



Kin Group PLC - KIN Consolidation of share capital & GM Notice
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Kin Group Plc ("the Company")

Consolidation of share capital and Notice of General Meeting

Introduction

As previously announced, at the Creditors' Meeting held by correspondence at 23.59 on 23 October 2017, the Directors' Proposals for the Creditors' Voluntary Arrangement (the "CVA") were approved by creditors. On 24 October 2017, the Company's shareholders approved the CVA and the resolutions set out in the notice of Extraordinary General Meeting included in the Circular to Shareholders dated 5 October 2017 (the "Circular").

The Board believed these proposals (the "Proposals") were in the best interests of the Company and shareholders as a whole. In accordance with English law, the Board's primary considerations were to protect the interests of the Company's creditors, which it did through the terms of the CVA. However, at the time the Circular was posted the Board made a positive decision not to consolidate the Company's ordinary shares in order to keep the number of shares held by existing shareholders constant. Given the competing interests of creditors and new investors, the Board believed this was the best course of action to preserve value for existing shareholders.

Prior to the allotment of shares pursuant to the CVA and the Placing the Company's shareholders comprise some 330 registered members holding 2,031,366,968 ordinary shares. Although, following the passing of the resolutions 3 and 4 at the EGM on 24 October, the nominal value of each ordinary

share has been subdivided from 0.01p to 0.0001p, the number of shares held by the existing shareholders remained constant.

As announced on 26 October 2017, the Board has decided to withdraw the Company's application for the New Ordinary Shares to be allotted and issued credited as fully paid to Creditors pursuant to the CVA (the "CVA Capitalisation Shares") and the New Ordinary Shares to be issued by the Company pursuant to the Placing (the "Placing Shares") to raise £1,000,000 (the "Placing") to be admitted to trading on AIM pending a consolidation of the Company's share capital.

The Directors recognise that having over 125 billion shares in issue might create market stability issues and have, consequently, decided to seek shareholders' authority to consolidate every 5,000 current ordinary share of 0.0001p into one New Ordinary Share with a nominal value of 0.5p each ("the Consolidation").

As the Proposals are conditional on the lifting of the current suspension from trading on AIM and the admission to trading on AIM of Placing Shares and the CVA Capitalisation Shares becoming effective in accordance with the AIM Rules ("Admission"), the Proposals are in effect now conditional upon the Consolidation being approved at the General Meeting to be held on 13 November 2017, notice of which is set out at the end of this Document (the "General Meeting").

If the resolution set out in the notice of the General Meeting (the "Resolution") is not passed by Shareholders at the General Meeting, Admission will not become effective, and the Proposals will not proceed.

Consolidation of share capital

The Company's issued ordinary share capital currently consists of 2,031,366,968 Existing Ordinary Shares of 0.0001p each in the capital of the Company ("Existing Ordinary Shares"). It is proposed to consolidate every 5,000 of the Existing Ordinary Shares into one New Ordinary Share of 0.5p ("New Ordinary Share").

To effect the Consolidation, it will be necessary to issue a further 3,032 ordinary shares of 0.0001p to increase the number of Ordinary Shares in issue to 2,031,370,000 Ordinary Shares which is exactly divisible by 5,000.

Following the Consolidation (ignoring, for this purpose, the CVA Capitalisation Shares and the Placing Shares), there will be 406,274 New Ordinary Shares in issue. Holders of Existing Ordinary Shares ("Existing Shareholders") should note that while the numbers of shares held by them will change, the proportion of the issued ordinary shareholdings in the Company held by each Existing Shareholder immediately before and after the Consolidation will, except for fractional entitlements, be unchanged.

Any Existing Shareholders holding fewer than 5,000 Existing Ordinary Shares at 6.00 p.m. on 13 November 2017 (or such later date as the Directors may determine and communicate to Shareholders by an appropriate announcement to a Regulatory Information Service) ("the Record Date") will cease to be a Shareholder of the Company. The value of 5,000 Existing Ordinary Shares at the price at which the Placing was effected is 5p.

Existing Shareholders with a holding of more than 5,000 Existing Ordinary Shares, but which is not exactly divisible by 5,000, will have their holding rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements to a New Ordinary Share will be aggregated and sold in the market, for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions. As the net proceeds of sale will amount to less than £3 for any entitled Shareholder, they will (in accordance with usual market practice) be retained by the Company.

Effect of the Consolidation on the Proposals

Under the terms of the CVA, the amounts due to each of the Creditors were capitalised by the issue of such number of ordinary shares of 0.0001p, credited as fully paid up at 0.01p per share, as has a value equal to the amount of the debt for which they prove. The amount owed to Creditors stands at £2,302,002.94, which were capitalised into 23,020,029,400 ordinary shares of 0.0001p, issued credited as fully up at 0.01p per share. Following the Consolidation, 4,604,006 ordinary shares of 0.5p will be issued to Creditors under the CVA, credited as fully paid up at 50p per share.

Under the Placing, Peterhouse has placed 100,000,000,000 ordinary shares of 0.0001p at a price of 0.001p per share to raise £1 million before expenses. One warrant was to be issued for every four Placing Shares issued, exercisable at a price of 0.004p per warrant at any time in the period of three years from Admission ("Placing Warrants"). Following the Consolidation, the Placing will comprise 20,000,000 ordinary shares of 0.5p issued at 5p per share, and 5,000,000 Placing Warrants will be issued on a 1 for 4 basis, exercisable at 20p per share for the period of three years from Admission.

It is anticipated that the Company will apply for Admission and the lifting of the suspension from trading of the Existing Ordinary Shares to take place on or around 15 November 2017. In all other respects, the terms of the CVA and of the Placing will remain unchanged.

General Meeting

Notice convening a General Meeting of the Company to be held at 10.00 a.m. on 13 November 2017, at which a resolution to effect the Consolidation will be proposed as an ordinary resolution will be sent to shareholders today.

A copy of the document containing the notice of General Meeting will also be available on the Company's website www.kingroupplc.com from today.

Further announcements will be made as appropriate.

~ Ends ~

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