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Wing Fung Group Asia Limited

榮豐集團亞洲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8526)

PROPOSED SHARE CONSOLIDATION

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The Board proposes that every four (4) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value HK\$0.04 each in the share capital of the Company.

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

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation. The Circular containing, among other matters, information regarding the Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before Thursday, 30 December 2021.

As the Share Consolidation is subject to the satisfaction of conditions, it may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every four (4) issued and unissued Existing Shares of a par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of a par value of HK\$0.04 in the share capital of the Company.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 100,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 649,000,000 Existing Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, and assuming no further Existing Shares will be issued or repurchased from the date of this announcement up to and including the effective date of the Share Consolidation, the authorised share capital of the Company shall be HK\$1,000,000,000 divided into 25,000,000,000 Consolidated Shares of par value HK\$0.04 each, of which 162,250,000 Consolidated Shares have been issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, all the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Memorandum and the Articles.

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 operation, management or financial position of the Company and the interests and rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

1. the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
3. the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands 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 Friday, 21 January 2022, being one clear Business Day immediately after the date of the EGM.

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

Reasons for the Share Consolidation

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 Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot 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. It is expected that the Share Consolidation will increase the nominal value of the Shares and would bring about a corresponding upward adjustment in the trading price per Consolidated Share. Based on the closing price of HK\$0.218 per Existing Share (equivalent to the theoretical closing price of HK\$0.872 per Consolidation Share) as quoted on the Stock Exchange as at the date of this announcement, the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$8,720. In view of the recent trading price of the Shares, the Board considers that the Share Consolidation will enable the Company to comply with the trading requirements under the GEM 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 minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base 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 concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to meet its operational needs or support future development of the Group. The Directors will consider carefully the likely impact to the Shareholders and the Group as a

whole before the Company proceeds with any such debt/equity fundraising exercises. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

Taking into account that (i) the Company has no intention to carry out other corporate actions in the next 12 months; (ii) the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months; and (iii) the Share Consolidation would bring a corresponding upward adjustment in the trading price per Consolidated Share, the Board considers that the Share Consolidation is beneficial to and is in the interests of the Company and the Shareholders as a whole.

Application for the listing of the Consolidated Shares

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.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealing 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 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 Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Friday, 21 January 2022, being one clear Business Day immediately after the date of the EGM, Shareholders may between 9:00 a.m. and 4:30 p.m. on any Business Day during the period from Friday, 21 January 2022 to Thursday, 3 March 2022 (both days inclusive), submit share certificates for the Existing Shares in red colour to the Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange for new share certificates for the Consolidated Shares in blue colour at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 each (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Share Registrar for each share certificate for the Existing Shares in red colour submitted for cancellation or each new share certificate issued for the Consolidated Shares in blue colour, whichever the number of share certificates involved is higher.

After 4:10 p.m. on Tuesday, 1 March 2022, trading will only be in Consolidated Shares which share certificates will be issued in blue colour. Existing share certificates in red colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Board lot size

Currently, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Based on the closing price of HK\$0.218 per Share as quoted on the Stock Exchange at the date of this announcement, the value for each board lot of 10,000 Shares was HK\$2,180 and the theoretical market value for each board lot of 10,000 Consolidated Shares assuming the Share Consolidation had become effective, would be HK\$8,720.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares (if any) arising from the Share Consolidation will not be issued to the Shareholders otherwise entitled thereto but will be aggregated and sold (if possible) for the benefit 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 in red colour held by such holder.

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

Arrangement on odd lot trading

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint an agent to provide matching services, 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.

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. Further details of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

The Company has no outstanding derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Share Consolidation 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.

Date

Despatch date of Circular with notice of the EGM.	on or before Thursday, 30 December 2021
Latest date and time for lodging transfer documents in order to qualify for attending and voting at EGM.	4:30 p.m. on Thursday, 13 January 2022
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	Friday, 14 January 2022 to Wednesday, 19 January 2022
Latest date and time for lodging the proxy form for the EGM.	3:30 p.m. on Monday, 17 January 2022
Date and time of the EGM	3:30 p.m. on Wednesday, 19 January 2022
Announcement of results of the EGM.	Wednesday, 19 January 2022

Date

The following events are conditional upon the results of the EGM and therefore the dates are tentative only.

