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Unless otherwise defined herein, terms in this announcement shall have the same meanings as those defined in the Prospectus.



RM Group Holdings Limited
(御藥堂集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET
OF THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

Number of Placing Shares : 129,600,000 Placing Shares
**Placing Price : HK\$1.07 per Placing Share (payable in full
on application, plus brokerage fee of 1%,
Stock Exchange trading fee of 0.005% and
SFC transaction levy of 0.003%)**
Nominal Value : HK\$0.01 per Share
Stock Code : 8185

Sole Sponsor

WAG Worldsec Corporate Finance Limited

Joint Lead Underwriters

WAG Worldsec Corporate Finance Limited

Luen Fat Securities Co. Ltd.

Great Roc Capital Securities Limited

- The Placing Price is agreed at HK\$1.07 per Placing Share (excluding brokerage fee of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.003%).
- Based on the Placing Price of HK\$1.07 per Placing Share, the net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, are estimated to be approximately HK\$119 million.
- The 129,600,000 Placing Shares offered by the Company under the Placing have been moderately oversubscribed for approximately two times and have been conditionally allocated to a total of 163 selected individual, professional and institutional investors.
- The Directors confirm that all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and Placing.
- The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 11 October 2013.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$1.07 per Placing Share (excluding brokerage fee of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.003%). The net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, are estimated to be approximately HK\$119 million. The Directors intend to apply such net proceeds in the following manner:

- (a) approximately HK\$6 million (representing approximately 5.0% of the net proceeds) will be used to increase the number of SDCs;
- (b) approximately HK\$48 million (representing approximately 40.0% of the net proceeds) will be used to fund the Group's cooperation with a university;

- (c) approximately HK\$42 million (representing approximately 35.0% of the net proceeds) will be used in marketing activities to promote the Group’s “Royal Medic” brand in overseas markets;
- (d) approximately HK\$13 million (representing approximately 11.0% of the net proceeds) will be used in marketing activities to promote the Group’s brands in Hong Kong; and
- (e) the remaining balance of approximately HK\$10 million (representing 9.0% of the net proceeds) will be used for general working capital and other general corporate purposes.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 129,600,000 Placing Shares offered by the Company under the Placing have been moderately oversubscribed for approximately two times.

RESULTS OF ALLOCATION

Pursuant to the Placing, the 129,600,000 Shares have been conditionally allocated to a total of 163 selected individual, professional and institutional investors. The distribution of the Placing Shares is set out as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of the Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	23,000,000	17.75%	4.47%
Top 5 placees	80,500,000	62.11%	15.63%
Top 10 placees	104,200,000	80.40%	20.23%
Top 25 placees	118,800,000	91.67%	23.07%

Number of Placing Shares allocated

Number of placees

4,000 to 20,000	43
20,001 to 100,000	71
100,001 to 1,000,000	35
1,000,001 to 5,000,000	7
5,000,001 and above	7
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Total	<u><u>163</u></u>

The Directors confirm that all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or an nominees of the foregoing. No placee will, individually, be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at all times. Pursuant to Rule 11.23(8) of the GEM Listing Rules, the three largest public Shareholders shall not beneficially own more than 50% of the Shares in public hands at the time of Listing. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be approximately 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. 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 have been made for the Shares to be admitted into CCASS.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on 10 October 2013 for credit to the respective CCASS participants' stock accounts or investor participants' stock accounts of the Underwriters, the placees or their agents (as the case may be). Prospective investors of the Placing Shares should note that the Lead Manager (for itself and on behalf of the Underwriters) is entitled to terminate the Underwriting Agreement by notice in writing to the Company upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" under the section headed "Underwriting" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the

Listing Date. In the event that the Underwriting Agreement is terminated, the Placing will lapse and an announcement will be published by the Company on the GEM Website at www.hkgem.com and the Company's website at www.royalmedic.com.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Friday, 11 October 2013. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the GEM Website at www.hkgem.com and the Company's website at www.royalmedic.com. The Shares will be traded in board lots of 4,000 Shares each. The stock code of the Shares is 8185.

By order of the Board
RM Group Holdings Limited
CHAN Yan Tak
Chairman

Hong Kong, 10 October 2013

As at the date of this announcement, the executive directors of the Company are Mr. CHAN Yan Tak, Mr. WONG Mau Tai and Mr. FOO Chi Ming; the non-executive director of the Company is Madam TSANG Pui Man; and the independent non-executive directors of the Company are Prof. NG Ka Ming, Mr. CHENG Kwok Kin, Paul and Mr. WEI Jianan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM Website at www.hkgem.com for at least seven days from the day of its posting. The announcement will also be published on the Company's website at www.royalmedic.com.