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**BLOCKCHAIN GP**  
區塊鏈集團有限公司

**BLOCKCHAIN GROUP COMPANY LIMITED**  
**區塊鏈集團有限公司**

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

**(Stock Code: 364)**

**PROPOSED SHARE CONSOLIDATION  
AND  
PROPOSED CHANGE IN BOARD LOT SIZE**

**PROPOSED SHARE CONSOLIDATION**

The Board proposes to put forward to the Shareholders a proposal of Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.2 each in the share capital of the Company. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

**PROPOSED CHANGE IN BOARD LOT SIZE**

The Board also proposes to change the board lot size for trading in the Shares of the Company on the Stock Exchange from 4,000 Shares to 8,000 Consolidated Shares after the Share Consolidation becoming effective.

## **GENERAL**

A circular containing, among other things, further details of the above proposals in relation to the Share Consolidation and the change in board lot size together with the notice of the EGM and related proxy form, will be despatched to the Shareholders on or before Wednesday, 10 January 2018.

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.2 each in the share capital of the Company.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

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

### **Effect of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$800,000,000 divided into 80,000,000,000 Shares of par value of HK\$0.01 each, of which 23,696,869,088 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$800,000,000 divided into 4,000,000,000 Consolidated Shares of par value of HK\$0.2 each, of which 1,184,843,454 Consolidated Shares of par value of HK\$0.2 each will be in issue.

## **Listing Application**

An application will be made by the Company to the Listing Committee for the listing of and the permission to deal in the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, upon the Share Consolidation being effective, as well as compliance with the stock admission requirements of 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Assuming all the conditions are fulfilled, the Share Consolidation will become effective on the Business Day following the passing of the ordinary resolution at the EGM, which is expected to be held on Monday, 29 January 2018.

Upon the Share Consolidation becoming effective, all Consolidated Shares will rank pari passu in all respects with each other. Fractions of Consolidated Shares that arise from the Share Consolidation will not be allocated to the Shareholders otherwise entitled thereto and will be aggregated and sold for the benefit of the Company.

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, 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.

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

The Board also proposes to change the board lot size for trading in the Shares of the Company on the Stock Exchange from 4,000 Shares to 8,000 Consolidated Shares after the Share Consolidation becoming effective.

The change in board lot size will not, by itself, affect any of the rights of the Shareholders.

## **REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. Recently, the Stock Exchange has raised its concern under Rule 13.64 of the Listing Rules as the share price of the Company has approached the extremities of HK\$0.01. In this regard, the Share Consolidation and change in board lot size would enable the Company to comply with the trading requirements of the Listing Rules. Accordingly, the Board is of the view that the Share Consolidation and change in board lot size are in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, save for the subscription of new shares as disclosed in the Company's announcement dated 5 December 2017, the Company does not have any plan or intention of future corporate actions including but not limited to fund raising exercises which will further change the trading arrangement of the Company in the next 12 months. However, the Directors consider that they will contemplate fund raising activities whenever they think reasonably necessary.

## **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 to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Consolidated Shares. Details of the odd lot trading arrangement will be stated in the circular to be despatched to the Shareholders which shall also contain, inter alia, details of the Share Consolidation and the change in board lot size.

Holders of odd lots of the Consolidated Shares should note that matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed.

## **FREE EXCHANGE OF SHARE CERTIFICATES AND TRADING ARRANGEMENT**

Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, between 9:00 a.m. and 4:00 p.m. on any Business Day during the period from Tuesday, 30 January 2018 to Friday, 9 March 2018 (both dates inclusive), to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares. It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the branch share registrar for exchange. Thereafter, the share certificates for the existing Shares will cease to be valid for delivery, trading and settlement purpose but will remain effective as documents of legal title and 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) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by the Shareholders. The existing share certificates are in yellow colour and the new share certificates will be in blue colour.

## **ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY**

### **Share Options**

As at the date of this announcement, there are outstanding share options entitling the holders thereof to subscribe for up to an aggregate of 1,211,420,000 existing Shares. The proposed Share Consolidation may cause adjustments to the exercise prices of the share options and the number of Consolidated Shares to be issued upon the exercise of the outstanding share options pursuant to the terms and conditions of the share option scheme adopted by the Company on 24 February 2012 and the Listing Rules. Assuming there is no other adjustment event under the relevant share option scheme other than the proposed Share Consolidation becoming effective, the outstanding share options will entitle holders thereof to subscribe for up to 60,571,000 Consolidated Shares.

## **Convertible Bonds**

As at the date of this announcement, there are outstanding Convertible Bonds with an aggregate principle amount of HK\$212,220,000 which are convertible into 1,200,340,298 existing Shares. The proposed Share Consolidation will cause adjustment to the conversion price of the Convertible Bonds and the number of Consolidated Shares to be issued pursuant to the terms and conditions of the Convertible Bonds.

