

Execution Version

DATE: 12 July 2021

Risecomm Group Holdings Limited
瑞斯康集團控股有限公司
(as issuer)

and

Yu Lu
(as subscriber)

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is dated 12 July 2021 and made

BETWEEN:

- (1) **RISECOMM GROUP HOLDINGS LIMITED** 瑞斯康集團控股有限公司, an exempted company incorporated in the Cayman Islands having its registered office at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong under Part 16 of the Companies Ordinance at 7/F., The Wellington, 198 Wellington Street, Central, Hong Kong (the “**Company**”); and
- (2) **Yu Lu**, holder of People’s Republic of China passport no. E41740186 of No.27 Dongsanqu, Yutangshan, 99 Ansi Road, Changping District, Beijing, the People’s Republic of China (北京市昌平區安西路 99 號樂湯山東三區 27 號) (“**Subscriber**”).

WHEREAS:

- (A) The Company is exempted limited company incorporated in the Cayman Islands whose securities are listed and traded on the main board of the Stock Exchange. As at the date hereof, the Company has an authorized share capital of HK\$1,000,000 divided into 10,000,000,000 Shares, of which 986,619,071 Shares have been issued and are fully paid or credited as fully paid.
- (B) At the annual general meeting of the Company held on 25 June 2021, an ordinary resolution was passed pursuant to which a general mandate was unconditionally given to the directors of the Company to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of a total of 986,619,071 Shares then in issue (the “**General Mandate**”). No new Shares were issued under the General Mandate.
- (C) The Company has agreed to issue and the Subscriber has agreed to subscribe for up to 108,660,000 new Shares (“**Subscription Shares**”) on the terms and subject to the conditions set out in this Agreement.
- (D) Contemporaneously upon signing or shortly after the signing of this Agreement, the Company enters or will enter into another subscription agreement (“**Other Subscription Agreement**”) with the other investor (“**Other Investor**”) for the subscription and issue to such Other Investor an aggregate number of up to 88,660,000 Shares (the “**Other Subscription Shares**”). The transactions contemplated under this Agreement and the Other Subscription Agreement would not be inter-conditional.
- (E) The Subscription Shares will be issued pursuant to the General Mandate (or, if applicable, under such general mandate as may be granted to the Directors by the Shareholders in accordance with Rule 13.36(2)(b) of the Listing Rules so long as it is valid and in force on the Completion date and sufficient to cover the number of the Subscription Shares upon the completion of this Agreement).

- (F) Application will be made to the Stock Exchange by the Company for listing of, and permission to deal in, the Subscription Shares.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreement”

means this subscription agreement as amended or varied from time to time by an agreement in writing duly executed by the Parties;

“Announcement”

means the announcement in the agreed form annexed hereto as Appendix A proposed to be issued on behalf of the Company immediately following the execution of this Agreement (subject to such amendments as the Stock Exchange and, if required, the SFC may approve);

“Business Day”

means any day (excluding a Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning no.8 or above or “extreme conditions” caused by super typhoons in force in Hong Kong 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 banks generally are open for business in Hong Kong;

“Closing Date”

means the 3rd Business Day immediately after the date on which all conditions set out in Clause 3.1 are fulfilled, or such other date as the Parties may agree;

“Companies Ordinance”

means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);

“Completion”

means completion of the subscription of the Subscription Shares in the manner contemplated in Clause 4;

“Directors”

means the directors of the Company;

“Encumbrance”

means any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance,

priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest of any agreement for any of the same;

“Group”

means the Company and its subsidiaries and the expression “**member of the Group**” shall be construed accordingly;

“Hong Kong”

means the Hong Kong Special Administrative Region of the People’s Republic of China;

“HK\$”

means Hong Kong dollars, the lawful currency of Hong Kong;

“Listing Rules”

means the Rules Governing the Listing of Securities on the Stock Exchange;

“Long Stop Date”

means 4:00 p.m. (Hong Kong time) on 2 August 2021, or such other date as the Parties may agree in writing.

