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BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01338)

PROPOSED CAPITAL REORGANISATION

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation involving the Share Consolidation and the Capital Reduction as follows:

(1) Share Consolidation

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued Existing Shares of par value of HK$0.10 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK$2.00 each and, where applicable, a round down of the total number of Consolidated Shares in the issued share capital of the Company to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation.

(2) Capital Reduction

The Board proposes to implement the Capital Reduction immediately upon the Share Consolidation becoming effective whereby, any fractional Consolidated Share in the issued share capital of the Company which may arise from the Share Consolidation will be cancelled and the issued share capital of the Company will be reduced by cancelling the paid-up capital to the extent of HK$1.90 on each of the then issued Consolidated Shares such that the par value of each of the then issued Consolidated Shares will be reduced from HK$2.00 to HK$0.10 each. The credit arising from the Capital Reduction will be credited to the capital reduction reserve account of the Company, which is a distributable reserve account of the Company, for use by the Company in such manner as the Board may deem fit and permitted under all applicable laws and the Articles of Association.

* *for identification purpose only*

GENERAL

The EGM will be convened and held by the Company for the Shareholders for the purpose of considering and, if thought fit, approving the Capital Reorganisation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Capital Reorganisation and no Shareholders are required to abstain from voting at the EGM.

The Circular containing, among other things, further details of the Capital Reorganisation together with the notice of the EGM and the related form of proxy will be despatched to the Shareholders on or before 14 December 2026.

As the Capital Reorganisation is conditional upon fulfilment of conditions, it may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises the Share Consolidation and the Capital Reduction as follows:

(1) Share Consolidation

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued Existing Shares of par value of HK$0.10 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK$2.00 each and, where applicable, a round down of the total number of Consolidated Shares in the issued share capital of the Company to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation. As at the date of this announcement, (a) the authorised share capital of the Company is HK$1,000,000,000 divided into 10,000,000,000 Existing Shares of par value of HK$0.10 each; and (b) there are 3,162,440,720 Existing Shares of par value of HK$0.10 each in issue which are fully paid or credited as fully paid. For the purpose of illustration only, immediately after the Share Consolidation becoming effective, but prior to the implementation of the Capital Reduction, and assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the effective date of the Share Consolidation, there will be 158,122,036 Consolidated Shares of par value of HK$2.00 each in issue.

(2) Capital Reduction

The Board further proposes that immediately upon the Share Consolidation becoming effective, the Capital Reduction be implemented in the manner that any fractional Consolidated Share in the issued share capital of the Company which may arise from the Share Consolidation will be cancelled and the issued share capital of the Company be reduced by cancelling the paid-up capital of the Company to the extent of HK$1.90 on each of the then issued Consolidated Shares such that the par value of each of the then issued Consolidated Shares be reduced from HK$2.00 to HK$0.10. Based on the 3,162,440,720 Existing Shares in issue as at the date of this announcement and assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the effective date of the Capital Reorganisation, a credit of HK$300,431,868.40 will arise from the Capital Reorganisation, which will be credited to the capital reduction reserve account of the Company, which is a distributable reserve account of the Company for use by the Company in such manner as the Board may deem fit and permitted under all applicable laws and the Articles of Association.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon the following conditions:

(i) the passing of a special resolution by the Shareholders at the EGM to approve the Capital Reorganisation and the transactions contemplated thereunder;

(ii) the Listing Committee granting the listing of, and permission to deal in, the New Shares upon the Capital Reorganisation becoming effective;

(iii) the Directors signing the solvency statement in the prescribed form in accordance with the requirements of the Companies Act;

(iv) the registration by the Cayman Registrar of a copy of the solvency statement and the minute containing the particulars required under the Companies Act with respect to the Capital Reduction;

(v) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reorganisation; and

(vi) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

None of the above conditions can be waived. After the EGM, assuming that the special resolution referred to above is passed, the Company will file the requisite documents with the Cayman Registrar.

As at the date of this announcement, none of the above conditions have been fulfilled. Subject to the fulfilment of the above conditions, the Capital Reorganisation is expected to become effective before 9:00 a.m. on Wednesday, 13 January 2027.

Effect of the Capital Reorganisation and Status of the New Shares

As at the date of this announcement, the authorised share capital of the Company is HK$1,000,000,000 divided into 10,000,000,000 Existing Shares of par value of HK$0.10 each, of which 3,162,440,720 Existing Shares have been issued and are fully paid or credited as fully paid, and 6,837,559,280 Existing Shares remain unissued.

