

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.



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)

**MEMORANDUM OF UNDERSTANDING
IN RESPECT OF POSSIBLE ACQUISITION
OF THE ENTIRE EQUITY INTEREST IN
BEIJING HONGTENG WEITONG TECHNOLOGY CO., LTD.**

The Board is pleased to announce that on 1 December 2017 (after trading hours), the Company, the Target Company and the Vendors entered into the MOU in relation to the possible acquisition of the entire equity interest in the Target Company. The Vendors and the Target Company agreed that the negotiation with the Company in respect of the Acquisition shall be exclusive for a term of 45 days from the date of the MOU. The Vendors and the Target Company further agreed to use their best endeavours and reasonable commercial efforts to disclose and furnish any information required by the Company for its due diligence exercise on, among other matters, the legal, financial and business affairs of the Target Company.

The Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Acquisition, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Company enter into the Sale and Purchase Agreement or decide to terminate the MOU or there be any material development on the Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MOU

The Board is pleased to announce that on 1 December 2017 (after trading hours), the Company, the Target Company and the Vendors entered into the MOU in relation to the Acquisition. The principal terms of the MOU are set out below:

Date

1 December 2017

Parties:

- (i) the Company, as the purchaser;
- (ii) Mr. Tang Andong, as a vendor;
- (iii) Mr. Zhang Zipeng, as a vendor;
- (iv) Mr. Zhao Yong, as a vendor; and
- (v) the Target Company.

The Target Company is owned as to 50% by Mr. Tang Andong, as to 30% by Mr. Zhang Zipeng and as to 20% by Mr. Zhao Yong, respectively.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendors and the Target Company are third parties independent of the Company and its connected persons.

Subject matter

Subject to the terms and conditions of the Sale and Purchase Agreement, the Vendors shall sell and the Company shall acquire the entire equity interest in the Target Company.

Exclusivity period

The Vendors and the Target Company agreed that the negotiation with the Company in respect of the Acquisition shall be exclusive for a term of 45 days from the date of the MOU. During such exclusivity period, the Vendors and the Target Company will not (i) contact, negotiate or discuss with; or (ii) furnish any information to; or (iii) enter into any agreement or statement of intent or memorandum of understanding with, any third party that has expressed or may have expressed interest in the Target Company.

Due diligence

The Vendors and the Target Company agreed to use their best endeavours and reasonable commercial efforts to disclose and furnish any information required by the Company for its due diligence exercise on, among other matters, the legal, financial and business affairs of the Target Company. In the event that the Company is satisfied with the results of the due diligence exercise on the Target Company, it shall within five Business Days after the completion of the due diligence review confirm to the Vendors and the Target Company in

writing that the negotiation of the Acquisition will continue to proceed. If the Company is not satisfied with the results of the due diligence exercise on the Target Company, it shall have the right to terminate the negotiation of the Acquisition and the MOU by giving written notice to the Vendors and the Target Company and none of the parties to the MOU shall be under any liability to the other parties in respect of the MOU.

Consideration

Subject to the results of the due diligence review, the Company and the Vendors will negotiate further, among other matters, the consideration for the Acquisition and the settlement method therefor, which will be agreed and set out in the Sale and Purchase Agreement.

Corporate reorganisation

The Vendors will conduct a corporate reorganisation of the Target Company by setting up an ultimate investment holding company in the British Virgin Islands and an intermediate investment holding company in Hong Kong, which in turn will hold the entire equity interest in the Target Company. The Vendors and the Target Company shall use their best endeavours to complete the above corporate reorganisation before the date of the Sale and Purchase Agreement.

Legal effect

The MOU is non-legally binding save for the provisions relating to exclusivity, due diligence, confidentiality and governing law and jurisdiction.

Information about the Target Company

The Target Company was established under the laws of the PRC in 2010. After nearly 8 years of development, the Target Company is now principally specialised in the design and implementation of industrial automation systems, equipment integrity management, production management, intelligent distribution and volatile organic matter management for various industries, such as petroleum, petrochemicals, electricity and metallurgy by utilising its own technologies and intellectual property rights.

Information about the Group

The Group is principally engaged in the design, development and sale of power-line communication (PLC) products. The Group mainly has two business segments: auto meter reading (AMR) business and smart energy management business. The AMR business segment includes design, development and sale of PLC products and providing maintenance services in connection with the development and upgrades of AMR systems. The smart energy management business segment includes design, development and sale of energy saving and environmental protection products and solutions used in streetlight control, building energy managements and photovoltaic power managements.

GENERAL

The Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The Acquisition, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Should the Company enter into the Sale and Purchase Agreement or decide to terminate the MOU or there be any material development on the Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the possible acquisition by the Company of the entire equity interest in the Target Company from the Vendors
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Risecomm Group Holdings Limited (瑞斯康集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose Shares are listed and traded on the main board of the Stock Exchange (stock code: 1679)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 1 December 2017 and entered into among the Company, the Target Company and the Vendors setting out preliminary understanding in relation to the Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and Macau

“Sale and Purchase Agreement”	a legally binding sale and purchase agreement to be further negotiated between the Company and the Vendors in relation to the Acquisition, which may or may not be entered into
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Beijing Hongteng Weitong Technology Co., Ltd. (北京鴻騰偉通科技有限公司), a company established under the laws of the PRC with limited liability and is owned as to 50%, 30% and 20% by Mr. Tang Andong, Mr. Zhang Zipeng and Mr. Zhao Yong, respectively
“Vendors”	Mr. Tang Andong, Mr. Zhang Zipeng and Mr. Zhao Yong
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By order of the Board
Risecomm Group Holdings Limited
Leung Ka Lok
Company Secretary

Hong Kong, 1 December 2017

As at the date of this announcement, the executive Directors are Mr. Yue Jingxing, Mr. Wang Shiguang and Mr. Zhang Youyun, the non-executive directors are Mr. Ng Benjamin Jin-ping and Mr. Lau Wai Leung, Alfred and the independent non-executive Directors are Mr. Pan Song, Mr. Chen Yong and Mr. Ong King Keung.