“Parties”

means the named parties to this Agreement and their respective successors and permitted assigns;

“SFC”

means the Securities and Futures Commission of Hong Kong;

“Share(s)”

means ordinary shares of HK\$0.0001 each in the share capital of the Company;

“Stock Exchange”

means The Stock Exchange of Hong Kong Limited;

“Subscription”

means the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in this Agreement; and

“Subscription Price”

means HK\$0.170 per Subscription Share.

1.2 Construction and Certain References

- (a) References in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and vice versa.

- (b) References to Recitals and Clauses are to the recitals and clauses of this Agreement.
- (c) In this Agreement, (save as otherwise expressly stated herein) references to any statute, statutory provision or Listing Rule includes a reference to that statute, statutory provision or Listing Rule as from time to time amended, extended or re-enacted.

1.3 Headings are for convenience only and shall not affect the interpretation of this Agreement.

2. AGREEMENT TO SUBSCRIBE

2.1 The Subscriber agrees to subscribe as principal for, and the Company agrees to allot and issue, the Subscription Shares at the Subscription Price (together with Stock Exchange transaction levy, payable in full at Completion in the manner set out in Clause 4.3), free from all liens, charges, security interests, encumbrances and adverse claims on the Closing Date on the terms and subject to the conditions set out in this Agreement.

2.2 The Company agrees that the Subscription Shares will, when fully paid, rank *pari passu* in all respects among themselves and with the other Shares in issue as at the Closing Date including the rights to all dividends and other distributions declared, made or paid at any time on or after the Closing Date.

3. CONDITIONS

3.1 Completion of this Agreement is conditional upon:

- (a) listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (b) all representations and warranties remain true, accurate and not misleading in all material aspects upon Closing Date.

3.2 Each of the Company and the Subscriber shall use its best endeavours to procure the fulfilment of the conditions set out in Clause 3.1 and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other, the Stock Exchange in connection with the fulfilment of such conditions and the Company will inform the Subscriber promptly following the fulfilment of the same.

3.3 If the conditions set out in Clause 3.1 are not fulfilled on or prior to the Long Stop Date, this Agreement shall terminate and all rights, obligations and

liabilities of the Parties under this Agreement (other than Clause 5 (Expenses), Clause 9 (Notices) and Clause 14 (Governing Law) in relation to the Subscription shall cease and determine and neither of the Parties will have any claim against the other in respect of the Subscription for costs, damages, compensation or otherwise save for any antecedent breach of this Agreement.

- 3.4** In the event that (other than due to the default of the Company) the Subscriber shall, despite fulfillment of the condition referred to in Clause 3.1 above, fail to pay the Subscription Price and/or to subscribe for the Subscription Shares pursuant to the terms of this Agreement, the Company may by notice in writing to the Subscriber forthwith rescind this Agreement but without prejudice to the right of the Company to claim for damages (if any) and specific performance of this Agreement against the Subscriber.
- 3.5** The Company shall have no obligation to issue any of the Subscription Shares nor to perform any of its obligations at Completion unless all of the Subscription Shares are subscribed by the Subscriber at Completion. The Subscriber shall have no obligation to subscribe for any of the Subscription Shares nor to perform any of his obligations at Completion unless all of the Subscription Shares are issued by the Company at Completion credited as fully paid at the Subscription Price.

4. COMPLETION OF THE SUBSCRIPTION

- 4.1** Subject to the fulfilment of the conditions set out in Clause 3.1 and subject to the performance by the Subscriber of its obligations under Clause 4.2, completion shall take place at the principal place of business in Hong Kong of the Company (or such other place as the Parties may agree) on the Closing Date, at which time the Company shall:
- (a) allot and issue to the Subscriber or as it may direct the Subscription Shares and shall procure that the Subscriber is registered on the branch register of the Company in Hong Kong as a member or members of the Company in respect thereof and shall cause to be delivered to the Subscriber definitive share certificate(s) in respect of the Subscription Shares in the name of the Subscriber in board lots (as nearly as practicable) or otherwise as the Subscriber may direct; and
 - (b) deliver to the Subscriber certified copies of the resolutions of the Directors allotting the Subscription Shares pursuant to Clause 4.1(a).
- 4.2** On or before the Closing Date, the Subscriber shall deliver to the Company an application for the Subscription Shares signed by the Subscriber substantially in the form set out in Appendix B.
- 4.3** On the Closing Date, the Subscriber shall make or procure the making of payment in HK\$ for value on the Closing Date to the Company of the aggregate Subscription Price of the Subscription Shares and the Stock Exchange transaction levy in respect of the Subscription Shares to the bank account nominated for the purpose by the Company not less than one Business Day prior to the Closing Date or in such other manner as may be agreed

between the Parties, which shall constitute a complete discharge of the Subscriber's obligations in respect thereof.

