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RCG Holdings Limited

宏霸數碼集團(控股)有限公司*

(a company incorporated in Bermuda with limited liability)

(Stock code: 802)

**I. PROPOSED SHARE CONSOLIDATION;
II. PROPOSED CHANGE IN BOARD LOT SIZE;
III. PROPOSED OPEN OFFER ON THE BASIS OF
FIVE OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE AT HK\$0.25 PER OFFER SHARE; AND
IV. RESUMPTION OF TRADING**

Financial adviser to the Company



Underwriter of the Open Offer



PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.04 each.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lot size of 1,000 Shares. The Company proposes to change the board lot size for trading of the Shares and/or the Consolidated Shares on the Stock Exchange from 1,000 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

* For purpose of identification only

PROPOSED OPEN OFFER

Subject to the Share Consolidation becoming effective, the Company proposes to raise not less than approximately HK\$313.3 million and not more than approximately HK\$313.6 million, before expenses, by way of an open offer of not less than 1,253,108,120 Offer Shares and not more than 1,254,333,120 Offer Shares at a subscription price of HK\$0.25 per Offer Share on the basis of five (5) Offer Shares for every one (1) Consolidated Share held on the Record Date. The Company intends to apply net proceeds from the Open Offer as to (i) approximately 90% of net proceeds for financing the Possible Subscription and funding requirements for business development of Azoooca upon completion of the Possible Subscription; and (ii) approximately 10% of the net proceeds for general working capital for existing businesses of the Group.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, holders of the Shares must lodge any transfers of Shares/ Consolidated Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:00 p.m. (Hong Kong time) on Tuesday, 9 June 2015.

The Open Offer will be fully underwritten by the Underwriter. Details of the underwriting arrangement are set out in the paragraph headed “Underwriting Agreement” below in this announcement.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer. Since there is no controlling Shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer in accordance with Rule 7.24(5) of the Listing Rules.

GENERAL

An independent board committee of the Company will be formed to advise the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

An SGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation and the proposed Open Offer. The Circular containing, among other things, (i) further details about the Share Consolidation, the Change in Board Lot Size and the Open Offer; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Open Offer; and (iv) the notice convening the SGM, will be despatched to the Shareholders on or before 18 May 2015.

RESUMPTION OF TRADING

Trading in the Shares has been halted at the request of the Company with effect from 1:10 p.m. on 17 April 2015 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 April 2015.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE CONSOLIDATED SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealings in the Shares and Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares and Consolidated Shares will be dealt in on an ex-entitlement basis commencing from Monday, 8 June 2015 and that dealings in the Shares and Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealings in the Shares and Consolidated Shares up to the date on which all conditions to which the Open Offer are subject to are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 7 July 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating to sell or purchase any Shares and Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.04 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon (i) passing of an ordinary resolution to approve the Share Consolidation by the Shareholders by way of poll at the SGM; and (ii) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$90,000,000 divided into 9,000,000,000 Shares of HK\$0.01 each, of which 1,002,486,496 Shares have been issued and are fully paid or credited as fully paid.

Assuming that there is no change to the issued share capital of the Company between the date of this announcement and the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$90,000,000 divided into 2,250,000,000 Consolidated Shares of HK\$0.04 each, of which 250,621,624 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company, if feasible and applicable.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Application for Listing of the Consolidated Shares

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Reasons for and benefits of the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares and it is expected to bring about corresponding upward adjustment in the trading price of the Consolidated Shares. In addition, the Share Consolidation will increase the market value per board lot of the

Shares, which will reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot. Certain brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced shares or tend to discourage individual brokers from recommending low-priced shares to their customers. Therefore, with a higher trading price of the Consolidated Shares and reduction of the transaction and handling costs as a proportion of the market value of each board lot, the Company believes that the Share Consolidation will make investing in Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. As such, the Board believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company. In view of the above, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, Shareholders may, during the period from Friday, 5 June 2015 to Tuesday, 14 July 2015, submit share certificates for the existing Shares to the Registrar to exchange, at the expense of the Company, for new certificates of the Consolidated Shares. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each new share certificate issued for the Consolidated Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. With effect from Monday, 13 July 2015, trading will only be in Consolidated Shares in the form of new share certificates, and the share certificates for the existing Shares will cease to be valid for trading and settlement purpose, but they will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint an agent to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots matching arrangement will be set out in the Circular. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lot size of 1,000 Shares. The Company proposes to change the board lot size for trading of the Shares and/or the Consolidated Shares on the Stock Exchange from 1,000 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.290 per Share (equivalent to HK\$1.160 per Consolidated Share) as at the Last Trading Day, the value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$11,600.

