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RMH HOLDINGS LIMITED

德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8437)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



SILVERBRICKS SECURITIES
元庫證券有限公司

SILVERBRICKS SECURITIES COMPANY LIMITED

THE PLACING

On 22 December 2020 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best effort basis, up to 120,000,000 Placing Shares to currently expected not less than six Placees who are Independent Third Parties.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the 120,000,000 Placing Shares under the Placing represent (i) 20% of the existing issued share capital of the Company of 600,000,000 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,200,000.

The Placing Price of HK\$0.225 represents: (i) a discount of 10% to the closing price of HK\$0.250 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 6.6% to the average closing price of HK\$0.241 in the last 5 trading days prior to the date of the Placing Agreement.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be HK\$27,000,000. The maximum net proceeds from the Placing will amount to HK\$26,595,000 which is intended to be utilised for the general working capital of the Group and future investment opportunities as may be identified from time to time. The net proceeds raised per Placing Share will be approximately HK\$0.222 per Share.

Shareholders and potential investors should note that the Placing is subject to conditions under the Placing Agreement to be 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

22 December 2020 (after trading hours)

Issuer

The Company

Placing Agent

Silverbricks Securities Company Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 120,000,000 Placing Shares to independent Placees. The Placing Agent will receive a placing commission of 1.5% of the aggregate amount equal to the Placing Price multiplied by the actual number of Placing Shares successfully placed by the Placing Agent. The terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement and save as disclosed above, the Placing Agent and its associates are Independent Third Parties.

PLACEES

The Placing Agent will use its best efforts to place up to 120,000,000 Placing Shares to not fewer than six Placees who are Independent Third Parties and are professional, institutional or other investors approved, selected and/or procured by or on behalf of the Placing Agent as contemplated under the Placing Agreement. It is expected that no Placee will become a substantial Shareholder (as defined under the GEM Listing Rules) as a result of the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the 120,000,000 Placing Shares under the Placing represent (i) 20% of the existing issued share capital of the Company of 600,000,000 Shares as at the date of this announcement; and (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$1,200,000.

Ranking of Placing Shares

The Placing Shares under the Placing 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.

Placing Price

The Placing Price of HK\$0.225 represents: (i) a discount of 10% to the closing price of HK\$0.250 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 6.6% to the average closing price of HK\$0.241 in the last 5 trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued under the General Mandate which the Company is authorised to issue up to 120,000,000 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the issue of the Placing Share is not subject to the approval of the Shareholders.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under the Placing Agreement;
- (ii) listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
- (iii) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- (iv) the Placing Agreement not being terminated by the Placing Agent pursuant to the terms of the Placing Agreement.

In the event that the conditions to the Placing are not fulfilled on or before 12 January 2021 (or such later date as may be agreed between the Company and the Placing Agent), the obligations and liabilities of the Company under the Placing shall be null and void except that certain terms and conditions of the Placing Agreement shall remain in full force and effect.

Termination

The Placing Agreement may be terminated by the Placing Agent at any time on or prior to the date of completion of the Placing:

- (a) if there has come to the notice of the Placing Agent that:
 - (i) any statement contained in this announcement was, when it was issued, or has become, untrue, incorrect or misleading in any material respect; or
 - (ii) any matter has been discovered which would, had it been discovered immediately before the date of this announcement, constitute a material omission therefrom; or

- (iii) any breach of the undertakings, representations and warranties set out in the Placing Agreement; or
 - (iv) any material breach of any of the obligations imposed upon any party to the Placing Agreement (other than the Placing Agent); or
 - (v) any of the undertakings, representations and warranties set out in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
 - (vi) any material adverse change in the financial or trading position of the Group taken as a whole; or
- (b) if there develops, occurs, or comes into effect the following events that, in the reasonable opinion of the Placing Agent, would prejudice the success of the Placing:
- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/ or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any change in conditions of local, national or international securities markets occurs; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if any such new law or change would materially and adversely affect the business or financial prospects of the Group; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
 - (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement. If notice is given by the Placing Agent to terminate the Placing Agreement in accordance with the terms of the Placing Agreement, save for certain surviving provisions, the Placing Agreement shall thereupon cease to have effect, and none of the Parties shall have any rights or claims by reason thereof except for any antecedent breach of any obligations under the Placing Agreement.