- 4.4** If Completion does not take place on the Closing Date as a result of any default or omission on the part of the Subscriber, the Company without being obliged to perform any of its obligations under Clause 4.1 may at its option (but without prejudice to any other rights or remedies it may have subject as provided herein) by written notice to the Subscriber elect to (as the case may be):
- (a) in any case proceed to Completion in so far as reasonably practicable and waive the Subscriber's outstanding obligations; or
 - (b) postpone the Closing Date; or
 - (c) rescind this Agreement by giving notice in writing to the Subscriber in which event the consequences set out in Clause 4.5 shall apply.
- 4.5** If the Company or the Subscriber elects to rescind this Agreement pursuant to Clauses 4.4 or 4.5 respectively, then all rights and obligations of the Parties under this Agreement shall cease to have effect immediately upon rescission except that rescission shall not affect the then accrued rights and obligations of the Parties.

5. EXPENSES

- 5.1** Each Party shall be liable for its own costs and expenses incurred in connection with this Agreement and the Subscription.

6. WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

- 6.1** In consideration of the Subscriber entering into this Agreement and agreeing to perform its obligations hereunder, the Company hereby warrants and represents, in relation to the Subscription Shares, to and for the benefit of the Subscriber as follows:
- (a) the Company is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted and the information contained in the Recitals is true and accurate;
 - (b) all necessary consents and authorisations (save the approval of the Listing Committee of the Stock Exchange referred to in Clause 3.1(a)) have been obtained to enable the Company to allot and issue the Subscription Shares, the Company has power under its constitutional documents to enter into this Agreement and the entering into this Agreement is duly authorised and when duly executed will constitute valid and legally binding and enforceable obligations of the Company;

- (c) the Subscription Shares will be allotted and issued in accordance with the memorandum and articles of association of the Company and with all relevant laws of Hong Kong, the Cayman Islands and the applicable rules and regulations of the Stock Exchange (including but not limited to the Listing Rules) and will rank *pari passu* in all respects inter se and with all other Shares in issue on the Closing Date; and
- (d) the Subscription Shares will on allotment and issue be free from all liens, charges, encumbrances and third party rights of whatsoever nature and together with all rights attaching thereto as at the Closing Date including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Shares, the record date for which shall fall on or after the Closing Date.

The provisions of this Clause 6.1 shall only apply to the Company to the extent and/or in circumstances where it is lawful for the Company to make the representations and warranties contained in this Clause 6.1 or to make a payment as a result of any claim in respect of them.

6.2 The Subscriber represents and undertakes to the Company that:

- (a) he has the full legal power, capacity and authority to enter into, execute and deliver this Agreement and to perform the transactions contemplated hereunder. This Agreement constitutes the legal, valid and binding obligation of the Subscriber, enforceable against the Subscriber in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally;
- (b) he will accept the Subscription Shares subject to the memorandum and articles of association of the Company;
- (c) he is subscribing for the Subscription Shares as a principal and not as agent or trustee for any other person;
- (d) immediately prior to Completion, he is not "connected persons" (as such term is defined in the Listing Rules) of the Company. He is independent of and not acting upon or accustomed to take instructions from, or directly or indirectly, funded or backed by, or acting in concert with (as such term is defined in the Hong Kong Code on Takeovers and Mergers), any connected persons of the Company in relation to the control of the Company or any acquisition, disposal, voting or any other disposition of securities in the Company; and
- (e) as at the date of this Agreement, he is interested in 6,355,000 Shares. Save as disclosed, he or any parties acting in concert with him or connected with him (as defined under Listing Rule and Hong Kong Code on Takeovers and Mergers) has no further Shares or existing/potential equity interests that have not be disclosed to the Company.