The Change in Board Lot Size is expected to bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs for dealings in the Consolidated Shares.

PROPOSED OPEN OFFER

Basis of the Open Offer: Five (5) Offer Shares for every one (1) Consolidated Share held on the Record Date

Subscription Price: HK\$0.25 per Offer Share

Number of Shares in issue as at the date of this announcement: 1,002,486,496 Shares

Number of Consolidated Shares in issue immediately upon the Share Consolidation having become effective: 250,621,624 Consolidated Shares (assuming no outstanding Share Options being exercised before the Share Consolidation)

250,866,624 Consolidated Shares (assuming the outstanding Share Options being exercised in full before the Share Consolidation)

Number of Offer Shares: Not less than 1,253,108,120 Offer Shares (assuming no outstanding Share Options being exercised on or before the Record Date)

Not more than 1,254,333,120 Offer Shares (assuming the outstanding Share Options being exercised in full on or before the Record Date.)

The aggregate nominal value of the Offer Shares will not be less than HK\$50,124,324.80 and not more than HK\$50,173,324.80.

Number of Consolidated Shares in issue immediately upon completion of the Open Offer: Not less than 1,503,729,744 and not more than 1,505,199,744 Consolidated Shares

As at the date of this announcement, there are outstanding Share Options to subscribe for an aggregate of 980,000 Shares or 245,000 Consolidated Shares. Assuming full exercise of the subscription rights attaching to the outstanding Share Options on or before the Record Date, an additional 1,225,000 Offer Shares will be issued.

Save as disclosed, the Company has no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares or Consolidated Shares.

The Open Offer is fully underwritten by the Underwriter which shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 8.08 of the Listing Rules.

The Offer Shares

Assuming no outstanding Share Options will be exercised on or before the Record Date, 1,253,108,120 Offer Shares will be issued and allotted representing approximately 500% of the issued share capital of the Company immediately after the Share Consolidation and approximately 83.33% of the issued share capital of the Company as enlarged by the Offer Shares.

Assuming all outstanding Share Options will be exercised on or before the Record Date, 1,254,333,120 Offer Shares will be issued and allotted representing approximately 500.49% of the issued share capital of the Company immediately after the Share Consolidation and approximately 83.33% of the issued share capital of the Company as enlarged by the Offer Shares.

Subscription Price

The Subscription Price of HK\$0.25 per Offer Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 78.4% to the closing price of HK\$1.160 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (b) a discount of approximately 78.5% to the average closing price of approximately HK\$1.164 per Consolidated Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (c) a discount of approximately 77.6% to the average closing price of approximately HK\$1.118 per Consolidated Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation; and
- (d) a discount of approximately 37.8% to the theoretical ex-entitlement price (assuming no outstanding Share Options being exercised from the date of this announcement up to the Record Date) of approximately HK\$0.402 per Consolidated Share based on the closing price of HK\$1.160 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the financial position of the Group. As all Qualifying Shareholders are entitled to subscribe for the Offer Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the independent financial adviser) consider that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the independent financial adviser) consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.244.

Conditions of the Open Offer

The Open Offer is conditional upon the fulfillment of the following conditions:

- (a) the passing of the following resolutions by way of poll at the SGM:
 - (i) an ordinary resolution to approve the Share Consolidation by the Shareholders; and
 - (ii) an ordinary resolution to approve the Open Offer by the Independent Shareholders;
- (b) the Share Consolidation having become effective;
- (c) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (d) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Consolidated Shares and the Offer Shares, either unconditionally or subject to such conditions which the Underwriter in its opinion accepts and satisfies (if any);
- (f) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (g) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof;
- (h) none of the warranties, representations and undertakings of the Company as set out in the Underwriting Agreement being breached, untrue, inaccurate or misleading in any material respect; and
- (i) (if necessary) compliance with any other requirements under the applicable laws and regulations of Hong Kong and Bermuda.

