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Asia-Pac Financial Investment Company Limited

亞太金融投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8193)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Shares of par value of HK\$0.02 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.10 each.

GENERAL

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and a notice convening the AGM are expected to be despatched to the Shareholders on or before 31 July 2022.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 50,000,000,000 Shares of par value of HK\$0.02 each, of which 1,165,911,720 Shares have been issued as fully paid or credited as fully paid. Assuming that no further Shares are allotted, issued or repurchased between the date of this announcement and the date of the AGM, upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 233,182,344 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. The Share Consolidation will not result in any change in the rights of the Shareholders. 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 the proportionate interests or 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 AGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee granting the approval for 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 compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

The Share Consolidation will become effective on the next Business Day immediately following the fulfilment of the above conditions.

Listing application

An application will be made by the Company to 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, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation being effective, 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 Shares or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, 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 for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing 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, the Company will appoint a securities firm 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 certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 31 August 2022, Shareholders may on or after Wednesday, 31 August 2022 and until Monday, 10 October 2022 (both days inclusive), submit their existing share certificates for the Shares in orange colour to the Company's branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong to exchange for new share certificates for the Consolidated Shares in yellow colour at the expense of the Company.

Thereafter, existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each new share certificate for the Consolidated Shares issued or each existing share certificate for the Shares submitted for cancellation, whichever is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Thursday, 6 October 2022 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of five (5) Shares for one (1) Consolidated Share.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Share Options for subscription of an aggregate of 185,360,112 Shares under the Share Option Schemes. The Share Consolidation may lead to adjustments to the exercise price and/or 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 GEM Listing Rules. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other outstanding options, warrants or securities in issue which are convertible or exchangeable into Shares as at the date of this announcement.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to 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. 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 updated on 1 October 2020 has further stated 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 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

In view of the recent trading price of the Shares at a level less than HK\$0.1 and the value per board lot being less than HK\$2,000, the Board proposes to implement the Share Consolidation in order to comply with the trading requirements under the GEM Listing Rules. The Share Consolidation will increase the nominal value of the Shares, and is expected to bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares. The Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors.

Save for the professional fees and printing charges for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders. Subject to prevailing market conditions, the Group may consider fund raising activities to replenish its general working capital and/or to finance any potential business opportunities after completion of the Share Consolidation. As at the date of this announcement, there is not any understanding, agreement or arrangement for any such fund raising activity in the coming 12 months. As at the date of this announcement, the Company does not have any intention to carry out other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

In view of the above, the Directors are of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below.

Event

Latest time for lodging share transfer in order to
qualify for AGM voting entitlement4:30 p.m. on
Tuesday, 23 August 2022

Closure of the register of members for the
purpose of determining members who are
entitled to attend the AGM (both day inclusive) Wednesday, 24 August 2022
to Monday, 29 August 2022

Latest date and time for lodging the proxy
form for the AGM 11:00 a.m. on
Saturday, 27 August 2022

Date and time of the AGM 11:00 a.m. on
Monday, 29 August 2022

Announcement of results of the AGMMonday, 29 August 2022

**The following events are conditional upon the fulfilment of the conditions for the
implementation of the Share Consolidation as set out in this announcement.**

Effective date of the Share Consolidation Wednesday, 31 August 2022

First day of free exchange of existing
share certificates for new share certificates Wednesday, 31 August 2022

Dealings in Consolidated Shares commences9:00 a.m. on
Wednesday, 31 August 2022

Original counter for trading in Shares in board lots of
10,000 Shares (in the form of existing share certificates)
temporarily closes9:00 a.m. on
Wednesday, 31 August 2022

Temporary counter for trading in Shares in board lot of
2,000 Consolidated Shares (in the form of
existing share certificates) opens9:00 a.m. on
Wednesday, 31 August 2022

Original counter for trading in Consolidated Shares
in board lot of 10,000 Consolidated Shares
(in the form of new share certificates) re-opens 9:00 a.m. on
Thursday, 15 September 2022

Parallel trading in the Shares and Consolidated Shares
(in the form of existing share certificates
and new share certificates) commences 9:00 a.m. on
Thursday, 15 September 2022

Designated broker starts to stand in the market to
provide matching services for odd lots of
Consolidated Shares 9:00 a.m. on
Thursday, 15 September 2022

Designated broker ceases to stand
in the market to provide matching services
for odd lots of Consolidated Shares 4:00 p.m. on
Thursday, 6 October 2022

Temporary counter for trading in Consolidated Shares
in board lot of 2,000 Consolidated Shares
(in the form of existing share certificates) closes. 4:10 p.m. on
Thursday, 6 October 2022

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) ends 4:10 p.m. on
Thursday, 6 October 2022

Last day for free exchange of existing
share certificates for new share certificates Monday, 10 October 2022

Note: All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on 29 August 2022 to consider, and if thought fit, to approve, among other things, the Share Consolidation
“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”	Asia-Pac Financial Investment Company Limited, a company with limited liability incorporated under the laws of Cayman Islands, the Shares of which are listed on GEM
“Consolidated Share(s)”	ordinary share(s) with a par value of HK\$0.10 each in the share capital of Company upon the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	collectively, the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“Share(s)”	ordinary share(s) with a par value of HK\$0.02 each in the share capital of the Company before the Share Consolidation becoming effective

“Shareholder(s)”	the holder(s) of the Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares of par value of HK\$0.02 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.10 each
“Share Option(s)”	share option(s) granted under the Share Option Schemes entitling the holders thereof to subscribe for Share(s)
“Share Option Schemes”	the share option scheme of the Company adopted on 18 May 2011 and expired on 17 May 2021 and the share option scheme of the Company adopted on 30 September 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	the lawful currency of Hong Kong

By order of the Board
Asia-Pac Financial Investment Company Limited
Ip Kwok Kwong
Executive Director and Managing Director

Hong Kong, 7 July 2022

As at the date of this announcement, the Board comprises Mr. Ip Kwok Kwong (Managing Director) and Mr. Wu Di as executive Directors; and Mr. Sek Wai Kit, Mr. So Kwok Yun and Mr. Tang Wai Kee as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of its publication. This announcement will also be published on the Company’s website at www.gca.com.hk.

In case of any inconsistency between the English and Chinese versions, the English text of this announcement shall prevail over the Chinese text.