Recon Technology, Ltd
Form 424B5
January 23, 2018

Prospectus Supplement	**Filed pursuant to Rule 424(b)(5)**
(To Prospectus Dated October 7, 2016)	**Registration No. 333-213702**

RECON TECHNOLOGY, LTD

3,592,500 Ordinary Shares

Pursuant to this prospectus supplement and the accompanying prospectus, we are offering up to 3,592,500 ordinary shares directly to selected investors.

For a more detailed description of the ordinary shares, see the section entitled "Description of Securities We Are Offering" beginning on page S-10 of this prospectus supplement.

Our ordinary shares are currently traded on the Nasdaq Capital Market under the symbol "RCON." On January 19, 2018, the closing sale price of our ordinary shares was $2.61 per share.

As of the date of this prospectus supplement, the aggregate market value of our outstanding ordinary shares held by non-affiliates was approximately $17,925,567.87 based on 14,687,849 outstanding ordinary shares, of which 5,916,029 are held by non-affiliates, and a per share price of $3.03, which was the closing price of our ordinary shares on the Nasdaq Capital Market on January 16, 2018. We have not sold any securities pursuant to General Instruction I.B.6. of Form S-3 during the prior 12 calendar month period that ends on and includes the date of this prospectus supplement.

We have retained Maxim Group LLC to act as our exclusive placement agent in connection with this offering to use its "reasonable best efforts" to solicit offers from investors to purchase our ordinary shares. The placement agent has no obligation to buy any securities from us or to arrange for the purchase or sale of any specific number or dollar amount of securities. The placement agent is not purchasing or selling any ordinary shares in this offering. See "Plan of Distribution" beginning on page S-11 of this prospectus supplement for more information regarding these arrangements

Investing in our securities involves a high degree of risk. You should purchase our securities only if you can afford a complete loss of your investment. See "Risk Factors" beginning on page S-6 of this prospectus supplement and on page 3 of the accompanying prospectus and under similar sections in the documents we incorporate by reference into this prospectus.

	Per Ordinary Share	Total
Public Offering Price	$ 1.66	$5,963,550.00
Placement agent fees (1)	$ 0.1162	$417,448.50
Proceeds, before expenses, to us	$ 1.5438	$5,546,101.50

(1) We have also agreed to reimburse the placement agent for non-accountable expenses incurred by the placement agent up to an amount not to exceed $50,000. For additional information about the compensation paid to the placement agent, see "Plan of Distribution" on page S-11 of this prospectus supplement.

We expect that delivery of the ordinary shares being offered pursuant to this prospectus supplement and the accompanying prospectus will be made on or about January 24, 2018.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Maxim Group LLC

The date of this prospectus supplement is January 22, 2018

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

You should rely only on the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not and the Placement Agent has not authorized anyone else to provide you with additional or different information. We are offering to sell, and seeking offers to buy, ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement, the accompanying prospectus and the documents and information incorporated by reference in this prospectus supplement and the accompanying prospectus are accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement or of any sale of our securities.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the ordinary shares or possession or distribution of this prospectus supplement or the accompanying prospectus in that jurisdiction. Persons who come into possession of this prospectus supplement or the accompanying prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus supplement and the accompanying prospectus applicable to that jurisdiction.

ABOUT THIS PROSPECTUS SUPPLEMENT

On September 19, 2016, we filed with the SEC a registration statement on Form S-3 (File No. 333-213702) utilizing a shelf registration process relating to the securities described in this prospectus supplement, which registration statement was declared effective on October 7, 2016. Under this shelf registration process, we may, from time to time, sell up to $35 million in the aggregate of ordinary shares, debt securities, rights, units, warrants, share purchase contracts and share purchase units, of which approximately $29 million will remain available for sale following the offering and as of the date of this prospectus supplement.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this ordinary shares and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering. You should read this entire prospectus supplement as well as the accompanying prospectus and the documents incorporated by reference that are described under "Where You Can Find More Information" in this prospectus supplement and the accompanying prospectus.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date — for example, a document incorporated by reference in this prospectus supplement and the accompanying prospectus — the statement in the document having the later date modifies or supersedes the earlier statement. We are not incorporating by reference any information submitted under Item 2.02 or Item 7.01 of any Current Report on Form 8-K or any information furnished but not filed on any current report on Form 6-K into any filing under the Securities Act or the Exchange Act or into this prospectus supplement or the accompanying prospectus.

Any statement contained in a document incorporated by reference, or deemed to be incorporated by reference, into this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement or the accompanying prospectus to the extent that a statement contained herein, therein or in any other subsequently filed document which also is incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference in this prospectus supplement and the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you unless you are a party to such agreement. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs unless you are a party to such agreement.

PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information contained or incorporated by reference in this prospectus supplement. This summary does not contain all of the information you should consider before investing in the securities. The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements incorporated by reference into this prospectus. In addition to this summary, we, urge you to read the entire prospectus carefully, especially the risks discussed under "Risk Factors" on page S-6 of this prospectus supplement, on page 3 of the accompanying prospectus, in our Annual Report on Form 20-F for the fiscal year ended June 30, 2017 and under similar sections in the documents we incorporate by reference into this prospectus before making an investment decision.

Unless we have indicated otherwise, or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to "RCON," the "Company," "we," "us" and "our" or similar terms refer to refer to Recon Technology Ltd., a company with limited liability incorporated in the Cayman Islands and its consolidated subsidiaries and variable interest entities.

Our Company

We are a provider of hardware, software, and on-site services to companies in the petroleum mining and extraction industry in China ("PRC"). We provide services designed to automate and enhance the extraction of petroleum. Our wholly-owned PRC subsidiaries are Recon Technology (Jining) Co., Ltd and Recon Hengda Technology (Beijing) Co., Ltd which we refer to collectively as our PRC Subsidiaries. We also control by contract the PRC companies of Beijing BHD Petroleum Technology Co., Ltd. ("BHD"), Nanjing Recon Technology Co., Ltd. ("Nanjing Recon"), Huang Hua BHD Petroleum Equipment Manufacturing Co. LTD. ("Huang Ha"), Gan Su BHD Environmental Technology Co., Ltd. ("Gan Su") and Qing Hai BHD New Energy Technology Co., Ltd ("Qing Hai") We refer to BHD, Nanjing Recon, Huang Ha, Gan Su and Qing Hai as our "VIEs". We refer collectively to our VIEs as the "Domestic Companies" in this prospectus.

The Company serves as the center of strategic management, financial control and human resources allocation for the Domestic Companies. Through our contractual relationships with the Domestic Companies, we provide equipment, tools and other hardware related to oilfield production and management, and develop and sell our own specialized industrial automation control and information solutions. However, we do not engage in the production of petroleum or petroleum products.

We believe that one of the most important advancements in China's petroleum industry has been the automation of significant segments of the exploration and extraction process. The Domestic Companies' and our automation products and services allow petroleum mining and extraction companies to reduce their labor requirements and improve the productivity of oilfields. The Domestic Companies' and our solutions allow our customers to locate productive oilfields more easily and accurately, improve control over the extraction process, increase oil yield efficiency in tertiary stage oil recovery, and improve the transportation of crude oil.

For the most recent few years, our capacity to provide integrated services has been a significant factor for long-term development. We treat simulation measures around fracturing as our entry point for our integrated service model. To date, we have formed new business modules through our own R&D, investment in service-team building and developed an integrated services solution for stimulation.

Market Background

China is the world's second-largest consumer of petroleum products, third-largest importer of petroleum and sixth-largest producer of petroleum. In the last twenty years, China's demand for oil has more than tripled, while its production of oil has only modestly increased. China became a net importer of petroleum in 1983, and, since then, oil production in China has been focused on meeting the country's domestic oil consumption requirements. The oil industry in China is dominated by three state-owned holding companies: China National Petroleum Corporation ("CNPC"), China Petroleum and Chemical Corporation ("Sinopec") and China National Offshore Oil Corporation ("CNOOC"). Foreign companies have also recently become involved in China's petroleum industry; however, according to Chinese law, China's national oil companies may take a majority (or minority) stake in any commercial discovery. As a result, the number of major foreign companies involved in the industry is relatively limited. Major foreign oil companies operating in China include: Agip, Apache, BP, ChevronTexaco, ConocoPhillips, Eni, ExxonMobil, Husky Energy, Kerr-McGee, Mitsubishi, Royal Dutch Shell, Saudi Aramco, and Total.