If the conditions precedent set out in paragraph (a) to (i) are not satisfied on or before the Latest Time for Termination, the Underwriting Agreement shall terminate and no party to the Underwriting Agreement will have any claim against any other party for costs, damages, compensation or otherwise save for, among others, any rights or obligations which may accrue under the Underwriting Agreement prior to such termination.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Consolidated Shares then in issue in all respects. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares, which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Open Offer will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares/Consolidated Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong by no later than 4:00 p.m. on Tuesday, 9 June 2015.

Closure of register of members

The Company's register of members will be closed from Wednesday, 10 June 2015 to Tuesday, 16 June 2015, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares or Consolidated Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36 of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal advice, the Directors consider that it is necessary or expedient not to issue the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on the Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any application form to them.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

No application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholding in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriter, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up by the Qualifying Shareholders.

Fractions of Offer Shares

On the basis of provisional allotment of five (5) Offer Shares for every one (1) Consolidated Shares held on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

Share certificates for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for and paid for the Offer Shares on or before Tuesday, 14 July 2015 by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be posted on or before Tuesday, 14 July 2015 by ordinary post to the applicants at their own risk.

Application for listing of the Offer Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS.

Dealings in the Offer Shares which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, or any other applicable fees and charges in Hong Kong.

Reasons for the Open Offer and the use of proceeds

The Company is an investment holding company and the Group is principally engaged in the developing, sourcing and selling biometric and radio frequency identification (the “**RFID**”) products and solutions services in the Asia Pacific region. The Group’s business is divided generally into four categories, namely (i) “Trading of Security of RFID and Biometrics Products”; (ii) “Solutions, Projects and Services”; (iii) “Internet and Mobile Applications & Related Accessories”; and (iv) “Commodities Trading”.

It is the corporate strategy of the Group to strengthen its existing businesses while concurrently identifying and capitalizing new opportunities to achieve financial growth for the Group and to maximize Shareholders’ value.

On 12 February 2015, a memorandum of understanding (the “**MOU**”) was entered into between a subsidiary of the Company as subscriber and Azoooca Incorporation (the “**Azoooca**”) as issuer in relation to the possible subscription of part of the equity interest of Azoooca (the “**Possible Subscription**”). Azoooca is a company incorporated in the United States of America and is principally engaged in mobile interactive game system using technologies including RFID and Bluetooth. Azoooca has launched a patented interactive play system called Izooca (the “**Izooca**”) that combines real world play with the mobility of tablet computers. Izooca allows users to attach toy figures which then come alive in the interactive virtual world of the Azoooca’s mobile game called Cubetopia, where the users can explore, play games and interact with their friends.

Pursuant to the MOU, if formal agreement is not entered by the parties after six months from the date of MOU, the MOU shall be deemed to have expired unless the parties otherwise agree in writing. Therefore the Company targets to formulate a formal agreement in relation to the Possible Subscription before its expiration.

During the negotiation process after signing of the MOU, the subscription amount and payment schedule has aroused intense discussion and dragged on the whole negotiation. Furthermore, considering the limited liquid position of the Group, the financial ability of the Group to support the Possible Subscription has been put in doubt by Azoooca even though neither the final subscription amount has been finally agreed. As at the date of this announcement, the Company is still in the process of performing the due diligence and negotiating with Azoooca on the structure, terms, payment schedule, and subscription amount of the Possible Subscription. The Board believes that, with a strong cash position with immediately available funds will support the Possible Subscription and facilitate the negotiation process of the Group.

In view of growing internet penetration and the explosion of smartphone market, mobile devices are being used in various aspects in daily lives, such as at work and at rest for leisure and entertainment. In this connection, the Board considers that there will be a surge in demand of various mobile applications and the Possible Subscription represents a good investment opportunity for the Group to tap into the growing mobile gaming industry.

