

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



**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) CONNECTED TRANSACTION  
INVOLVING SUBSCRIPTION OF NEW SHARES BY A CONNECTED PERSON  
AND  
(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

**Independent Financial adviser to the Company**



**SUBSCRIPTION OF NEW SHARES BY A CONNECTED PERSON**

On 25 January 2021 (after trading hours), the Company entered into a Subscription Agreement with Sailen IOT pursuant to which Sailen IOT conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 403,000,000 Subscription Shares at the Subscription Price of HK\$0.24 per Subscription Share for an aggregate amount of HK\$96,720,000. The Subscription Price payable by Sailen IOT shall be settled by setting off against part of the outstanding principal amount and interests repayable by the Company under the Promissory Notes.

The Subscription Shares represent approximately 40.8% of the existing issued share capital of the Company as at the date of this announcement and, (i) on the assumption that only the Subscription Completion will take place and without taking into account any Shares which may be allotted and issued pursuant to the Placing Agreement, the Subscription Shares will represent approximately 29.0% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Subscription Shares; and (ii) on the assumption that the Placing Shares will be placed in full and both Subscription Completion and Placing Completion will take place, the Subscription Shares will represent approximately 23.2% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Subscription Shares and the Placing Shares. The transactions contemplated under the Subscription Agreement and the Placing Agreement are not inter-conditional. Subscription Completion is subject to various conditions as set out under the section headed “(1) Subscription of new Shares by a connected person — The Subscription Agreement — Conditions of the Subscription Completion” in this announcement, including but not limited to the grant of the Subscription Shares Specific Mandate for the issue of the Subscription Shares by the Independent Shareholders.

As at the date of this announcement, Sailen IOT was owned as to 50% by Mr. Tang and 30% by Mr. Zhang. Mr. Tang is an executive Director, and Mr. Zhang is a director of certain subsidiaries of the Company. As such, Sailen IOT is an associate of Mr. Tang and Mr. Zhang and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to announcement, reporting and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **THE PLACING**

On 25 January 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure not less than six independent Placees, on a best effort basis, to subscribe for up to 347,000,000 Shares at a price of HK\$0.24 per Placing Share.

Assuming the maximum number of the 347,000,000 Placing Shares are placed under the Placing, the Placing Shares represent approximately 35.2% of the existing issued share capital of the Company as at the date of this announcement and, (i) on the assumption that only Placing Completion will take place and without taking into account any Shares which may be allotted and issued pursuant to the Subscription Agreement, the Placing Shares will represent approximately 26.0% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Placing Shares; and (ii) on the assumption that the Placing Shares will be placed in full and both Placing Completion and Subscription Completion will take place, the Placing Shares will represent approximately 20.0% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Placing Shares and the Subscription Shares. Placing Completion is subject to various conditions as set out in the section headed “(2) The Placing — Placing Agreement — Conditions of the Placing Completion” in this announcement, including but not limited to the grant of the Placing Shares Specific Mandate for the issue of the Placing Shares by the Shareholders. The Placing Shares will rank equally in all respects among themselves and with all other Shares in issue on the date of allotment and issue of the Placing Shares.

Each of the Subscription Price and the Placing Price is fixed at HK\$0.24 per Subscription Share and Placing Share, respectively, which represents (i) a premium of approximately 18.8% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on 25 January 2021, being the date of the Subscription Agreement and the Placing Agreement; (ii) a premium of approximately 14.8% to the average closing price of approximately HK\$0.209 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a premium of approximately 13.7% to the average closing price of approximately HK\$0.211 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

On the assumption that all the 347,000,000 Placing Shares are placed under the Placing, the maximum gross proceeds of the Placing will be approximately HK\$83.3 million. The net proceeds to be raised from the Placing, after deducting professional fees and other related expenses, are estimated to be approximately HK\$82.5 million, which is intended to be used for the purposes as disclosed in the section headed “(2) The Placing — Use of net proceeds from the Placing” in this announcement.

## **GENERAL**

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Subscription.

