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**EJE (HONG KONG) HOLDINGS LIMITED**  
**壹家壹品 (香港) 控股有限公司 \***  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8101)**

**PROPOSED SHARE CONSOLIDATION**

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The Company proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value of HK\$0.025 each be consolidated into one (1) Consolidated Share of par value of HK\$0.25 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

**GENERAL**

The Share Consolidation will be proposed at the EGM for Shareholders' consideration and, if thought fit, approval. A circular containing, among other things, further details of the Share Consolidation and a notice of convening the EGM is expected to be despatched to the Shareholders on or before 10 August 2020.

**PROPOSED SHARE CONSOLIDATION**

The Company proposes to implement the Share Consolidation by consolidating every ten (10) issued and unissued Shares of HK\$0.025 each in the existing share capital of the Company into one (1) Consolidated Share of par value of HK\$0.25 each.

**Effect of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$250,000,000 divided into 10,000,000,000 Shares of HK\$0.025 each, of which 2,892,000,000 Shares had been allotted and issued as fully paid or credited as fully paid. After the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$250,000,000 divided into 1,000,000,000 Consolidated Shares of HK\$0.25 each, of which 289,200,000 Consolidated Shares will be in issue.

All Consolidated Shares will rank *pari passu* with each other in all respects. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

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

### **Listing Application**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, 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 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 Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time of 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 is being or is proposed to be sought.

## **Board Lot Size**

As at the date of this announcement, the Shares are traded on the GEM of the Stock Exchange in the board lot size of 4,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 4,000 Consolidated Shares.

Based on the closing price of HK\$0.079 per Share (equivalent to the theoretical closing price of HK\$0.79 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of the Shares is HK\$316 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$3,160.

## **Fractional 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 held by such holder.

## **OTHER ARRANGEMENTS**

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is expected to be on Tuesday, 1 September 2020, the Shareholders may, during a period between Tuesday, 1 September 2020 and Friday, 9 October 2020 (both dates inclusive), submit existing share certificates for the Shares, which are in red colour, to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares, which will be in green colour. It is expected that new share certificates for the Consolidated Shares will be available for collection within 10 Business Days from the date of submission for the exchange. Thereafter, the existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each new share certificate for the Consolidated Shares to be issued or each existing share certificate for the Shares cancelled, whichever the number of certificates issued or cancelled is higher.

Nevertheless, the existing share certificates for the Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but will not be accepted for trading, settlement and registration upon completion of the Share Consolidation.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation, the Company will appoint a securities firm to provide matching service, on a best effort 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 a circular to be despatched to the Shareholders with the foregoing.

Holders of odd lots of the Consolidated Shares (if any) 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.

### **ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY**

As at the date of this announcement, there is an outstanding Convertible Bond of the Company due 1 August 2020 in the amount of HK\$212,000,000 which is convertible into 1,927,272,727 Shares at the prevailing conversion price of HK\$0.11 per Share. As disclosed in the announcement of the Company dated 3 July 2020, subject to the fulfillment of the conditions of the deed of extension entered into between the Company and Legendary Idea Limited on 3 July 2020, the maturity date of the Convertible Bond will be extended for two years to 1 August 2022.

According to the terms of the outstanding Convertible Bond, adjustments will be required on the conversion price upon the Share Consolidation becoming effective. The Company will make further announcement(s) on such adjustment(s) on the outstanding Convertible Bond as and when appropriate.

As at the date of this announcement, there are outstanding Share Options for the subscription of an aggregate of 72,544,000 Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, there are no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any existing Shares.

## **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 issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its 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 30 August 2019 has further stated that (i) market price of the Shares at a level less than HK\$0.1 will be considered as approaching the extremities of HK\$0.01 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.

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 a 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.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above, 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 Company does not have any plan or intention of future corporate actions including but not limited to fund raising exercises which will further change the trading arrangement of the Company in the next 12 months. Having considered the Company’s current plan in relation to all corporate actions and fund raising activities for the next 12 months, the Directors are of the view that the Share Consolidation is reasonable and sufficient and in the interest of the Company and its Shareholders as a whole.