Furthermore, given the participation of Azooca in mobile gaming industry involving application of RFID technologies, the Possible Subscription may create synergies effect with the Group's existing RFID and internet and mobile applications businesses, the Board therefore considers that the Possible Subscription represents an opportunity which has strategic importance for the Group to expand and diversify its existing business portfolio.

The Board is of the view that the Open Offer will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments when suitable opportunities arise. Furthermore, the Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing and rights issue. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. Although rights issue can provide a way out to those Shareholders who do not wish to take up the entitlements by selling nil-paid rights, rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights. In addition, in view of the downward trend of the historical trading price of the Shares, there is uncertainty of the existence of a market to trade the nil-paid rights. In view of the above, the Board considered that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue.

The gross proceeds from the Open Offer will be not less than approximately HK\$313.3 million and not more than approximately HK\$313.6 million. The net proceeds from the Open Offer after deducting the estimated expenses are estimated to be not less than approximately HK\$306.2 million and not more than approximately HK\$306.5 million. The Company intends to apply net proceeds from the Open Offer as to (i) approximately 90% of net proceeds for financing the Possible Subscription and funding requirements for business development of Azooca upon completion of the Possible Subscription; and (ii) approximately 10% of the net proceeds as general working capital for existing businesses of the Group. If the Possible Subscription does not proceed, the net proceeds which is originally intended to be used for financing the Possible Subscription and business development of Azooca will then be used for other suitable investment opportunities as and when identified by the Group.

Underwriting Agreement

Date: 24 April 2015

Underwriter: Astrum Capital Management Limited

Number of Underwritten Shares: Not less than 1,253,108,120 Offer Shares and not more than 1,254,333,120 Offer Shares

Commission: 2.0% of the aggregate Subscription Price of the maximum amount of Offer Shares agreed to be underwritten by the Underwriter as determined on the Record Date

The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the independent financial adviser) consider that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Pursuant to the Underwriting Agreement, the Company has undertaken not to issue any Shares or Consolidated Shares (save for Consolidated Shares to be issued under Share Consolidation or upon exercise of the outstanding Share Options) or issue any options or other securities which carry rights to acquire or convert into Shares or Consolidated Shares or repurchase its own Shares or Consolidated Shares from the date of the Underwriting Agreement until the Latest Time for Acceptance.

As at the date of this announcement, the Board had not received any information or irrevocable undertaking from its substantial Shareholder of its intention to take up its assured entitlements under the Open Offer.

The Underwriter has undertaken to the Company in the Underwriting Agreement that (i) the Underwriter will not trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement; (ii) the Underwriter shall use its reasonable endeavours to ensure that the subscribers for Underwritten Shares shall be third parties independent of and not connected with or acting in concert with the Company and its connected persons and their respective associates; (iii) none of the persons to be procured by the Underwriter to subscribe for the Underwritten Shares will be a substantial shareholder of the Company holding 10% or more shareholding in the Company as a result of the subscription of the Underwritten Shares; and (iv) the Underwriter shall and shall cause the sub-underwriters to procure independent subscribers to take up such number of the Shortfall Underwritten Shares as necessary to ensure that the Company will comply with the public float requirement under the Listing Rules upon completion of the Open Offer.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section headed "Proposed Open Offer — Conditions of the Open Offer" above.

Termination of the Underwriting Agreement

Notwithstanding anything contained in the Underwriting Agreement, if at any time prior to the Latest Time for Termination:

