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Zhong Jia Guo Xin Holdings Company Limited

中加國信控股股份有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

PROPOSED CAPITAL REORGANISATION

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The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation and the Capital Reduction.

(1) Share Consolidation

The Board proposes that every ten (10) issued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM. As at the date of this announcement, there are 1,313,763,360 of par value HK\$0.10 each in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming no further Shares will be issued or repurchased or surrendered from the date of this announcement up to the effective date of the Share Consolidation, the Company will have 131,376,336 fully paid Consolidated Shares of par value HK\$1.00 each in issue, excluding any fractional shares.

(2) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.01 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK\$0.99 of the paid-up capital of the Company on each issued Consolidated Share so that each issued New Share will be treated as one (1) fully paid-up share of par value of HK\$0.01 in the share capital of the Company immediately following the Capital Reduction, and the credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

Immediately following the Share Consolidation and the Capital Reduction becoming effective, the authorised share capital of the Company will be HK\$25,000,000 divided into 2,500,000,000 New Shares.

The Capital Reorganisation is conditional upon fulfillment of the conditions as set out in the section headed “Conditions of the Capital Reorganisation” in this announcement.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Capital Reorganisation. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Capital Reorganisation and no Shareholders are required to abstain from voting at the SGM.

A circular containing, among other matters, further details of the Capital Reorganisation together with a notice of the SGM will be despatched to the Shareholders on or before Monday, 9 June 2025.

The Capital Reorganisation is conditional upon the fulfilment of certain conditions set out below. Therefore, the Capital Reorganisation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which will involve the Share Consolidation and the Capital Reduction.

(1) Share Consolidation

The Board proposes that every ten (10) issued Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM. As at the date of this announcement, there are 1,313,763,360 of par value HK\$0.10 each in issue which are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming no further Shares will be issued or repurchased or surrendered from the date of this announcement up to the effective date of the Share Consolidation, the Company will have 131,376,336 fully paid Consolidated Shares of par value HK\$1.00 each in issue, excluding any fractional shares.

(2) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.01 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK\$0.99 of the paid-up capital of the Company on each issued Consolidated Share so that each issued New Share will be treated as one (1) fully paid-up share of par value of HK\$0.01 in the share capital of the Company immediately following the Capital Reduction, and the credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

Immediately following the Share Consolidation and the Capital Reduction becoming effective, the authorised share capital of the Company will be HK\$25,000,000 divided into 2,500,000,000 New Shares.

Conditions of the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reorganisation and transactions contemplated thereunder;
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective;
- (iii) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reduction, which includes the Directors being satisfied that on the date the Capital Reduction is to take effect, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they become due;
- (iv) the compliance with the relevant procedures and requirements under the Bye-laws and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

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

Subject to the fulfilment of the above conditions, the Capital Reorganisation is expected to become effective on Friday, 27 June 2025, being the second Business Day immediately following the date of the SGM.

Application for the listing of the New Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

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 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 Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation 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.

Effects of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,500,000,000.00 divided into 25,000,000,000 Existing Shares of par value of HK\$0.10 each, of which 1,313,763,360 Existing Shares have been issued and are fully paid or credited as fully paid and 23,686,236,640 Existing Shares remain unissued.

Assuming that no further Existing Shares are allotted, issued or repurchased from the date of this announcement up to and including the effective date of the Capital Reorganisation, immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company shall become HK\$25,000,000 divided into 2,500,000,000 New Shares of par value of HK\$0.01 each, of which 131,376,336 New Shares will have been issued and will be fully paid or credited as fully paid and 2,368,623,664 New Shares will remain unissued.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to and including the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be summarized as follows:

	As at the date of this announcement	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.10 per Existing Share	HK\$0.01 per New Share
<u>Authorised share capital</u>		
Amount of authorized share capital	HK\$2,500,000,000.00	HK\$25,000,000.00
Number of authorized shares	25,000,000,000 Existing Shares	2,500,000,000 New Shares
<u>Issued share capital</u>		
Amount of issued share capital	HK\$131,376,336.00	HK\$1,313,763.36
Number of issued shares	1,313,763,360 Existing Shares	131,376,336 New Shares
<u>Unissued share capital</u>		
Amount of unissued share capital	HK\$2,368,623,664.00	HK\$23,686,236.64
Number of unissued shares	23,686,236,640 Existing Shares	2,368,623,664 New Shares