Effective date of the Share Consolidation Friday, 21 January 2022

First day of free exchange of existing share certificates
in red colour into new share certificates for
Consolidated Shares in blue colour Friday, 21 January 2022

Dealings in Consolidated Shares commence 9:00 a.m. on
Friday, 21 January 2022

Original counter for trading in Shares in board lots of
10,000 Existing Shares (in the form of existing share
certificates in red colour) temporarily closes 9:00 a.m. on
Friday, 21 January 2022

Temporary counter for trading in Consolidated Shares
in temporary board lot of 2,500 Consolidated Shares
(in the form of existing share certificates in red
colour) opens 9:00 a.m. on
Friday, 21 January 2022

Original counter for trading in Consolidated Shares in
board lot of 10,000 Consolidated Shares (in the form
of new share certificates for Consolidated Shares in
blue colour) re-opens 9:00 a.m. on
Wednesday, 9 February 2022

Parallel trading in the Shares and Consolidated Shares
(in the form of existing share certificates in red colour
and new share certificates in blue colour) commences 9:00 a.m. on
Wednesday, 9 February 2022

Designated broker starts to stand in the market to
provide matching services for sale and purchase of
odd lots of Consolidated Shares 9:00 a.m. on
Wednesday, 9 February 2022

Designated broker ceases to stand in the market to
provide matching services for sale and purchase of
odd lots of Consolidated Shares 4:00 p.m. on
Tuesday, 1 March 2022

Date

Temporary counter for trading in Consolidated Shares
in new board lot of 2,500 Consolidated Shares (in the
form of existing share certificates in red colour) closes4:10 p.m. on
Tuesday, 1 March 2022

Parallel trading in Consolidated Shares (in the form of
new share certificates for Consolidated Shares in blue
colour and existing share certificates in red colour)
ends4:10 p.m. on
Tuesday, 1 March 2022

Last day for free exchange of existing share certificates
in red colour into new share certificates for
Consolidated Shares in blue colourThursday, 3 March 2022

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Share Consolidation. The Circular containing, among other matters, information regarding the Share Consolidation together with a notice of the EGM will be despatched to the Shareholders on or before Thursday, 30 December 2021.

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

As the Share Consolidation is subject to the satisfaction of conditions, it may or may not become effective. 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:

- “Articles” the amended and restated articles of association of the Company, as amended, supplemented or otherwise modified from time to time
- “Board” the board of Directors
- “Business Day(s)” day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong

“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
“Circular”	the circular to be despatched to the Shareholders containing, among other things, details of the Share Consolidation and the notice of the EGM
“Company”	Wing Fung Group Asia Limited (榮豐集團亞洲有限公司) (formerly known as Wing Fung Capital Holdings Limited) (Stock Code: 8526), an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Consolidated Share(s)”	the ordinary share(s) of par value HK\$0.04 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 for the Shareholders to consider and, if thought fit, to approve the Share Consolidation
“Existing Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“GEM”	GEM 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
“Group”	the Company and its subsidiaries
“HK\$” and “HK cent(s)”	Hong Kong dollar(s) and Hong Kong cent(s), respectively, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Memorandum”	the memorandum of association of our Company, as amended, supplemented on otherwise modified from time to time
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s) and/or the New Share(s), as the case may be
“Share Registrar”	Tricor Investor Services Limited, being the Hong Kong branch share registrar of the Company
“Share Consolidation”	the proposed consolidation of every four (4) issued and unissued Existing Shares of par value HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value HK\$0.04 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Wing Fung Group Asia Limited
Chung Chi Keung
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 3 December 2021

As at the date of this announcement, the executive Directors are Mr. Chung Chi Keung and Ms. Lai Suk Fan; and the independent non-executive Directors are Mr. Choy Hiu Fai Eric, Mr. Lei For and Mr. Lai Wai Ming.

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 GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be published and remained on the Company’s website at www.wingfunggroup.com.