- (a) the success of the Open Offer would be materially and adversely affected by the development, occurrence or enforcement of:
 - (i) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the financial position of the Group as a whole;
 - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Underwriter is or would be materially adverse to the success of the Open Offer;
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Underwriter is or would be materially adverse to the success of the Open Offer, or makes it impracticable or inadvisable or inexpedient to proceed therewith;
 - (iv) any suspension of dealings in the Shares for any period longer than five consecutive Business Days after the date of the Underwriting Agreement (other than as a result of the Open Offer); or
 - (v) any moratorium, suspension or material restriction on trading in Shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Latest Time for Termination; or
- (b) any breach of any of the warranties, representations and undertakings as set out in the Underwriting Agreement in any material respect by the Company comes to the knowledge of the Underwriter;
- (c) any event occurs or any matter arises on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of such warranties, representations and undertakings in any material respect in such a manner as would in the absolute opinion of the Underwriter materially and adversely affect the financial position or business of the Group as a whole;
- (d) there is any such adverse change in the general affairs, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the absolute opinion of the Underwriter is materially adverse to the success of the Open Offer; or
- (e) there is any change in the composition of the Board which in the absolute opinion of the Underwriter may affect the management and general affairs of the Company,

then and in any such case, the Underwriter may terminate the Underwriting Agreement without liability to the Company by giving notice in writing to the Company, served prior to the Latest Time for Termination.

In the event that the Underwriter terminates the Underwriting Agreement, all obligations of each of the parties to the Underwriting Agreement shall cease and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Underwriting Agreement except for, among others, any antecedent breach of any obligation under the Underwriting Agreement.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company (for illustration purpose only) (i) as at the date of this announcement; (ii) immediately after the Share Consolidation but before completion of the Open Offer; and (iii) immediately after completion of the Open Offer:

Scenario 1:

Assuming no outstanding Share Options being exercised on or before the Record Date:

	As at the date of this announcement		Immediately after the Share Consolidation but before the completion of the Open Offer		Immediately after completion of the Open Offer			
					Assuming all the Offer Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders	
	No. of Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %
Crossover Global Limited (Note 1)	104,352,941	10.41%	26,088,235	10.41%	156,529,410	10.41%	26,088,235	1.73%
Public Shareholders	898,133,555	89.59%	224,533,389	89.59%	1,347,200,334	89.59%	224,533,389	14.93%
Underwriter, sub-underwriter(s) and subscribers procured by any of them (Note 2)	—	—	—	—	—	—	1,253,108,120	83.33%
	<u>1,002,486,496</u>	<u>100.00%</u>	<u>250,621,624</u>	<u>100.00%</u>	<u>1,503,729,744</u>	<u>100.00%</u>	<u>1,503,729,744</u>	<u>100.00%</u>

Scenario 2:

Assuming the outstanding Share Options being exercised in full on or before the Record Date:

	As at the date of this announcement		Immediately after all the outstanding Share Options are exercised but before the Share Consolidation becoming effective		Immediately after completion of the Open Offer					
					Immediately after (i) all the outstanding Share Options are exercised; and (ii) the Share Consolidation becoming effective but before completion of the Open Offer		Assuming all the Offer shares are subscribed for by the Qualifying Shareholders		None of the Offer Shares are subscribed for by the Qualifying Shareholders	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %
Crossover Global Limited (Note 1)	104,352,941	10.41%	104,352,941	10.40%	26,088,235	10.40%	156,529,410	10.40%	26,088,235	1.73%
Holders of outstanding Share Options	—	—	980,000	0.10%	245,000	0.10%	1,470,000	0.10%	245,000	0.02%
Public Shareholders	898,133,555	89.59%	898,133,555	89.50%	224,533,389	89.50%	1,347,200,334	89.50%	224,533,389	14.92%
Underwriter, sub-underwriter(s) and subscribers procured by any of them (Note 2)	—	—	—	—	—	—	—	—	1,254,333,120	83.33%
	<u>1,002,486,496</u>	<u>100.00%</u>	<u>1,003,466,496</u>	<u>100.00%</u>	<u>250,866,624</u>	<u>100.00%</u>	<u>1,505,199,744</u>	<u>100.00%</u>	<u>1,505,199,744</u>	<u>100.00%</u>

Percentage may not add up to 100 per cent due to rounding.

