wednesday, 7 September
Closure of register of members for the entitlement to attend and vote at the EGM	Thursday, 8 September to Wednesday, 14 September (both days inclusive)
Latest date and time for lodging forms of proxy for the EGM	10:30 a.m. on Monday, 12 September
Date and time of the EGM	10:30 a.m. on Wednesday, 14 September
Announcement of voting results of the EGM	Wednesday, 14 September

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation as set out in this announcement:

Expected effective date of the Share Consolidation	Friday, 16 September
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 16 September
Commencement of dealings in Consolidated Shares	9:00 a.m. on Friday, 16 September

Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares (in the form of existing share certificates in pale blue colour) temporarily closes 9:00 a.m. on Friday, 16 September

Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates in pale blue colour) opens. 9:00 a.m. on Friday, 16 September

Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates in green colour) re-opens 9:00 a.m. on Friday, 30 September

Parallel trading in the Consolidated Shares (in the form of new share certificates in green colour and existing share certificates in pale blue colour) commences 9:00 a.m. on Friday, 30 September

Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares 9:00 a.m. on Friday, 30 September

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on Friday, 21 October

Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates in pale blue colour) closes 4:10 p.m. on Friday, 21 October

Parallel trading in the Consolidated Shares (in the form of new share certificates in green colour and existing share certificates in pale blue colour) ends. 4:10 p.m. on Friday, 21 October

Last day for free exchange of existing share certificates for new share certificates Tuesday, 25 October

All times and dates specified in the timetable above refer to Hong Kong times and dates.

The timetable is indicative only and may be extended or varied. Any change to the expected timetable above will be announced by the Company as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. In compliance with the Listing Rules, all resolutions will be voted on by way of poll at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder would have a material interest in the Share Consolidation which is different from other Shareholders, and no Shareholder should be required to abstain from voting on the resolution approving the Share Consolidation at the EGM. A circular containing, among other things, details of the Share Consolidation and a notice convening the EGM is expected to be despatched to the Shareholders on or before Monday, 29 August 2022.

Shareholders and potential investors of the Company should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed.

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

DEFINITIONS

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

“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 or “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong in force in Hong Kong 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 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
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Existing Shares to 2,000 Consolidated Shares

“Company”	Wise Ally International Holdings Limited 麗年國際控股有限公司, an exempted company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9918)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming 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
“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 from time to time
“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) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Option(s)”	the option(s) to subscribe for new shares of the Company granted under the Share Option Scheme

“Share Option Scheme”	the share option scheme adopted by the Company on 10 December 2019
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Wise Ally International Holdings Limited
Chu Wai Hang Raymond
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 5 August 2022

As at the date of this announcement, the executive Directors are Mr. Chu Wai Hang Raymond, Mr. Chu Man Yin Arthur Newton and Mr. Lau Shui Fung; and the independent non-executive Directors are Ms. Ling Imma Kit Sum, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting.