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仍志集團控股有限公司
WISDOMCOME GROUP HOLDINGS LIMITED

(Continued into Bermuda with limited liability)

(Stock code: 8079)

PROPOSED CAPITAL REORGANISATION

PROPOSED CAPITAL REORGANISATION

The Board proposes to implement the Capital Reorganisation involving:

(1) Share Consolidation

the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares with par value of HK\$0.01 each be consolidated into one (1) Consolidated Share with par value of HK\$0.20 each;

(2) Capital Reduction and the Sub-division

- (i) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation; and (b) cancelling the paid up capital of the Company to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.20 to HK\$0.01;

- (ii) immediately following the Share Consolidation and the Capital Reduction becoming effective, the Sub-division, whereby each authorised but unissued Consolidated Shares (including the authorised unissued Consolidated Shares arising from the Capital Reduction) be subdivided into twenty (20) authorised but unissued New Shares of par value HK\$0.01 each so that the authorised share capital of the Company shall be HK\$300,000,000 divided into 30,000,000,000 New Shares with par value of HK\$0.01 each; and

(3) Share Premium Reduction

immediately following the Capital Reduction and Sub-division becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account of approximately HK\$395.2 million will be reduced to nil.

Upon the Capital Reorganisation becoming effective, the credits arising from the Capital Reduction and the Share Premium of approximately HK\$400.1 million will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the Accumulated Losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

GENERAL

The Company will make a further announcement on the expected timetable of the Capital Reorganisation.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation and transactions contemplated thereunder. A circular containing, among other matters, details of the Capital Reorganisation, together with a notice convening the SGM and the related proxy form, is expected to be sent to the Shareholders on or before 31 October 2024. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Capital Reorganisation and no Shareholder will be required to abstain from voting at the SGM.

Shareholders and potential investors of the Company should be aware of and take note that the Capital Reorganisation is conditional upon satisfaction of certain conditions set out in this announcement, and therefore may or may not proceed. Shareholders and potential investors of the Company 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 CAPITAL REORGANISATION

As at the date of this announcement, the total authorised share capital of the Company is HK\$300,000,000, which is divided into 30,000,000,000 Shares, of which 518,644,031 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

The Board proposes to implement the Capital Reorganisation involving:

(1) Share Consolidation

the Share Consolidation on the basis that every twenty (20) issued and unissued Existing Shares with par value of HK\$0.01 each be consolidated into one (1) Consolidated Share with par value of HK\$0.20 each;

(2) Capital Reduction and the Sub-division

- (i) immediately following the Share Consolidation becoming effective, the Capital Reduction whereby the issued share capital of the Company will be reduced by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation; and (b) cancelling the paid up capital of the Company to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK\$0.20 to HK\$0.01;
- (ii) immediately following the Share Consolidation and the Capital Reduction becoming effective, the Sub-division, whereby each authorised but unissued Consolidated Shares (including the authorised unissued Consolidated Shares arising from the Capital Reduction) be subdivided into twenty (20) authorised but unissued New Shares of par value HK\$0.01 each so that the authorised share capital of the Company shall be HK\$300,000,000 divided into 30,000,000,000 New Shares with par value of HK\$0.01 each; and

(3) Share Premium Reduction

immediately following the Capital Reduction and Sub-division becoming effective, the Share Premium Reduction whereby the entire amount standing to the credit of the Share Premium Account of approximately HK\$395.2 million will be reduced to nil.

Upon the Capital Reorganisation becoming effective, the credits of approximately HK\$400.1 million arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act to then be applied to set off the Accumulated Losses of the Company or be applied by the Board in a manner as permitted by the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.

Effects of the Capital Reorganisation

Assuming that no further Existing Shares are allotted, issued or repurchased from the date of this announcement up to and including the effective date of the Capital Reorganisation, immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company shall become HK\$300,000,000 divided into 30,000,000,000 New Shares of par value of HK\$0.01 each, of which 25,932,201 New Shares will have been issued and will be fully paid or credited as fully paid, and a credit of approximately HK\$400.1 million arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to and including the date on which the Capital Reorganisation become effective, the share capital structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division; and (iii) immediately upon the Capital Reorganisation becoming effective are summarised as follows:

