

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.



大灣區投資控股集團有限公司

GREATER BAY AREA INVESTMENTS GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00261)

**PROPOSED CAPITAL REORGANISATION
AND
PROPOSED CHANGE IN BOARD LOT SIZE**

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises the Share Consolidation, the Capital Reduction, the Credit Transfer and the Capital Increase, details of which are as follows:

(1) Share Consolidation

Every 20 issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into 1 Consolidated Share of par value of HK\$0.20 each.

(2) Capital Reduction

The Capital Reduction will be effected immediately upon the Share Consolidation becoming effective, which will involve the reduction of (i) the issued share capital of the Company by cancelling the paid up capital of the Company to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.20 to HK\$0.01; and (ii) the authorised share capital of the Company by reducing the par value of all Consolidated Shares from HK\$0.20 each to HK\$0.01 each resulting in the reduction of the authorised share capital of the Company from HK\$3,000,000,000 divided into 15,000,000,000 Consolidated Shares to HK\$150,000,000 divided into 15,000,000,000 New Shares.

(3) Credit Transfer

Immediately upon the Capital Reduction taking effect, the amount equal to the product of (i) the total number of the then issued Consolidated Shares upon the Share Consolidation becoming effective; multiplied by (ii) HK\$0.19, arising from the Capital Reduction will be credited to the Contributed Surplus in order to enable the application of the necessary amount in the Contributed Surplus in such manner as the Board may deem fit including setting off the accumulated losses of the Company in the manner permitted by the laws of Bermuda and the Bye-laws.

(4) Capital Increase

The Capital Increase (to be effected upon the Capital Reduction becoming effective) will involve the increase of the authorised share capital of the Company from HK\$150,000,000 divided into 15,000,000,000 New Shares to HK\$300,000,000 divided into 30,000,000,000 New Shares.

Shareholders should take note that the Capital Reorganisation is conditional upon satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reorganisation”. Therefore, the Capital Reorganisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM for approving the Capital Reorganisation.

PROPOSED 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 80,000 Existing Shares. Conditional upon the Capital Reorganisation becoming effective, the Board also proposes to change the board lot size for trading in the Shares from 80,000 Existing Shares to 20,000 New Shares per board lot.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. A circular containing, among other things, details of the Capital Reorganisation and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation which comprises the Share Consolidation, the Capital Reduction, the Credit Transfer and the Capital Increase, details of which are as follows:

(1) Share Consolidation

Every 20 issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into 1 Consolidated Share of par value of HK\$0.20 each. Please refer to “Fractional entitlement to New Shares” below for further information.

(2) Capital Reduction

The Capital Reduction will be effected immediately upon the Share Consolidation becoming effective, which will involve the reduction of (i) the issued share capital of the Company by cancelling the paid up capital of the Company to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.20 to HK\$0.01; and (ii) the authorised share capital of the Company by reducing the par value of all Consolidated Shares from HK\$0.20 each to HK\$0.01 each resulting in the reduction of the authorised share capital of the Company from HK\$3,000,000,000 divided into 15,000,000,000 Consolidated Shares to HK\$150,000,000 divided into 15,000,000,000 New Shares.

(3) Credit Transfer

Immediately upon the Capital Reduction taking effect, an amount equal to the product of (i) the total number of the then issued Consolidated Shares upon the Share Consolidation becoming effective; multiplied by (ii) HK\$0.19, arising from the Capital Reduction will be credited to the Contributed Surplus in order to enable the application of the necessary amount in the Contributed Surplus in such manner as the Board may deem fit including setting off the accumulated losses of the Company in the manner permitted by the laws of Bermuda and the Bye-laws.

Shareholders and potential investors should note that the credits arising in the books from the Capital Reduction will be subject to changes depending on the number of the Existing Shares in issue immediately prior to the Capital Reduction becoming effective.

(4) Capital Increase

Pursuant to the Capital Increase, immediately upon the Capital Reduction becoming effective, the authorised share capital of the Company will be increased from HK\$150,000,000 divided into 15,000,000,000 New Shares to HK\$300,000,000 divided into 30,000,000,000 New Shares.

Following the Capital Reorganisation, the Directors will be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the Bye-laws and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate.