The EGM will be held to consider, and if thought fit, passing the ordinary resolution to approve, among other matters, the Subscription Agreement, the Placing Agreement and all transactions respectively contemplated thereunder.

A circular containing, among other matters, further information on (i) the Subscription Agreement and the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares pursuant to the Subscription) and the proposed grant of the Subscription Shares Specific Mandate; (ii) the Placing and the transactions contemplated thereunder (including the allotment and issue of the Placing Shares pursuant to the Placing) and the proposed grant of the Placing Shares Specific Mandate; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Subscription contemplated under the Subscription Agreement; (iv) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Subscription contemplated under the Subscription Agreement; and (v) a notice of the EGM, will be despatched to the Shareholders in accordance with the Listing Rules, and is expected to be despatched on or before 11 February 2021.

## **(1) SUBSCRIPTION OF NEW SHARES BY A CONNECTED PERSON**

### **The Subscription Agreement**

On 25 January 2021 (after trading hours), the Company entered into a Subscription Agreement with Sailen IOT pursuant to which Sailen IOT conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 403,000,000 Subscription Shares at the Subscription Price for an aggregate amount of HK\$96,720,000.

The principal terms of the Subscription Agreement are summarised below.

#### *Parties involved*

Issuer : the Company

Subscriber : Sailen IOT, an investment holding company

Sailen IOT is owned as to (i) 50% by Mr. Tang; (ii) 30% by Mr. Zhang; and (iii) 20% by Mr. Zhao Yong. Mr. Tang is an executive Director, and Mr. Zhang is a director of certain subsidiaries of the Company and, hence, each a connected person of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Zhao Yong is an Independent Third Party.

Aggregate Subscription Price : HK\$96,720,000

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Sailen IOT does not hold any interests in Shares or other securities of the Company as at the date of this announcement.

### *Subscription Shares*

403,000,000 Subscription Shares will be allotted and issued upon completion of the Subscription Agreement.

As at the date of this announcement, the total number of Shares in issue of the Company is 986,619,071 Shares.

The Subscription Shares represent approximately 40.8% of the existing issued share capital of the Company as at the date of this announcement and, (i) on the assumption that only the Subscription Completion will take place and without taking into account any Shares which may be allotted and issued pursuant to the Placing Agreement, the Subscription Shares will represent approximately 29.0% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Subscription Shares; and (ii) on the assumption that the Placing Shares will be placed in full and both Subscription Completion and Placing Completion will take place, the Subscription Shares will represent approximately 23.2% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Subscription Shares and the Placing Shares. The transactions contemplated under the Subscription Agreement and the Placing Agreement are not inter-conditional.

The aggregate nominal value of the Subscription Shares (with a par value of HK\$ 0.0001 each) is HK\$40,300.

### *Subscription Price*

The Subscription Price of each Subscription Share is HK\$0.24, which was negotiated on an arm's length basis by the Company with Sailen IOT and is a commercial decision reached by the Company with Sailen IOT with reference to, among others, the recent trading price of the Shares, the performance of the Group and the future prospects of the business of the Group.

The Subscription Price of HK\$0.24 per Subscription Share represents:

- (i) a premium of approximately 18.8% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on 25 January 2021, being the date of the Subscription Agreement;
- (ii) a premium of approximately 14.8% to the average closing price of approximately HK\$0.209 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 13.7% to the average closing price of approximately HK\$0.211 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

### *Ranking of the Subscription Shares*

The Subscription Shares will rank equally in all respects among themselves and with all other Shares in issue on the date of allotment and issue of the Subscription Shares.

### *Disposal and lock-up restriction*

The Subscription Shares are not subject to any lock-up or other disposal restriction under the terms of the Subscription Agreement.

### *Conditions of the Subscription Completion*

The Subscription Completion is conditional upon the following conditions being fulfilled by the Subscription Longstop Date:

- (a) the Listing Committee granting the listing of, and permission to deal in, the Subscription Shares; and
- (b) the passing of an ordinary resolution by the Shareholders or (if applicable) the Independent Shareholders, approving the Subscription Agreement and the transactions contemplated therein (including but not limited to the allotment and issue of the Subscription Shares) at the EGM.