- 6.3 Each of the Parties hereby undertakes to the other to procure that save for the Announcement, no disclosure or public announcement or communication concerning the Subscription and/or the Company which is material in relation to the Subscription shall be made or despatched between the date hereof and the Closing Date without the prior written consent (such consent shall not be unreasonably withheld or delayed) of the other party as to the context, timing and manner of making or despatch thereof, save as required by law or the Stock Exchange (or, where applicable, the SFC).
- 6.4 Each Party hereby represents and warrants to the other party that all statements of facts contained or to be contained in the Announcement relating to itself are true and accurate in all material respects and are not misleading in the context of the Subscription and all expressions of opinion, expectation and intention expressed therein are and will at the date of issue thereof be made by or on its behalf and are in all respects made on reasonable grounds and are truly and honestly held and fairly based and that there are no facts known or which could on reasonable inquiry have been known to the relevant party or (where applicable) any of its directors and which are not disclosed in the Announcement the omission of which would make any statement in the Announcement misleading or which might reasonably be considered to be material for disclosure.
- 6.5 The Subscriber hereby undertakes to the Company to provide the Company promptly with all such information as shall be reasonably required by the Stock Exchange or other regulatory authority.
- 6.6 The representations, warranties and undertaking contained in this Clause 6 shall remain in full force and effect notwithstanding Completion. Each of the Company and the Subscriber (as the case may be) hereby undertakes to notify the other party of any matter or event coming to its attention prior to Completion which shows any relevant representation or warranty to be or to have been untrue or inaccurate at the date hereof or at any time prior to Completion.

7. **LIMITATION OF LIABILITIES**

- 7.1 The liability of the Company in respect of any breach of any warranties contained in this Agreement shall be limited as provided in this Clause 7.
- 7.2 The aggregate amount of liability of the Company for all claims made in connection with the warranties contained herein shall not exceed the aggregate Subscription Price for the Subscription Shares.
- 7.3 The Company shall not be liable for any claim in respect of the warranties contained herein unless the Company shall have received from the Subscriber written notice of such claim specifying in reasonable details the event of default to which the claim relates and the nature of the breach and (if capable of being quantified at that time) the amount claimed not later than the expiry of the period of one year from the Closing Date; and the Subscriber shall reimburse to the Company an amount equal to any sum paid by the Company to satisfy any claim under the warranties contained herein which is

subsequently and actually recovered by or paid to the Subscriber by any third party after deducting all reasonable costs and expenses incurred by the Subscriber arising from and incidental to the recovery of such amount from the third party.

8. TIME OF THE ESSENCE

Time shall be of the essence of this Agreement.

9. NOTICES

9.1 Any notice, claim, demand, court process, document or other communication to be given under this Agreement (collectively “**communication**” in this Clause 9) shall be in writing in either the English or the Chinese language and may be served or given personally or sent to the address or facsimile numbers or emails (if any) stated after the relevant party’s name in Clause 9.4 or, where relevant, to the registered office for the time being of the party to be served, or to such other address (which must be in Hong Kong) as may have been last notified in writing by such party to the party serving the communication specifically referring to this Agreement. All communications shall be served by the following means and the addressee of a communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch:

<u>Means of despatch</u>	<u>Time of deemed receipt</u>
Local mail or courier	24 hours
Facsimile	on despatch
Email	on delivery to the recipient’s host server
Air courier/Speedpost	3 days
Airmail	5 days

9.2 A communication served in accordance with Clause 9.1 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee’s address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee’s address or that the communication was properly transmitted by facsimile or email to the addressee. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine and if sent by email, on delivery to the recipient’s host server.

9.3 Nothing in this Clause 9 shall preclude the service of communication or the proof of such service by any mode permitted by law.