Immediately upon the Capital Reorganisation becoming effective and assuming that there is no change in the issued share capital of the Company from the date of this announcement up to and including the effective date of the Capital Reorganisation, the authorised share capital of the Company will be HK$1,000,000,000 divided into 10,000,000,000 New Shares of par value of HK$0.10 each, of which 158,122,036 New Shares will be in issue and fully paid or credited as fully paid, and 9,841,877,964 New Shares will remain unissued.

Upon the Capital Reorganisation becoming effective, the New Shares will be identical in all respects and rank *pari passu* in all respects with each other, and shall have the rights and privileges and be subject to the restrictions in accordance with the Articles of Association. The Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Other than the expenses to be incurred by the Company in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to the Shareholders. The Directors are of the view that the proposed Capital Reorganisation will not have any material adverse effect on the financial position of the Group and is in the interests of the Company and the Shareholders as a whole.

Assuming that there is no change in the issued share capital of the Company from the date of this announcement up to and including the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the date of this announcement	**Immediately upon the Capital Reorganisation becoming effective**
Par Value	HK$0.10 per Existing Share	HK$0.10 per New Share
Authorised share capital		
Number of authorised Shares	10,000,000,000 Existing Shares	10,000,000,000 New Shares
Amount of authorised share capital	HK$1,000,000,000	HK$1,000,000,000
Issued share capital		
Number of issued Shares	3,162,440,720 Existing Shares	158,122,036 New Shares
Amount of the issued share capital	HK$316,244,072	HK$15,812,203.60
Unissued share capital		
Number of unissued Shares	6,837,559,280 Existing Shares	9,841,877,964 New Shares
Amount of the unissued share capital	HK$683,755,928	HK$984,187,796.40

Adjustments in relation to Other Securities of the Company

Since the effective date of the Share Option Scheme and up to the date of this announcement, no share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme. As a result of the Capital Reorganisation, the maximum number of New Shares which may fall to be issued pursuant to the exercise of any share options under the Share Option Scheme will be adjusted from 316,244,072 Existing Shares to 15,812,203 New Shares pursuant to the terms of the Share Option Scheme. The above adjustments in relation to the Share Option Scheme will take effect simultaneously with the Capital Reorganisation becoming effective. Save for the above adjustments, all other terms and conditions of the Share Option Scheme remain unchanged.

The Company will appoint an independent financial adviser to certify and confirm to the Directors in writing that the above adjustments are in accordance with the requirements of the Listing Rules and the terms of the Share Option Scheme.

As at the date of this announcement, the Company has no outstanding options, derivatives, warrants or other securities in issue which are convertible into, or give rights to subscribe for, convert or exchange into, any Existing Shares or New Shares, as the case may be.

Reasons for the Capital Reorganisation

Pursuant to Rule 13.64 of the 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. Further, 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 last updated in June 2026 (the "**Guide**") further stated that (i) the Stock Exchange considers any trading price less than HK$0.10 each as trading at a market price approaching the extremities of HK$0.01 as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account that the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK$1,000.

Based on the closing price of HK$0.035 per Existing Share as quoted on the Stock Exchange as at the date of this announcement and the current board lot size of 2,000 Existing Shares, (i) the current value of each board lot of 2,000 Existing Shares is HK$70, which is less than HK$1,000; and (ii) the theoretical value of each board lot of 2,000 New Shares, assuming that the Capital Reorganisation had become effective, would be HK$1,400.

In view of the recent trading price of the Existing Shares, the Board considers that the Share Consolidation will increase the trading price and board lot value of the Shares, thereby enabling the Company to comply with the trading requirements under the Listing Rules and the Guide. Further, the Share Consolidation will reduce the overall transaction and handling costs of dealings in the New Shares as a proportion of the market value of each board lot, since most of the banks/securities houses charge a minimum transaction fee for each securities trade. With the corresponding upward adjustment in the trading price of the New Shares and the net asset value per New Share upon the Share Consolidation becoming effective, the Board believes that the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of prospective investors, and therefore broaden the shareholder base of the Company, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

On the other hand, under the Companies Act and pursuant to the Articles of Association, no Shares shall be issued at a discount to their nominal value. The Capital Reduction will keep the par value of the New Shares at a lower level of HK$0.10 per New Share, which allows greater flexibility in the pricing for any future issue of New Shares. In addition, the Capital Reduction will also ensure that all issued and unissued Shares in the share capital of the Company will maintain a uniform par value of HK$0.10 per Share, thereby preserving parity of par value within the same class of Shares and maintaining the overall structural consistency and simplicity of the share capital of the Company.

