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ARTGO HOLDINGS LIMITED

雅高控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3313)

**PROPOSED CAPITAL REDUCTION OF
ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES**

Financial adviser to the Company



Diligent Capital Limited

PROPOSED CAPITAL REDUCTION AND SHARE SUB-DIVISION

The Board proposes that the Capital Reduction and the Share Sub-division will be implemented, pursuant to which:

- (i) the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK\$0.19 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.20 to HK\$0.01; and
- (ii) immediately following the Capital Reduction, each of the authorised but unissued Shares with a par value of HK\$0.20 each will be subdivided into twenty (20) New Shares with a par value of HK\$0.01 each.

Upon the Capital Reduction and the Share Sub-division becoming effective, the size of each board lot of the New Shares will remain the same as that of the Shares, being 10,000 New Shares per board lot and the New Shares will rank *pari passu* in all respects with each other in accordance with the Memorandum and Articles.

GENERAL

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the necessary resolution(s) in respect of the Capital Reduction and the Share Sub-division. The Circular containing, among other matters, information regarding the Capital Reduction and the Share Sub-division together with a notice of the AGM will be despatched to the Shareholders on or before 24 May 2024.

As the Capital Reduction and the Share Sub-division are subject to the satisfaction of conditions, they 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 CAPITAL REDUCTION AND SHARE SUB-DIVISION

The Board further proposes that the Capital Reduction and the Share Sub-division will be implemented, pursuant to which:

- (i) the issued share capital of the Company will be reduced by cancelling the paid up capital to the extent of HK\$0.19 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.20 to HK\$0.01; and
- (ii) immediately following the Capital Reduction, each of the authorised but unissued Shares with a par value of HK\$0.20 each will be subdivided into twenty (20) New Shares with a par value of HK\$0.01 each.

Each of the New Shares arising from the Capital Reduction and the Share Sub-division shall rank *pari passu* in all respects with each other each in accordance with the Memorandum and Articles and have rights and privileges and be subject to the restrictions as contained in the Memorandum and Articles.

Effect of the Capital Reduction and the Share Sub-division

Immediately upon the Capital Reduction and the Share Sub-division becoming effective and assuming no further Shares will be issued or repurchased from the date of this announcement up to and including the date of which the Capital Reduction and the Share Sub-division shall become effective, the authorised share capital of the Company shall be HK\$300,000,000 divided into 30,000,000,000 Shares with par value of HK\$0.01 each, of which 987,594,625 Shares will be in issue and fully paid or credited as fully paid.

Based on the 987,594,625 Shares in issue as at the date of this announcement and assuming that no further Shares will be issued or repurchased before the Capital Reduction and the Share Sub-division become effective, a credit amounting to HK\$187,642,979 will arise from the Capital Reduction. It is proposed that such credit will be applied towards offsetting the accumulated losses of the Company and the balance (if any) will be credited to a distributable reserve account of the Company to be used in any way deemed fit by the Board and allowed by applicable laws and the Memorandum and Articles.

Assuming that there is no change in the number of issued Shares from the date of this announcement up to and including the date on which the Capital Reduction and the Share Sub-division becoming effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately Upon the Capital Reduction and the Share-Subdivision becoming effective
Par value	HK\$0.20 per Share	HK\$0.01 per New Share
Number of authorised Shares	1,500,000,000 Shares	30,000,000,000 New Shares
Amount of authorised share capital	HK\$300,000,000	HK\$300,000,000
Number of issued Shares	987,594,625 Shares	987,594,625 New Shares
Amount of the issued share capital	HK\$197,518,925	HK\$9,875,946

Other than the expenses to be incurred in relation to the Capital Reduction and Share Sub-division, 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 for any fractional Shares will not be allocated to the Shareholders who may otherwise be entitled. The Directors are of the view that the Capital Reduction and the Share Sub-division will not have any material adverse effect on the financial position of the Group and are in the interest of the Company and the Shareholders as a whole.

Conditions of the Capital Reduction and the Share Sub-division

The Capital Reduction and the Share Sub-division are conditional upon the following conditions:

- (i) the passing of a special resolution by the Shareholders at the AGM to approve the Capital Reduction and the Share Sub-division;
- (ii) the Court granting an order confirming the Capital Reduction (if applicable);
- (iii) compliance with any conditions which the Court may impose in relation to the Capital Reduction (if applicable);
- (iv) registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction (if applicable) and the minute containing the particulars required under the Companies Act with respect to the Capital Reduction;

- (v) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares upon the Capital Reduction and the Share Sub-division becoming effective; and
- (vi) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reduction and Share Sub-division.

The Capital Reduction and Share Sub-division will come into effect once the conditions mentioned above are fulfilled. After the Shareholders approve the Capital Reduction and the Share Sub-division at the AGM, the Company's legal advisors (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction (if applicable).

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

Application for listing of the New Shares

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares upon the Capital Reduction and the Share Sub-division becoming effective.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange upon the Capital Reduction and the Share Sub-division becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the New 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 New 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 New Shares to be admitted into CCASS established and operated by HKSCC.

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Capital Reduction and the Share Sub-division becoming effective, the New 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 New Shares

Should the Capital Reduction and the Share Sub-division becoming effective, Shareholders may submit share certificates for the Shares (in yellow colour) to the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange for new share certificates for the New Shares (in red colour) at the expense of the Company within the relevant free exchange period from the date of which the Capital Reduction and the Share Sub-division shall become effective. Details of such free exchange of share certificates will be announced as soon as the date of which the Capital Reduction and the Share Sub-division shall become effective is ascertained.