None of the above conditions may be waived by any party to the Subscription Agreement.

If the above conditions have not been fulfilled by the Subscription Longstop Date, all rights, obligations and liabilities of the parties under the Subscription Agreement in relation to the Subscription shall cease and determine and none of the parties to the Subscription Agreement shall have any claim against any other in respect of the Subscription save for any antecedent breaches of any provisions of the Subscription Agreement.

### *Subscription Completion*

Subscription Completion is to take place on the third Business Day next following the day on which the conditions under the Subscription Agreement is satisfied (or such other date as may be agreed by the Company and Sailen IOT).

### **Mandate for the issue of the Subscription Shares**

The Subscription Shares will be allotted and issued under the Subscription Shares Specific Mandate to be sought at the EGM.

### **Application for listing**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.



## **Reasons for the Subscription**

Reference is made to the Company's announcements dated 28 December 2017, 3 January 2018, 10 January 2018, 12 February 2018, 15 August 2018, 15 March 2019 and 25 November 2019. As part of the consideration payable by the Company in relation to the acquisition of Green Harmony Limited, the Company had issued to Sailen IOT the Promissory Notes, currently comprising (i) the First Promissory Note for the principal amount of HK\$20 million carrying 4% coupon rate per annum from 25 November 2019 and due on 14 August 2021; and (ii) the Second Promissory Note for the principal amount of approximately HK\$122.9 million carrying 4% coupon rate per annum from 25 November 2019 and due on 30 December 2021.

Based on the unaudited consolidated financial statements of the Company for the six months ended 30 June 2020, as at 30 June 2020, the Group's cash and cash equivalents amounted to approximately RMB114.3 million. As the aggregate principal amount and accrued interests payable by the Company upon redemption of the Promissory Notes, which will be redeemable upon maturity in August and December 2021, amounted to approximately HK\$154.1 million, it is necessary for the Group to finance the redemption of the Promissory Notes. Under the Subscription Agreement, the aggregate Subscription Price payable by Sailen IOT for the Subscription shall be settled by setting off against (i) the entire outstanding principal amount of the First Promissory Note and the interests accrued thereon, and (ii) part of the outstanding principal amount of the Second Promissory Note and the interest accrued thereon. The Directors consider that the Subscription represent a good opportunity for the Company to reduce its debts in relation to the Promissory Notes without having to increase the Group's financing costs.

The Directors have considered other means of financing such as bank borrowings but are of the view that equity financing by way of the Subscription is comparatively an appropriate means of raising additional capital under the uncertain market conditions currently prevailing as it is less costly and take shorter time to arrange.

The Directors (other than the independent non-executive Directors who will form their view after considering the advice from the Independent Financial Adviser) consider that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Use of net proceeds from the Subscription**

The gross proceeds of the Subscription are HK\$96,720,000. The net proceeds of the Subscription, after deducting professional fees and other related expenses, are estimated to be approximately HK\$96.0 million; and the net issue price per Subscription Share is approximately HK\$0.24.

As set out under the section headed "(1) Subscription of New Shares by a Connected Person — Reasons for the Subscription", the aggregate Subscription Price payable by Sailen IOT shall be settled by setting off against part of the outstanding principal amount and interests repayable by the Company under the Promissory Notes.

## **Implication under the Listing Rules**

As at the date of this announcement, Sailen IOT was owned as to 50% by Mr. Tang and 30% by Mr. Zhang. Mr. Tang is an executive Director, and Mr. Zhang is a director of certain subsidiaries of the Company. As such, Sailen IOT is an associate of Mr. Tang and Mr. Zhang, and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Sailen IOT, its associates and those parties who are involved or interested in the Subscription Agreement and the transactions contemplated thereunder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Subscription Agreement and the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares to Sailen IOT pursuant to the Subscription).

## **(2) THE PLACING**

### **Placing Agreement**

On 25 January 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure not less than six independent Placees, on a best effort basis, to subscribe for up to 347,000,000 Shares at a price of HK\$0.24 per Placing Share.

The principal terms of the Placing Agreement are summarised below.

#### *Parties involved*

Issuer : the Company

Placing Agent : Kingkey Securities Group Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Placing Agent and its ultimate beneficial owner(s) is Independent Third Party.

The Placing Shares are expected to be placed to not less than six independent Placees, who are professional, institutional or other investors. The Placees and (where a corporation) their ultimate beneficial owners shall be independent of, and not connected with or acting in concert with, the Company and its connected persons. It is expected that none of the Placees will become a Substantial Shareholder immediately after the Placing Completion.



### *Placing Shares*

A maximum number of 347,000,000 Shares, which represent approximately 35.2% of the existing issued share capital of the Company as at the date of this announcement and, (i) on the assumption that only Placing Completion will take place and without taking into account any Shares which may be allotted and issued pursuant to the Subscription Agreement, the Placing Shares will represent approximately 26.0% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Placing Shares; and (ii) on the assumption that the Placing Shares will be placed in full and both Placing Completion and Subscription Completion will take place, the Placing Shares will represent approximately 20.0% of the enlarged issued share capital of the Company immediately following the allotment and issue of the Placing Shares and the Subscription Shares.

The aggregate nominal value of the Placing Shares (with a par value of HK\$0.0001 each), if placed in full by the Placing Agent under the Placing Agreement, is HK\$34,700.

### *Placing Price*

The Placing Price of HK\$0.24 represents:

- (i) a premium of approximately 18.8% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on 25 January 2021, being the date of the Placing Agreement;
- (ii) a premium of approximately 14.8% to the average closing price of approximately HK\$0.209 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 13.7% to the average closing price of approximately HK\$0.211 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day.

The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent and was determined with reference to the prevailing market price of the Share and the current market condition.

### *Ranking of Placing Shares*

The Placing Shares will rank equally in all respects among themselves and with all other Shares in issue on the date of allotment and issue of the Placing Shares.

### *Disposal and lock-up restriction*

The Placing Shares are not subject to any lock-up or other disposal restrictions under the terms of the Placing Agreement.

### *Placing commission*

The lower of (a) 0.5% of the aggregate Placing Price of the Placing Shares being actually placed by the Placing Agent (or its sub-placing agents) under the Placing Agreement; and (b) HK\$500,000.

The Placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to the market rate and after taking into account the size of the Placing and the time allowed for the Placing Agent to procure the prospective Placees under the prevailing market condition.

### *Conditions of the Placing Completion*

The Placing Completion is conditional upon the satisfaction (or, as the case may be, waiver by the Placing Agent) of the following conditions by no later than the Placing Longstop Date:

- (1) there shall not have occurred any material breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement;
- (2) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing permission not subsequently being revoked);
- (3) the passing of an ordinary resolution by the Shareholders approving the Placing Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares) at the EGM;
- (4) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing);
- (5) all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the allotment and issue of the Placing Shares and the transactions contemplated under the Placing Agreement having been obtained by the Company (including Shareholders' approval (if required)); and
- (6) the Placing Agreement not being terminated by the Placing Agent pursuant to the terms of the termination provision of the Placing Agreement as mentioned below.

The Placing Agent may, at its sole and absolute discretion, at any time waive in writing the conditions as set out in (1) and (4) above, while none of the other conditions may be waived by any party to the Placing Agreement. If the above conditions precedent are not fulfilled or (as the case may be) waived on or before the Placing Longstop Date, the

obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing except for any antecedent breaches of any provisions of the Placing Agreement and that the Company shall remain liable for the payment of all costs and expenses already incurred or to be incurred in consequence of such termination. The provisions on indemnity in the Placing Agreement will remain in full force and effect.