Effects of the Capital Reorganisation

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

	As at the date of this announcement	Immediately after the Capital Reorganisation
Par value	HK\$0.01 per Existing Share	HK\$0.01 per New Share

Authorised:

Number of authorised shares	300,000,000,000 Existing Shares	30,000,000,000 New Shares
Authorised share capital	HK\$3,000,000,000.00	HK\$300,000,000.00

Issued:

Number of issued shares	183,846,100,000 Existing Shares	9,192,305,000 New Shares
Issued share capital	HK\$1,838,461,000.00	HK\$91,923,050.00

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred, the implementation of the Capital Reorganisation will have no material effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate shareholding interests of the Shareholders in the Company, save for any fractional New Shares which will be dealt with as described under “Fractional entitlement to New Shares” below. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

Fractional entitlement to New Shares

Fractional New Shares arising from the Capital Reorganisation, if any, will not be issued to the Shareholders. All entitlements to fractional New Shares will be aggregated and, if possible, sold for the benefits of the Company.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of New Shares.

Status of the New Shares

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Conditions of the Capital Reorganisation

The implementation of the Share Consolidation, the Capital Reduction, the Credit Transfer and Capital Increase are inter-conditional on each other. The implementation of the Capital Reorganisation is conditional upon, among other things:

- (1) the passing of the necessary resolution(s) by the Shareholders approving the Capital Reorganisation at the SGM;
- (2) the Stock Exchange granting the listing of, and permission to deal in, the New Shares; and
- (3) the compliance with the relevant procedures and requirements under the Companies Act and the Listing Rules to effect the Capital Reorganisation.

The Capital Reorganisation will become effective when the conditions mentioned above (the “**Conditions Precedent**”) are fulfilled.

Subject to fulfilment of the Conditions Precedent, the Capital Reorganisation is expected to become effective on the second Business Day after the date of passing of the relevant resolution(s) approving the Capital Reorganisation at the SGM.

Listing and dealings

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 HKSCC, 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.

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 issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The closing price of the Existing Shares as at the date of this announcement was HK\$0.01.

In view of the recent trading price of the Existing Shares and after weighing the potential benefits and the immediate effect of the Share Consolidation on increasing the trading price per Share and the minimal expenses involved in the Share Consolidation, the Board proposes to implement the Share Consolidation and considers that the Share Consolidation would be most effective and practical mean to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange after considering all other alternatives. It is expected that the Share Consolidation would enable the Company to comply with Rule 13.64 of the Listing Rules.

Furthermore, the Board has assessed potential consolidation ratios such as 20:1 and 10:1, after due and careful commercial consideration, the Board determined that a 20:1 ratio would be the ideal consolidation ratio, which would bring the share price of the Company up to approximately HK\$0.2 (with reference to the price per Share at approximately HK\$0.01 as at the date of this announcement). It is also 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 investors, and the Board believes that this would be beneficial to the Company and the Shareholders as a whole.

In addition, pursuant to the Bye-laws, the Company may not issue new shares below par value, which will be HK\$0.20 if the Share Consolidation takes effect without the Capital Reduction. Without the Capital Reduction, in the event that the trading price per Share is close to or below HK\$0.20, the Board may find it extremely difficult to negotiate with any potential investors to subscribe for new Shares or securities of the Company given that the Group was loss-making during the financial year ended 31 December 2018. On the other hand, the Capital Increase will increase the number of authorised but unissued Shares from 5,807,695,000 New Shares to 20,807,695,000 New Shares. The Board believes that the Capital Reduction will provide greater flexibility to the Company in pricing any future capital raising exercise as the par value per Share can be kept at a lower level and the Capital Increase will ensure that there will be a sufficiently large number of authorised but unissued Shares available for issuance where appropriate. In light of the above-mentioned circumstances, it is necessary to implement the Capital Reduction and the Capital Increase as part of the Capital Reorganisation.

In addition, the credit arising from the Capital Reduction will be transferred to the Contributed Surplus and following the Share Consolidation, the Directors will be authorised to utilise and apply any credit balance in the Contributed Surplus in accordance with the Bye-laws and all applicable laws, including the application of any credit balance to set off against accumulated losses of the Company, as and when the Directors may consider appropriate. In the event of the Directors applying credit balance in the Contributed Surplus to set off against the accumulated losses of the Company, the Company's capital and reserves will more closely reflect the available net assets of the Company and would give the Company a capital structure that should, subject to performance and availability of distributable reserves, permit the payment of dividends as and when the Directors consider it appropriate in the future.

Based on the above, the Board is of the view that the Capital Reorganisation is beneficial to and in the interests of the Company and its Shareholders as a whole.

Save for the proposed Capital Reorganisation and the Change in Board Lot Size, the Company confirms that it will not carry out any further share consolidation, share subdivision or change in board lot size that may affect the trading arrangements in the shares of the Company in the next 12 months.

