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Zijing International Financial Holdings Limited

紫荊國際金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8340)

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 par value HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.10 each.

Upon the Share Consolidation becoming effective and assuming that there are no changes to the authorised share capital of the Company and no Existing Shares will be issued or repurchased from the date of this announcement until the date of the EGM, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 20,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 64,000,000 Consolidated Shares will be in issue as 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, details of the Share Consolidation, together with the notice of the EGM and form of proxy, is expected to be despatched to the Shareholders on or before Monday, 17 October 2022.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraphs headed “Conditions for the proposed Share Consolidation” in this announcement. 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.

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Conditions for the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution to approve the Share Consolidation by the Shareholders at the EGM;
- (ii) the GEM Listing Committee of the Stock Exchange granting approval for 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 Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of all the above conditions, the Share Consolidation will become effective on the Effective Date.

As at the date of this announcement, none of the conditions above have been fulfilled.

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000 divided into 200,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 640,000,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and assuming that there are no changes to the authorised share capital of the Company and no Existing Shares will be issued or repurchased from the date of this announcement until the date of the EGM, the authorised share capital of the Company will become HK\$2,000,000,000 divided into 20,000,000,000 Consolidated Shares with par value of HK\$0.10 each, of which 64,000,000 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 in accordance with the Company's memorandum and 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 to which the Shareholders would otherwise be entitled.

Listing application

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

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on GEM, 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 GEM 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 GEM, 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 GEM, and no such listing or permission to deal is being or is proposed to be sought.

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.

Matching services for odd lot holdings

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide 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 to be despatched to the Shareholders.

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.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 4 November 2022, being the second Business Day immediately after the date of the EGM, the Shareholders may on or after Friday, 4 November 2022 and until Monday, 12 December 2022 (both days inclusive), submit their existing share

certificates 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, during business hours to exchange for new share certificates for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only upon 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 the number of share certificates cancelled or issued is higher.

Subject to and upon the Share Consolidation becoming effective, after 4:00 p.m. on Monday, 12 December 2022, 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, settlement and registration purposes.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

Under Rule 17.76 of the GEM 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. Further, 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 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 Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.00.

The Existing Shares were trading not exceeding HK\$0.10 and a board lot of the Existing Shares has been traded below HK\$2,000 for all times during the past 4 months. The Board considers that the proposed Share Consolidation, will allow the value of each board lot to be increased to more than HK\$2,000 and enable the Company to avoid the occurrence of non-compliance with the trading requirements under the GEM 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 fee for each securities trade. It is also hoped 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.

In view of the above reasons, the Board 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 Existing Shares are traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will continue to be 10,000 Consolidated Shares.

Based on the closing price of HK\$0.053 per Existing Share (equivalent to the theoretical closing price of HK\$0.53 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each existing board lot of the Existing Shares is HK\$530 and the theoretical market value of each board lot of the Consolidated Shares would be HK\$5,300 on the assumption that the Share Consolidation becomes effective.

CORPORATE ACTION PLAN OF THE COMPANY

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 plan, arrangement, understanding, intention, negotiation (either concluded or in process) on any fund raising activities or precise investment opportunities and has no immediate plan for issue of new Shares. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment 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.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is as follows:

Event	Date and time (2022)
Despatch date of circular with notice of the EGM and form of proxy	Monday, 17 October
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Thursday, 27 October
Closure of the register of members of the Company to determine the entitlement to attend and vote at the EGM (both days inclusive)	Friday, 28 October to Wednesday, 2 November
Latest date and time for lodging the proxy forms for the EGM	11:00 a.m. on Monday, 31 October
Expected date and time of the EGM	11:00 a.m. on Wednesday, 2 November
Publication of announcement of the poll results of the EGM	Wednesday, 2 November

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation:

Effective date of the Share Consolidation	Friday, 4 November
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Event	Date and time (2022)
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 4 November

Dealing in the Consolidated Shares commences	9:00 a.m. on Friday, 4 November
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 Friday, 4 November
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 4 November
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 18 November
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 November
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 November
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, 8 December
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes.	4:10 p.m. on Thursday, 8 December
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Thursday, 8 December

Last day for free exchange of existing share certificates of the Existing Shares for new share certificates for the Consolidated Shares

Monday, 12 December

The expected timetable set out above is subject to, among other things, the results of relevant resolutions of the EGM and is therefore indicative only and may be subject to change. 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 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, together with the notice of the EGM and form of proxy, is expected to be despatched to the Shareholders on or before Monday, 17 October 2022. To the best of Director's knowledge, information and belief having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions proposed to consider and approve the Share Consolidation at the EGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraphs headed "Conditions for the proposed Share Consolidation" in this announcement. 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:

“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 amended from time to time;
“Company”	Zijing International Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8340);
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.10 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 EGM at which the ordinary resolution approving the Share Consolidation was passed;

“EGM”	the extraordinary general meeting of the Company to be held at Units 502A, 503 and 503A, 5/F, Tower 2, Admiralty Centre, No. 18 Harcourt Road, Hong Kong at 11:00 a.m. on Wednesday, 2 November 2022;
“Existing Shares”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective;
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of directors of 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;
“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;
“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.

On behalf of the Board
Zijing International Financial Holdings Limited
Lee Chun Wai
Chairman

Hong Kong, 5 October 2022

As at the date hereof, the Board comprises Mr. Lee Chun Wai and Mr. Lee Chan Wah being the executive Directors; and Dr. Leung Kin Cheong Laurent being the non-executive Director; and Mr. Choi Tak Fai, Ms. Lee Pui Ching and Ms. Lau Mei Suet being the independent non-executive Directors.

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 Listed Company Information” page of the website of the Stock Exchange at <https://www.hkexnews.hk/> for at least 7 days from the date of its posting and on the website of the Company at <http://www.hklistco.com/8340>.