	As at the date of this announcement	Immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub- division	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.01 per Existing Share	HK\$0.20 per Consolidated Share	HK\$0.01 per New Share
Amount of the authorised share capital	HK\$300,000,000	HK\$300,000,000	HK\$300,000,000
Number of authorised Shares	30,000,000,000 Existing Shares	1,500,000,000 Consolidated Shares	30,000,000,000 New Shares
Number of issued Shares	518,644,031 Existing Shares	25,932,201 Consolidated Shares	25,932,201 New Shares
Amount of issued share capital	HK\$5,186,440.31	HK\$5,186,440.31	HK\$259,322.01

As at the date of this announcement, 518,644,031 Existing Shares have been issued and are fully paid or credited as fully paid. Immediately upon the Capital Reorganisation becoming effective, the Company's existing issued share capital of HK\$5,186,440.31 will be reduced by HK\$4,927,118.30 to HK\$259,322.01.

Save for applying the credit arising from the Capital Reduction and the Share Premium Reduction towards offsetting the Accumulated Losses, and other than the expenses incurred in relation to the Capital Reorganisation, its implementation will not in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company and that on the date the Capital Reorganisation is to take effect, 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. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Status of the New Shares

Upon the Capital Reorganisation becoming effective, the New Shares 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 in accordance with the Bye-laws.

Fractional entitlement to the New Shares

Any fractional New Share arising from the Capital Reorganisation to which an individual Shareholder is entitled to will not be issued by the Company to such Shareholder, but will be aggregated and, if possible, sold for the benefit of the Company.

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

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on the following conditions being fulfilled:

- (a) the passing of resolution(s) by the Shareholders at the SGM to approve the Capital Reorganisation;

- (b) the Listing Committee granting the approval for listing of, and permission to deal in, the New Shares in issue and to be issued upon the Capital Reorganisation becoming effective;
- (c) the compliance with the relevant procedures and requirements under the Companies Act and applicable laws of Bermuda to effect the Capital Reorganisation, which includes the Directors being satisfied that on the date the Capital Reorganisation is to take effect, 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;
- (d) the compliance with the relevant procedures and requirements under the Bye-Laws, the laws of Bermuda and the GEM Listing Rules to effect the Capital Reorganisation; and
- (e) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Subject to the satisfaction of the above conditions, it is expected that the Capital Reorganisation will become effective on the second Business Day immediately after the date of the SGM. As at the date of this announcement, none of the above conditions had been fulfilled.

Application for listing of the New Shares

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

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, 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 dealing 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. All necessary arrangements will be made for the New 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 Capital Reorganisation becomes effective, the New 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, the Company has no outstanding options, warrants, derivatives or other securities or conversion rights or other similar rights which are convertible or exchangeable into Existing Shares and/or Consolidated Shares and/or New Shares.

REASONS FOR THE CAPITAL REORGANISATION

Pursuant to Rule 17.76 of the GEM 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 last updated in September 2024 has further stated that (i) market price of the securities at a level less than HK\$0.1 will be considered as approaching the extremities of HK\$0.01 as referred to Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Company has been constantly monitoring the trading prices of the Existing Shares. As at the date of this announcement, the closing price of the Existing Shares as quoted on the Stock Exchange is below HK\$0.10 and the existing board lot value is less than HK\$2,000. Upon the Capital Reorganisation becoming effective, the Share price would be adjusted to HK\$0.60 per Consolidated Share (based on the closing price of HK\$0.03 per Existing Share as at the date of this announcement), and with a board lot size of 5,000 Consolidated Shares, the new board lot value would be HK\$3,000.

This will enable the Company to comply with the trading requirements under the GEM 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 New Shares, the Board believes that investment in the New Shares would become more attractive to a broader range of investors, thereby improving the liquidity of the New Shares and further broadening the Shareholder base of the Company.

Based on the Company’s annual report for the year ended 31 March 2024, the Company recorded accumulated losses of approximately HK\$473.9 million as at 31 March 2024. The Board intends to transfer the credits of approximately HK\$400.1 million arising from the Capital Reduction and the Share Premium Reduction to the contributed surplus account of the Company within the meaning of the Companies Act upon the Capital Reduction and the Share Premium Reduction becoming effective, which amount will then be applied in full to set off the Accumulated Losses. The Board takes the view that the offset of the Accumulated Losses will provide the Company with greater flexibility to undertake any corporate exercise which requires the use of the contributed surplus account in the future, subject to the Company’s then performance and financial position.

