

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Artini Holdings Limited

雅天妮集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

PROPOSED SHARE CONSOLIDATION

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

As at the date of this announcement, there are 5,519,840,644 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 1,103,968,128 Consolidated Shares in issue which will be fully paid or credited as fully paid.

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 Consolidated Shares will continue to be traded in board lots of 20,000 Consolidated Shares.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

A circular containing, among other things, further information on the proposed Share Consolidation and a notice to convene the SGM are expected to be despatched to the Shareholders on or before Monday, 24 August 2020.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 divided into 30,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 5,519,840,644 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$300,000,000 divided into 6,000,000,000 Consolidated Shares of par value of HK\$0.05 each, of which 1,103,968,128 Consolidated Shares will be in issue and will be fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the 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 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 will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Friday, 11 September 2020 being the second Business Day after the date of SGM.

Listing Application

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

Subject to the granting of the 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 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 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.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 775,200,000 new Existing Shares. The Share Consolidation may lead to adjustments to the exercise price and the number of Consolidated Shares falling to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Schemes and the Listing Rules. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, as at the date of this announcement, there are no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing 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 Consolidated Shares will continue to be traded in board lots of 20,000 Consolidated Shares.

Based on the closing price of HK\$0.048 per Existing Share (equivalent to HK\$0.24 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the market value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$4,800.

OTHER ARRANGEMENTS

Fractional entitlement to 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 and retained 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 of the Company regardless of the number of 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 arising from the Share Consolidation, the Company will appoint a securities firm as an agent 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. Details of the odd lot arrangement will be set out in the circular 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.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Friday, 11 September 2020, being the second Business Day immediately after the date of the SGM, Shareholders may on or after Friday, 11 September 2020 and until Wednesday, 21 October 2020 (both days inclusive), submit their existing share certificates in purple colour for the Existing Shares 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 for exchange for new share certificates for the Consolidated Shares in orange colour on the basis of every five (5) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Share, at the expense of the Company.

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

After 4:10 p.m. on Monday, 19 October 2020, trading will only be in Consolidated Shares which share certificates will be issued in orange colour. Existing share certificates in purple colour for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as documents of title.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

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 issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 states that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000.

In view of the prevailing trading prices of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the proposed Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. As a result, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules. The Company also considers that the adjusted trading price of the Consolidated Shares as a result of the Share Consolidation would maintain the trading amount for each board lot at a reasonable level and attract more investors and broaden the shareholder base of the Company. Based on the closing price of HK\$0.048 per Existing Share (equivalent to HK\$0.24 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the expected market value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$4,800, which is greater than HK\$2,000 and therefore complies with the requirement as set out in the said “Guide on Trading Arrangements for Selected Types of Corporate Actions”.

Save for the relevant expenses, including but not limited to professional fees and printing charge to be incurred by the Company, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interests of the Shareholders. In view of the above, the Board considers that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

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

2020

Despatch date of circular with notice of the SGM on or before
Monday, 24 August

Latest date and time for lodging transfer documents
in order to qualify for attending and voting at the SGM 4:00 p.m. on
Thursday, 3 September

Closure of the register of members
for the entitlements to attend and vote at the SGM Friday, 4 September to
Wednesday, 9 September
(both days inclusive)

Latest time for lodging forms of proxy for the SGM 3:15 p.m. on
Monday, 7 September

Date and time of the SGM 3:15 p.m. on
Wednesday, 9 September
(or immediately after the conclusion or adjournment of
the annual general meeting of the Company
to be held on the same day at 3:00 p.m.)

Publication of the announcement of
the results of the SGM Wednesday, 9 September

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation	Friday, 11 September
Dealing in the Consolidated Shares commences	9:00 a.m. on Friday, 11 September
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Friday, 11 September
Original counter for trading in the Existing Shares in board lots of 20,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 11 September
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 11 September
Original counter for trading in the 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 Friday, 25 September
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Friday, 25 September
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Friday, 25 September
Temporary counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 19 October

Parallel trading in the Consolidated Shares

(in the form of new share certificates for the Consolidated Shares
and existing share certificates) ends 4:10 p.m. on
Monday, 19 October

Designated broker ceases to stand in the market

to provide matching services for odd lots of
the Consolidated Shares 4:10 p.m. on
Monday, 19 October

Last day and time for free exchange of existing share certificates

for new share certificates for the Consolidated Shares 4:00 p.m. on
Wednesday, 21 October

CLOSURE OF REGISTER OF MEMBERS FOR SGM

For the purpose of determining the rights to attend and vote at the Company's forthcoming SGM to be held on Wednesday, 9 September 2020, the register of members of the Company will be closed from Friday, 4 September 2020 to Wednesday, 9 September 2020 (both days inclusive), during which period no transfer of shares of the Company will be effected. The Shareholders whose names appear on the register of members of the Company on Wednesday, 9 September 2020 will be entitled to attend and vote at the SGM. In order to be entitled to attend and vote at the SGM, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:00 p.m. on Thursday, 3 September 2020.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the SGM.

A circular containing, among other things, further information on the proposed Share Consolidation and a notice to convene the SGM are expected to be despatched to the Shareholders on or before Monday, 24 August 2020.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Artini Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange (stock code: 789)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company

“Existing Share(s)”	issued and unissued ordinary share(s) of HK\$0.01 each in the existing 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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Share Consolidation
“Share Consolidation”	the proposed consolidation of every five (5) Existing Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Existing Share(s), or the Consolidated Share(s), as the case may be
“Share Options”	the options to subscribe for Shares granted by the Company under the Share Option Schemes
“Share Option Schemes”	the share option schemes adopted by the Company on 23 April 2008 (which expired on 22 April 2018) and 26 August 2019 respectively
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Artini Holdings Limited
Tse Hoi Chau
Chairman

Hong Kong, 4 August 2020

As at the date of this announcement, the executive directors of the Company are Mr. Tse Hoi Chau (Chairman), Ms. Yu Zhonglian and Mr. Tse Kin Lung; and the independent non-executive directors of the Company are Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Ma Sai Yam.