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TONTINE
CHINA TONTINE WINES GROUP LIMITED

中國通天酒業集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 389)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation, pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders by way of poll at the SGM.

GENERAL

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular containing, among other things, (i) further details of the Share Consolidation and (ii) a notice convening the SGM is expected to be despatched to the Shareholders on 18 August 2023.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation, pursuant to which every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.10 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 2,940,548,000 Existing Shares have been issued as fully paid or credited as fully paid.

Assuming that no further Existing Shares are allotted, issued or repurchased between the date of this announcement and up to and including the effective date of the Share Consolidation, immediately upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$100,000,000 divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 294,054,800 Consolidated Shares will have been issued 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 of association and bye-laws of the Company.

Other than the relevant expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interest of the Shareholders as a whole. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) compliance with the relevant procedures and requirements under the applicable laws of Bermuda and the 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 Tuesday, 12 September 2023.

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of the approval 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, 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 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.

Board Lot Size

As at the date of this announcement, the Shares are traded on the Stock Exchange in the board lot size of 2,000 Shares. No change to the board lot size is being contemplated as a result of the Share Consolidation.

Based on the closing price of HK\$0.145 per Share (equivalent to HK\$1.45 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of the Shares is HK\$290 and the theoretical market value of each board lot of the Consolidated Shares, assuming the proposed Share Consolidation had become effective, would be HK\$2,900.

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 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 existing 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, the Company will appoint a designated broker 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 lots trading arrangement will be set out in the circular of the Company 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.

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 12 September 2023, being the second Business Day immediately after the date of the SGM, Shareholders may during the period from Tuesday, 12 September 2023 to Thursday, 19 October 2023 (both days inclusive) submit existing share certificates for the Existing Shares (in pink colour) to 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, 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 new share certificates, a fee of HK\$2.50 per share certificate (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the branch share registrar for each share certificate issued for the Consolidated Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

After 4:10 p.m. on Tuesday, 17 October 2023, trading will only be in Consolidated Shares. Existing share certificates in pink 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.

Adjustments in relation to other securities of the company

As at the date of this announcement, the Company did not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Shares.

REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of 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 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 13.64 of the Listing Rules and taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Taking into account of the closing price of HK\$0.145 per Existing Share and board lot value of below HK\$2,000 as at the date of this announcement, the Share Consolidation will increase the nominal value of the Shares and will reduce the total number of Shares currently in issue and therefore, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares, would enable the Company to comply with the trading requirements under the Listing Rules.

The Share Consolidation would reduce the overall transaction and handling costs of dealings in the Consolidated Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities transaction.

In addition, the Company considers that the Share Consolidation would help maintain the overall transaction amount and handling cost for each board lot at a reasonable level in order to attract more investors and extend the base of the Shareholders, and thus provide flexibility for equity fund raising of the Company in the future.

The Board has taken into account any corporate actions to be carried out in the next 12 months when proposing the Share Consolidation and considers 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 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. However, the Board does not 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 the operations and future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below:

Event	Time and date 2023
Despatch date of the circular and the notice of SGM	on or before Friday, 18 August
Latest time for lodging transfer documents in order to qualify for the attendance and voting at the SGM.	4:30 p.m. on Monday, 4 September
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the SGM (both dates inclusive)	Tuesday, 5 September to Friday, 8 September
Latest time for lodging proxy form for the SGM.	3:00 p.m. on Wednesday, 6 September
Date and time of the SGM	3:00 p.m. on Friday, 8 September

Event	Time and date 2023
Publication of the announcement of the poll results of the SGM	Friday, 8 September
Effective date of the Share Consolidation	Tuesday, 12 September
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 12 September
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Tuesday, 12 September
Original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 12 September
Temporary counter for trading in the Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 12 September
Original counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Tuesday, 26 September
Parallel trading in the Consolidated Shares (in the form of both new and existing share certificates) commences	9:00 a.m. on Tuesday, 26 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, 26 September
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. on Tuesday, 17 October
Temporary counter for trading in the Consolidated Shares in board lots of 200 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 17 October
Parallel trading in the Consolidated Shares (in the form of both new and existing certificates) ends	4:10 p.m. on Tuesday, 17 October
Last day for free exchange of existing share certificates for new certificates for the Consolidated Shares	4:30 p.m. on Thursday, 19 October

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is for indicative purpose only and may be extended or varied. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The SGM will be convened and held for the Shareholders to consider, and if thought fit, approve, among other things, the Share Consolidation. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are interested or involved in the Share Consolidation; and no Shareholders are required to abstain from voting on the relevant resolution to be proposed at the SGM to approve the Share Consolidation.

The circular containing, among other things, further information on the Share Consolidation, and a notice convening the SGM, is expected to be despatched to the Shareholders on or before Friday, 18 August 2023.

The Share Consolidation is subject to the satisfaction of their respective conditions precedent. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“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 open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Tontine Wines Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 389)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective

“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held to approve the Share Consolidation
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the context may require
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Tontine Wines Group Limited
Wang Guangyuan
Chairman and Executive Director

Hong Kong, 4 August 2023

As at the date of this notice, the executive Directors are Mr. Wang Guangyuan, Mr. Zhang Hebin and Ms. Wang Lijun, non-executive Directors are Mr. Li Jerry Y. and Mr. Zhu Minghui, and the independent non-executive Directors are Dr. Cheng Vincent, Mr. Lai Chi Keung, Albert and Mr. Yang Qiang.