Based on the reasons above, the Board considers that the Capital Reorganisation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save as the announcements dated 5 September 2024, 6 September 2024 and 12 September 2024 of the Company in relation to the subscription of new shares, the Company has no plan or intention to carry out any equity and/or other corporate actions which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation in the next twelve (12) months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement(s) in this regard in accordance with the GEM Listing Rules as and when appropriate.

BOARD LOT SIZE

Upon the Capital Reorganisation becoming effective, the board lot size of the New Shares for trading on the Stock Exchange will remain unchanged at 5,000 New Shares per board lot, which is the same board lot size for trading of the Existing Shares on the Stock Exchange.

OTHER ARRANGEMENTS

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the New Shares arising from the Capital Reorganisation, the Company will appoint a designated broker to stand in the market to provide matching services for sale and purchase of odd lots of the New Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the circular to be issued by the Company.

Holders of odd lots of the New Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of new share certificates for New Shares

Subject to the Capital Reorganisation becoming effective, Shareholders may during a particular period to be further announced by the Company, submit their existing share certificates in green colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange for new share certificates in blue colour for the New Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Hong Kong branch share registrar for each new share certificate issued for the New Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of share certificates issued or cancelled is higher.

The existing share certificates will only be valid for delivery, trading, settlement and registration purposes for the period up to a particular time and date to be further announced by the Company and thereafter will not be accepted for delivery, trading, settlement and registration purposes. However, the existing share certificates will continue to be good evidence of title to the New Shares on the basis of every twenty (20) Existing Shares for one (1) New Share. The new share certificates for the New Shares will be issued in blue colour in order to distinguish them from the existing share certificates for the Existing Shares which are in green colour.

GENERAL

The Company will make a further announcement on the expected timetable of the Capital Reorganisation.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Capital Reorganisation and transactions contemplated thereunder. A circular containing, among other things, details of the Capital Reorganisation, together with the notice convening the SGM and the related proxy form, is expected to be despatched to the Shareholders on or before 31 October 2024. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Capital Reorganisation and no Shareholder will be required to abstain from voting at the SGM.

Shareholders and potential investors of the Company should be aware of and take note that the Capital Reorganisation is conditional upon satisfaction of certain conditions set out in this announcement, and therefore may or may not proceed. Shareholders and potential investors of the Company 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:

“Accumulated Losses”	the accumulated losses of the Company as at the effective date of the Capital Reorganisation
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Capital Reduction”	the proposed reduction in the issued share capital of the Company as detailed in the section headed “Proposed Capital Reorganisation” of this announcement
“Capital Reorganisation”	the proposed share capital reorganisation, including the Share Consolidation, the Capital Reduction, the Sub-division and the Share Premium Reduction
“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 amended from time to time
“Company”	Wisdomcome Group Holdings Limited (Stock code: 8079), a company continued in Bermuda with limited liability, the Shares of which are listed on GEM
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“Consolidated Share(s)”	consolidated ordinary share(s) of par value of HK\$0.20 each in the share capital of the Company immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Sub-division

“Director(s)”	the director(s) of the Company
“Existing Share(s)”	existing ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Capital Reorganisation becoming effective
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“Group”	the Company and 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 People’s Republic of China
“Listing Committee”	has the same meaning ascribed thereto under the GEM Listing Rules
“New Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“SGM”	the special general meeting of the Company to be held to consider and, if thought fit, approve the Capital Reorganisation and transactions contemplated thereunder
“Share(s)”	the Existing Shares, the Consolidated Shares or the New Shares, as the case may be
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Premium Account”	the share premium account of the Company

“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the Share Premium Account to nil
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the proposed sub-division of each authorised but unissued Consolidated Share of par value of HK\$0.20 each into twenty (20) New Shares of par value of HK\$0.01 each

By order of the Board
Wisdomcome Group Holdings Limited
Chan Yan Tak
Chairman

Hong Kong, 27 September 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Chan Yan Tak, Mr. Lim Ming Shing, Tony, Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei as executive directors; Mr. Lee King Fui, Mr. Joseph Rodrick Law, Ms. Ho Sau Ping, Pia and Mr. Cheung Leung as independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the GEM at www.hkgem.com for at least seven days from the date of its posting and on the Company’s website at www.ecrepay.com.