9.4 The initial addresses and telephone numbers of the Parties for the service of communications, the person for whose attention such communications are to

be marked and the person to whom a communication is to be copied are as follows:

<u>Party</u>	<u>Address</u>	<u>Telephone number</u>	<u>Email</u>
The Company	7/F., The Wellington, 198 Wellington Street, Central, Hong Kong Attn: The Board of Directors/ The Company Secretary	(852) 3622 1827	alfred.lau@riseco mm.com.hk
The Subscriber	No.27 Dongsanqu, (86) Yutangshan, 99 Ansi Road, Changping District, Beijing, the People's Republic of China (北京 市昌平區安四路 99 號禦 湯山東三區 27 號) Attn: Yu Lu	13910000269	yulu16888@126.c om

10. PROCESS AGENT

10.1 The Subscriber appoints James Chang (張衛東) at 12A, 18 Conduit Road, Mid-levels, Central, Hong Kong (香港中環半山區干德道 18 號 12A) as his agent to receive and acknowledge on his behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of the Subscriber for this purpose, the Subscriber shall promptly appoint a successor agent and notify the other Parties. Failing such appointment within 15 days, the Company may appoint a substitute process agent for the Subscriber. The Subscriber agrees that any such legal process is sufficiently served on him if delivered to such agent for service at its registered address for the time being in Hong Kong whether or not such agent gives notice thereof to the Subscriber. Nothing herein affects the right to serve process in any other manner permitted by Law.

11. WAIVER AND SEVERABILITY

11.1 No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy.

11.2 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

12. NON-ASSIGNMENT

This Agreement shall be binding upon and enure for the benefit of the Parties and its successors in title or estate. This Agreement shall not be assignable by any Party.

13. MISCELLANEOUS

13.1 Unless otherwise specifically provided for in this Agreement, no provision of this Agreement may be amended, supplemented or waived except where all the Parties agree in writing.

13.2 This Agreement may be executed by the Parties in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and is binding on all parties. A party may execute this Agreement and the documents referred to herein on a facsimile or electronic copy counterpart and deliver its signature and seal by facsimile or email.

13.3 Except as expressly provided to the contrary in this Agreement, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any term of this Agreement. The rights of the Parties to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any person who is not a party to this Agreement.

14. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong for the time being in force and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

Appendix A

Form of Announcement

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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 12 July 2021 (after trading hours), the Company entered into the Subscription Agreements with each of Mr. Ding and Mr. Yu, respectively, pursuant to which (i) Mr. Ding conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 88,660,000 Subscription Shares; and (ii) Mr. Yu conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 108,660,000 Subscription Shares. The Subscription Price is HK\$0.170 per Subscription Share for an aggregate amount of HK\$33,544,400. The Subscription Price payable by Mr. Ding and Mr. Yu, respectively, shall be settled by cash. The Subscription Shares represent in aggregate approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.7% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscription Completion save for the issue of the Subscription Shares). The transactions contemplated under each of the Subscription Agreements are not inter-conditional.

The Subscription Shares will be issued under the General Mandate and will rank equally among themselves and with the existing Shares in issue on the date of allotment and issue of the Subscription Shares.

Subscription Completion is subject to various conditions as set out under the section headed “The Subscriptions — Conditions of the Subscription Completion” in this announcement, including but not limited to the Listing Committee agreeing to grant a listing of and permission to deal in the Subscription Shares.

Subscription Completion is subject to the satisfaction of the conditions precedent set out in the relevant Subscription Agreements. As the Subscription 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 doubt about their position, they should consult their professional advisers.

THE SUBSCRIPTIONS

Subscription Agreements

On 12 July 2021 (after trading hours), the Company entered into the Subscription Agreements with each of Mr. Ding and Mr. Yu, respectively, pursuant to which (i) Mr. Ding conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 88,660,000 Subscription Shares; and (ii) Mr. Yu conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, 108,660,000 Subscription Shares. The Subscription Price is HK\$0.170 per Subscription Share for an aggregate amount of HK\$33,544,400.

The principal terms of each of the Subscription Agreements are summarised below.

