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**PHOENITRON**

## **PHOENITRON HOLDINGS LIMITED**

**品創控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8066)**

### **PROPOSED SHARE CONSOLIDATION AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

#### **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every ten (10) Existing Shares of HK\$0.02 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.20 each in the issued and unissued share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

#### **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000.00 divided into 5,000,000,000 Existing Shares of par value of HK\$0.02 each, of which 3,762,925,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares are issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$100,000,000.00 divided into 500,000,000 Consolidated Shares of par value of HK\$0.20 each, of which 376,292,500 Consolidated Shares, which are fully paid or credited as fully paid, will be in issue.

In order to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Board proposes that, subject to the Share Consolidation becoming effective, the authorised share capital of the Company be increased from HK\$100,000,000.00 divided into 500,000,000 Consolidated Shares to HK\$300,000,000.00 divided into 1,500,000,000 Consolidated Shares by the creation of additional 1,000,000,000 Consolidated Shares, which shall rank *pari passu* in all respects with the Consolidated Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Increase in Authorised Share Capital. A circular containing, among other things, (i) further details of the Share Consolidation; (ii) the Increase in Authorised Share Capital; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 21 December 2016.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes that every ten (10) Existing Shares of HK\$0.02 each in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.20 each in the issued and unissued share capital of the Company.

### **Conditions Precedent to the Share Consolidation**

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on the next business day immediately after the conditions of the Share Consolidation above are fulfilled.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000.00 divided into 5,000,000,000 Shares of par value of HK\$0.02 each, of which 3,762,925,000 Existing Shares had been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Shares are issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation and that there is no fractional share arising from the Share Consolidation, the authorised share capital of the Company will be HK\$100,000,000.00 divided into 500,000,000 Consolidated Shares of par value of HK\$0.20 each, of which 376,292,500 Consolidated Shares will be in issue, which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will 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 not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Fractional Consolidated Shares will not be issued by the Company to Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

As at the date of this announcement, save for the 5,000,000 Share Options granted under the Share Option Scheme entitling the holder thereof to subscribe for 5,000,000 Existing Shares, there are no outstanding options, warrants or securities convertible or exchangeable into Existing Shares or Consolidated Shares, as the case may be. Effect of the Share Consolidation on the Share Options is set out in the paragraph headed “Possible Adjustments to the Share Options” below.

### **Listing application**

Application will be made to the Listing Committee of the Stock Exchange for granting approval for the listing of, and permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System (“CCASS”) established and operated by Hong Kong Securities Clearing Company Limited (“HKSCC”).

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Following the Share Consolidation, the Consolidated Shares will continue to be traded in board lots of 5,000 Consolidated Shares.

Based on the closing price of HK\$0.059 per Existing Share (equivalent to HK\$0.59 per Consolidated Share) as at the date of this announcement, the value of each board lot of 5,000 Consolidated Shares, assuming that the Share Consolidation had already been effective, would be HK\$2,950.00.

### **Reasons for the Share Consolidation**

Under Rule 17.76 of the GEM 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. In view of the trading price of the Shares, the Board proposed to implement the Share Consolidation. The Share Consolidation will also allow the value of each board lot to be increased to more than HK\$2,000.00 and enable the Company to avoid non-compliance with the trading requirements under the GEM Listing Rules.

The Share Consolidation will also increase the nominal value of the Shares and will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares. It is believed that the adjusted Share price as a result of the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors and thus help to further broaden the shareholder base of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

## **Possible adjustments to the Share Options**

As a result of the Share Consolidation, the exercise price of the Share Options and the number of Shares comprised therein will be adjusted in accordance with the respective terms and conditions of the Share Option Scheme and the GEM Listing Rules.

## **Arrangement on odd lots trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has agreed to procure a designated broker to arrange for, on a best effort basis, the matching of the sales and purchases of odd lots of the Consolidated Shares. Details of the odd lots arrangements will be provided in the circular of the Company containing the notice of EGM.

## **Exchange of Certificate for Consolidated Shares**

Should the Share Consolidation become effective, which is currently expected to be Thursday, 19 January 2017, Shareholders may, during the period from Thursday, 19 January 2017 to Tuesday, 28 February 2017 (both days inclusive), submit the existing share certificates in the colour of blue for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange, at the expense of the Company, for new share certificates in the colour of red for the Consolidated Shares. Thereafter, the existing share certificates for the Shares will remain effective as documents of title and may be exchanged only on payment of a fee of HK\$2.50 (or such higher amount as may from to time be specified by the Stock Exchange) per existing share certificate for the Shares cancelled or new share certificate for the Consolidated Shares issued (whichever is the higher) by Shareholders but are not acceptable for trading, settlement and registration upon the Share Consolidation becoming effective.