FREE EXCHANGE OF SHARE CERTIFICATES AND ARRANGEMENT FOR MATCHING SERVICE FOR ODD LOTS

Subject to the Capital Reorganisation becoming effective, Shareholders may, on or after Wednesday, 21 August 2019 until Thursday, 26 September 2019 (both dates inclusive), submit share certificates for the Existing Shares to the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong at the expense of the Company, for new share certificates of the New Shares (on the basis of 20 Existing Shares for 1 New Share). Thereafter, certificates of Existing 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 share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. After 4:00 p.m. on Tuesday, 24 September 2019, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The new share certificates for the New Shares will be gold in colour so as to distinguish them from the existing share certificates for the Existing Shares which are in blue colour.

PROPOSED CHANGE IN BOARD LOT SIZE

At as the date of this announcement, the Shares are traded in board lots of 80,000 Existing Shares. The Board proposes to change the board lot size for trading in the Shares from 80,000 Existing Shares to 20,000 New Shares subject to and upon the Capital Reorganisation becoming effective. Based on the closing price of HK\$0.01 per Share on the date of this announcement and assuming that the Capital Reorganisation and the Change in Board Lot Size have become effective, the value of each board lot of Shares would be changed from HK\$800 (per board lot of 80,000 Existing Shares) to HK\$4,000 (per board lot of 20,000 New Shares).

The reason behind the Change in Board Lot Size is that, on the assumption that the price per Share is at approximately HK\$0.01 as at the date of this announcement and would be approximately HK\$0.20 after the Capital Reorganisation, given the current board lot size of 80,000 Existing Shares, each board lot will be traded at approximately HK\$16,000 per lot. The Company has a significant proportion of retail investors in Hong Kong, for which HK\$16,000 per board lot would be too high and hence unattractive. Taking into consideration the Stock Exchange's guidance that a listed issuer's board lot size should be a minimum of HK\$2,000, the Company proposes the Change in Board Lot Size, which would result in each board lot being traded at approximately HK\$4,000 (based on the Company's trading prices as at the date of this announcement).

ARRANGEMENT FOR TRADING OF ODD LOTS

In order to alleviate the difficulties arising from the existence of odd lots of New Shares as a result of the Capital Reorganisation, the Company will appoint a designated broker to arrange for matching service on a best efforts basis regarding the sale and purchase of odd lots of New Shares for a limited period of time. Shareholders should note that matching of the sale and purchase of odd lots of New Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement is recommended to consult his/her/its own professional advisers. Further details in respect of the odd lots trading arrangement will be set out in the circular in relation to the Capital Reorganisation and the SGM to be despatched to the Shareholders.

ADJUSTMENTS IN RELATION TO THE OTHER SECURITIES OF THE COMPANY

Share Options

As at the date of this announcement, the Company has 16,134,993,990 outstanding share options entitling the holders thereof to subscribe for a total of 16,134,993,990 Existing Shares. Under the terms and conditions of the share option scheme of the Company, the Share Consolidation may lead to adjustments to the number of Shares available for issue under the unutilised scheme limit of the share option scheme of the Company, and/or the exercise price and/or the number of Shares falling to be issued upon the exercise of the share options. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, the Company does not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or New Shares, as at the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Capital Reorganisation and the Change in Board Lot Size is set out below. All times and dates in this timetable refer to Hong Kong local times and dates. This timetable is indicative only and may be varied due to additional time required for compliance with regulatory requirements in Bermuda or otherwise. Any subsequent changes to the expected timetable will be announced by the Company.

<u>Events</u>	<u>2019</u>
1. Announcement of the proposed Capital Reorganisation and the Change of Board Lot Size	Thursday, 4 July
2. Despatch date of circular, notice of the SGM and form of proxy	Friday, 26 July
3. Latest date and time for lodging transfer documents for attending the SGM	4:30 p.m. on Tuesday, 13 August
4. Closure of register of members for determining the entitlement to attend and vote at the SGM	Wednesday, 14 August to Monday, 19 August (both dates inclusive)
5. Latest date and time for lodging form of proxy for the SGM	Before 10:30 a.m. on Saturday, 17 August
6. Date and time of the SGM	10:30 a.m. on Monday, 19 August
7. Announcement of the poll results of the SGM	After 4:30 p.m. on Monday, 19 August

The following events are subject to fulfillment of the Conditions Precedent.

