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Lajin Entertainment Network Group Limited
拉近網娛集團有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8172)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation pursuant to which (i) every issued and unissued ten (10) Existing Shares of par value of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK$0.1 each in the share capital of the Company; and (ii) every issued and unissued ten (10) Existing Preferred Shares of par value of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Preferred Share of par value of HK$0.1 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, among other things, approve the Share Consolidation. In compliance with the GEM Listing Rules, the relevant resolution(s) will be voted on by way of poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the Share Consolidation. No Shareholder would be required to abstain from voting on the relevant resolution(s) at the SGM.

A circular containing, among other things, details of the Share Consolidation, together with a notice convening the SGM, is expected to be despatched to the Shareholders on Thursday, 8 May 2025.

Shareholders and potential investors of the Company should note that the Share Consolidation is subject to the satisfaction of certain conditions precedent and therefore 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.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company was HK$100,000,000 divided into 8,000,000,000 Existing Shares of par value of HK$0.01 each and 2,000,000,000 Existing Preferred Shares of par value of HK$0.01 each, of which 4,209,131,046 Existing Shares have been issued and are fully paid or credited as fully paid and no Existing Preferred Shares have been issued.

Immediately upon the Share Consolidation becoming effective, and assuming that no further Existing Shares will be issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, the authorised share capital of the Company shall be HK$100,000,000 divided into 800,000,000 Consolidated Shares of par value HK$0.1 each and 200,000,000 Consolidated Preferred Shares of par value HK$0.1 each, of which 420,913,104 Consolidated Shares will be issued and will be fully paid or credited as fully paid and no Consolidated Preferred Shares have been issued. Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in the same class and Consolidated Preferred Shares shall rank *pari passu* in all respects with each other in the same class in accordance with the Bye-laws.

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 proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares (if any) will not be allocated to Shareholders who may otherwise be entitled. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of Share Consolidation is conditional upon:

(i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;

(ii) the GEM Listing Committee granting the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the applicable laws of Bermuda and the GEM Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled. Subject to the fulfilment of the conditions above, the Share Consolidation will become effective on Thursday, 29 May 2025, being the second full Business Day immediately after the date of the SGM.

Adjustments in relation to other securities of the Company

Under the relevant terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the number of Shares falling to be issued, the method of exercise of the Share Options and the exercise price of the Share Options pursuant to the terms thereof. As at the date of this announcement, there is no outstanding Share Option entitling the holders thereof to subscribe for any Existing Share under the Share Option Scheme.

Under the Bye-laws, the conversion price of the Existing Preferred Shares may be adjusted upon the Share Consolidation becoming effective. As at the date of this announcement, there are no Existing Preferred Shares in issue.

As at the date of this announcement and except as noted above, the Company does not have any derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares or Preferred Shares.

NO CHANGE IN BOARD LOT SIZE

The Existing Shares are currently traded on the Stock Exchange in board lot size of 20,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 20,000 Consolidated Shares per board lot.

Based on the closing price of HK$0.025 per Existing Share (equivalent to the theoretical closing price of HK$0.25 per Consolidated Share upon the Share Consolidation becoming effective) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each board lot of 20,000 Existing Shares is HK$500; and (ii) the value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK$5,000.

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 to proceed with a consolidation or splitting of its securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" (the "**Guide**") issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in September 2024 has stated that (i) market price of the securities of an issuer 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 board lot value should be greater than HK$2,000.

Taking into account of the closing price of HK$0.025 per Existing Share as at the date of this announcement and the value per board lot was less than HK$2,000, the Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules.

In addition, the Board considers that the Share Consolidation would reduce the number of Existing Shares currently in issue and increase the nominal value of the Shares, and bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange, thus maintaining the trading amount for each board lot at a reasonable level in order to attract more investors and to broaden the shareholder base of the Company. It is also hoped that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

The Directors also believe that the Share Consolidation will provide greater opportunity for, and more flexibility in, the Company's possible equity fund raising in the future. The Company has recently approached financial institutions to explore equity fund raising opportunities including the placing of Shares, with the view to replenishing the cash and financial position of the Company. In order to facilitate the Company's ongoing negotiations and keep these opportunities open, the Company considers that it is desirable and necessary to comply with the trading requirements under the GEM Listing Rules through the proposed Share Consolidation. As at the date of this announcement, the Company has yet to finalise any binding agreement regarding any equity fund raising activities. Further announcement(s) will be made by the Company if a binding agreement is reached in respect of any equity fund raising activities. Furthermore, the Share Consolidation would 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 or securities houses will charge a minimum transaction costs for each securities trade.

The Board considers that the Share Consolidation is essential to achieve the above– mentioned purposes. Taking into account of the potential benefits and the insignificant amount of costs to be incurred, 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.

OTHER ARRANGEMENTS

Exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Thursday, 29 May 2025 until Monday, 7 July 2025 (both days inclusive), submit share certificates for the Existing Shares (in grey colour) to the Company's branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong at the expense of the Company, for new share certificates of the Consolidated Shares (in blue colour) (on the basis of ten (10) Existing Shares for one (1) Consolidated Share).

Thereafter, certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

After 4:10 p.m. on Thursday, 3 July 2025, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Application for listing of the Consolidated Shares

Application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective and the Consolidated Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme.

Subject to the granting of 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, under contingent situation, 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 HKSCC and HKSCC 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 securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time 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.

