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Jia Group Holdings Limited

佳民集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8519)

(1) PROPOSED SHARE CONSOLIDATION; AND (2) PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation pursuant to which every two (2) 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\$0.02 each.

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation.

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 10,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 20,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

GENERAL

The circular containing, among other things, further details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before Thursday, 29 February 2024.

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 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 pursuant to which every two (2) 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\$0.02 each.

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 EGM;
- (ii) the GEM 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 GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Monday, 25 March 2024.

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 there are no changes on the authorised 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 2,500,000,000 Consolidated Shares with par value of HK\$0.02 each.

As at the date of this announcement, 1,159,780,000 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, 579,890,000 Consolidated Shares will be in issue.

As at the date of this announcement, there are outstanding share options entitling the holders thereof to subscribe for up to an aggregate of 80,000,000 Shares under the share option scheme adopted by the Company on 23 January 2018. The Company will make further announcement(s) as and when appropriate on any adjustments to be made as a result of the Share Consolidation to the exercise price and the aggregate number of Shares to be allotted and issued upon exercise of the outstanding share options.

Save as disclosed above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

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 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 in is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, 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 benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing 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.

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 share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the period from 9:00 a.m. on Monday, 25 March 2024 to 4:30 p.m. on Monday, 6 May 2024 (both days inclusive), submit the existing share certificates in grey colour for the Existing Shares to the Registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares in purple colour. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for delivery, trading and settlement purposes.

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 10,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 10,000 Existing Shares to 20,000 Consolidated Shares per board lot, conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.167 per Existing Share (equivalent to the theoretical closing price of HK\$0.334 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$1,670; (ii) the value of each board lot of 10,000 Consolidated Shares would be HK\$3,340 on the assumption that the Share Consolidation becoming effective; and (iii) the value of each board lot of 20,000 Consolidated Shares would be HK\$6,680 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

Pursuant to 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, pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020, (i) market price of the Shares at a level less than HK\$0.10 will be considered as trading at extremity as referred to under 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 per board lot should be greater than HK\$2,000.

Even though the Shares have been trading above HK\$0.10 on certain trading days during February 2024, the Shares have been trading below HK\$0.10 for most of the time during the past six months. As such, in view of the prevailing trading prices of the Shares and having regard to the fluctuations in the market price of the Shares, the Board proposes to implement the Share Consolidation in order to comply with the trading requirements of the GEM Listing Rules.

The Board had considered adopting other alternative new board lot sizes for the Change in Board Lot Size. However, if a smaller board lot size is adopted, the value per board lot may fall under the recommended value of HK\$2,000 per board lot with the fluctuation in the market price of the Shares. On the other hand, if a larger board lot size is adopted, the transaction value per board lot may be too high for the investing public for trading in the Shares and discourage dealing in the Shares. Therefore, the Company considers that the proposed adoption of a new board lot of 20,000 Consolidated Shares for the Change in Board Lot Size is in the best interests of the Company and its Shareholders as a whole.

It is intended that the Share Consolidation and Change in Board Lot Size will bring a corresponding increase in the trading price per board lot of the Shares, which is expected to reduce the overall transaction and handling costs of dealing 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.

Further, the Group has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimisation to create value. The Board believes that the Share Consolidation and Change in Board Lot Size will bring about a corresponding upward adjustment in the trading price of the Shares and increase in the transaction value of each board lot of Shares, thereby enabling the Company to comply with the trading requirements under the GEM Listing Rules and making investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors in order to optimise the Shareholder base and improve the value of the Shares in the long run. When deciding to invest in any particular company, institutional and professional investors tend to consider, among other factors, the stability of the share price performance and how it compares with its peers in a particular sector. By aligning the Share price level of the Company with its industry peers, it is expected that such upward adjustment will achieve a positive image in comparison to its peers when being assessed by potential investors. Therefore, the Company believes that an upward adjustment in the trading price of the Consolidated Shares will make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors, and that the corporate image and profile of the Company would be uplifted.

The Board believes the Share Consolidation and Change in Board Lot Size 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.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund-raising activity in the past 12 months immediately preceding the date of this Announcement.

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 affect the trading in the Shares, 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 and/or investment opportunities arise in order to support future development of the Group. The Directors will carefully consider the likely impact on the Shareholders before they will proceed on any fundraising exercises. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

EXPECTED TIMETABLE

Event	Time and Date
Despatch date of circular with notice of the EGM	on or before Thursday, 29 February 2024
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Friday, 15 March 2024
Closure of the register of members for the entitlement to attend and vote at the EGM.....	Monday, 18 March 2024 to Thursday, 21 March 2024 (both days inclusive)
Latest date and time for lodging the proxy forms for the EGM.	2:00 p.m. on Tuesday, 19 March 2024
Record date for attendance and voting at the EGM	Thursday, 21 March 2024
Expected date and time of the EGM.....	2:00 p.m. on Thursday, 21 March 2024
Publication of announcement of voting results of the EGM.....	Thursday, 21 March 2024
Register of members of the Company re-opens.....	Friday, 22 March 2024

The following events are conditional upon the fulfilment of the conditions for implementation of the Share Consolidation as set out in the section headed “Conditions of the Share Consolidation” above.

Event	Time and Date
Effective date of the Share Consolidation	Monday, 25 March 2024
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 25 March 2024
Dealing in the Consolidated Shares commences.....	9:00 a.m. on Monday, 25 March 2024
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares temporarily closes	9:00 a.m. on Monday, 25 March 2024
Temporary counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Monday, 25 March 2024
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 Thursday, 11 April 2024
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Thursday, 11 April 2024
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 11 April 2024
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, 2 May 2024
Temporary counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 2 May 2024

Event	Time and Date
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Thursday, 2 May 2024
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Monday, 6 May 2024

The expected timetable set out above is subject to the result of relevant resolution of the EGM 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 EGM and the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

The EGM 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 EGM is expected to be despatched to the Shareholders on or about Thursday, 29 February 2024.

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

Unless the context requires otherwise, the use of capitalised terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“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
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 20,000 Consolidated Shares
“Company”	Jia Group Holdings Limited, a company incorporated under the laws of the Cayman Islands and the Shares of which are listed on GEM of the Stock Exchange (stock code: 8519)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving the proposed Share Consolidation
“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
“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 the GEM of the Stock Exchange
“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
“Hong Kong Share Registrar”	Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the share consolidation of every two (2) issued and unissued Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Jia Group Holdings Limited
Liu Enyu
Chairman and Non-Executive Director

Hong Kong, 26 February 2024

As at the date of this announcement, the Board comprises Ms. Wan Suet Yee Cherry and Mr. Kong Linglei as executive Directors; Mr. Peng Ben and Mr. Liu Enyu as non-executive directors; and Ms. Deng Yongling, Ms. Mao Xiaobi and Ms. Ma Lina as 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 Announcement” page of the Stock Exchange website at (www.hkexnews.hk) for at least seven days from the date of its posting and on the Company’s website (www.jiagroup.co).