As at the date of this announcement, the Company has no concrete plans to carry out other corporate actions or conduct any equity fundraising which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation in the next twelve months. However, the Board will not rule out the possibility of any fundraising activities it may consider reasonably necessary for the Group to support future development. The Company will make further announcement(s) in this regard in accordance with the Listing Rules as and when appropriate.

In view of the above, the Board considers that the proposed Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Application for Listing of the New Shares

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the New Shares upon the Capital Reorganisation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC upon the Capital Reorganisation becoming effective, 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 securities of the Company (whether equity or debt) is listed or dealt in on any stock exchange other than the Stock Exchange, and at the time when the Capital Reorganisation becomes 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.

Fractional Entitlement to the New Shares

Fractional New Shares arising from the Capital Reorganisation, if any, will be disregarded and will not be allocated to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. The net proceeds from such sale will be retained for the benefit of the Company by an agent appointed by the Board for that purpose. Fractional New 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 who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers about the possibility of buying or selling the Shares in a number sufficient to make up an entitlement to receive a whole number of New Shares.

No Change in Board Lot Size

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. Upon the Capital Reorganisation becoming effective, the board lot size for trading in the New Shares will remain unchanged at 2,000 New Shares per board lot.

Odd Lots Arrangements and Matching Services

In order to facilitate the trading of odd lots (if any) of the New Shares arising from the Capital Reorganisation, the Company has appointed an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Details of the odd lots arrangement will be set out in the Circular.

Holders of odd lots of the New Shares should note that the matching of the sale and purchase of odd lots of the New 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 the New Shares

Subject to the Capital Reorganisation becoming effective, the Shareholders may submit their existing share certificates in brown colour for the Existing Shares from Wednesday, 13 January 2027 to 4:30 p.m. on Monday, 22 February 2027 (both days inclusive) to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F., 148 Electric Road, North Point, Hong Kong during business hours in exchange for new share certificates in light blue colour for the New Shares at the expense of the Company. It is expected that the new share

certificates for the New Shares will be available for collection within ten (10) Business Days after submission of the share certificates for the Existing Shares to the Registrar for exchange.

Shareholders should note that after the prescribed time for free exchange of new share certificates for the New Shares, a fee of HK$2.50 (or such other amount as may be specified by the Stock Exchange from time to time) will be payable by Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificate(s) cancelled or issued is higher.

The existing share certificates will only be valid for delivery, trading, settlement and registration purposes for the period up to 4:10 p.m. on Thursday, 18 February 2027, and thereafter will not be accepted for delivery, trading, settlement and registration purposes and trading will only be in New Shares. However, the existing share certificate(s) will continue to be good evidence of title to the New Shares on the basis of every twenty (20) Existing Shares for one (1) New Share. The new share certificates for the New Shares will be issued in light blue in order to distinguish them from the share certificates for the Existing Shares which are in brown colour.

EXPECTED TIMETABLE

The expected timetable for the Capital Reorganisation is set out below. The expected timetable is subject to the results of the EGM and satisfaction of the conditions of the Capital Reorganisation 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.

Event(s)	**Time and date**
Expected date of despatch of the Circular, the notice of the EGM and the form of proxy for the EGM	On or before Monday, 14 December 2026
Latest date and time for lodging of securities in order to qualify for attending and voting at EGM for approving the proposed Capital Reorganisation	4:30 p.m. on Tuesday, 29 December 2026

Register of holders closes for determining the identities of the Shareholders entitled to attend and vote at the EGM for approving the proposed Capital Reorganisation (both dates inclusive) ..... Wednesday, 30 December 2026 to Wednesday, 6 January 2027

Latest date and time for lodging the form of proxy for the EGM ..... 3:00 p.m. on Monday, 4 January 2027

Record date for the EGM for approving the proposed Capital Reorganisation ..... Wednesday, 6 January 2027

Expected date and time of the EGM ..... 3:00 p.m. on Wednesday, 6 January 2027

Publication of announcement of poll results of the EGM ... Wednesday, 6 January 2027

The following events are conditional upon the results of the EGM and are therefore indicative only:

Register of holders reopens ..... Thursday, 7 January 2027

Latest date and time for lodging of securities for the approved Capital Reorganisation ..... 4:30 p.m. on Monday, 11 January 2027

Register of holders closes for the approved Capital Reorganisation ..... Tuesday, 12 January 2027

Record date for the approved Capital Reorganisation ..... Tuesday, 12 January 2027

Effective date and time of the Capital Reorganisation ..... Before 9:00 a.m. on Wednesday, 13 January 2027