	Mr. Ding's Subscription Agreement	Mr. Yu's Subscription Agreement
Issuer:		the Company
Subscriber:	Mr. Ding	Mr. Yu
	<p>To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Ding is an experienced investor and an Independent Third Party. Mr. Ding will become a Substantial Shareholder immediately after Subscription Completion.</p> <p>To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Mr. Ding is interested in 49,807,283 Shares, representing approximately 5.0% of the issued share capital of the Company as at the date of this announcement.</p>	<p>To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Yu is an experienced investor and an Independent Third Party. Mr. Yu will not become a Substantial Shareholder immediately after Subscription Completion.</p> <p>To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Mr. Yu is interested in 6,355,000 Shares, representing approximately 0.6% of the issued share capital of the Company as at the date of this announcement.</p>

	Mr. Ding's Subscription Agreement	Mr. Yu's Subscription Agreement
Aggregate Subscription Price:	HK\$15,072,200	HK\$18,472,200
Subscription Shares	88,660,000 Subscription Shares will be allotted and issued upon completion of Mr. Ding's Subscription Agreement.	108,660,000 Subscription Shares will be allotted and issued upon completion of Mr. Yu's Subscription Agreement.
	Mr. Ding's Subscription Shares represent (i) approximately 9.0% of the existing issued share capital of the Company as at the date of this announcement and, (ii) on the assumption that only the Subscription Completion of Mr. Ding's Subscription Agreement will take place and without taking into account any Shares which may be allotted and issued pursuant to the Mr. Yu's Subscription Agreement, the Subscription Shares will represent approximately 8.2% of the enlarged issued share capital of the Company immediately following the allotment and issue of Mr. Ding's Subscription Shares.	Mr. Yu's Subscription Shares represent (i) approximately 11.0% 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 of Mr. Yu's Subscription Agreement will take place and without taking into account any Shares which may be allotted and issued pursuant to the Mr. Ding's Subscription Agreement, the Subscription Shares will represent approximately 9.9% of the enlarged issued share capital of the Company immediately following the allotment and issue of Mr. Yu's Subscription Shares.
	The aggregate nominal value of Mr. Ding's Subscription Shares (with a par value of HK\$0.0001 each) is approximately HK\$8,866.	The aggregate nominal value of Mr. Yu's Subscription Shares (with a par value of HK\$0.0001 each) is approximately HK\$10,866.

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 in aggregate approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.7% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Subscription Completion save for the issue of the Subscription Shares).

The transactions contemplated under each of the Subscription Agreements are not inter-conditional.

Subscription Price

The Subscription Price of each Subscription Share is HK\$0.170, which was negotiated on an arm's length basis by the Company with each of Mr. Ding and Mr. Yu, respectively, and is a commercial decision reached by the Company with each of Mr. Ding and Mr. Yu, respectively, 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\$0.170 per Subscription Share represents:

- (i) a discount of approximately 3.4% to the closing price of HK\$0.176 per Share as quoted on the Stock Exchange on 12 July 2021, being the date of the Subscription Agreements;
- (ii) a discount of approximately 6.1% to the average closing price of approximately HK\$0.181 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 discount of approximately 7.6% to the average closing price of approximately HK\$0.184 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 Agreements.

Conditions of the Subscription Completion

The Subscription Completion for each of the Subscription Agreements is conditional upon the following conditions being fulfilled by the Longstop Date:

- (a) listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (b) all representations and warranties in the Subscription Agreement remain true, accurate and not misleading in all material aspects upon Subscription Completion.

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

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

Subscription Completion

Subscription Completion is to take place on the third Business Day immediately after the date on which all conditions under the relevant Subscription Agreement are fulfilled (or such other date as may be agreed by the parties to the relevant Subscription Agreement).

Mandate for the issue of the Subscription Shares

The subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM held on 25 June 2021 subject to the limit of up to 20% of the total number of Shares in issue as at the date of the AGM (that is, 197,323,814 new Shares, representing 20% of 986,619,071 Shares in issue as at the date of the AGM).

Up to the date of this announcement, the General Mandate has not been utilised. As such, the General Mandate will be sufficient for the issue and allotment of the Subscription Shares. As the Subscription Shares will be issued under the General Mandate, the Subscriptions are not subject to Shareholders' approval.

