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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 Codes: HKSE: 802; AIM: RCG)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent

TANRICH SECURITIES COMPANY LIMITED

On 28 April 2014 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, up to a maximum of 167,081,299 Placing Shares, on a best effort basis to not fewer than six independent Placees at a price of HK\$0.27 (£0.0207**) per Placing Share. The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent taking into account (i) the market sentiment; (ii) the financial results and future prospects of the Company; and (iii) the performance of the Shares and its outlook to the potential investors. The Directors (including the independent non-executive Directors) consider that as a result of the Placing, the Company can improve liquidity in Share trading, broaden its Shareholders' base and strengthen the Company's financial position. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are normal commercial terms and are fair and reasonable, as far as the Company and the Shareholders are concerned, and the Placing is in the interests of the Company and the Shareholders as a whole.

**For purpose of identification only*

The Placing Shares represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of 167,081,299 Placing Shares. The Placing is conditional under the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Placing Shares. The Placing Shares will be allotted and issued pursuant to the General Mandate and the Placing is not subject to Shareholders' approval.

Application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares. Application will also be made for any Placing Shares issued to be admitted to trading on AIM. The gross proceeds and the net proceeds from the Placing will be approximately HK\$45,111,950.73 (£3,459,691.14**) and approximately HK\$43,992,506.03 (£3,373,839.55**) respectively which are intended to be used to finance the Company's projects. The Company will comply with the applicable requirements of the Hong Kong Listing Rules in relation to any future investments.

Shareholders and potential investors should note that the Placing is subject to the conditions under the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date: 28 April 2014 (after trading hours)

Parties: The Company and the Placing Agent

The Placing Agent

The Placing Agent has been appointed to place up to a maximum of 167,081,299 Placing Shares to not less than six independent Placees on a best effort basis.

The Placing Agent will receive a placing commission of 2.50% on the gross proceeds raised from the Placing. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent.

In consideration of the prevailing market rate of the placing commission, the Directors (including the independent non-executive Directors) are of the view that the placing commission of 2.50% is fair and reasonable. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Placees

Pursuant to the Placing Agreement, the Placing Agent undertakes to place the Placing Shares to not less than six independent Placees who to the best knowledge and belief of the Placing Agent and the Directors, having made all reasonable enquiries, themselves and their ultimate beneficial owners (i) are third parties independent of the Company and its connected persons; and (ii) are not acting in concert with any connected persons of the Company.

Placing Price

The Placing Price of HK\$0.27 (£0.0207**) per Share represents:

- (i) a discount of approximately 11.48% to the closing price of HK\$0.3050 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.93% over the average closing price of approximately HK\$0.3290 per Share as quoted on the Hong Kong Stock Exchange for the last five trading days immediately prior to the Last Trading Day; and
- (iii) a discount of approximately 18.06% over the average closing price of HK\$0.3295 per Share as quoted on the Hong Kong Stock Exchange for the last ten trading days immediately prior to the Last Trading Day.

The net price for each Placing Share will be approximately HK\$0.2633 (£0.0202**).

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent taking into account (i) the market sentiment; (ii) the financial results and future prospects of the Company; and (iii) the performance of the Shares and its outlook to the potential investors. The Directors (including the independent non-executive Directors) believe the Placing can improve liquidity in the Shares, broaden its Shareholders' base and strengthen the Company's financial position. The Directors (including the independent nonexecutive Directors) consider that the terms of the Placing are normal commercial terms and are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

Number of Placing Shares

Pursuant to the Placing Agreement, a maximum of 167,081,299 Placing Shares may be placed by the Placing Agent to the Placees, representing (i) approximately 20.00% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of 167,081,299 Placing Shares, on a best effort basis.

The Placing Shares will be allotted and issued under the General Mandate and the Placing is not subject to Shareholders' approval. The Placing Shares will, when fully paid, be allotted and issued in accordance with the Memorandum and Bye-laws and with the relevant rules and regulations applicable to the Company in Hong Kong and Bermuda and will, upon allotment and issue, be free from all liens, charges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at Completion.