The Company will publish announcement(s) to update the Shareholders when the Court hearing dates (if applicable), the effective date of the Capital Reduction and the Share Sub-division, and the period when the Shareholders can submit share certificates for the Shares to exchange for new share certificates for the New Shares is/are ascertained and/or updated.

All existing certificates of the Shares will continue to be evidence of title to such Shares, but all existing certificates of Shares will cease to be valid for trading and settlement purposes.

Reasons for the Capital Reduction and Share Sub-division

The Board believes that the credit resulting from the Capital Reduction and the Share Sub-division will allow the Company to reduce its accumulated losses. The balance of the credit (if any) will be credited to a distributable reserve account of the Company to be used in any way deemed fit by the Board and allowed by applicable laws and the Memorandum and Articles. This will enable the Company to declare dividends or undertake any corporate exercise that requires the use of distributable reserves in the future, subject to the Company's performance and the Board's evaluation of appropriateness. In view of this, the Board believes that the implementation of the Capital Reduction and the Share Sub-division is in the interest of the Company and its Shareholders as a whole.

NO CHANGE IN BOARD LOT SIZE

The Shares are currently traded on the Stock Exchange in board lot size of 10,000 Shares. Upon the Capital Reduction and the Share Sub-division becoming effective, the board lot size for trading in the New Shares will remain unchanged at 10,000 New Shares per board lot.

Based on the closing price of HK\$0.375 per Share as quoted on the Stock Exchange as at the date of this announcement, (i) the value per board lot of 10,000 Shares is HK\$3,750; and (ii) the estimated value per board lot of 10,000 New Shares would remain unchanged assuming that the Capital Reduction and the Share Sub-division becomes effective.

EXPECTED TIMETABLE

The expected timetable for the Capital Reduction and the Share Sub-division is set out below. The expected timetable is subject to the results of the AGM and satisfaction of the conditions to the Capital Reduction and the Share Sub-division 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.

Time and date

Expected date of despatch of Circular, the notice of the
AGM and the form of proxy of the AGM on or before
24 May 2024

Latest date and time for lodging transfer documents
in order to qualify for attending and voting at AGM..... 4:30 p.m. on
Tuesday, 11 June 2024

Closure of register of members for determining
the entitlement to attend and vote at the AGM..... Wednesday, 12 June 2024 to
Monday, 17 June 2024
(both dates inclusive)

Latest date and time for lodging the proxy
form for the AGM..... 11:00 a.m. on
Saturday, 15 June 2024

Expected date and time of the AGM Monday, 17 June 2024

Publication of announcement of poll results of the AGM Monday, 17 June 2024

**The following events are conditional upon the results of the AGM and the confirmation
of the Court on the Capital Reduction and therefore the dates are tentative only.**

Time and date

Effective date and time of the Capital Reduction and
the Share Sub-division..... Before 9:00 a.m. on
Tuesday, 20 August 2024

Commencement of dealing in the New Shares 9:00 a.m. on
Tuesday, 20 August 2024

First day of free exchange of existing share certificates
for the Shares into new share certificates for
New Shares..... Tuesday, 20 August 2024

Last day of free exchange of existing share certificates
for the Shares into new share certificates for
New Shares..... Friday, 27 September 2024

GENERAL

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the necessary resolution(s) in respect of the Capital Reduction and the Share Sub-division. The Circular containing, among other matters, information regarding the Capital Reduction and the Share Sub-division together with a notice of the AGM will be despatched to the Shareholders on or before 24 May 2024.

As the Capital Reduction and the Share Sub-division are subject to the satisfaction of conditions, they 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 words and phrases shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Capital Reduction and the Share Sub-division
“Articles”	the articles of association of the Company, as amended from time to time
“Board”	board of Director(s)
“Business Day(s)”	day(s) (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby the nominal value of each of the issued Shares will be reduced from HK\$0.20 each to HK\$0.01 each by cancelling the paid up capital to the extent of HK\$0.19 on each issued Share
“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 Capital Reduction, the Share Sub-division and the notice of the AGM
“Companies Act”	the Companies Act, Cap. 22 (Act 3 of 1961), of the Cayman Islands as consolidated and revised
“Company”	Artgo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (with stock code: 3313)
“Court”	the Grand Court of the Cayman Islands
“Directors”	the director(s) of the Company

“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”	collectively, the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	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
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“New Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the issued and unissued share capital of the Company upon the Capital Reduction and the Share Sub-division becoming effective
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Share(s)”	the ordinary share(s) of par value HK\$0.20 each in the share capital of the Company before the Capital Reduction and the Share Sub-division becoming effective
“Share Sub-division”	the proposed sub-division of each of the authorised but unissued Shares of par value HK\$0.20 each into twenty (20) New Shares with a par value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

“%” per cent

By order of the Board
ArtGo Holdings Limited
Wu Jing
Chairman and Executive Director

Hong Kong, 29 April 2024

As at the date of this announcement, the executive Directors are Mr. Gu Weiwen, Mr. Zhang Jian, Ms. Wu Jing and Mr. Wan Jian; the non-executive Director is Mr. Gu Zengcai; and the independent non-executive Directors are Ms. Lung Yuet Kwan, Mr. Hui Yat On and Mr. Zhai Feiquan.