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 Subscriptions and use of net proceeds

Based on the audited consolidated financial statements of the Company for the year ended 31 December 2020, as at 31 December 2020, the Group's cash and cash equivalents amounted to approximately RMB121.7 million. As (i) 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 and (ii) the aggregate principal amount and accrued interests payable by the Company upon maturity of the Convertible Bonds, which will be redeemable upon maturity in August 2021, amounted to approximately HK\$153.0 million, it is necessary for the Group to finance the redemption of the Promissory Notes and the Convertible Bonds.

The gross proceeds of the Subscriptions are HK\$33,544,400. The net proceeds of the Subscriptions, after deducting professional fees and other related expenses, are estimated to be approximately HK\$33,344,400; and the net issue price per Subscription Share is approximately HK\$0.169.

The net proceeds of the Subscriptions are intended to be used to lower the gearing ratio of the Group by repayment of the outstanding indebtedness.

The Directors consider that the Subscriptions represents a good opportunity for the Company to reduce its debts without having to increase the Group's financing costs. Accordingly, the Directors consider that the terms of each of the Subscription Agreements 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 of the Subscription Agreements	
	Number of Shares	%	Number of Shares	%
<i>Connected persons</i>				
Magical Success Holdings Limited ("Magical Success") (Note 1)	97,527,845	9.9	97,527,845	8.2
Seashore Fortune Limited ("Seashore Fortune") (Note 2)	93,543,624	9.5	93,543,624	7.9
SB Asia Investment Fund II L.P.	197,340,537	20.0	197,340,537	16.7
Spitzer Fund VI L.P.	123,763,311	12.5	123,763,311	10.5
Mr. Ding (Notes 3 & 4)	—	—	138,467,283	11.7
<i>Sub-total (A):</i>	<u>512,175,317</u>	<u>51.9</u>	<u>650,642,600</u>	<u>55.0</u>
Public				
Mr. Ding (Note 3)	49,807,283	5.0	—	—
Mr. Yu (Note 3)	6,355,000	0.6	115,015,000	9.7
Other public Shareholders	418,281,471	42.4	418,281,471	35.3
<i>Sub-total (B):</i>	<u>474,443,754</u>	<u>48.1</u>	<u>533,296,471</u>	<u>45.0</u>
Total (A) + (B):	<u>986,619,071</u>	<u>100.0</u>	<u>1,183,939,071</u>	<u>100.0</u>

Notes:

- Magical Success is wholly owned by Ms. Chen Junling ("Ms. Chen"). Ms. Chen is the spouse of Mr. Wang Shiguang, who was a non-executive Director within the last 12 months of the date of this announcement.
- Seashore Fortune is wholly owned by Mr. Yue Jingxing ("Mr. Yue"). Mr. Yue is the chairman of the Board and an executive Director.
- To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Mr. Ding and Mr. Yu is an Independent Third Party.

4. Mr. Ding will become a Substantial Shareholder immediately after Subscription Completion.
5. 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.

Subscription Completion is subject to the satisfaction of the conditions precedent set out in the relevant Subscription Agreements. As the Subscription 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 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:

“2021 AGM”	the annual general meeting of the Company held on 25 June 2021
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors

“Business Day”	means any day (excluding Saturday, Sunday and any other public holidays and any day on which a tropical cyclone warning no.8 or above or “extreme conditions” caused by super typhoons in force in Hong Kong 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
“Convertible Bonds”	the fixed rate senior convertible bonds (as amended) in the aggregate principal amount of HK\$150 million carrying 4% coupon rate per annum issued by the Company on 13 August 2018 and will mature on 13 August 2021
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM (or, if applicable, the general mandate to allot, issue and deal with Shares as may be subsequently granted in accordance with Rule 13.36(2)(b) of the Listing Rules to the Directors by the Shareholders so long as it is valid and in force on the date of Subscription Completion and sufficient to cover the Subscription Shares)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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”	9 July 2021, being the last trading day immediately prior to the date of the Subscription Agreements
“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