Completion of the Placing

Completion of the Placing is expected to take place on or before the fourth Business Day after the day on which the conditions to the Placing have been fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing).

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment company and the Group primarily focuses on provision of specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilizing medical, surgical, laser and aesthetic treatments.

The maximum gross proceeds and the maximum net proceeds from the Placing (after deduction of the Placing Fee payable to the Placing Agent and other expenses incidental to the Placing) will be HK\$27,000,000 and HK\$26,595,000 respectively. The net Placing Price will be approximately HK\$0.222 per Share. The Company intends to apply the net proceeds from the Placing for future investments pursuant to the investment objectives of the Company and general working capital of the Group.

The Directors have considered various ways of raising funds and believe that the Placing is the most efficient way in terms of time and costs for the Company. In the meantime, the Company can take this opportunity to broaden the capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that the Placing (including the Placing Price) is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full and there will be no other change in the issued share capital of the Company between the date of this announcement and completion of the Placing) is set out as below:

Shareholders	At the date of this announcement		Immediately upon completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Brisk Success Holdings Limited (<i>Note 1</i>)	278,848,000	46.47	278,848,000	38.73%
Victory Spring Ventures Limited (<i>Note 2</i>)	35,560,000	5.93	35,560,000	4.94%
Placees	–	–	120,000,000	16.67%
Other public Shareholders	285,592,000	47.40	285,592,000	39.66%
Total	<u>600,000,000</u>	<u>100%</u>	<u>720,000,000</u>	<u>100%</u>

Notes:

1. Dr. Loh Teck Hiong, an executive Director, holds 50% equity interests in Brisk Success Holdings Limited and under SFO, Dr. Loh is deemed to be interested in the 278,848,000 Shares held by Brisk Success Holdings Limited. Ms. Fung Yuen Yee, being the spouse of Dr. Loh Teck Hiong, is deemed to be interested in all the Shares in which Dr. Loh Teck Hiong is interested pursuant to the SFO.
2. The entire issued shares of Victory Spring Ventures Limited is legally and beneficially owned by Mr. Ye Zhichun. Accordingly, Mr. Ye Zhichun is deemed to be interested in 35,560,000 Shares held by Victory Spring Ventures Limited by virtue of the SFO.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

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

DEFINITIONS

The following terms shall have the following meanings ascribed to them respectively in this announcement unless the context otherwise requires:

“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Company”	RMH Holdings Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 8437)
“connected person”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors pursuant to the resolution passed by the Shareholders at the annual general meeting of the Company held on 26 June 2020 to allot, issue and deal with up to 20% of the then issued shares of the Company (being 600,000,000 Shares) as at the date of passing such resolution, which is equivalent to 120,000,000 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers) with any of the connected persons of the Company or any of their respective associates
“Placee(s)”	the placees to be procured by the Placing Agent pursuant to the terms and condition of the Placing Agreement

“Placing”	the placing of up to 120,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Silverbricks Securities Company Limited, a company which is licensed to carry on Type 1 regulated activity (dealing in securities) and other regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 22 December 2020 in relation to the Placing
“Placing Price”	HK\$0.225 per Placing Share
“Placing Share(s)”	up to 120,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
RMH Holdings Limited
Loh Teck Hiong
Chairman and executive Director

Hong Kong, 22 December 2020

As at the date of this announcement, the executive Directors are Dr. Loh Teck Hiong, Mr. Liu Yang and Dr. Seow Swee How; and the independent non-executive Directors are Mr. Cheung Kiu Cho Vincent, Mr. Ong Kian Guan and Mr. Yang Zhangxin