As at the date of this announcement, 1,313,763,360 Existing Shares are issued and fully paid or credited as fully paid. Immediately upon the Share Consolidation becoming effective, the Capital Reduction will involve a reduction of the par value of each issued Consolidated Share from HK\$1.00 to HK\$0.01 by (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling the paid-up share capital to the extent of HK\$0.99 per issued Consolidated Share by way of a reduction of capital, the Company's existing issued share capital of HK\$131,376,336.00 will be reduced by HK\$130,062,572.64 to HK\$1,313,763.36, and all the Shares in issue will be New Shares with par value of HK\$0.01 each.

A credit will arise as a result of the Capital Reduction. It is proposed that the credit arising in the accounts of the Company from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act, which will be used by the Board in any manner as the Board may deem fit as may be permitted under the applicable laws and the Bye-laws. On the assumption that there is no change in the issued share capital prior to the Capital Reorganisation becoming effective, the Company will have 131,376,336 New Shares in issue and a credit of approximately HK\$130,062,572.64 arising from the Capital Reduction will be transferred to the contributed surplus account of the Company.

Status of the New Shares

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid in accordance with the Company's memorandum of association and the Bye-laws.

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company does not have any other share options, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares or New Shares.

OTHER ARRANGEMENTS

Free exchange of share certificate(s) for the New Shares

Subject to the Capital Reorganisation becoming effective, which is expected to be on Friday, 27 June 2025, being the second Business Day immediately after the date of the SGM, the Shareholders may, during the period from Friday, 27 June 2025 to Tuesday, 5 August 2025 (both dates inclusive), submit their existing share certificate(s) for the Existing Shares in light blue colour to the Company's share registrar, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, during business hours to exchange for new share certificate(s) for the New Shares in purple colour at the expense of the Company. Thereafter, share certificate(s) 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 be specified by the Stock Exchange from time to time) for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificate(s) cancelled or issued is higher. The existing share certificate(s) will only be valid for delivery, trading, settlement and registration purposes for the period up to 4:10 p.m. on Friday, 1 August 2025 and thereafter will not be accepted for delivery, trading, settlement and registration purposes. However, the existing share certificate(s) will continue to be good evidence of title to the New Shares on the basis of every ten (10) Existing Shares for one (1) New Share. The new share certificate(s) for the New Shares will be issued in purple colour in order to distinguish them from the share certificate(s) for the Existing Shares which are in light blue colour.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the New Shares arising from the Capital Reorganisation, the Company will appoint an agent to provide matching services, 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 matching arrangements will be set out in the circular in relation to the Capital Reorganisation to be despatched to the Shareholders.

Holders 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 on best efforts basis and is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Entitlement of Fractional New Shares

Fractional New Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional New Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional New 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.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Reasons for the Capital Reorganisation

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 and 10 May 2024 (the “**Guide**”) stated that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Shares are currently traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Based on the closing price of HK\$0.090 per Existing Share (equivalent to the theoretical closing price of HK\$0.90 per New Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each board lot of 10,000 Existing Shares would be HK\$900; and (ii) the theoretical market value of each board lot of the New Shares, assuming the Capital Reorganisation had become effective, would be HK\$9,000.

In view of the recent trading price of the Shares, the Board considers that the Capital Reorganisation will increase the board lot value of the Existing Shares, thereby enabling the Company to comply with the trading requirements under the Listing Rules and 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 cost for each securities trade. With a corresponding upward adjustment in the trading price of the New Shares and an increase in the net asset value per Share, the Board believes that the Capital Reorganisation will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of prospective investors, and therefore further broaden the shareholder base of the Company including institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor. It is also expected that the liquidity in trading of the New Shares will increase accordingly.

Reference is made to the announcement published by the Company on 20 May 2025, in relation to placing up to 262,752,672 Existing Shares. Save as aforesaid, as at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation in the next 12 months. However, the Directors will not rule out the possibility of any fundraising activities they may consider when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development of the Group. The Directors will carefully consider the likely impact on the Shareholders before they proceed on any fundraising exercises and the Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation of the Capital Reorganisation will not, by itself, alter the underlying assets, business operation, management or financial position of the Group or the proportionate interests or rights of the Shareholders. Accordingly the Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company.