<u>Events</u>	<u>2019</u>
8. First day of free exchange of Existing Share Certificates for New Share Certificates	Wednesday, 21 August
9. Commencement of dealings in the New Shares	9:00 a.m. on Wednesday, 21 August
10. Original counter for trading in the Existing Shares in board lot of 80,000 Existing Shares (in the form of Existing Share Certificates) temporarily closes	9:00 a.m. on Wednesday, 21 August
11. Temporary counter for trading in the New Shares in board lot of 4,000 New Shares (in the form of Existing Share Certificates) opens	9:00 a.m. on Wednesday, 21 August

- | | | |
|-----|--|-------------------------------------|
| 12. | Original counter for trading in the New Shares in board lot of 20,000 New Shares (in the form of New Share Certificates) re-opens | 9:00 a.m. on Wednesday, 4 September |
| 13. | Parallel trading in the New Shares (in the form of New Share Certificates and Existing Share Certificates) commences | 9:00 a.m. on Wednesday, 4 September |
| 14. | Designated broker starts to stand in the market to provide matching services for odd lots of the New Shares | 9:00 a.m. on Wednesday, 4 September |
| 15. | Temporary counter for trading in the New Shares in board lot of 4,000 New Shares (in the form of Existing Share Certificates) closes | 4:00 p.m. on Tuesday, 24 September |
| 16. | Parallel trading in the New Shares (in the form of New Share Certificates and Existing Share Certificates) ends | 4:00 p.m. on Tuesday, 24 September |
| 17. | Designated broker ceases to stand in the market to provide matching services for odd lots of the New Shares | 4:00 p.m. on Tuesday, 24 September |
| 18. | Last day for free exchange of Existing Share Certificates for New Share Certificates | Thursday, 26 September |

WARNING

Shareholders should take note that the Capital Reorganisation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Capital Reorganisation”. Therefore, the Capital Reorganisation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM. A circular containing, among other things, details of the Capital Reorganisation and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them as below:

“Board”	the board of Directors;
“Business Day”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business;
“Bye-laws”	the Bye-laws of the Company;
“Capital Increase”	the proposed increase of the authorised share capital of the Company from HK\$150,000,000 divided into 15,000,000,000 New Shares to HK\$300,000,000 divided into 30,000,000,000 New Shares;
“Capital Reduction”	the proposed reduction of (i) the issued share capital of the Company by cancelling the paid up capital of the Company to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Shares will be reduced from HK\$0.20 to HK\$0.01; and (ii) the authorised share capital of the Company by reducing the par value of all Consolidated Shares from HK\$0.20 each to HK\$0.01 each resulting in the reduction of the authorised share capital of the Company from HK\$3,000,000,000 divided into 15,000,000,000 Consolidated Shares to HK\$150,000,000 divided into 15,000,000,000 New Shares ;
“Capital Reorganisation”	the Share Consolidation, the Capital Reduction, the Credit Transfer and the Capital Increase;
“CCASS”	the Central Clearing and Settlement System operated by HKSCC;
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares from 80,000 Existing Shares to 20,000 New Shares upon the Capital Reorganisation becoming effective;
“Companies Act”	the Companies Act, 1981 of Bermuda as modified from time to time;

“Company”	Greater Bay Area Investments Group Holdings Limited (stock code: 261), an exempted company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange;
“Consolidated Share(s)”	share(s) of a par value of HK\$0.20 each in the share capital of the Company immediately after the Share Consolidation becoming effective but before the Capital Reduction;
“Contributed Surplus”	the contributed surplus account of the Company;
“Credit Transfer”	transferring the credit in the amount equal to the product of (i) the total number of the then issued Consolidated Shares upon the Share Consolidation becoming effective; multiplied by (ii) HK\$0.19, arising from the Capital Reduction to the Contributed Surplus;
“Director(s)”	the director(s) of the Company;
“Existing Share(s)”	share(s) of a par value of HK\$0.01 each in the share capital of the Company before the Capital Reorganisation becoming effective;
“Group”	the Company and its subsidiaries, from time to time;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share(s)”	share(s) of a par value of HK\$0.01 each in the share capital of the Company immediately after the Capital Reduction becoming effective;
“Registrar”	Tricor Tengis Limited, being the branch share registrar and transfer office of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation;
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s), as the case maybe;
“Share Consolidation”	the proposed consolidation of every 20 issued and unissued Existing Shares into 1 Consolidated Share;

“Shareholder(s)”	the holder(s) of the Existing Shares, the Consolidated Shares or the New Shares, as the case may be;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board of
**GREATER BAY AREA
INVESTMENTS GROUP HOLDINGS LIMITED**
Mak Shiu Tong, Clement
Chairman

Hong Kong, 4 July 2019

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Ms. Cheng Yuk Ching, Flora and Mr. Tam Ngai Hung, Terry; and the independent non-executive Directors are Mr. Chow Siu Ngor, Mr. Lau Ho Kit, Ivan and Mr. Tam King Ching, Kenny.