In the past, China's petroleum companies mined for petroleum by leveraging the country's abundance of inexpensive labor, rather than focusing on developing new technologies. For example, a typical, traditional oilfield with an annual capacity of 1,000,000 tons would require between 10,000 and 20,000 laborers. By contrast, when Baker CAC automated oil production products were employed in the mid-1990s to explore and automate Cainan Oil Field, a desert oilfield in Xinjiang, annual capacity for the field reached 1,500,000 tons, with only 400 employees needed to manage the oilfield. After the introduction of Baker CAC's products into China's petroleum industry, Chinese companies have also sought to provide automation solutions.

In the primary oil recovery stage, oil pressure in an oil reservoir may be high enough to force oil to the surface. Approximately 20% of oil may be harvested at this stage. The secondary oil recovery stage accounts for another 5% to 15% of oil recovery and involves such efforts as pumps to extract petroleum and the injection of water, natural gas, carbon dioxide or other gasses into the oil reservoir to force oil to the surface. Most oilfields in China have now entered into the tertiary stage of oil recovery, at which oil extraction becomes increasingly difficult and inefficient. Tertiary recovery generally focuses on decreasing oil viscosity to make extraction easier and accounts for between 5% and 15% of oil recovery. Our efforts in tertiary recovery focus on reducing water content in crude oil in order to make extraction more efficient.

Products and Services

We currently provide products and services to oil and gas field companies, which focus on the development and production of oil and natural gas. Our products and services described below correlate to the numbered stages of the oilfield production system graphical expression shown below.

Our products and services include:

Equipment for Oil and Gas Production and Transportation

- *High-Efficiency Heating Furnaces (as shown above by process "3"). Crude petroleum contains certain impurities that must be removed before the petroleum can be sold, including water and natural gas. To remove the impurities* *and to prevent solidification and blockage in transport pipes, companies employ heating furnaces. BHD researched, developed and implemented a new oilfield furnace that is advanced, highly automated, reliable, easily operable, safe and highly heat-efficient (90% efficiency).*

- *Burner (as shown above by process "5"). We serve as an agent for the Unigas Burner which is designed and manufactured by UNIGAS, a European burning equipment production company. The burner we provide has the following characteristics: high degree of automation; energy conservation; high turn-down ratio; high security and environmental safety.*

Oil and Gas Production Improvement Techniques

- *Packers of Fracturing. This utility model is used concertedly with the security joint, hydraulic anchor, and slide bushing of sand spray in the well. It is used for easy seat sealing and sand-uptake prevention. The utility model reduces desilting volume and prevents sand uptake which makes the deblocking processes easier to realize. The back flushing is sand-stick proof.*

- *Production Packer. According to different withdraw points, the production packer separates different oil layers, and protects the oil pipe from sand and permeability, so as to promote the recovery ratio.*

- *Sand Prevention in Oil and Water Well. This technique processes additives that are resistant to elevated temperatures into "resin sand" which is transported to the bottom of the well via carrying fluid. The "resin sand" goes through the borehole, piling up and compacting at the borehole and oil vacancy layer. An artificial borehole wall is then formed, functioning as a means of sand prevention. This sand prevention technique has been adapted to more than 100 wells, including heavy oil wells, light oil wells, water wells and gas wells, with a 100% success rate and a 98% effective rate.*

- *Water Locating and Plugging Technique. High water cut affects the normal production of oilfields. Previously, there was no sophisticated method for water locating and tubular column plugging in China. The mechanical water locating and tubular column plugging technique we have developed resolves the problem of high water cut wells. This technique conducts a self-sealing-test during multi-stage usage and is reliable to separate different production sets effectively. The water location switch forms a complete process by which the water locating and plugging can be finished in one trip. Our tubular column is adaptable to several oil drilling methods and is available for water locating and plugging in second and third class layers.*