In view of the above, the Board considers that the Capital Reorganisation is fair and reasonable and beneficial to and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation is set out below. The expected timetable is subject to the results of the SGM and satisfaction of the conditions to the Capital Reorganisation 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.

Events

Despatch date of circular with notice of the SGM on or before
Monday, 9 June 2025

Latest date and time for lodging transfer
documents in order to qualify for
attending and voting at SGM 4:30 p.m. on
Wednesday, 18 June 2025

Closure of register of members for determining the entitlement to attend and vote at the SGM (both dates inclusive)	Thursday, 19 June 2025 to Wednesday, 25 June 2025
Latest date and time for lodging the proxy form for the SGM	11:00 a.m. on Monday, 23 June 2025
Record date for the SGM	Wednesday, 25 June 2025
Date and time of the SGM	11:00 a.m. on Wednesday, 25 June 2025
Publication of the announcement of the poll results of the SGM	Wednesday, 25 June 2025
Effective date of the Capital Reorganisation	Friday, 27 June 2025
First day of free exchange of existing share certificates into new share certificates for New Shares	Friday, 27 June 2025
Dealings in New Shares commence	9:00 a.m. on Friday, 27 June 2025
Original counter for trading in Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 27 June 2025
Temporary counter for trading in New Shares in temporary board lot of 1,000 New Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 27 June 2025
Original counter for trading in New Shares in board lot of 10,000 New Shares (in the form of new share certificates for New Shares) re-opens	9:00 a.m. on Monday, 14 July 2025

Parallel trading in the New Shares (in the form of existing share certificates and new share certificates) commences 9:00 a.m. on
Monday, 14 July 2025

Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of New Shares 9:00 a.m. on
Monday, 14 July 2025

Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of New Shares 4:00 p.m. on
Friday, 1 August 2025

Temporary counter for trading in New Shares in temporary board lot of 1,000 New Shares (in the form of existing share certificates) closes 4:10 p.m. on
Friday, 1 August 2025

Parallel trading in New Shares (in the form of new share certificates for New Shares and existing share certificates) ends 4:10 p.m. on
Friday, 1 August 2025

Last day for free exchange of existing share certificates into new share certificates for New Shares Tuesday, 5 August 2025

All times and dates in this announcement refer to Hong Kong local times and dates.

Details or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended, amended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Capital Reorganisation. A circular containing, among other matters, further details of the Capital Reorganisation together with a notice of the SGM will be despatched to the Shareholders on or before 9 June 2025.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Capital Reorganisation and no Shareholders are required to abstain from voting at the SGM.

The Capital Reorganisation is conditional upon the fulfilment of certain conditions set out herein. Therefore, the Capital Reorganisation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays 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 banks are open for business in Hong Kong
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company as detailed in the section headed “Capital Reduction” of this announcement
“Capital Reorganisation”	collectively, the Share Consolidation and the Capital Reduction

“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 in force
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Company”	Zhong Jia Guo Xin Holdings Company Limited, a company incorporated in Bermuda with limited liability and its Shares are listed on the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$1.00 each in the issued share capital of the Company upon the Share Consolidation becoming effective
“Directors”	the director(s) of the Company
“Existing Share(s)”	the ordinary share(s) of par value HK\$0.10 each in the share capital of the Company before the Capital Reorganisation 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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve the Capital Reorganisation and the matters contemplated thereunder
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or New Share(s), as the case may be, whether issued or unissued
“Share Consolidation”	the proposed consolidation of every ten (10) issued Existing Shares of par value HK\$0.10 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$1.00
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Zhong Jia Guo Xin Holdings Company Limited
Ouyang Yanling
Chairman

Hong Kong, 2 June 2025

As at the date of this announcement, the Board consists of five executive directors, Ms. Ouyang Yanling, Mr. Li Yuguo, Mr. Liu Yan Chee James, Mr. Li Xiaoming and Mr. Chan Wai Fung; three non-executive directors, Mr. Chen Dong Yao, Mr. Yang Xiaoqiang and Mr. Huang Yilin; and four independent non-executive directors, Mr. Ba Junyu, Dr. Liang Jinxiang, Mr. Wong Sung and Mr. Xu Xingge.