## **EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation and the associated trading arrangements are as follows:

	<i>(Hong Kong time and date)</i>
Despatch of Company's circular with notice and form of proxy of EGM	Wednesday, 21 December 2016
Closure of register of members of the Company to determine the right to attend and vote at the EGM	Monday, 16 January 2017 to Wednesday, 18 January 2017 (both days inclusive)
Latest date and time for lodging form of proxy for the purpose of EGM	9:15 a.m. on Monday, 16 January 2017
Date and time of EGM	9:15 a.m. on Wednesday, 18 January 2017
Announcement of poll results of EGM	Wednesday, 18 January 2017

***The following events are conditional on the fulfilment of the conditions for the implementation of Share Consolidation:***

Effective date of Share Consolidation	Thursday, 19 January 2017
Dealing in Consolidated Shares commences	9:00 a.m. on Thursday, 19 January 2017
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Thursday, 19 January 2017
Original counter for trading in Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 19 January 2017
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 19 January 2017
Original counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens	9:00 a.m. on Monday, 6 February 2017
Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Monday, 6 February 2017
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Monday, 6 February 2017
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Friday, 24 February 2017
Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:00 p.m. on Friday, 24 February 2017
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Friday, 24 February 2017
Latest time for free exchange of existing share certificates for new share certificates	4:30 p.m. on Tuesday, 28 February 2017

All times and dates stated in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000.00 divided into 5,000,000,000 Existing Shares of par value of HK\$0.02 each, of which 3,762,925,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares are issued or repurchased from the date of this announcement up to the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$100,000,000.00 divided into 500,000,000 Consolidated Shares of par value of HK\$0.20 each, of which 376,292,500 Consolidated Shares, which are fully paid or credited as fully paid, will be in issue.

In order to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Board proposes that, subject to the Share Consolidation becoming effective, the authorised share capital of the Company be increased from HK\$100,000,000.00 divided into 500,000,000 Consolidated Shares to HK\$300,000,000.00 divided into 1,500,000,000 Consolidated Shares by the creation of additional 1,000,000,000 Consolidated Shares, which shall rank *pari passu* in all respects with the Consolidated Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

The Directors have no present intention of issuing any part of the proposed increased authorised share capital of the Company.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Increase in Authorised Share Capital. A circular containing, among other things, (i) further details of the Share Consolidation; (ii) the Increase in Authorised Share Capital; and (iii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 21 December 2016.

To the best of the Directors' knowledge, no Shareholders have a material interest in the Share Consolidation and the Increase in Authorised Share Capital, and are required to abstain from voting at the EGM.

**Shareholders and potential investors of the Company should be aware that the Share Consolidation is conditional upon satisfaction of the conditions precedent as set out in this announcement, therefore the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

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

<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
<b>“Company”</b>	Phoenitron Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
<b>“Consolidated Share(s)”</b>	ordinary share(s) of par value of HK\$0.20 each in the share capital of the Company immediately after the Share Consolidation becoming effective
<b>“Directors”</b>	the directors of the Company
<b>“EGM”</b>	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Share Consolidation and the Increase in Authorised Share Capital
<b>“Existing Share(s)”</b>	ordinary share(s) of par value of HK\$0.02 each in the share capital of the Company prior to the Share Consolidation becoming effective
<b>“GEM”</b>	the Growth Enterprise Market of the Stock Exchange
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on the GEM
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Increase in Authorised Share Capital”</b>	the proposed increase in the authorised share capital of the Company from HK\$100,000,000.00 divided into 500,000,000 Consolidated Shares to HK\$300,000,000.00 divided into 1,500,000,000 Consolidated Shares by the creation of additional 1,000,000,000 Consolidated Shares
<b>“Listing Committee”</b>	has the meaning ascribed thereto under the GEM Listing Rules
<b>“Shareholders”</b>	holders of the Shares
<b>“Shares”</b>	ordinary shares of HK\$0.02 each in the share capital of the Company

<b>“Share Consolidation”</b>	the proposed consolidation of every ten (10) Existing Shares of par value of HK\$0.02 each in the issued and unissued share capital of the Company into one (1) Consolidated Share of par value of HK\$0.20 each in the issued and unissued share capital of the Company
<b>“Share Option(s)”</b>	share option(s) granted or to be granted under the Share Option Scheme
<b>“Share Option Scheme”</b>	the share option scheme adopted by the Company on 8 January 2008
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“%”</b>	per cent.

By order of the Board  
**Phoenitron Holdings Limited**  
**Chang Wei Wen**  
*Executive Director*

Hong Kong, 12 December 2016

*As at the date of this announcement, the Board comprises four executive Directors, Ms. Lily Wu (Chairman and Chief Executive Officer), Mr. Wang Jia Hua, Mr. Chang Wei Wen and Mr. Yang Meng Hsiu, and three independent non-executive Directors, Ms. Wong Ka Wai, Jeanne, Mr. Leung Ka Kui, Johnny and Mr. Chan Siu Wing, Raymond.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from its date of posting and the Company’s website at [www.phoenitron.com](http://www.phoenitron.com).*