### *Termination*

The Placing Agent may terminate the Placing Agreement if on or at any time prior to the completion of the Placing:

- (1) if there has come to the notice of the Placing Agent:
  - (a) that any statement contained in this announcement and circular and/or any of the supplement thereto issued by the Company in connection with the Placing (“**Placing Publications**”) was, when the Placing Publications were issued, or has become untrue, incorrect or misleading in any material respect; or
  - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Placing Publications, constitute a material omission therefrom; or
  - (c) any breach of the undertakings, warranties and representations by the Company under the Placing Agreement; or
  - (d) any material breach of any of the obligations imposed upon any party to the Placing Agreement (other than the Placing Agent); or
  - (e) any of the undertakings, warranties and representations by the Company would be untrue or inaccurate or misleading in any material respect if given at that time; or
  - (f) any material adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or
- (2) if there develops, occurs, or comes into effect:
  - (a) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or

- (b) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agent, would prejudice the success of the Placing; or
- (c) any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
- (d) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC and if, in the sole and absolute opinion of the Placing Agent, any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
- (e) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would, in the sole and absolute opinion of the Placing Agent, prejudice the success of the Placing; or
- (f) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing; or
- (g) any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than two consecutive Business Days, excluding any suspension in connection with (if required) the clearance of any of the Placing Publications.

### *Placing Completion*

The completion of the Placing is to take place on the third Business Day after the day on which the conditions numbered (2), (3) and (5) as set out in the paragraph headed "Conditions of the Placing Completion" above having been fulfilled (or such other date as may be agreed between the Placing Agent and the Company).

### **Mandate for the issue of the Placing Shares**

The Placing Shares will be allotted and issued under the Placing Shares Specific Mandate to be sought at the EGM.

### **Application for listing**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

### **Reasons for the placing**

The Directors are of the view that the Placing represents an opportunity for the Company to strengthen its capital base and financial position without any interest burden, within a relatively short time frame and at lower costs when compared with other means of fund raising, as well as to broaden its shareholder base.

### **Use of net proceeds from the Placing**

On the assumption that all the 347,000,000 Placing Shares are placed under the Placing, the maximum gross proceeds of the Placing would be approximately HK\$83.3 million. The net proceeds to be raised from the Placing, after deducting professional fees and other related expenses, are estimated to be approximately HK\$82.5 million. On this basis, the net price per Placing Share is approximately HK\$0.24.

The net proceeds of the Placing are intended to be partially used for full settlement of the remaining outstanding principal of the Promissory Notes after the set-off as mentioned under the section headed “(1) Subscription of new Shares by a connected person — Reasons for the Subscription” in this announcement, and the remaining net proceeds, if any, to be used for general working capital purposes.

The Directors consider that the terms of the Placing (including the Placing Price) contained in the Placing Agreement, which were arrived at after arm’s length negotiations between the Company and the Placing Agent, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## EFFECT ON SHAREHOLDING

For illustration purpose only, the table below sets out the shareholding structure of the Company based on each of the following scenarios and taking no account of any other issue or repurchase of Shares by the Company:

	As at the date of this announcement		Upon Subscription Completion (Note 1)		Upon Placing Completion (Note 2)		Upon Placing Completion and Subscription Completion	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Connected persons</b>								
Magical Success Holdings Limited (“Magical Success”) (Note 3)	97,527,845	9.9	97,527,845	7.0	97,527,845	7.3	97,527,845	5.6
Seashore Fortune Limited (“Seashore Fortune”) (Note 4)	93,543,624	9.5	93,543,624	6.7	93,543,624	7.0	93,543,624	5.4
SB Asia Investment Fund II L.P.	197,340,537	20.0	197,340,537	14.2	197,340,537	14.8	197,340,537	11.4
Spitzer Fund VI L.P.	123,763,311	12.5	123,763,311	9.0	123,763,311	9.3	123,763,311	7.1
Sailen IOT (Note 5)	—	—	403,000,000	29.0	—	—	403,000,000	23.2
<i>Sub-total (A):</i>	<u>512,175,317</u>	<u>51.9</u>	<u>915,175,317</u>	<u>65.9</u>	<u>512,175,317</u>	<u>38.4</u>	<u>915,175,317</u>	<u>52.7</u>
<b>Public</b>								
Placees (Note 6)	—	—	—	—	347,000,000	26.0	347,000,000	20.0
Other public Shareholders	<u>474,443,754</u>	<u>48.1</u>	<u>474,443,754</u>	<u>34.1</u>	<u>474,443,754</u>	<u>35.6</u>	<u>474,443,754</u>	<u>27.3</u>
<i>Sub-total (B):</i>	<u>474,443,754</u>	<u>48.1</u>	<u>474,443,754</u>	<u>34.1</u>	<u>821,443,754</u>	<u>61.6</u>	<u>821,443,754</u>	<u>47.3</u>
<b>Total (A) + (B):</b>	<b><u>986,619,071</u></b>	<b><u>100.0</u></b>	<b><u>1,389,619,071</u></b>	<b><u>100.0</u></b>	<b><u>1,333,619,071</u></b>	<b><u>100.0</u></b>	<b><u>1,736,619,071</u></b>	<b><u>100.0</u></b>

