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RISECOMM

瑞斯康

RISECOMM GROUP HOLDINGS LIMITED

瑞斯康集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1679)

- (1) PROPOSED SHARE CONSOLIDATION AND
CHANGE IN BOARD LOT SIZE;
(2) POSTPONEMENT OF ANNUAL GENERAL MEETING;
AND
(3) CHANGE OF DATES FOR CLOSURE OF REGISTER OF MEMBERS**

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 2,131,088,606 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the AGM, upon the Share Consolidation becoming effective, there will be 213,108,860 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$1,000,000 but will be divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.001 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,500 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 2,500 Existing Shares to 5,000 Consolidated Shares.

GENERAL

The AGM will be convened and held for the Shareholders, among other things, to consider and, if thought fit, approve the Share Consolidation. Due to the additional ordinary resolution to be submitted to the Shareholders for consideration, the Company decided to postpone the AGM originally scheduled to be held on 21 June 2023 (Wednesday) at 11:00 a.m. to 27 June 2023 (Tuesday) at 11:00 a.m. The venue of the postponed AGM will remain unchanged at Units 5906-12, 59/F, The Center, 99 Queen's Road Central, Hong Kong.

A supplemental circular containing, among other things, further details of the Share Consolidation, the Change in Board Lot Size and the supplemental notice convening the postponed AGM as well as the revised proxy form are expected to be despatched to the Shareholders on or before 9 June 2023.

Shareholders and potential investors should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.0001 each, and there are 2,131,088,606 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the date of this announcement up to the date of the AGM, upon the Share Consolidation becoming effective, there will be 213,108,860 Consolidated Shares in issue which are fully paid or credited as fully paid. The authorised share capital of the Company will remain at HK\$1,000,000 but will be divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.001 each.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

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. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Thursday, 29 June 2023, being the second Business Day after the AGM, subject to the fulfilment of the above conditions.

Listing application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

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 the 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 established and operated by HKSCC.

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 becomes 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.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are (i) outstanding pre-IPO share options (the “**Pre-IPO Share Options**”) entitling the holders thereof to subscribe for 856,555 Existing Shares under the pre-IPO share option scheme of the Company which was adopted on 25 August 2016 (the “**Pre-IPO Share Option Scheme**”); and (ii) outstanding share options (the “**Share Options**”) entitling the holders thereof to subscribe for 6,273,811 Existing Shares under the share option scheme of the Company which was adopted on 16 May 2017 (the “**Share Option Scheme**”).

The Share Consolidation will lead to adjustments to (i) the exercise prices of the Pre-IPO Share Options and the Share Options; and (ii) the number of Consolidated Shares to be issued upon the exercise of the outstanding Pre-IPO Share Options and Share Options. Such adjustments are to be made in accordance with the terms and conditions of the Pre-IPO Share Option Scheme, the Share Option Scheme, Rule 17.03(13) of the Listing Rules and the Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072 — 2020 issued by the Stock Exchange on 6 November 2020. Further announcement will be made by the Company regarding the adjustments to the Pre-IPO Share Options and the Share Options on or before the effective date of the Share Consolidation.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots of 2,500 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange shall be changed from 2,500 Existing Shares to 5,000 Consolidated Shares.

Based on the closing price of HK\$0.166 per Existing Share (equivalent to the theoretical closing price of HK\$1.66 per Consolidated Share) as at the date of this announcement, (i) the value per board lot of 2,500 Existing Shares is HK\$415; (ii) the value per board lot of 250 Consolidated Shares would be HK\$415 on the assumption that the Share Consolidation becomes effective; and (iii) the value per board lot of 5,000 Consolidated Shares would be HK\$8,300 on the assumption that the Change in Board Lot Size has also become effective.

REASONS FOR THE SHARE CONSOLIDATION AND THE 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 either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It is also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Based on the closing price of HK\$0.166 per Existing Share and board lot size of 2,500 Existing Shares as at the date of this announcement, the existing board lot value is HK\$415, which is lower than HK\$2,000. The Board considers that after the Share Consolidation (resulting in a theoretical price of HK\$1.66 per Consolidated Share) and the change in board lot size to 5,000 Consolidated Shares becoming effective, the estimated board lot value will be HK\$8,300.

In view of the recent trading price of the Shares, the Board considers that the Share Consolidation and the Change in Board Lot Size will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, the Board believes that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, and therefore further broaden the shareholder base of the Company.

The Board considers that the Share Consolidation and the Change in Board Lot Size are essential to achieve the above-mentioned purpose. Taking into account of the potential benefits and the insignificant amount of costs to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are in the best interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may affect the trading in the Shares, and the Company does not have any concrete plan to conduct any fund-raising activities in the next 12 months. The Directors will consider carefully the likely impact on the Shareholders before they will proceed on any such fund-raising exercises.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares (if any) will be disregarded and 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.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, 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 supplemental circular to be despatched to the Shareholders.