Note:

1. The entire issued share capital of Crossover Global Limited (“Crossover”) is beneficially owned by three individuals, namely Mr. Chan Chun Fai, Mr. Qin Chuhua and Mr. Yang Zhijian at the percentage 45%, 29% and 26% respectively.
2. The Underwriter has undertaken to the Company in the Underwriting Agreement that (i) the Underwriter will not trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement; (ii) the Underwriter shall use its reasonable endeavours to ensure that the subscribers for Underwritten Shares shall be third parties independent of and not connected with or acting in concert with the Company and its connected persons and their respective associates; (iii) none of the persons to be procured by the Underwriter to subscribe for the Underwritten Shares will be a substantial shareholder of the Company holding 10% or more shareholding in the Company as a result of the subscription of the Underwritten Shares; and (iv) the Underwriter shall and shall cause the sub-underwriters to procure independent subscribers to take up such number of the Shortfall Underwritten Shares as necessary to ensure that the Company will comply with the public float requirement under the Listing Rules upon completion of the Open Offer.

WARNING OF THE RISKS OF DEALING IN SHARES AND CONSOLIDATED SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares and Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares and Consolidated Shares will be dealt in on an ex-entitlement basis commencing from Monday, 8 June 2015 and that dealing in Shares and Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in Shares and Consolidated Shares up to the date on which all conditions to which the Open Offer are subject to are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 7 July 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation, the Change in Board Lot Size and the Open Offer is set out below:

2015

Event

Expected date of despatch of the Circular
and the notice of the SGM Monday, 18 May

Latest time for return of proxy form of the SGM
(not less than 48 hours prior to time of the SGM) 9:00 a.m. on Tuesday, 2 June

Expected date of the SGM. 9:00 a.m. on Thursday, 4 June

Announcement of results of the SGM	Thursday, 4 June
Effective date of the Share Consolidation	Friday, 5 June
Commencement of dealings in the Consolidated Shares.	9:00 a.m. on Friday, 5 June
Original counter for trading in Shares (in board lots of 1,000 Shares) (in the form of existing share certificates) temporarily closes	9:00 a.m. on Friday, 5 June
Temporary counter for trading in Consolidated Shares, in board lots of 250 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Friday, 5 June
First day for the free exchange of existing certificates of the Shares into new share certificates of Consolidated Shares commences	Friday, 5 June
Last day of dealings in Consolidated Shares on a cum-entitlement basis of the Open Offer	Friday, 5 June
First day of dealings in Consolidated Shares on an ex-entitlement basis of the Open Offer.	Monday, 8 June
Latest time for lodging transfers of Consolidated Shares in order to qualify for the Open Offer	4:00 p.m. on Tuesday, 9 June
Register of members closes (both dates inclusive)	Wednesday, 10 June to Tuesday, 16 June
Record Date for the Open Offer.	Tuesday, 16 June
Register of members re-opens	Wednesday, 17 June
Despatch of the Prospectus Documents.	Wednesday, 17 June
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Friday, 19 June
Original counter for trading in Consolidated Shares in new board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens.	9:00 a.m. on Friday, 19 June
Parallel trading in the Consolidated Shares (in the form of both existing share certificates and new share certificates) commences.	9:00 a.m. on Friday, 19 June
Latest time for acceptance of and payment for the Offer Shares.	4:00 p.m. on Thursday, 2 July
Latest time for termination of the Underwriting Agreement.	4:00 p.m. on Tuesday, 7 July

Designated broker ceases to stand in the market
to provide matching services for the sale
and purchase of odd lots of Consolidated Shares 4:00 p.m. on Friday, 10 July

Temporary counter for trading in board lots
of 250 Consolidated Shares (in the form of
existing share certificates) closes 4:00 p.m. on Friday, 10 July

Parallel trading in Consolidated Shares
(in the form of new and existing certificates) ends. 4:00 p.m. on Friday, 10 July

Announcement of the results of the Open Offer Monday, 13 July

Last day of free exchange of existing certificates
for new certificates for Consolidated Shares Tuesday, 14 July

Despatch of certificates for the Offer Shares Tuesday, 14 July

Despatch of refund cheques if the Open Offer is terminated Tuesday, 14 July

Expected first day of dealings in the Offer Shares 9:00 a.m. on Wednesday, 15 July