- *Fissure Shaper. This is our proprietary product that is used along with a perforating gun to effectively increase perforation depth by between 46% and 80%, shape stratum fissures, improve stratum diversion capability and, as a result, improve our ability to locate oilfields and increase the output of oil wells.*

- *Fracture Acidizing. We inject acid to layers under pressure which can form or expand fissures. The treatment process of the acid is defined as fracture acidizing. The technique is mainly adapted to oil and gas wells that are blocked up relatively deeply, or the ones in the low permeable zones.*

- *Electronic Broken-down Service. This service resolves block-up and freezing problems by generating heat from the electric resistivity of the drive pipe and utilizing a loop tank composed of an oil pipe and a drive pipe. This technique saves energy and is environmentally friendly. It can increase the production of oilfields that are in the middle and later periods.*

Automation System and Service

- *Pumping Unit Controller. Refers to process “1” above. Functions as a monitor to the pumping unit, and also collects data for load, pressure, voltage, startup and shutdown control.*

- *RTU Used to Monitor Natural Gas Wells. Collects gas well pressure data.*

- *Wireless Dynamometer and Wireless Pressure Gauge. Refers to process “1” above. These products replace wired technology with cordless displacement sensor technology. They are easy to install and significantly reduce the working load associated with cable laying.*

- *Electric Multi-Way Valve for Oilfield Metering Station Flow Control. Refers to process "2" above. This multi-way valve is used before the test separator to replace the existing three valve manifolds. It facilitates the electronic control of the connection of the oil lead pipeline with the separator.*

- *Natural Gas Flow Computer System. Flow computer system used in natural gas stations and gas distribution stations to measure flow.*

- *Recon SCADA Oilfield Monitor and Data Acquisition System. Recon SCADA is a system which applies to the oil well, measurement station, and the union station for supervision and data collection.*

- *EPC Service of Pipeline SCADA System. A service technique for pipeline monitoring and data acquisition after crude oil transmission.*

- *EPC Service of Oil and Gas Wells SCADA System. A service technique for monitoring and data acquisition of oil wells and natural gas wells.*

- *EPC Service of Oilfield Video Surveillance and Control System. A video surveillance technique for controlling the oil and gas wellhead area and the measurement station area.*

- *Technique Service for "Digital Oilfield" Transformation. Includes engineering technique services such as oil and gas SCADA system, video surveillance and control system and communication systems.*

Waste Water Treatment Products and Services

- *Oilfield sewage treatment. It is for oilfield waste water treatment solutions, related chemicals and onsite services customized to clients' requirement. We have also developed our own designed equipment and aim to manufacture in the future.*

- *Oily sludge disposal (planned). This planned business line will provide engineering services of oily sludge disposal in Gan Su province.*

Recent Developments

On November 20, 2017, we entered into a securities purchase agreement with Yongquan Bi (“Mr. Bi.”), pursuant to which Mr. Bi agreed to purchase an aggregate of 3,000,000 unregistered restricted ordinary shares for an aggregate consideration of $4.8 million, representing a per-share purchase price of $1.60. The purchase price was paid in two installments of $2.4 million each. The first installment was paid on November 20, 2017, and the second installment was paid on January 19, 2018. The shares were issued on January 22, 2018 in reliance on an exemption from registration afforded by (i) Section 4(a)(2) of the Securities Act of 1933, as amended (the “1933 Act”) and (ii) (a) Rule 506 of Regulation D and (b) Rule 903 of Regulation S, both as promulgated under the 1933 Act. In addition to being unregistered, the shares are restricted pursuant to the terms of a lock-up, which prohibits the sale, gift, pledge or other transfer or assignment of the shares until January 20, 2020.

Corporate Information

We are incorporated in the Cayman Islands. Our principal executive offices are located at Room 1902, Building C, King Long International Mansion, No. 9 Fulin Road, Beijing, 100107, People’s Republic of China. Our telephone number at this address is +86 (10) 8494 5799.

