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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)

COMPLETION OF SUBSCRIPTIONS FOR NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Risecomm Group Holdings Limited (the “**Company**”) dated 28 June 2023 (the “**Announcement**”) in relation to the Subscriptions. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE SUBSCRIPTIONS

The Board is pleased to announce that all conditions precedent under each of the Subscription Agreements were fulfilled and completion of each of the Subscriptions took place on 19 July 2023 pursuant to the terms of each Subscription Agreement. A total of 17,060,000 Shares, 12,780,000 Shares and 12,780,000 Shares were successfully allotted and issued to each of Subscriber A, Subscriber B and Subscriber C, respectively at the Subscription Price of HK\$0.56 per Subscription Share under the General Mandate. The net proceeds from the Subscriptions, after deduction of the related expenses, are approximately HK\$23,817,000. The Company already utilized/intends to utilize the net proceeds from the Subscriptions in the manner set out in the paragraph headed “Proposed Uses of Net Proceeds” of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The aggregate of 42,620,000 Subscription Shares represent (i) approximately 20% of the number of Shares in issue before completion of the Subscriptions; and (ii) approximately 16.67% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares and as at the date of this announcement. Set out below is the shareholding structure of the Company before and after completion of the Subscriptions:

Shareholders	Before completion of the Subscriptions		After completion of the Subscriptions and as at the date of this announcement	
	Number of shares	%	Number of shares	%
Directors, former Director & substantial Shareholders				
Ding Zhigang (<i>Note 1</i>)	34,070,092	16.0	34,070,092	13.3
Yu Lu (<i>Note 2</i>)	17,252,250	8.1	17,252,250	6.8
Seashore Fortune Limited (<i>Note 3</i>)	9,354,362	4.4	9,354,362	3.7
Public Shareholders				
Subscriber A	—	—	17,060,000	6.7
Subscriber B	7,500,000	3.5	20,280,000	7.9
Subscriber C	7,500,000	3.5	20,280,000	7.9
Other public Shareholders	<u>137,432,156</u>	<u>64.5</u>	<u>137,432,156</u>	<u>53.7</u>
Total	<u>213,108,860</u>	<u>100.0</u>	<u>255,728,860</u>	<u>100.0</u>

Notes:

1. Mr. Ding Zhigang is a non-executive Director.
2. Mr. Yu Lu is a non-executive Director.
3. Seashore Fortune Limited is wholly owned by Mr. Yue Jingxing (“**Mr. Yue**”). Mr. Yue is the ex-chairman of the Board and an ex-executive Director who resigned from both positions on 5 June 2023.
4. Percentages shown in the above table are approximate figures and have been rounded to the nearest tenth of a percent. Accordingly, figures shown as totals in the above table may not be an arithmetic aggregation of the figures which precede them.

PROPOSED USES OF NET PROCEEDS

The Company received net proceeds of approximately HK\$23,817,000 from the Subscriptions, and net proceeds of approximately HK\$17,516,000 from the share subscriptions completed on 2 June 2023, totaling approximately HK\$41,333,000 (the “**Aggregate Net Proceeds**”).

As at the date of this announcement, the Company already utilized approximately HK\$18,378,000 out of the Aggregate Net Proceeds to settle certain indebtedness of the Company which was due on or before 30 June 2023. The Company intends to utilize an addition of approximately HK\$2,959,000 to settle certain indebtedness of the Company which will be due on or before 11 August 2023. The remaining Aggregate Net Proceeds of approximately HK\$19,996,000 are intended to be utilized for general working capital purposes, out of which (i) approximately HK\$3,996,000 will be used for staff costs; (ii) approximately HK\$3,000,000 will be used for contracted development expenses, R&D material costs and inspection costs as involved in the research and development activities of the Group's products; and (iii) approximately HK\$3,000,000 will be used for settlement of professional fees.

The Company is reviewing the status of its external borrowings and/or payables. The remaining Aggregate Net Proceeds are intended to be reserved as business development funds for the Group. Any updates regarding the utilisations of the Aggregate Net Proceeds will be duly disclosed in the Company's financial reports.

In view of the disclaimer of opinion expressed by the independent auditor in the Company's 2022 annual report, the Company is hopeful that the proceeds from the two subscriptions will result in an improvement in the Group's business.

By order of the Board
Risecomm Group Holdings Limited
Guo Lei
Chairman and Executive Director

Hong Kong, 19 July 2023

As at the date of this announcement, the executive Directors are Ms. Guo Lei, Mr. Lau Wai Leung, Alfred and Mr. Jiang Feng, the non-executive Directors are Mr. Yu Lu and Mr. Ding Zhigang, and the independent non-executive Directors are Mr. Victor Yang, Ms. Lo Wan Man and Mr. Zou Heqiang.