## EXPECTED TIMETABLE

Set out below is the expected timetable in relation to the Share Consolidation:

**2020**

Publication of the announcement ..... Tuesday, 21 July

Despatch of circular and proxy form for the EGM..... Monday, 10 August

Latest date and time for lodging transfer documents in order to  
qualify for attending and voting at EGM ..... 4:00 p.m. on  
Monday, 24 August

Closure of register of members for determining the entitlement to  
attend and vote at the EGM (both dates inclusive)..... Tuesday, 25 August to  
Friday, 28 August

Latest date and time for lodging the proxy form for the EGM ..... 10:30 a.m. on  
Wednesday, 26 August

Date and time of the EGM ..... 10:30 a.m. on  
Friday, 28 August

Publication of the announcement of results of the EGM..... Friday, 28 August

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

Effective date of the Share Consolidation ..... Tuesday, 1 September

First day of free exchange of existing share certificates  
for new share certificates..... Tuesday, 1 September

Dealings in the Consolidated Shares commence..... 9:00 a.m. on  
Tuesday, 1 September

Original counter for trading in Shares in board lots  
of 4,000 Shares (in the form of existing share certificates)  
temporarily closes ..... 9:00 a.m. on  
Tuesday, 1 September

Temporary counter for trading in the Consolidated Shares  
in board lots of 400 Consolidated Shares  
(in the form of existing share certificates) opens..... 9:00 a.m. on  
Tuesday, 1 September

Original counter for trading in the Consolidated Shares  
in board lots of 4,000 Consolidated Shares  
(in the form of new share certificates) re-opens ..... 9:00 a.m. on  
Tuesday, 15 September

Parallel trading in the Consolidated Shares  
(in the form of new share certificates and  
existing share certificates) commences ..... 9:00 a.m. on  
Tuesday, 15 September

Designated broker starts to stand in the market to  
provide matching services for odd lots of Consolidated Shares ..... 9:00 a.m. on  
Tuesday, 15 September

Temporary counter for trading in Consolidated Shares  
in board lot of 400 Consolidated Shares  
(in the form of existing share certificates) closes ..... 4:10 p.m. on  
Wednesday, 7 October

Parallel trading in Consolidated Shares  
(in the form of existing share certificates  
and new share certificates) ends ..... 4:10 p.m. on  
Wednesday, 7 October

Designated broker ceases to stand in the market to  
provide matching services for odd lots of Consolidated Shares ..... 4:10 p.m. on  
Wednesday, 7 October

Last day for free exchange of existing share certificates  
for new share certificates for Consolidated Shares..... Friday, 9 October

*All times and dates in this announcement refer to Hong Kong local times and dates. Dates specified in the expected timetable above are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as and when appropriate.*

## **GENERAL**

The Share Consolidation will be proposed at the EGM for Shareholders' consideration and, if thought fit, approval. A circular containing, among other things, further details of the Share Consolidation and a notice of convening the EGM is expected to be despatched to the Shareholders on or before 10 August 2020.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions in relation to the Share Consolidation at the EGM.

## **DEFINITIONS**

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“Board”	board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public or statutory holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by 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
“Company”	EJE (Hong Kong) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.25 each in the share capital of the Company after the Share Consolidation becoming effective



“Convertible Bond”	the zero coupon convertible bond in the principal amount of HK\$212,000,000 issued by the Company to Legendary Idea Limited on 1 August 2017
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board 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”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	ordinary share(s) with a par value of HK\$0.025 each in the share capital of the Company before the Share Consolidation becoming effective
“Shareholder(s)”	holder(s) of the Share(s) or the Consolidated Share(s), as the case may be

“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Shares of HK\$0.025 each in the existing share capital of the Company into one (1) Consolidated Share of HK\$0.25 each
“Share Option”	share option(s) granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 22 August 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**EJE (Hong Kong) Holdings Limited**  
**Mr. Chau Tsz Kong Alan**  
*Executive Director*

Hong Kong, 21 July 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Qin Yuquan, Mr. Hung Cho Sing and Mr. Chau Tsz Kong Alan; and the independent non-executive Directors are Mr. Tang Kin Chor, Mr. Chan Chun Wing and Mr. Yiu Shung Kit.*

*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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.ejeliving.com>*

*\* For identification purpose only*