Our Internet website, www.recon.cn, provides a variety of information about our Company. We do not incorporate by reference into this prospectus supplement or the accompanying prospectus the information on, or accessible through, our website, and you should not consider it as part of this prospectus supplement or the accompanying prospectus. Our ordinary shares are traded on the Nasdaq Capital Market under the symbol “RCON.”

THE OFFERING

Ordinary Shares offered by us pursuant to this prospectus supplement	3,592,500
Ordinary Shares to be outstanding after this offering(1)	18,280,349
Public offering price	$1.66 per ordinary share
Use of proceeds	We intend to use the net proceeds from this offering for working capital and other general corporate purposes, including the acquisition of complementary assets or businesses. See “Use of Proceeds” on page S-8 of this prospectus supplement.
Risk factors	Investing in our securities involves a high degree of risk. For a discussion of factors you should consider carefully before deciding to invest in our ordinary shares, see the information contained in or incorporated by reference under the heading “Risk Factors” beginning on page S-8 of this prospectus supplement, on page 3 of the accompanying prospectus and in our Annual Report on Form 20-F for the fiscal year ended June 30, 2017.
Nasdaq Capital Market Symbol	“RCON.”

(1) The number of ordinary shares to be outstanding after this offering is based on 14,687,849 ordinary shares outstanding as of January 22, 2018 and issuance of all the ordinary shares offered in this offering, and excludes:

- 815,600 ordinary shares issuable upon the exercise of outstanding options with a weighted-average exercise price of $3.04 per share; and

- I,960,666 ordinary shares reserved for future issuance under our Equity Compensation Plan.

S-5

RISK FACTORS

Before you make a decision to invest in our securities, you should consider carefully the risks described below, and the risks contained in our Annual report on Form 20-F for the fiscal year ended June 30, 2017 together with other information in this prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein. If any of the following events actually occur, our business, operating results, prospects or financial condition could be materially and adversely affected. This could cause the trading price of our ordinary shares to decline and you may lose all or part of your investment. The risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also significantly impair our business operations and could result in a complete loss of your investment.

Risks Related To This Offering

Since we have some discretion in how we use the proceeds from this offering, we may use the proceeds in ways with which you disagree.

We have not allocated specific amounts of the net proceeds from this offering for any specific purpose. Accordingly, subject to any agreed upon contractual restrictions under the terms of the securities purchase agreement, our management will have some flexibility in applying the net proceeds of this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds, and subject to any agreed upon contractual restrictions under the terms of the share purchase agreements, you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for us. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flow.

You will experience immediate dilution in the book value per ordinary shares you purchase.

Because the price per share of our ordinary shares being offered is substantially higher than the book value per share of our ordinary shares, you will suffer substantial dilution in the net tangible book value of the ordinary shares you purchase in this offering. After giving effect to the sale by us of 3,592,500 shares of ordinary shares in this offering, and based on a public offering price of $1.66 per ordinary share and a pro forma net tangible book value per share of our ordinary shares of $0.64 as of June 30, 2017 (assuming the issuance of 4,784,935 ordinary shares subsequent to June 30, 2017 and prior to completion of this offering), if you purchase securities in this offering, you will suffer immediate and substantial dilution of $0.82 per share in the net tangible book value of the ordinary shares purchased.

See “Dilution” on page S-10 for a more detailed discussion of the dilution you will incur in connection with this offering.

Future sales of our ordinary shares may cause the prevailing market price of our shares to decrease.

The issuance and sale of additional ordinary shares or securities convertible into or exercisable for ordinary shares could reduce the prevailing market price for our ordinary shares as well as make future sales of equity securities by us less attractive or not feasible. The sale of ordinary shares issued upon the exercise of our outstanding options could further dilute the holdings of our then existing shareholders.

There has been and may continue to be significant volatility in the volume and price of our ordinary shares on the Nasdaq Capital Market.