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

A maximum of 167,081,299 Shares may be issued under the General Mandate which has not been utilised since its grant on 17 January 2014. Assuming 167,081,299 Placing Shares are issued under the General Mandate, there will be no shares left available to be issued under the General Mandate after the Placing.

Conditions to the Completion

Completion of the Placing is conditional upon the Hong Kong Stock Exchange granting listing of and permission to deal in the Placing Shares and the application for admission to trading on AIM.

Completion of the Placing

Completion of the Placing is expected to take place within seven business days after fulfillment of the above conditions precedent or such other date as may be agreed between the Company and the Placing Agent.

If the above conditions precedent are not fulfilled before 28 August 2014 or such other date as may be agreed between the Placing Agent and the Company, then the obligations of the parties under the Placing Agreement will lapse.

Further announcement(s) will be made in relation to status of the Placing.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Placing Shares. Application will also be made for any Placing Shares issued to be admitted to trading on AIM.

REASONS FOR AND BENEFIT OF THE PLACING AND USE OF PROCEEDS

Following the Placing and on the basis that all Placing Shares are successfully placed, the Company will receive net proceeds of approximately HK\$43,992,506.03 (£3,373,839.55**).

The Board believes that, the proceeds of the Placing will allow the Company to meet its financial obligations over the recently acquired business and any residual funding, will also allow the Company to pursue other new business opportunities. Having mentioned that, should the new business opportunities fails to arise within the reasonable time, the residual funding will be allocated for general working capital.

The above will gives the Company additional capacity and capability to capture future expansion and acquisition growth opportunities as and when they arise. Any additional funds, available if any, will be earmarked for general working capital. It also believes that the strategy of pursuing new business opportunities will diversify the Company's businesses in the future and thereby improve shareholder value. In addition, the Placing will broaden the Company's Shareholder base.

The Directors (including the independent non-executive Directors) consider the Placing Agreement was entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE

Assuming that no further Shares are allotted and issued before Completion, the changes of the shareholding structure of the Company as a result of the Placing are shown as follows:

	As at the date of this announcement		Upon the allotment and issuance of the Placing Shares (assuming all 167,081,299 Placing Shares are issued)	
	No. of shares	%	No. of shares	%
Crossover Global Limited (Note 1)	104,352,941	12.49	104,352,941	10.41
Chan Chun Fai (Note 1)	104,352,941	12.49	104,352,941	10.41
Qin Chuhua (Note 1)	104,352,941	12.49	104,352,941	10.41
Yang Zhijian (Note 1)	104,352,941	12.49	104,352,941	10.41
Veron International Limited (Note 2)	65,662,832	7.86	65,662,832	6.55
Kung Nina (Estate of Nina Kung also known as Nina T.H. Wang) (Note 2)	65,662,832	7.86	65,662,832	6.55
Lam Hok Chung Rainer (Note 2)	65,662,832	7.86	65,662,832	6.55
Jong Yat Kit (Note 2)	65,662,832	7.86	65,662,832	6.55
Yu Sai Hung (Note 2)	65,662,832	7.86	65,662,832	6.55
The Offshore Group Holdings Ltd. (Note 3)	53,515,556	6.40	53,515,556	5.34
Chan Chun Chuen (Note 3)	53,515,556	6.40	53,515,556	5.34
Tam Miu Ching (Note 3)	53,515,556	6.40	53,515,556	5.34
Public Shareholders:				
Placees	-	-	167,081,299	16.67
Others	611,875,167	73.25	611,875,167	61.03
	<u>835,406,496</u>	<u>100.00</u>	<u>1,002,487,795</u>	<u>100.00</u>

Notes:

