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CNC HOLDINGS LIMITED
中國新華電視控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8356)

**PROPOSED SHARE CONSOLIDATION
AND
PROPOSED CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every one hundred (100) issued and unissued Existing Shares of HK\$0.001 each will be consolidated into one (1) Consolidated Share of HK\$0.1 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

As at the date of this announcement, there are 5,722,016,614 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, upon the Share Consolidation becoming effective, there will be 57,220,166 Consolidated Shares in issue which are fully paid or credited as fully paid.

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 2,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.016 per Existing Share (equivalent to HK\$1.6 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$3,200.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. 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 at the EGM. A circular containing, among other things, further information on the proposed Share Consolidation, the Change of Board Lot Size, and a notice to convene the EGM are expected to be despatched to the Shareholders on or before Wednesday, 29 May 2024.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every one hundred (100) issued and unissued Existing Shares of HK\$0.001 each will be consolidated into one (1) Consolidated Share of HK\$0.1 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 500,000,000,000 Existing Shares of par value of HK\$0.001 each, of which 5,722,016,614 Existing Shares have been issued and are 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 of this announcement until the effective date of the Share Consolidation, the authorised share capital of the Company will become HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of par value of HK\$0.1 each, of which 57,220,166 Consolidated Shares will be in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation 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.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Wednesday, 19 June 2024, being the second Business Day after the date of EGM.

Listing Application

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

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 2,000 Consolidated Shares subject to and upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.016 per Existing Share (equivalent to HK\$1.6 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$3,200.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, 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 the circular to be despatched to the Shareholders.

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.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 19 June 2024, being the second Business Day immediately after the date of the EGM, Shareholders may on or after Wednesday, 19 June 2024 and until Friday, 26 July 2024 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares to the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates on the basis of every one hundred (100) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share, in yellow colour for the Consolidated Shares at the expense of the Company. It is expected that the new share certificates for the Consolidated Shares will be available for collection within ten (10) Business Days after the submission of the existing share certificates to the Registrar for exchange. Thereafter, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Registrar for each share certificate for the Consolidated Shares issued or each share certificate for the Existing Shares submitted for cancellation, whichever is higher.

After 4:10 p.m. on Wednesday, 24 July 2024, trading will only be in Consolidated Shares which share certificates will be issued in yellow colour. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, there are (i) convertible bonds in the outstanding principal amount of HK\$257,030,210 which may be converted into 1,311,378,622 Existing Shares at a conversion price of HK\$0.196 per Existing Share upon full exercise of the conversion rights; (ii) convertible bonds in the outstanding principal amount of HK\$64,127,855 which may be converted into 327,182,933 Existing Shares at a conversion price of HK\$0.196 per Existing Share upon full exercise of the conversion rights; and (iii) convertible bonds in the outstanding principal amount of HK\$16,240,000 which may be converted into 82,857,142 Existing Shares at a conversion price of HK\$0.196 per Existing Share upon full exercise of the conversion rights ((i) to (iii) collectively, the “**Convertible Bonds**”). The Share Consolidation may lead to adjustments to the conversion price and/or the number of Consolidated Shares which may be issued upon conversion of the outstanding Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds. 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, the Company has 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 or Consolidated Shares, as the case may be.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND 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, 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 (the “**Guide**”) states that (i) market price of the shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to 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.

In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. The Company also considers that the proposed Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. Based on the closing price of HK\$0.016 per Existing Share (equivalent to HK\$1.6 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the expected market value of each board lot of 2,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had become effective, would be HK\$3,200, which is greater than HK\$2,000 and therefore complies with the requirement as set out in the Guide.

Save for the relevant expenses, including but not limited to professional fees and printing charges to be incurred by the Company, the implementation of the Share Consolidation and the Change in Board Lot Size will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. In view of the above, the Board considers that the Share Consolidation and Change in Board Lot Size are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next twelve months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size, and the Company does not have any concrete plan to conduct any fundraising activities in the next twelve months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation and the Change in Board Lot Size. The expected timetable is subject to the results of the EGM 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.

2024

Despatch date of circular, proxy form with notice of the EGM on or before
Wednesday, 29 May

Latest date and time for lodging transfer documents in order to qualify
for attending and voting at the EGM 4:30 p.m. on
Tuesday, 11 June

Closure of the register of members for determining the entitlements to
attend and vote at the EGM Wednesday, 12 June to
Monday, 17 June
(both days inclusive)

Latest time for lodging forms of proxy for the EGM 10:30 a.m. on
Saturday, 15 June

Date and time of the EGM 10:30 a.m. on
Monday, 17 June

Publication of the announcement of the poll results of the EGM Monday, 17 June

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation Wednesday, 19 June

First day of free exchange of existing share certificates for new share
certificates for Consolidated Shares. Wednesday, 19 June

Dealing in the Consolidated Shares commences 9:00 a.m. on
Wednesday, 19 June

Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Wednesday, 19 June
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 19 June
Original counter for trading in the Consolidated Shares in new board lots of 2,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens	9:00 a.m. on Thursday, 4 July
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Thursday, 4 July
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, 4 July
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 24 July
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes.	4:10 p.m. on Wednesday, 24 July
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends	4:10 p.m. on Wednesday, 24 July
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares.	Friday, 26 July

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. 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 at the EGM. A circular containing, among other things, further information on the proposed Share Consolidation, the Change of Board Lot Size, and a notice to convene the EGM are expected to be despatched to the Shareholders on or before Wednesday, 29 May 2024.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday 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 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
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 2,000 Consolidated Shares
“Company”	CNC Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on GEM (stock code: 8356)

“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“Existing Share(s)”	issued and unissued ordinary share(s) of HK\$0.001 each in the existing 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
“Group”	the Company and its subsidiaries (from time to time)
“Guide”	has the meaning ascribed thereto in the section headed “Reasons for the proposed Share Consolidation and Change in Board Lot Size” in this announcement
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share Consolidation”	the proposed consolidation of every one hundred (100) Existing Shares of HK\$0.001 each into one (1) Consolidated Share of HK\$0.1 each
“Shareholder(s)”	holder(s) of the Existing Share(s) or the Consolidated Share(s), as the case may be

“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
CNC Holdings Limited
Kan Kwok Cheung
Chairman and Executive Director

Hong Kong, 13 May 2024

As at the date of this announcement, the Directors are Mr. Kan Kwok Cheung¹ (Chairman), Mr. Hui Ka Tsun¹, Mr. Kan Chun Ting Max¹, Mr. Law Cheuk Hung², Mr. Chin Chi Ho Stanley³, Mr. Kwok Man To Paul³, Mr. Wong Chung Yip Kenneth³ and Mr. Lai Ah Ming Leon³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at <http://www.cnctv.hk>.