“Longstop Date”	2 August 2021, or such other date as the parties to the relevant Subscription Agreement may agree in writing
“Mr. Ding”	Ding Zhigang (丁志綱)
“Mr. Ding’s Subscription Agreement”	a conditional subscription agreement dated 12 July 2021 made by the Company with Mr. Ding in respect of the subscription of the Mr. Ding’s Subscription Shares
“Mr. Ding’s Subscription Shares”	88,660,000 new Shares
“Mr. Yu”	Yu Lu (于路)
“Mr. Yu’s Subscription Agreement”	a conditional subscription agreement dated 12 July 2021 made by the Company with Mr. Yu in respect of the subscription of the Mr. Yu’s Subscription Shares
“Mr. Yu’s Subscription Shares”	108,660,000 new Shares
“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 “First Promissory Note”); 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 “Second Promissory Note”)
“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
“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
“Subscriptions”	the subscription of Mr. Ding’s Subscription Shares and Mr. Yu’s Subscription Shares at the Subscription Price and the term “ Subscription ” shall mean any of them
“Subscription Agreements”	Mr. Ding’s Subscription Agreement and Mr. Yu’s Subscription Agreement and the term “ Subscription Agreement ” shall mean any of them
“Subscription Completion”	the completion of each of Mr. Ding’s Subscription Agreement and Mr. Yu’s Subscription Agreement in accordance with their respective terms and conditions
“Subscription Price”	HK\$0.170 per Share
“Subscription Shares”	the aggregate of 197,320,000 new Shares
“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
Chairman and executive Director

Hong Kong, 12 July 2021

As at the date of this announcement, the executive Directors are Mr. Yue Jingxing, Mr. Lau Wai Leung, Alfred and Mr. Jiang Feng, the non-executive Director is Mr. Cheung Fan and the independent non-executive Directors are Mr. Ong King Keung, Ms. Lo Wan Man and Mr. Zou Heqiang.

Appendix B

Form of an application for the Subscription Shares

To: Risecomm Group Holdings Limited
瑞斯康集團控股有限公司

Date: 12 / 7 / 2021

Dear Sirs

Subscription of Shares

I refer to the subscription agreement dated 12 July 2021 (“**Agreement**”) and entered into between (i) me as subscriber; and (ii) Risecomm Group Holdings Limited 瑞斯康集團控股有限公司 (“**Company**”) as issuer. Expressions defined in the Agreement shall have the same meanings where used herein.

Pursuant to the provisions of the Agreement, I hereby apply for the following Shares in the capital of the Company subject to the memorandum and articles of association of the Company at the subscription price of HK\$0.170 per Share, for an aggregate amount of HK\$18,472,200 (“**Total Subscription Price**”).

I hereby request the Company to register my name on the branch register of members of the Company in Hong Kong in accordance with the memorandum and articles of association of the Company.

Registered Owner	Address	No. of Shares
Yu Lu	No.27 Dongsanqu, Yutangshan, 99 Ansi Road, Changping District, Beijing, the People’s Republic of China (北京市昌平區安四 路 99 號禦湯山東三區 27 號)	108,660,000

You are authorised and requested to allot and issue the Shares to me and deliver the share certificates representing the Shares to me at the above address whose receipt shall be a sufficient discharge of your obligations for the delivery to me of such certificates.

I confirm that I am subscribing the Shares as principal on behalf of myself and not as nominee or agent or trustee for any other person.

Yours faithfully



Yu Lu

IN WITNESS whereof the Parties or their duly authorised representatives have executed this Agreement on the date first before appearing.

THE SUBSCRIBER

SIGNED by
YU LU
in the presence of

)
) 
)

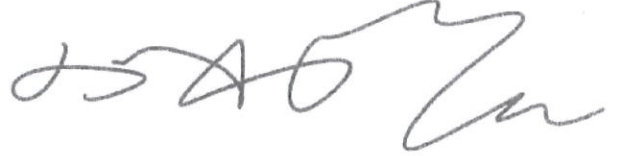


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THE COMPANY

SIGNED by Yue Jingxing)
for and on behalf of)
RISECOMM GROUP HOLDINGS)
LIMITED)
瑞斯康集團控股有限公司)
in the presence of)



名称: 陈水英

陈水英

身份证号: 440821197411303540