The market price of our ordinary shares has been and may continue to be highly volatile. Factors, including changes in the Chinese petroleum and energy industry, changes in the Chinese economy, potential infringement of our intellectual property, competition, concerns about our financial position, operations results, litigation, government regulation, developments or disputes relating to agreements, patents or proprietary rights, may have a significant impact on the market volume and price of our stock. Unusual trading volume in our shares occurs from time to time.

We have not paid and do not intend to pay dividends on our ordinary shares. Investors in this offering may never obtain a return on their investment.

We have not paid dividends on our ordinary since inception, and do not intend to pay any dividends on our ordinary shares in the foreseeable future. We intend to reinvest earnings, if any, in the development and expansion of our business. Accordingly, you will need to rely on sales of your ordinary shares after price appreciation, which may never occur, in order to realize a return on your investment.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the documents referred to or incorporated by reference in this prospectus supplement and the accompanying prospectus or statements of our management referring to our summarizing the contents of this prospectus supplement and the accompanying prospectus, include “forward-looking statements”. We have based these forward-looking statements on our current expectations and projections about future events. Our actual results may differ materially or perhaps significantly from those discussed herein, or implied by, these forward-looking statements. Forward-looking statements are identified by words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “plan,” “project” and other similar expressions. In addition, any statements that refer to expectations or other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements included or incorporated by reference in this prospectus or our other filings with the Securities and Exchange Commission, or the SEC include, but are not necessarily limited to, those relating to:

- Risks related to changes in the Chinese petroleum and energy industries;
- Risks related to changes in the Chinese economy
- Risks related to announcements by our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments
- Risks related to potential infringement of our intellectual property;
- Risks and uncertainties associated with the integration of the assets and operations we have acquired and may acquire in the future;
- our possible inability to raise or generate additional funds that will be necessary to continue and expand our operations;
- our potential lack of revenue growth;
- our potential inability to add new products and services that will be necessary to generate increased sales;
- our potential lack of cash flows;
- our potential loss of key personnel;
- the availability of qualified personnel;
- international, national regional and local economic political changes;
- general economic and market conditions;
- increases in operating expenses associated with the growth of our operations;

- the possibility of technological changes;
- the potential for increased competition; and
- other unanticipated factors.

The foregoing does not represent an exhaustive list of matters that may be covered by the forward-looking statements contained herein or risk factors that we are faced with that may cause our actual results to differ from those anticipate in our forward-looking statements. Please see “Risk Factors” herein, in the accompanying prospectus and in our reports filed with the SEC including our Annual Report on Form 20-F for the fiscal year ended June 30, 2017 for additional risks which could adversely impact our business and financial performance.

Moreover, new risks regularly emerge and it is not possible for our management to predict or articulate all risks we face, nor can we assess the impact of all risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ from those contained in any forward-looking statements. All forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus are based on information available to us on the date of this prospectus supplement. Except to the extent required by applicable laws or rules, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We intend to use the net proceeds from this offering for working capital and other general corporate purposes, including the potential acquisition of complementary assets or businesses.

PRICE RANGE OF ORDINARY SHARES

Our ordinary shares are listed on the NASDAQ Capital Market under the symbol "RCON." The following table shows the high and low per share sale prices of our ordinary shares for the periods indicated.

	High	Low
Fiscal Year Ending June 30, 2018		
Quarter Ended September 30, 2017	$1.18	$0.64
Quarter Ended December 31, 2017	$2.64	$1.01
Quarter Ending March 31, 2018 (through January 19, 2018)	$5.36	$1.25
Fiscal Year Ended June 30, 2017		
Quarter Ended September 30, 2016	$2.22	$1.05
Quarter Ended December 31, 2016	$1.93	$0.90
Quarter Ended March 31, 2017	$1.67	$1.18
Quarter Ended June 30, 2017	$1.57	$0.98
Fiscal Year Ended June 30, 2016		
Quarter Ended September 30, 2015	$1.75	$0.62
Quarter Ended December 31, 2015	$2.46	$0.791
Quarter Ended March 31, 2016	$2.18	$1.10
Quarter Ended June 30, 2016	$1.38	$0.8585
Fiscal Year Ended June 30, 2015		
Quarter Ended September 30, 2014	$5.38	$3.46
Quarter Ended December 31, 2014	$5.47	$1.85
Quarter Ended March 31, 2015	$3.1999	$1.27
Quarter Ended June 30, 2015	$2.95	$1.50

On January 19, 2018, the last sale price reported on the NASDAQ Capital Market for our ordinary shares was $2.61 per share.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our ordinary shares. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial conditions and future prospects and other factors the Board of Directors may deem relevant.

