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C.banner International Holdings Limited

千百度國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1028)

PROPOSED SHARE PREMIUM CANCELLATION; PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND; AND NOTICE OF BOOK CLOSURE PERIOD

Reference is made to the announcement of the Company dated 24 May 2024 in relation to a proposed meeting of the Board for approving the recommendation, declaration and payment of a special dividend.

PROPOSED SHARE PREMIUM CANCELLATION

The Board intends to put forward for approval by the Shareholders at the forthcoming SGM a proposal to cancel the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be transferred to the Contributed Surplus Account and to authorise the Board to apply such amount in the payment of part of the Special Dividend with the remaining balance to be applied in such manner as permitted under the laws of Bermuda and the Bye-laws.

REASON FOR THE PROPOSED SHARE PREMIUM CANCELLATION

Under the Companies Act, where the Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium on those Shares shall be transferred to the Share Premium Account (except in the case of an exchange of Shares the excess value of the shares acquired over the nominal value of the Shares being issued may be credited to the Contributed Surplus Account). The Company shall not declare or pay a dividend or make a distribution out of the Share Premium Account as share premium is treated as if it were paid-up share capital of the Company under the Companies Act.

Pursuant to the Companies Act and the Bye-laws, subject to compliance with the conditions stated in the section headed “CONDITIONS OF THE PAYMENT OF SPECIAL DIVIDEND” below, the Company may pay dividends or make distributions to the Qualifying Shareholders out of the Contributed Surplus Account. The Proposed Share Premium Cancellation and the subsequent transfer of the credit arising therefrom to the Contributed Surplus Account will therefore increase the distributable reserves of the Company, thereby enabling the Company to pay the Special Dividend. Subject to approval by the Shareholders of the Proposed Share Premium Cancellation, the remaining balance standing to the credit of the Contributed Surplus Account may be applied in such manner as permitted under the laws of Bermuda and the Bye-laws.

The Board therefore considers that the Proposed Share Premium Cancellation is in the best interests of the Company and the Shareholders as a whole.

EFFECTS OF THE PROPOSED SHARE PREMIUM CANCELLATION

The implementation of the Proposed Share Premium Cancellation does not involve any reduction in the authorised or issued share capital of the Company, or any reduction in the nominal value of the Shares or alteration of the trading arrangements concerning the Shares.

Save for the expenses to be incurred by the Company in relation to the Proposed Share Premium Cancellation, the Board considers that the implementation of the Proposed Share Premium Cancellation will not have a material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

Based on the audited financial statements of the Company as at 31 December 2023, the amounts standing to the credit of the Share Premium Account and the Contributed Surplus Account as at 31 December 2023 were approximately RMB646,042,000 and RMB Nil respectively. The balances of the Share Premium Account and the Contributed Surplus Account have not changed since 31 December 2023 and up to the date of this announcement. Following the payment of part of the Special Dividend out of the Contributed Surplus Account and assuming that there are no other changes to the Share Premium Account and the Contributed Surplus Account from the date of this announcement up to the date of the SGM save and except for the declaration and payment of the Special Dividend, there will be a remaining balance of approximately RMB589,867,000 standing to the credit of the Contributed Surplus Account and the balance in the Share Premium Account will be RMB Nil.

CONDITIONS OF THE PROPOSED SHARE PREMIUM CANCELLATION

The Proposed Share Premium Cancellation will be conditional upon:

- (a) the passing of a special resolution by the Shareholders approving the Proposed Share Premium Cancellation at the SGM; and
- (b) the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Effective Date will be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the conditions above, the Proposed Share Premium Cancellation will be completed and become effective on the Effective Date.

Warning

Shareholders and potential investors of the Company should note that the Proposed Share Premium Cancellation is conditional upon satisfaction of the conditions set out above. Therefore, the Proposed Share Premium Cancellation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED DECLARATION AND PAYMENT OF SPECIAL DIVIDEND

The Board is pleased to announce that at the Board meeting held on 5 June 2024, the Board has recommended the declaration and payment of a special dividend of HK\$0.13 per Share.

As at the date of this announcement, the Company has 2,077,000,000 Shares in issue. Based on the number of issued Shares as at the date of this announcement and assuming there is no change in the issued Shares from the date of this announcement up to the date of the SGM, the Special Dividend, if declared and paid, will amount to an aggregate amount of approximately HK\$270,010,000 (equivalent to approximately RMB245,587,000).

Subject to approval of the Special Dividend by Shareholders at the SGM and satisfaction of other conditions as set out in the section headed “CONDITIONS OF THE PAYMENT OF SPECIAL DIVIDEND” below, the Special Dividend will be payable out of the Retained Profits and Contributed Surplus Account to Qualifying Shareholders whose names appear on the register of members of the Company on the Dividend Record Date pursuant to Bye-law 141 of the Bye-laws and in accordance with the Companies Act.

Pursuant to Bye-law 141 of the Bye-laws, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. Pursuant to the Companies Act, the Company shall not declare or pay a dividend, or make a distribution out of Contributed Surplus Account if there are reasonable grounds for believing that: (a) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realisable value of the Company’s assets would thereby be less than its liabilities.