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
28 April 2014	Placing of new shares under general mandate at the placing price of HK\$0.27 per placing share	Approximately HK\$44.0 million	To meet the Company's financial obligations over the newly acquired business and any residual funding are for pursuing other new business opportunities and/or for general working capital	50% of the proceeds had remained unutilised as the amount had been earmarked for part payment on the acquisition of 74% issued share capital of Easy Ideas Limited premised on announcement made by the Company on 13 March 2014; while the remaining 50% had been utilised as general working capital

ADJUSTMENTS IN RELATION TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are outstanding Share Options granted under the Share Option Scheme entitling the holders thereof to subscribe for up to an aggregate of 980,000 Shares. The Share Consolidation and the Open Offer may cause adjustments to the

exercise price of the outstanding Share Options and/or the number of Consolidated Shares to be allotted and issued upon exercise of the outstanding Share Options. The Company will make further announcement in respect of such adjustments as and when appropriate.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders of the Company and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer. Since there is no controlling shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer in accordance with Rule 7.24(5) of the Listing Rules.

An independent board committee of the Company will be formed to advise the Independent Shareholders in respect of the Open Offer. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

GENERAL

An SGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation and the proposed Open Offer. The Circular containing, among other things, (i) further details about the Share Consolidation, the Change in Board Lot Size and the Open Offer; (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Open Offer; and (iv) the notice convening the SGM, will be despatched to the Shareholders on or before 18 May 2015.

Upon approval of the Open Offer by the Independent Shareholders at the SGM and the Share Consolidation, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

RESUMPTION OF TRADING

Trading in the Shares has been halted at the request of the Company with effect from 1:10 p.m. on 17 April 2015 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 April 2015.

DEFINITIONS

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

“Application Form(s)”	the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
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“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares and/or the Consolidated Shares for trading on the Stock Exchange from 1,000 Shares to 10,000 Consolidated Shares
“Circular”	the circular to be despatched by the Company on or before 18 May 2015 to provide, among other things, further details regarding the Share Consolidation, the Change in Board Lot Size and the Open Offer
“Company”	RCG Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consolidated Share(s)”	Share(s) of HK\$0.04 each in the issued share capital of the Company upon completion of the Share Consolidation
“controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Last Trading Day”	16 April 2015, being the last full trading day prior to the trading halt of the Shares on 17 April 2015

“Latest Time for Acceptance”	4:00 p.m. on Thursday, 2 July 2015 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of Offer Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on 7 July 2015, being the third Business Day following the Latest Time for Acceptance (or such other time or date as the Underwriter and the Company may agree in writing) as the day for settlement of the Open Offer
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Open Offer on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Offer Share(s)”	not less than 1,253,108,120 Offer Shares and not more than 1,254,333,120 Offer Shares to be issued pursuant to the Open Offer on the basis of five (5) Offer Shares for every one (1) Consolidated Share held on the Record Date
“Open Offer”	the proposed issue of five (5) Offer Shares for every one (1) Consolidated Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Posting Date”	17 June 2015 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Shareholders on the Posting Date containing details of the Open Offer in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus and the Application Forms
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) is/are registered on the register of the members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)

“Record Date”	16 June 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer are expected to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed Share Consolidation and the proposed Open Offer
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation
“Share Consolidation”	the proposed consolidation of every four (4) Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.04 each
“Share Options”	share options issued under the Share Option Scheme to subscribe for Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 16 October 2008
“Shareholder(s)”	the holder(s) of Shares or Consolidated Shares, as the case may be
“Shortfall Underwritten Shares”	the Underwritten Shares not validly accepted by the Qualifying Shareholders on or before the Latest Time for Acceptance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Offer Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Underwriter”	Astrum Capital Management Limited, a licensed corporation to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 24 April 2015 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	not less than 1,253,108,120 Offer Shares and not more than 1,254,333,120 Offer Shares being underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

“%”

per cent.

By Order of the Board
RCG Holdings Limited
Li Jinglong
Director

Hong Kong, 24 April 2015

As at the date of this announcement, the Board comprises:

Executive Directors:

Li Jinglong

Zhang Ligong

Wang Zhongling

Independent non-executive Directors:

Liu Wen

Kwan King Wah

Zeng Min