First day for free exchange of existing share certificates for new share certificates of the New Shares ..... Wednesday, 13 January 2027

Dealings in New Shares commence ..... 9:00 a.m. on Wednesday, 13 January 2027

Original counter for trading in Existing Shares
in board lots of 2,000 Existing Shares
(in the form of existing share certificates)
temporarily closes ..... 9:00 a.m. on
Wednesday, 13 January 2027

Temporary counter for trading in New Shares
in temporary board lots of 100 New Shares
(in the form of existing share certificates) opens ..... 9:00 a.m. on
Wednesday, 13 January 2027

Original counter for trading in New Shares
in board lots of 2,000 New Shares
(in the form of new share certificates
for New Shares) re-opens..... 9:00 a.m. on
Wednesday, 27 January 2027

Parallel trading in the New Shares (in the form of
new share certificates for the New Shares and
existing share certificates) commences ..... 9:00 a.m. on
Wednesday, 27 January 2027

Designated broker starts to stand in the market
to provide matching services for
the sale and purchase of odd lots of the New Shares..... 9:00 a.m. on
Wednesday, 27 January 2027

Designated broker ceases to stand in the market
to provide matching services for sale and
purchase of odd lots of the New Shares ..... 4:00 p.m. on
Thursday, 18 February 2027

Temporary counter for trading in New Shares
in temporary board lots of 100 New Shares
(in the form of existing share certificates) closes..... 4:10 p.m. on
Thursday, 18 February 2027

Parallel trading in New Shares
(in the form of new share certificates
for the New Shares and existing share certificates) ends ..... 4:10 p.m. on
Thursday, 18 February 2027

Last date and time for free exchange of existing share certificates for the new share certificates of the New Shares ..... 4:30 p.m. on Monday, 22 February 2027

GENERAL

The EGM will be convened and held by the Company for the Shareholders for the purpose of considering and, if thought fit, approving the Capital Reorganisation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Capital Reorganisation and no Shareholders are required to abstain from voting at the EGM.

The Circular containing, among other things, further details of the Capital Reorganisation together with the notice of the EGM and the related form of proxy will be despatched to the Shareholders on or before 14 December 2026.

As the Capital Reorganisation is conditional upon fulfilment of conditions, it may or may not proceed. 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 expressions have the following meanings:

"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of Directors
"Business Day(s)"	a day (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or a "black" rainstorm warning signal is in force or remains in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

"Capital Reduction"	the proposed reduction of the issued share capital of the Company immediately upon the Share Consolidation becoming effective whereby any fractional Consolidated Share in the issued share capital of the Company which may arise from the Share Consolidation will be cancelled and the par value of each of the then issued Consolidated Shares will be reduced from HK$2.00 to HK$0.10 by cancelling the paid-up capital of the Company to the extent of HK$1.90 on each of the then issued Consolidated Shares
"Capital Reorganisation"	collectively, the Share Consolidation and the Capital Reduction
"Cayman Registrar"	the Registrar of Companies of the Cayman Islands
"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 in force
"Circular"	the circular to be despatched to the Shareholders containing, among other things, further details of the Capital Reorganisation and the notice of the EGM and the related form of proxy
"Companies Act"	the Companies Act (as revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time
"Company"	BaWang International (Group) Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange
"Consolidated Share(s)"	the ordinary share(s) of par value of HK$2.00 each in the share capital of the Company upon the Share Consolidation becoming effective but prior to the Capital Reduction becoming effective
"Director(s)"	director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened and held for the Shareholders for the purpose of considering and, if thought fit, approving the Capital Reorganisation
"Existing Share(s)"	the ordinary share(s) of par value of HK$0.10 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Share(s)"	the ordinary share(s) of par value of HK$0.10 each in the share capital of the Company upon the Capital Reorganisation becoming effective
"Share(s)"	Existing Share(s), Consolidated Share(s) and/or New Share(s), as the case may be
"Shareholder(s)"	the holder(s) of Share(s)
"Share Consolidation"	the proposed consolidation of every twenty (20) issued Existing Shares of par value of HK$0.10 each into one (1) Consolidated Share of par value of HK$2.00 each in the share capital of the Company

"Share Option Scheme"	the share option scheme adopted by the Company on 29 May 2020
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
BaWang International (Group) Holding Limited
CHEN QIYUAN
Chairman

Hong Kong, 27 November 2026

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. CHEN Qiyuan and Mr. CHEN Zheng He, and three independent non-executive Directors, namely, Mr. CHEUNG Kin Wing, Dr. LIU Jing and Mr. CHU Tat Hoi.