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## **Easy One Financial Group Limited**

**易易壹金融集團有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 221)**

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

#### **PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which involves the following:

- (1) a cancellation of the entire amount standing to the credit of the share premium account of the Company;
- (2) every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share;
- (3) upon the Share Consolidation becoming effective, the then issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01;

- (4) immediately following the Capital Reduction, each of the then authorised but unissued Consolidated Share of HK\$0.10 each will be sub-divided into ten (10) New Shares of HK\$0.01 each; and
- (5) the credits arising in the books of the Company from (i) the Share Premium Cancellation; and (ii) the reduction of the paid-up capital of the Company of HK\$41,798,925 will be credited to the Contributed Surplus Account.

#### **PROPOSED CHANGE IN BOARD LOT SIZE**

The Existing Shares are trading in board lot size of 20,000 Existing Shares. The Company proposes to change the board lot size of the Existing Shares for trading on the Stock Exchange to 10,000 New Shares upon the Capital Reorganisation becoming effective.

#### **WARNING**

**Shareholders should take note that the Capital Reorganisation are conditional upon satisfaction of conditions set out in the paragraphs 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**

A circular containing, among other things, details of the Capital Reorganisation and a notice convening the SGM will be despatched to the Shareholders on or before 27 January 2017.

#### **PROPOSED CAPITAL REORGANISATION**

The Board proposes to implement the Capital Reorganisation which involves the following:

- (a) a cancellation of the entire amount standing to the credit of the share premium account of the Company;

- (b) every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share;
- (c) upon the Share Consolidation becoming effective, the then issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01;
- (d) immediately following the Capital Reduction, each of the then authorised but unissued Consolidated Share of HK\$0.10 each will be sub-divided into ten (10) New Shares of HK\$0.01 each; and
- (e) the credits arising in the books of the Company from (i) the Share Premium Cancellation; and (ii) the reduction of the paid-up capital of the Company of HK\$41,798,925 will be credited to the Contributed Surplus Account.

As at the date of this announcement, the authorised share capital of the Company was HK\$200,000,000 comprising 20,000,000,000 Existing Shares of HK\$0.01 each, of which 4,644,325,000 Existing Shares have been issued and fully paid or credited as fully paid. Immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$200,000,000 divided into 20,000,000,000 New Shares of HK\$0.01 each, of which 464,432,500 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$4,644,325 (assuming that no Existing Shares are issued or repurchased from the date of this announcement until the effective date of the Capital Reorganisation and that there is no fractional share arising from the Share Consolidation). A credit of HK\$41,798,925 will arise as a result of the Capital Reduction. Such credit, together with any credit which may arise as a result of the Share Premium Cancellation, will be transferred to the Contributed Surplus Account.

Assuming no Existing Shares are issued or repurchased from the date of this announcement until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	<b>As at the date of this announcement</b>	<b>Immediately after the Share Consolidation becoming effective</b>	<b>Immediately after the Capital Reorganisation becoming effective</b>
Nominal value	HK\$0.01 per Existing Share	HK\$0.10 per Consolidated Share	HK\$0.01 per New Share
Authorised share capital	HK\$200,000,000.00 divided into 20,000,000,000 Existing Shares	HK\$200,000,000.00 divided into 2,000,000,000 Consolidated Shares	HK\$200,000,000.00 divided into 20,000,000,000 New Shares
Issued and fully paid up or credited as fully paid up share capital	HK\$46,443,250.00 divided into 4,644,325,000 Existing Shares	HK\$46,443,250.00 divided into 464,432,500 Consolidated Shares <i>(Note)</i>	HK\$4,644,325.00 divided into 464,432,500 New Shares <i>(Note)</i>
Unissued share capital	HK\$153,556,750.00 divided into 15,355,675,000 Existing Shares	HK\$153,556,750.00 divided into 1,535,567,500 Consolidated Shares <i>(Note)</i>	HK\$195,355,675.00 divided into 19,535,567,500 New Shares <i>(Note)</i>

*Note: Assuming that there is no fractional Share arising from the Share Consolidation.*

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the bye-laws of the Company.

### **Fractional entitlement to the New Shares**

Fractions of the New Shares, if any, arising from the Capital Reorganisation will be aggregated and sold (if a premium, net of expenses, can be obtained) for the benefit of the Company.

## **Conditions of the Capital Reorganisation**

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution(s) by the Shareholders at the SGM to approve the Capital Reorganisation;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the share options outstanding and to be granted under the share option scheme of the Company;
- (c) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (d) the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

## **Effects of the Capital Reorganisation**

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

## **Listing and dealings**

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the share options outstanding and to be granted under the share option scheme of the Company.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, 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.

The New Shares in issue will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

## **Adjustment in relation to the Convertible Securities**

As at the date of this announcement, the Company does not have any outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

## **PROPOSED CHANGE IN BOARD LOT SIZE**

The Existing Shares are trading in board lot size of 20,000 Existing Shares. The Company proposes to change the board lot size of the Existing Shares for trading on the Stock Exchange to 10,000 New Shares upon the Capital Reorganisation becoming effective so as to reduce the burden of existing Shareholders who wish to acquire odd lots of Consolidated Shares to make up a full board lot.