### Notes:

- Without taking into account any Shares which may be allotted and issued pursuant to the Placing Agreement.
- Without taking into account any Shares which may be allotted and issued pursuant to the Subscription Agreement and assuming that the Placing Shares will be placed in full.
- Magical Success is wholly-owned by Ms. Chen Junling (“**Ms. Chen**”). Ms. Chen is the spouse of Mr. Wang Shiguang, a non-executive Director.
- Seashore Fortune is wholly owned by Mr. Yue Jingxing (“**Mr. Yue**”). Mr. Yue is an executive Director.
- Sailen IOT is owned as to (i) 50% by Mr. Tang; (ii) 30% by Mr. Zhang; and (iii) 20% by Mr. Zhao Yong. Mr. Tang is an executive Director, and Mr. Zhang is a director of certain subsidiaries of the Company and, hence, each a connected person of the Company. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Mr. Zhao Yong is an Independent Third Party.
- The Placees are expected to be Independent Third Parties. None of the Placees is expected to be a Substantial Shareholder immediately after Placing Completion.

7. Percentages shown in the above chart are approximate figures and have been rounded to the nearest tenth of a percent. Accordingly, figures shown as totals in the above chart may not be an arithmetic aggregation of the figures which precede them.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not undertaken any equity fund raising activities in the 12 months immediately prior to the date of this announcement.

## **INFORMATION ON THE GROUP**

The principal activity of the Company is investment holding, and through its subsidiaries, operated two business segments: (i) automated meter reading (“AMR”) and other business: the Group is principally engaged in the design, development and sale of power-line communication products, energy saving and environmental protection products and solutions used in streetlight control, building energy management, photovoltaic power management, etc. and providing maintenance services in connection with the deployment and upgrading of AMR systems by power grid companies in the PRC; and (ii) smart manufacturing and industrial automation business: the Group is principally engaged in sales of software licences, production safety products as well as the provision of software post-contract customer support services in connection with the smart manufacturing and industrial automation system applied in the petroleum and petrochemicals industry.

## **GENERAL**

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder.

In this connection, the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The Independent Board Committee will formally provide their views in the circular to be sent to the Independent Shareholders after considering the advice of the Independent Financial Adviser.

The EGM will be held to consider, and if thought fit, passing the ordinary resolutions to approve, among other matters, the Subscription Agreement, the Placing Agreement and all transactions respectively contemplated thereunder.

A circular containing, among other matters, further information on (i) the Subscription Agreement and the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares pursuant to the Subscription) and the proposed grant of the Subscription Shares Specific Mandate; (ii) the Placing and the transactions contemplated thereunder (including the allotment and issue of the Placing Shares pursuant to the Placing) and the proposed grant of the Placing Shares Specific Mandate; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Subscription contemplated under the Subscription Agreement; (iv) a letter from the



Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Subscription contemplated under the Subscription Agreement; and (v) a notice of the EGM will be despatched to the Shareholders in accordance with the Listing Rules, and is expected to be despatched on or before 11 February 2021.