## **Warrants**

As at the date of this announcement, there are outstanding warrants convertible into 1,328,888,888 existing Shares at the exercise price of HK\$0.099. The Share Consolidation may lead to adjustment to the exercise price and the number of existing Shares falling to be issued upon the exercise of the warrants in accordance with the terms and conditions of the warrants instrument.

Save as disclosed above, the Company has no other outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into, any existing Shares or Consolidated Shares as at the date of this announcement.

The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

## **WARNING**

Shareholders and potential investors should also be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions precedent set out in the paragraph headed “Conditions of the Share Consolidation” above. Therefore, the Share Consolidation may or may not proceed.

## **EXPECTED TIMETABLE**

The expected timetable relating to the Share Consolidation and the change in board lot size and the associated trading arrangement are as follows:

Despatch of circular with notice of EGM . . . . . On or before  
Wednesday, 10 January 2018

Latest date and time for lodging transfer documents  
in order to qualify for attending and  
voting at the EGM. . . . . 4:00 p.m.  
Wednesday, 24 January 2018

Closure of register of members for the entitlement  
to attend and vote at the EGM . . . . . from Thursday, 25 January 2018 to  
Monday, 29 January 2018  
(both days inclusive)

Latest date and time for  
lodging forms of proxy for the EGM  
(not less than 48 hours prior to the time of the EGM) . . . . . 11:00 a.m.  
Saturday, 27 January 2018

Date and time of the EGM . . . . . 11:00 a.m.  
Monday, 29 January 2018

Announcement of poll results of the EGM . . . . . Monday, 29 January 2018

**The following events are conditional on the fulfillment of the conditions for the  
implementation of the Share Consolidation, which are included in this announcement.**

Effective date of the Share Consolidation . . . . . Tuesday, 30 January 2018

First day for free exchange of  
existing share certificates for new share certificates  
for the Consolidated Shares commences . . . . . Tuesday, 30 January 2018

Dealings in the Consolidated Shares commences . . . . . 9:00 a.m.  
Tuesday, 30 January 2018

Original counter for trading in the existing Shares  
(in board lots of 4,000 Shares in the form of  
existing share certificates) temporarily closes . . . . . 9:00 a.m.  
Tuesday, 30 January 2018

Temporary counter for trading in the Consolidated Shares  
in board lots of 200 Consolidated Shares  
(in the form of existing share certificates) opens . . . . . 9:00 a.m.  
Tuesday, 30 January 2018

Original counter for trading in the Consolidated Shares  
(in board lots of 8,000 Consolidated Shares  
in the form of new share certificates) re-opens . . . . . 9:00 a.m.  
Tuesday, 13 February 2018

Parallel trading in the Consolidated Shares  
(in form of new share certificates and  
existing share certificates) commences . . . . . 9:00 a.m.  
Tuesday, 13 February 2018

Designated broker starts to stand  
in the market to provide matching services for  
odd lots of the Consolidated Shares. . . . . 9:00 a.m.  
Tuesday, 13 February 2018

Temporary counter for trading  
in the Consolidated Shares  
in board lots of 200 Consolidated Shares  
(in the form of existing share certificates) closes . . . . . 4:00 p.m.  
Wednesday, 7 March 2018

Parallel trading in the Consolidated Shares  
(in form of new share certificates and  
existing share certificates) ends . . . . . 4:00 p.m.  
Wednesday, 7 March 2018

Designated broker ceases to stand in  
the market to provide matching services for  
odd lots of the Consolidated Shares. . . . . 4:00 p.m.  
Wednesday, 7 March 2018



Last day for free exchange of  
existing share certificates for  
new share certificates for  
the Consolidated Shares .....Friday, 9 March 2018

All times and dates 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.

## **GENERAL**

A circular containing, among other things, further details of the above proposals in relation to the Share Consolidation and the change in board lot size together with the notice of the EGM and related proxy form, will be despatched to the Shareholders on or before Wednesday, 10 January 2018.

Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Business Day”	a day (other than Saturday and Sunday) on which licensed banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Company”	Blockchain Group Company Limited, a limited company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code: 364)
“Consolidated Shares”	consolidated ordinary share(s) of HK\$0.2 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective
“Convertible Bonds”	the convertible bonds issued by the Company in the aggregate outstanding amount of HK\$212,220,000 as at the date of this announcement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Share Consolidation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Share Consolidation”	the proposed consolidation of every twenty (20) Shares into one (1) Consolidated Share

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**Blockchain Group Company Limited**  
**Cai Yangbo**  
*Executive Director*

Hong Kong, 15 December 2017

*As at the date of this announcement, the executive Directors are Mr. Cai Zhenrong, Mr. Li Dongfan, Mr. Cai Zhenyao, Mr. Cai Zhenying, Mr. Cai Yangbo, Mr. Choi Wing Toon and Mr. Chen Wenfang. The non-executive Director is Mr. Su Yichao. The independent non-executive Directors are Mr. Lawrence Gonzaga, Mr. Chin Hon Siang and Mr. Lin Hann Ruey.*