As at 31 December 2023, based on the audited financial statements of the Group, the amount standing to the credit of the Retained Profits was approximately RMB189,412,000. Following the payment of part of the Special Dividend out of Retained Profits and assuming that there are no other changes to the Retained Profits from the date of this announcement up to the date of the SGM save and except for the declaration and payment of the Special Dividend, there will be a remaining balance of approximately RMB Nil standing to the credit of the Retained Profits.

The proposed Special Dividend shall be declared and paid in HK\$.

CONDITIONS OF THE PAYMENT OF SPECIAL DIVIDEND

The payment of the Special Dividend is conditional upon the satisfaction of the following conditions:

- (a) the passing by the Shareholders of an ordinary resolution at the SGM to approve the declaration and payment of the Special Dividend;

- (b) the Directors being satisfied that there are no reasonable grounds for believing that: (i) the Company is, or would after the payment of the Special Dividend be, unable to pay its liabilities as they become due; or (ii) the realisable value of the Company's assets would thereby be less than its liabilities; and
- (c) the Proposed Share Premium Cancellation has become effective.

The conditions set out above cannot be waived. If such conditions are not satisfied, the Special Dividend will not be paid.

Subject to the fulfillment of the above conditions, the Special Dividend will be paid in cash in HK\$ on or around Monday, 22 July 2024 (at the earliest) to Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 8 July 2024, being the Dividend Record Date for determining entitlement to the Special Dividend.

REASONS FOR DECLARATION OF SPECIAL DIVIDEND

The Board considers it appropriate to pay the Special Dividend in recognition of Shareholders' continued support of the Company, particularly during the challenging period of the Covid-19 pandemic. In determining the amount of the Special Dividend, the Board has carefully considered (i) the Company's near term financial and cash flow requirements for capital expenditure, working capital commitments, and identifiable investment opportunities, (ii) its current cash position, (iii) the cash flows and profits generated by its operations and (iv) its current level of undistributed profits.

As sufficient cash resources have been allocated to meet the Company's forthcoming financial commitments, operational funding and strategic investment plans, the Directors consider it to be in the best interests of the Company and the Shareholders as a whole to distribute a portion of the Company's undistributed profits in the form of cash as a one-off Special Dividend to the Qualifying Shareholders.

The declaration and payment of the Special Dividend will not have any material adverse effect on the financial position of the Group.

The Directors consider that the proposed ordinary resolution for the payment of the Special Dividend is in the best interests of the Company and the Shareholders as a whole.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Monday, 24 June 2024 to Thursday, 27 June 2024 (both days inclusive), during which period no transfer of Shares will be effected.

In order to be eligible to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 21 June 2024.

For the purpose of determining Shareholders' entitlement to the Special Dividend, the register of members of the Company will be closed from Thursday, 4 July 2024 to Monday, 8 July 2024 (both days inclusive), during which period no transfers of Shares will be registered. In order to qualify for the Special Dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 3 July 2024.

SGM

The SGM will be convened and held to consider and, if thought fit, to approve the declaration and payment of the Special Dividend and the Proposed Share Premium Cancellation. The vote at the SGM shall be taken by poll. No Shareholder is required under the Listing Rules to abstain from voting on the proposed resolutions at the SGM approving the declaration and payment of the Special Dividend and the Proposed Share Premium Cancellation.

A circular containing further information about the Special Dividend and the Proposed Share Premium Cancellation and the notice of the SGM will be sent to the Shareholders as soon as practicable.

DEFINITIONS

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

“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company in force from time to time
“Company”	C.banner International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1028)
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Directors”	the directors of the Company
“Dividend Record Date”	Monday, 8 July 2024, being the record date for determining entitlements of the Shareholders to the Special Dividend

“Effective Date”	the date of the SGM, being the date on which the Proposed Share Premium Cancellation will be completed and become effective (subject to the fulfillment of the conditions set forth in the section headed “CONDITIONS OF THE PROPOSED SHARE PREMIUM CANCELLATION” in this announcement)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities in the Stock Exchange
“Proposed Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the Share Premium Account as at the Effective Date to nil with the credit arising therefrom be transferred to the Contributed Surplus Account and be applied in the payment of part of the Special Dividend with the remaining balance to be applied in such manner as permitted under the laws of Bermuda and the Bye-laws
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company as at the close of business on the Dividend Record Date
“Retained Profits”	the retained profits of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held at 11:00 a.m. on Thursday, 27 June 2024 for the purpose of considering and, if thought fit, approving the declaration and payment of the Special Dividend and the Proposed Share Premium Cancellation
“Share(s)”	ordinary share(s) of US\$0.015 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Premium Account”	the share premium account of the Company
“Special Dividend”	the proposed payment out of Retained Profits and Contributed Surplus Account of a special dividend of HK\$0.13 per Share as recommended by the Board and subject to Shareholders’ approval at the SGM and satisfaction of other conditions as set out in the section headed “CONDITIONS OF THE PAYMENT OF SPECIAL DIVIDEND” above

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars, the lawful currency of the United States of America

By order of the Board
C.banner International Holdings Limited
Chen Yixi
Chairman

PRC, 5 June 2024

As at the date of this announcement, the executive Directors are Mr. CHEN Yixi, Mr. YUAN Zhenhua, Mr. WU Weiming and Mr. ZHANG Baojun; the non-executive Directors are Ms. CHENG Xuanxuan and Mr. MIAO Bingwen; and the independent non-executive Directors are Mr. KWONG Wai Sun Wilson, Mr. XU Chengming and Mr. ZHENG Hongliang.