Fractional entitlement to the 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 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.

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 Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, a designated broker will be appointed by the Company 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. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers. Details of the matching service will be provided in the circular to be despatched to the Shareholders.

Shareholders or potential investors of the Company should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

OTHER CORPORATE ACTIONS AND FUND-RAISING ACTIVITIES IN THE NEXT TWELVE MONTHS

As at the date of this announcement and save as disclosed in the paragraph headed "Reasons for the Share Consolidation" above, the Company has no plan or intention to carry out any further corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. Nevertheless, 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 support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the SGM 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.

Save where otherwise specified, all times and dates in this announcement refer to Hong Kong local times and dates.

Events	***(Hong Kong time and date)***
Expected date of despatch of Company's circular, proxy form and the notice of the SGM	On or before Thursday, 8 May 2025
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:00 p.m. on Wednesday, 21 May 2025
Closure of register of members of the Company to determine the entitlement to attend and vote at the SGM	Thursday, 22 May 2025 to Tuesday, 27 May 2025 (both days inclusive)
Latest date and time for lodging the proxy forms for the SGM	10:00 a.m. on Sunday, 25 May 2025
Expected date and time of the SGM	10:00 a.m. on Tuesday, 27 May 2025
Publication of announcement of poll results of SGM	Tuesday, 27 May 2025

The following events are conditional on the fulfilment of the conditions relating to the implementation of the Share Consolidation and therefore the dates are tentative only:

Expected effective date of the Share Consolidation.	Thursday, 29 May 2025
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Thursday, 29 May 2025
Dealing in Consolidated Shares commences	9:00 a.m. on Thursday, 29 May 2025

Original counter for trading in Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes . . . . 9:00 a.m. on Thursday, 29 May 2025

Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens . . . . 9:00 a.m. on Thursday, 29 May 2025

Original counter for trading in Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens . . . . 9:00 a.m. on Thursday, 12 June 2025

Parallel trading in Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences . . . . 9:00 a.m. on Thursday, 12 June 2025

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, 12 June 2025

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, 3 July 2025

Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes . . . . 4:10 p.m. on Thursday, 3 July 2025

Parallel trading in Consolidated Shares (in the form of new share certificates for the Consolidated Shares and the existing share certificates) ends . . . . 4:10 p.m. on Thursday, 3 July 2025

Last day for free exchange of existing share certificates for the new share certificates of the Consolidated Shares. . . . . Monday, 7 July 2025

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, among other things, approve the Share Consolidation. In compliance with the GEM Listing Rules, the relevant resolution(s) will be voted on by way of poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or their associates would have a material interest in the Share Consolidation. No Shareholder would be required to abstain from voting on the relevant resolution(s) at the SGM.

A circular containing, among other things, details of the Share Consolidation, together with a notice convening the SGM, is expected to be despatched to the Shareholders on Thursday, 8 May 2025.

Shareholders and potential investors of the Company should note that the Share Consolidation is subject to the satisfaction of certain conditions precedent and therefore 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

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

"associate"	has the same meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
"Bye-laws"	the bye-laws of the Company, as amended from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Company"	Lajin Entertainment Network Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on GEM

"Consolidated Share(s)"	the ordinary share(s) of par value of HK$0.1 each in the share capital of the Company after the Share Consolidation becoming effective
"Consolidated Preferred Share(s)"	the limited voting convertible preferred shares of par value of HK$0.1 each in the capital of the Company after the Share Consolidation becoming effective
"Director(s)"	the director(s) of the Company
"Existing Preferred Share(s)"	the limited voting convertible preferred shares of par value of HK$0.01 each in the capital of the Company before the Share Consolidation becoming effective
"Existing Share(s)"	the ordinary share(s) of par value of HK$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	has the meaning ascribed to it under the GEM Listing Rules
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"General Rules of HKSCC"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC 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 amended from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"PRC"	the People's Republic of China
"Preferred Share(s)"	the Existing Preferred Share(s) and/or the Consolidated Preferred Share(s), as the case may be

"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Share Consolidation
"Share(s)"	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
"Share Consolidation"	the proposed consolidation of (i) every issued and unissued ten (10) Existing Shares of par value of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK$0.1 each in the share capital of the Company; and (ii) every issued and unissued ten (10) Existing Preferred Shares of par value of HK$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Preferred Share of par value of HK$0.1 each in the share capital of the Company
"Share Option(s)"	the option(s) to subscribe for new Shares granted under the Share Option Scheme
"Share Option Scheme"	the share option scheme of the Company adopted on 21 June 2024
"Shareholder(s)"	the holder(s) of the Share(s) and/or the Consolidated Preferred Share(s), as the case may be
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

Yours faithfully
By order of the Board of
Lajin Entertainment Network Group Limited
Leung Wai Shun Wilson
Executive Director

Hong Kong, 15 April 2025

As at the date of this announcement, the executive directors of the Company are Mr. Colin Xu and Mr. Leung Wai Shun Wilson; the non-executive directors are Mr. Zou Xiao Chun, Mr. Zhou Ya Fei, Mr. Li Xue Song and Ms. Wu Qian and the independent non-executive directors are Mr. Ng Wai Hung, Mr. Lam Cheung Shing Richard and Mr. Wang Ju.

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 inaccurate or misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at http://www.irasia.com/listco/hk/lajin/.

* *For identification only*