**Both Subscription Completion and Placing Completion are subject to satisfaction of certain conditions precedent and (in respect of the Placing) the termination events set out in the Placing Agreement. As the Subscription Completion and Placing Completion may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

*In this announcement, unless the context otherwise requires, the following words and phrases have the following meanings:*

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which commercial banks generally are open for business in Hong Kong
“Company”	Risecomm Group Holdings Limited (瑞斯康集團控股有限公司), an exempted company incorporated under the laws of Cayman Islands whose issued shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and (if thought fit) approving the Subscription Agreement, the Placing Agreement and all transactions respectively contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely Mr. Ong King Keung, Ms. Lo Wan Man and Mr. Zou Heqiang) established to advise the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Maxa Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders, other than Sailen IOT and its associates and those parties who are involved or interested in the Subscription Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons and are not connected persons of the Company
“Last Trading Day”	22 January 2021, being the last trading day immediately prior to the date of the Subscription Agreement and the Placing Agreement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Andong, an executive Director
“Mr. Zhang”	Mr. Zhang Zipeng, a director of certain subsidiaries of the Company
“Placee(s)”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the obligations of the Placing Agent under the Placing Agreement
“Placing”	the proposed offer by way of a private placing of the Placing Shares, on best efforts basis, procured by the Placing Agent to selected investors on the terms and subject to the conditions set out in the Placing Agreement

“Placing Agent”	Kingkey Securities Group Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities within the meaning of the SFO
“Placing Agreement”	the conditional placing agreement dated 25 January 2021 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	completion of the Placing Agreement in accordance with its terms and conditions
“Placing Longstop Date”	31 March 2021, or such later date as may be agreed between the Placing Agent and the Company
“Placing Price”	HK\$0.24 per Placing Share
“Placing Shares”	a maximum of 347,000,000 new Shares to be placed under the Placing Agreement
“Placing Shares Specific Mandate”	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Shareholders to satisfy the allotment and issue of the Placing Shares to Places upon the Placing Completion
“PRC”	The People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Promissory Notes”	the promissory notes (as amended and replaced) issued by the Company to Sailen IOT as part of the consideration for the acquisition of Green Harmony Limited as disclosed in the announcement of the Company dated 28 December 2017, 3 January 2018, 10 January 2018, 12 February 2018, 15 August 2018, 15 March 2019 and 25 November 2019, currently comprising (i) the first promissory note dated 25 November 2019 for the principal amount of HK\$20 million carrying 4% coupon rate per annum from 25 November 2019 and due on 14 August 2021 (the “ <b>First Promissory Note</b> ”); and (ii) the second promissory note dated 25 November 2019 for the principal amount of approximately HK\$122.9 million carrying 4% coupon rate per annum from 25 November 2019 and due on 30 December 2021 (the “ <b>Second Promissory Note</b> ”)
“Sailen IOT”	Sailen International IOT Limited (formerly known as Tiger Resort, Leisure and Entertainment, Inc.), a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Sailen IOT at the Subscription Price for an aggregate amount of HK\$96,720,000
“Subscription Agreement”	a conditional subscription agreement dated 25 January 2021 made by the Company with Sailen IOT in respect of the subscription of the Subscription Shares
“Subscription Completion”	the completion of the Subscription Agreement in accordance with its terms and conditions
“Subscription Longstop Date”	31 March 2021, or such other date as the parties to the Subscription Agreement may agree in writing
“Subscription Price”	HK\$0.24 per Share
“Subscription Shares”	403,000,000 new Shares
“Subscription Shares Specific Mandate”	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Independent Shareholders to satisfy the allotment and issue of the Subscription Shares to Sailen IOT upon the Subscription Completion
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Risecomm Group Holdings Limited**  
**Yue Jingxing**  
*Executive Director*

Hong Kong, 25 January 2021

*As at the date of this announcement, the executive Directors are Mr. Yue Jingxing, Mr. Tang Andong and Mr. Lau Wai Leung, Alfred, the non-executive Directors are Mr. Wang Shiguang, Mr. Cheung Fan and Ms. Pan Hong and the independent non-executive Directors are Mr. Ong King Keung, Ms. Lo Wan Man and Mr. Zou Heqiang.*