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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)

**VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED
SUPPLY OF SMART METERS FOR OFF-GRID
SOLAR PHOTOVOLTAIC SYSTEMS
AND SMART METERS PLATFORM**

This is a voluntary announcement made by Risecomm Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce that on 21 October 2020, Risecomm (HK) Holding Co. Limited (瑞斯康(香港)控股有限公司) (“**Risecomm HK**”), a wholly owned subsidiary of the Company, and Sky High Incorporated (Private) Limited (“**Sky High**”) entered into a memorandum of understanding (the “**MOU**”) in relation to the proposed supply of smart meters (“**Smart Meter**”) for off-grid, solar photovoltaic systems with battery back-up, together with a pay-as-you-go smart meters platform (collectively, the “**System**”) by the Group to Sky High.

THE MEMORANDUM OF UNDERSTANDING

Date: 21 October 2020

Parties: (i) Risecomm HK
(ii) Sky High

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, Sky High and its associates are independent of and not connected with connected persons (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited) (the “**Listing Rules**”) of the Company or their respective associates (as defined under the Listing Rules).

Based on information provided by Sky High, Sky High is a corporation organised under the laws of Zimbabwe and ultimately and beneficially owned by two individuals, one of whom has about 20 years of experience in telecommunication domain and experience in supplying innovative products and solutions to governments and mobile network operator in Sub-Saharan Africa region, while another ultimate beneficial owner has experience in fund raising and strategic investments and partnership for different projects worldwide. Sky High is currently a special purpose vehicle used by them for the intended provision of solar power distribution services in Zimbabwe.

PROPOSED SUPPLY OF SMART METERS FOR OFF-GRID SOLAR PHOTOVOLTAIC SYSTEMS AND SMART METERS PLATFORM

Under the MOU, subject to the definitive agreement to be entered into among the parties, it is intended that the Group will supply the System to Sky High for its residential and commercial customers, and to maintain the Smart Meter. The Group intends to supply 20,000 sets of the System for the first year from the date of the definitive agreement, and the Group will increase its supply capacity of the System for the next five years according to the quantity to be determined by the parties from time to time. Sky High will be responsible for the sales and marketing of the System and the related subscription services by the customers, and the maintenance of the operation of the System. It is intended that Sky High will offer subscription services for the System to its customers with service term ranging from 5 to 15 years from the completion of installation of Smart Meter and, subject to the signing of a separate definitive agreement, the net profits attributable to the installation, subscription and maintenance of the Systems shall be shared among the parties on terms to be determined by the parties.

REASONS FOR ENTERING INTO THE MOU

The Group has been engaged in the supply of power line communication (“PLC”) products which applies to smart energy business in China, mainly in the area of streetlight controls, building energy management and photovoltaic power management. The management of the Group has been actively pursuing new business opportunities with the view to diversify the product offering and potential market of the Group’s PLC products. The Directors consider the proposed supply of the System by the Group as an opportunity for the Group to diversify its product offering on one hand, and expand the Group’s products reach to other jurisdiction outside of China on the other hand. Furthermore, the Group also expects that the proposed sales of the System and the profit sharing arrangements in relation to the installation, subscription and maintenance thereof will generate a new and stable stream of income for the Group.

GENERAL

The MOU does not constitute a legally binding agreement among the parties in respect of the proposed supply of System by the Group.

The Board wishes to emphasise that the MOU may or may not lead to the entering into any definitive agreement(s) and is subject to further due diligence to be conducted by the parties. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Risecomm Group Holdings Limited
Cheung Fan
Chairman and Non-executive Director

Hong Kong, 21 October 2020

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