We are a holding company with no operations of our own and all of our operations are conducted through our wholly-owned foreign enterprise (“WFOE”) through certain contractual arrangements with our operating subsidiaries and VIEs. Our ability to pay dividends is dependent upon dividends and other distributions paid by WFOE. Chinese legal restrictions permit payment of dividends to us by WFOE only out of its accumulated net profit, if any, determined in accordance with Chinese accounting standards and regulations. Under Chinese law, WFOE is required to set aside a portion (at least 10%) of its after-tax net income (after discharging all cumulated loss), if any, each year for compulsory statutory reserve until the amount of the reserve reaches 50% of its registered capital. These funds may be distributed to shareholders at the time of its wind up. Payments of dividends by WFOE to us are also subject to restrictions including primarily the restriction that foreign invested enterprises may only buy, sell and/or remit foreign currencies at those banks authorized to conduct foreign exchange business after providing valid commercial documents. There are no such similar foreign exchange restrictions in the Cayman Islands.

CAPITALIZATION

The following table sets forth our cash and cash equivalents as well as capitalization as of June 30, 2017:

(a) on an actual basis;

(b) on a pro forma basis to give effect to (i) the issuance and sale of an aggregate of 3,000,000 ordinary shares for aggregate consideration of $4,800,000 which sale was consummated on January 22, 2018 and (ii) the issuance of 1,784,935 ordinary shares as compensation for services, completed on November 17, 2017 and December 6, 2017 and

(c) on a pro forma as adjusted basis to give further effect to the issuance and sale by us of 3,592,500 ordinary shares in this offering at a public offering price of $1.66 per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	As of June 30, 2017 RMB Actual	As of June 30, 2017 U.S. Dollars Actual	As of June 30, 2017 U.S. Dollars Pro forma	As of June 30, 2017 U.S. Dollars Pro forma, as adjusted
Stockholders' Equity				
Ordinary shares, ($0.0185 U.S. dollar par value, 100,000,000 shares authorized; 9,902,914 shares issued and outstanding as of June 30, 2017, actual; 14,687,849 shares issued and outstanding as of June 30, 2017, pro forma and 18,280,349 shares issued and outstanding as of June 30, 2017, pro forma, as adjusted	1,261,288	186,101	241,601	308,062
Additional paid-in capital	123,436,043	18,212,837	22,664,612	28,561,701
Statutory reserve	4,148,929	612,169	612,169	612,169
Accumulated deficit	(95,352,659)	(14,069,168)	(14,069,168)	(14,069,168)
Accumulated other comprehensive loss	(249,156)	(36,762)	(36,762)	(36,762)
Total stockholders' equity	33,244,445	4,905,177	9,412,452	15,376,002
Non-controlling interest	8,464,843	1,248,977	1,248,977	1,248,977
Total capitalization	41,709,288	6,154,154	10,661,429	16,624,979

The number of issued and outstanding ordinary shares as of June 30, 2017 in the above table excludes:

- 815,600 ordinary shares issuable upon the exercise of outstanding options with a weighted-average exercise price of $3.04 per share; and

- 1,960,666 ordinary shares reserved for future issuance under our Equity Compensation Plan.

DILUTION

Purchasers of our ordinary shares offered by this prospectus supplement and the accompanying prospectus will experience an immediate dilution in the net tangible book value of their ordinary shares from the offering price of the ordinary shares. The net tangible book value of our ordinary shares as of June 30, 2017 was approximately $4.91 million or $0.50 per share. Net tangible book value per share of our ordinary shares is equal to our net tangible assets (t