Based on the closing price of HK\$0.052 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the market value of per board lot of 20,000 Existing Shares is HK\$1,040 and the estimated market value per board lot of 10,000 New Shares will be HK\$5,200 assuming the Capital Reorganisation becomes effective.

## **Reasons for the Capital Reorganisation and Change in Board Lot Size**

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 to either change the trading method or to proceed with a consolidation or splitting of its securities. In view of the recent trading price of the Existing Shares, which approaches the abovementioned extremities of HK\$0.01, the Board proposes to implement the Share Consolidation in order to comply with the trading requirements of the Listing Rules. The Share Consolidation will increase the nominal value of the Shares, therefore, it is expected that a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange would result.

Further, 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 to support the on-going and long term financing activities and business development of the Group. The Company notes that many investors are discouraged from investing in low-priced shares (close to the extremities of HK\$0.01). With a view to avoid the Shares fall under such classification and the general negative impression or speculative nature associated thereto, a pre-cursor to improving the investor profile so as to maximize Shareholder's value is to put the per Share price of the Company within the range of interest of the investors.

In determining the consolidation ratio of 10:1, the Company has taken into consideration of the historical trend of the market price of the Shares and was cautious to minimize the negative impact which may arise from odd lots (i.e. the increase in the minimum amount to invest in the Company and the possible sale of odd lots at a price lower than the prevailing market price) and fractional Shares (i.e. the Consolidated Shares will be rounded down to the nearest one Share as fractional Shares cannot be issued or sold in the market and the Shareholder might have chance to hold New Shares which are lesser than the equivalent of the Existing Shares (i.e. a maximum of 9 Existing Shares of approximately HK\$0.50) upon completion of the Share Consolidation).

With an intention to alleviate the effect of the increase in the minimum amount to invest in the Company, a change in board lot size was proposed in conjunction with the proposed Capital Reorganisation to minimize the amount to invest or trade in a board lot of the New Shares. At present, the Existing Shares are traded in board lots of 20,000 Existing Shares and the market value of each board lot is approximately HK\$1,000 (based on the closing price of HK\$0.052 per Existing Share as quoted on the Stock Exchange on the date of this announcement). Based on the closing price of HK\$0.052 per Share (equivalent to the theoretical closing price of HK\$0.52 per Consolidated Share) as at the date of this announcement, (i) the value of each board lot of 20,000 Consolidated Shares would be approximately HK\$10,000 assuming the Share Consolidation becoming effective; and (ii) the estimated market value per board lot of 10,000 Consolidated Shares would be approximately HK\$5,000 assuming that the change in board lot size has also been effective. The Board considers that the change in board lot size will reduce the burden of existing Shareholders who wish to acquire odd lots of Consolidated Shares to make up a full board lot (i.e. approximately HK\$9,000 for topping up to one existing board lot as compared to approximately HK\$4,000 for topping up to one new board lot), and will maintain the trading value for each board lot at a reasonable level (i.e. approximately HK\$5,000) to attract investors.

The Company will appoint agent to stand in the market to provide matching services regarding the sale and purchase of the odd lots of the Consolidated Shares at the relevant market price per Consolidated Share, 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, so as to minimize the negative impact arising from the Share Consolidation.

The Board has considered different possible sizes of new board lot and concluded that the change in board lot size to 10,000 New Shares may facilitate the convenience of trading of the New Shares in the future, as it is comparatively easy to calculate the multiples of 10,000 and also to minimize the amount to invest or trade in a board lot of the New Shares. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

The Capital Reduction and the Share Subdivision on the authorised but unissued Consolidated Shares is for the purpose of maintaining the current authorised share capital of the Company at HK\$200,000,000.



The Board is also of the opinion that the Capital Reorganisation will provide the Company with greater flexibility in possible fund raisings in the future. Further, the credits in the Contributed Surplus Account arising from the Share Premium Cancellation and the Capital Reduction will also enable the Company to set off its accumulated losses as may arise from time to time and may be applied in the future for distribution to the Shareholders or in any manner permitted by the laws of Bermuda and the bye-laws of the Company.

The Board considers that the Capital Reorganisation and the change in board lot size are beneficial to and in the interests of the Company and the Shareholders as a whole.

### **ODD LOTS MATCHING**

To alleviate the difficulties arising from the existence of odd lots of New Shares as a result of the Capital Reorganisation, the Company is intended to appoint an agent to stand in the market to provide matching services for the odd lots of New Shares during the period from Tuesday, 7 March 2017 to Monday, 27 March 2017 (both dates inclusive). Details of the arrangement of the matching service will be disclosed in the circular of the Company in relation to the Capital Reorganisation.

Shareholders should note that the matching service is on a “best efforts” basis only. The successful matching of the sale and purchase of odd lots of New Shares is not guaranteed and will depend on there being adequate amounts of odd lots of New Shares available for such matching.