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. Therefore, Mr. Chan Chun Fai, Mr. Qin Chuhua and Mr. Yang Zhijian are deemed to be interested in the 104,352,941 underlying shares held by Crossover under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").
2. The entire issued share capital of Veron International Limited is beneficially owned by Ms. Kung Nina. Therefore, Ms. Kung Nina is deemed to be interested in the 65,662,832 shares held by Veron International Limited under the SFO. Mr. Lam Hok Chung Rainier, Mr. Jong Yat Kit and Mr. Yu Sai Hung solely as Joint and Several Administrators pendente lite of Estate of Ms. Nina Kung.
3. The entire issued share capital of The Offshore Group Holdings Limited ("Offshore") is beneficially owned by an individual, Mr. Chan Chun Chuen. Ms. Tam Miu Ching is the wife of Mr. Chan Chun Chuen. Therefore, Mr. Chan Chun Chuen and Ms. Tam Miu Ching are deemed to be interested in the 53,515,556 shares held by Offshore under the SFO.

SUFFICIENCY OF PUBLIC FLOAT

Assuming all the Placing Shares are fully placed, an aggregate of approximately 61.03% issued Shares will be held by public Shareholders.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The Group conducted the following equity fund raising activity during the 12 months immediately preceding the date of this announcement, as summarised in the table below.

<i>Date of announcement</i>	<i>Description of activity</i>	<i>Net proceeds raised</i>	<i>Intended use of proceeds</i>	<i>Actual use of proceeds</i>
10 June 2013	Issuance of 98.6 million Shares under a placing agreement signed between the Company and a placing agent on 30 May 2013 at a price of HK\$0.355	HK\$33,777,895	To finance the Company's projects	Fully utilised as intended
26 September 2013	Issuance of 139.23 million Shares under a placing agreement signed between the Company and the Placing Agent on 10 September 2013 at a price of HK\$0.25	HK\$33,763,275	To finance the Company's projects	Fully utilised as intended

GENERAL

The Group's business is divided generally into four categories; "Trading of Security of Biometrics Products", "Solutions, Projects and Services", "Internet and Mobile Applications & Related Accessories" and "Commodities Trading".

Shareholders and potential investors should note that the Placing is subject to the conditions under the Placing Agreement being fulfilled. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“AIM”	AIM, a market operated by the London Stock Exchange;
“Board”	the board of Directors;
“Business Day”	any day on which banks generally are open for business in Hong Kong (other than Saturday 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 signal 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);
“Company”	RCG Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited and admitted to trading on AIM and are traded on the ISDX Secondary Market;
“Completion”	completion of the Placing of the Placing Shares;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the special general meeting of the Company held on 17 January 2014 to allot, issue and deal with up to 20 per cent of the aggregate nominal value of the Shares in issue;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars; the currency of the Hong Kong Special Administrative Region;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Last Trading Day”	28 April 2014, being the last full trading day prior to the date of the Placing Agreement;
“Memorandum and Bye-laws”	the memorandum of association and bye-laws for the time being of the Company;
“Placee”	any person or entity whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares;
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the terms and subject to the conditions set out in the Placing Agreement;

“Placing Agent”	Tanrich Securities Company Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the agreement dated 28 April 2014 entered into between the Company and the Placing Agent in respect of the Placing;
“Placing Price”	HK\$0.27 (£0.0207**) per Placing Share;
“Placing Shares”	up to a maximum of 167,081,299 new Shares to be placed pursuant to the Placing Agreement;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholders”	holders of the Shares;
“%”	per cent.

*** For the purpose of this announcement, the amounts expressed in HK\$ have been translated into £ at a rate of £1.00 = HK\$13.0393 for illustration purpose only.*

By Order of the Board of
RCG Holdings Limited
 Li Jinglong
 Director

Hong Kong, 28 April 2014

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

Executive Directors:

Li Jinglong
 Zhang Ligong
 Wang Zhongling

Independent Non-executive Directors:

Liu Wen
 Kwan King Wah
 Zeng Min