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. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation having become effective, Shareholders may during the specified period submit share certificates for Shares to the Company's share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, share certificates for 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) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Wednesday, 2 August 2023, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of ten (10) Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in beige colour in order to distinguish them from the share certificates for the Existing Shares which are in blue colour.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the AGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

<i>Event</i>	<i>Time and Date</i>
Expected date of despatch of the supplemental circular, supplemental notice and proxy form of the AGM	Friday, 9 June 2023
Latest time for lodging the relevant share certificate with the Company's branch share registrar in order to attend the AGM	4:30 p.m. on Tuesday, 20 June 2023
Closure of the register of members of the Company	Wednesday, 21 June 2023 to Tuesday, 27 June 2023
Latest time for lodging the proxy form for the AGM	11 a.m. on Sunday, 25 June 2023
Record date.....	Tuesday, 27 June 2023
Date and time of the AGM	11 a.m. on Tuesday, 27 June 2023
Publication of announcement on poll results of the AGM.....	Tuesday, 27 June 2023
The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation	
Effective date of the Share Consolidation	Thursday, 29 June 2023
Dealing in the Consolidated Shares commences.....	9:00 a.m. on Thursday, 29 June 2023
Original counter for trading in the Shares in board lots of 2,500 Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Thursday, 29 June 2023

<i>Event</i>	<i>Time and Date</i>
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Thursday, 29 June 2023
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Thursday, 29 June 2023
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens.....	9:00 a.m. on Thursday, 13 July 2023
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Thursday, 13 July 2023
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 13 July 2023
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Wednesday, 2 August 2023
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Wednesday, 2 August 2023
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Wednesday, 2 August 2023
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Friday, 4 August 2023

POSTPONEMENT OF ANNUAL GENERAL MEETING

The AGM will be convened and held for the Shareholders, among other things, to consider and, if thought fit, approve the Share Consolidation. Due to the additional ordinary resolution to be submitted to the Shareholders for consideration, the Company decided to postpone the AGM originally scheduled to be held on 21 June 2023 (Wednesday) at 11:00 a.m. to 27 June 2023 (Tuesday) at 11:00 a.m. The venue of the postponed AGM will remain unchanged at Units 5906–12, 59/F, The Center, 99 Queen’s Road Central, Hong Kong.

A supplemental circular containing, among other things, further details of the Share Consolidation, the Change in Board Lot Size and the supplemental notice convening the postponed AGM as well as the revised proxy form are expected to be despatched to the Shareholders on or before 9 June 2023.

A revised proxy form for use at the postponed AGM, with inclusion of additional ordinary resolution in relation to the Share Consolidation as set out above together with all other applicable proposed resolutions, will be sent to the Shareholders on or before 9 June 2023. The Shareholders, who have already lodged the proxy form sent together with the circular of the Company dated 28 April 2023, are advised to read the supplemental circular as well as the notes printed on the revised proxy form for guidance on the completion and submission of the same.

CHANGE OF DATES FOR CLOSURE OF REGISTER OF MEMBERS

As a result of the postponement of the AGM, the book closure dates of the register of members of the Company will be changed as follows.

For determining the entitlement to attend and vote at the postponed AGM, the register of members of the Company will be closed from Wednesday, 21 June 2023 to Tuesday, 27 June 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the postponed AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 20 June 2023.

Shareholders and potential investors should take note that the Share Consolidation and the Change in Board Lot Size are conditional upon the fulfilment of their respective conditions. Therefore, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company convened to be held for the purpose of, among other things, considering and, if thought fit, approving the proposed Share Consolidation
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday or Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 2,500 Existing Shares to 5,000 Consolidated Shares
“Company”	Risecomm Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and Shares of which are listed on the Stock Exchange (Stock Code: 1679)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company after the Share Consolidation becomes effective
“Director(s)”	director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.0001 each in the existing share capital of the Company before the Share Consolidation becomes effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures

“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 Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary shares in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s) and/or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading Day(s)”	means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time

By order of the Board
Risecomm Group Holdings Limited
Guo Lei
Chairman and executive Director

Hong Kong, 7 June 2023

As at the date of this announcement, the executive Directors are Ms. Guo Lei, Mr. Lau Wai Leung, Alfred and Mr. Jiang Feng, the non-executive Directors are Mr. Yu Lu and Mr. Ding Zhigang, and the independent non-executive Directors are Mr. Victor Yang, Ms. Lo Wan Man and Mr. Zou Heqiang.