### **FREE EXCHANGE OF SHARE CERTIFICATES**

There will be arrangement for the exchange of share certificates for Existing Shares (the “**Existing Share Certificate(s)**”) into new share certificates for New Shares (the “**New Share Certificate(s)**”).

In connection with the Capital Reorganisation, Shareholders may submit the Existing Share Certificates 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 for exchange from Tuesday, 21 February 2017 to Thursday, 30 March 2017 (both dates inclusive), at the expense of the Company, for the New Share Certificates.

Thereafter, the Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) by the Shareholder(s) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates cancelled/issued is higher. It is expected that the New Share Certificates will be available for collection within a period of ten (10) business days after the submission of the Existing Share Certificates.

The Existing Share Certificates will be valid for delivery, trading and settlement purposes for the period up to Thursday, 30 March 2017 and thereafter will not be accepted for delivery, trading and settlement purposes. Nevertheless, the Existing Share Certificates will continue to be good evidence of legal title to the New Shares and may be exchanged for the New Share Certificates at any time in accordance with the foregoing paragraph.

### **EXPECTED TIMETABLE**

The expected timetable for implementation of the Capital Reorganisation is set out below:

**2017**

Despatch of circular with notice and proxy form of the SGM to the Shareholders.....	Friday, 27 January
Latest time for lodging the form of proxy for the SGM .....	12:00 noon, Saturday, 18 February
SGM .....	12:00 noon, Monday, 20 February
Publication of the SGM results announcement .....	Monday, 20 February
Effective date of the Capital Reorganization.....	Tuesday, 21 February
First day of free exchange of Existing Share Certificates of Existing Shares for New Share Certificate.....	Tuesday, 21 February
Dealing in Consolidated Shares commences.....	9:00 a.m., Tuesday, 21 February
Original counter for trading in Existing Shares in board lots of 20,000 Existing Shares (in the form of Existing Share Certificates) temporarily closes .....	9:00 a.m., Tuesday, 21 February

Temporary counter for trading in New Shares  
in board lots of 2,000 New Shares  
(in the form of Existing Share Certificates) opens..... 9:00 a.m., Tuesday, 21 February

Original counter for trading in New Shares  
in board lots of 10,000 New Shares  
(in the form of New Share Certificates) re-opens ..... 9:00 a.m., Tuesday, 7 March

Parallel trading in New Shares  
(in the form of New Share Certificates and  
Existing Share Certificates) commences ..... 9:00 a.m., Tuesday, 7 March

Designated broker starts to stand in  
the market to provide matching services  
for odd lots of New Shares ..... 9:00 a.m., Tuesday, 7 March

Temporary counter for trading in  
New Shares in board lots of 2,000 New Shares  
(in the form of Existing Share Certificates) closes ..... 4:00 p.m., Monday, 27 March

Parallel trading in New Shares  
(in the form of New Share Certificates  
and Existing Share Certificates) closes ..... 4:00 p.m., Monday, 27 March

Designated broker ceases to stand in  
the market to provide matching services  
for odd lots of New Shares ..... 4:00 p.m., Monday, 27 March

Last day for free exchange of Existing  
Share Certificates for New Share Certificates ..... Thursday, 30 March

*Note:* All times and dates refer to Hong Kong local times and dates.

## **WARNING**

**Shareholders should take note that the Capital Reorganisation are conditional upon satisfaction of conditions set out in the paragraphs 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**

A circular containing, among other things, details of the Capital Reorganisation and a notice convening the SGM will be despatched to the Shareholders on or before 27 January 2017. 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.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the same meanings set out below:

“Board”	the board of the Directors
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Premium Cancellation, the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC

“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Easy One Financial Group Limited 易易壹金融集團有限公司, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed and traded on the main board of the Stock Exchange (Stock Code: 221)
“Consolidated Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation but before the Capital Reduction and the Share Subdivision becoming effective
“Contributed Surplus Account”	an account designated as the contributed surplus account of the Company within the meaning of the Companies Act
“Director(s)”	the directors of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company prior to the Capital Reorganisation becoming effective
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“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
“New Share(s)”	new ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“SGM”	a special general meeting of the Company to be convened and held to consider, and if thought fit, approve, amongst other things, the Capital Reorganisation
“Share(s)”	the Existing Share(s), the Consolidated Share(s), and/or the New Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Premium Cancellation”	the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company
“Share Subdivision”	the proposed sub-division of each of the then authorised but unissued Consolidated Shares into ten (10) New Shares
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**EASY ONE FINANCIAL GROUP LIMITED**  
 易易壹金融集團有限公司  
**Chan Chun Hong, Thomas**  
*Chairman and Managing Director*

Hong Kong, 23 January 2017

*As at the date of this announcement, the executive Directors are Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai and Ms. Stephanie and the independent non-executive Directors are Mr. Sin Ka Man, Mr. Yuen Kam Ho, George and Mr. Cheung Sau Wah, Joseph.*