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透云科技
Ty. Technology

China Touyun Tech Group Limited

中國透雲科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1332)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to put forward to the Shareholders a proposal of the Share Consolidation on the basis that every four (4) issued and unissued Existing Shares of a par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of a par value of HK\$0.04 each in the share capital of the Company and the total number of the Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation and a notice of the SGM, is expected to be despatched to the Shareholders on or before 17 July 2019.

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Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

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

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Existing Shares of a par value of HK\$0.01 each, of which 9,797,311,301 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 Existing Share is issued or repurchased from the date of this announcement until the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$500,000,000 divided into 12,500,000,000 Consolidated Shares of a par value of HK\$0.04 each, of which 2,449,327,825 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 in accordance with the memorandum of association and bye-laws of the Company.

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, save for any fractional Consolidated Shares to which Shareholders may be entitled (details of which are set out in the paragraph headed “Fractional entitlement to Consolidated Shares” below).

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and the Consolidated 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 and upon conversion of the Convertible Bonds.

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 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 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.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

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

Exchange of share certificate

Subject to the Share Consolidation becoming effective, the Shareholders may between 9:00 a.m. and 4:30 p.m. on any Business Day from Thursday, 8 August 2019 to Friday, 13 September 2019 (both days inclusive) submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which will relocate to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019), to exchange for new share certificates in pink colour for the Consolidated Shares at the expenses of the Company. Thereafter, existing share certificates 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 existing share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

After 4:00 p.m. on Wednesday, 11 September 2019, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for new share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

ARRANGEMENT FOR 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 service, 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 of the Company to be despatched to the Shareholders in relation to the Share Consolidation.

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.

REASONS FOR THE SHARE CONSOLIDATION

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. In view of the prevailing trading price of the Existing Shares, the Board proposes to implement the Share Consolidation, which is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. Furthermore, as the theoretical market value of each new board lot of the Consolidated Shares upon the Share Consolidation becoming effective will be higher than the market value of each existing board lot of the Existing Shares, the transaction cost as a proportion of the market value of each board lot will be lower. Accordingly, the Board is of the view that the Share Consolidation would enable the Company to comply with the trading requirements under the Listing Rules and is beneficial to and in the interest of the Company and the Shareholders as a whole.

The Board confirms that there is no other plan for altering the share capital of the Company other than the Share Consolidation being contemplated as at the date of this announcement.

ADJUSTMENTS IN RELATION TO THE OTHER SECURITIES OF THE COMPANY

Share Options

As at the date of this announcement, the Company has outstanding Share Options entitling the holders thereof to subscribe for a total of 663,160,000 Existing Shares. Under the terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the number of shares of the Company available for issue under the unutilised scheme limit of the Share Option Scheme, and/or the exercise price and/or the number of shares of the Company 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.

Convertible Bonds

As at the date of this announcement, there are outstanding Convertible Bonds with a principal amount of approximately US\$27 million, which are convertible into 425,579,268 Existing Shares at the prevailing conversion price of HK\$0.492 per Existing Share. The Share Consolidation may lead to adjustments to the conversion price and the number of shares of the Company falling to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds. 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 Consolidated Shares as at the date of this announcement.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is set out below:

2019

Despatch of circular, notice and proxy form for the SGM Wednesday, 17 July

Latest time for lodging transfers of Existing Shares in order to
qualify for the attendance and voting at the SGM..... 4:30 p.m. on
Wednesday, 31 July

Register of members closes to determine the qualification
for attendance and voting at the SGM..... Thursday, 1 August to
Tuesday, 6 August
(both dates inclusive)

Latest time for lodging form of proxy in respect of the SGM..... 10:00 a.m. on
Sunday, 4 August

Date and time of the SGM 10:00 a.m. on
Tuesday, 6 August

Announcement of the poll results of the SGM Tuesday, 6 August

Effective date of the Share Consolidation Thursday, 8 August

Dealing in the Consolidated Shares commences..... 9:00 a.m. on
Thursday, 8 August

Original counter for trading in the Existing Shares
in board lot of 10,000 Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m. on
Thursday, 8 August

Temporary counter for trading in the Consolidated Shares in board lot of 2,500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 8 August
First day of free exchange of existing share certificates for the Existing Shares for new share certificates for the Consolidated Shares	Thursday, 8 August
Original counter for trading in the Consolidated Shares in board lot of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Thursday, 22 August
Parallel trading in the Consolidated Shares in the form of new share certificates and existing share certificates commences	9:00 a.m. on Thursday, 22 August
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 22 August
Parallel trading in the Consolidated Shares in the form of new share certificates and existing share certificates ends	4:00 p.m. on Wednesday, 11 September
Temporary counter for trading in the Consolidated Shares in board lot of 2,500 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Wednesday, 11 September
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Wednesday, 11 September
Last day of free exchange of existing share certificates for the Existing Shares for new share certificates of the Consolidated Shares	Friday, 13 September

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 by the Company as and when appropriate.

GENERAL

The Share Consolidation will be subject to, among other things, Shareholders' approval at the SGM. The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, further details of the Share Consolidation and a notice of the SGM is expected to be despatched to the Shareholders on or before 17 July 2019.

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 shall have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	a day(s) (other than a Saturday, Sunday or a public holiday or a day on which a typhoon signal number 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Company”	China Touyun Tech Group Limited, a company incorporated in Bermuda with limited liability, and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1332)
“Consolidated Share(s)”	ordinary share(s) with par value of HK\$0.04 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Convertible Bonds”	the convertible bonds issued by the Company with an outstanding principal amount of US\$27 million which are convertible into 425,579,268 Existing Share upon exercise of the relevant conversion rights by the holders thereof at the prevailing conversion price of HK\$0.492 per Existing Share
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the existing share capital of the Company

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	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
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Share Consolidation”	the proposed consolidation of every four (4) Existing Shares into one (1) Consolidated Share and to round down the total number of issued Consolidated Shares to a whole number by cancelling any fraction in the issued share capital of the Company arising therefrom
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be
“Share Option(s)”	the option(s) to subscribe for new shares of the Company granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 18 May 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

By order of the Board
China Touyun Tech Group Limited
Wang Liang
Chairman

Hong Kong, 5 July 2019

As at the date of this announcement, the Board comprises:

Executive Directors

Mr. Wang Liang (*Chairman*)
Mr. Du Dong
Mr. Lo Yuen Wa Peter

Non-executive Director

Mr. Chen Hui

Independent non-executive Directors

Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen