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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)

CHANGE IN USE OF PROCEEDS FROM LISTING

Reference is made to the prospectus (the “**Prospectus**”) of RMH Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 September 2017 in relation to the share offer (the “**Share Offer**”) and the listing of the Company’s shares on GEM of The Stock Exchange of Hong Kong Limited (the “**Listing**”), an interim report of the Company for the six months ended 30 June 2020, an announcement (the “**1st Announcement**”) of the Company dated 5 August 2020 in relation to change of use of proceeds and an announcement of the Company dated 12 January 2021 in relation to completion of placing of shares (the “**2nd Announcement**”, collectively, the “**Announcements**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

USE OF PROCEEDS

The amount of the net proceeds from the Share Offer received by the Company after deducting underwriting commission and other relevant expenses was approximately HK\$44.7 million and the amount of the net proceeds from the Placing after deduction of the Placing Fee paid to the Placing Agent and other expenses incidental to the Placing was approximately HK\$26.6 million.

CHANGE IN USE OF PROCEEDS

The Company had utilised approximately HK\$25.2 million of the net proceeds from the Listing and approximately HK\$53.1 million of the net proceeds from the Placing. The amount of the Net Proceeds which remained unutilized as at the date of this announcement was approximately HK\$27.9 million (the “**Unutilized Net Proceeds**”). The Board has resolved to change the use of the Unutilized Net Proceeds (the “**Change of UOP**”) as follows:

Intended uses of the Net Proceeds	Planned use of the Net Proceeds as stated in the Announcements <i>HK\$ million</i>	Utilized Net Proceeds since the Listing up to the date of this announcement <i>HK\$ million</i>	Unutilized Net Proceeds since the Listing up to the date of this announcement <i>HK\$ million</i>	Revised allocation of the Net Proceeds <i>HK\$ million</i>
Enhance the quality and variety of our Services at our existing Clinics and establish new medical aesthetic clinics	3.9	(3.5)	0.4	0.4
Purchase additional new devices and broaden the variety of treatments and products offered	7.8	(0.5)	7.3	7.3
Improve our information technology infrastructure and systems	1.6	(0.3)	1.3	–
General working capital	11.6	(11.0)	0.6	17.8
Strategically expand and strengthen our network of clinics outside Singapore	5.0	(2.6)	2.4	2.4
Strategically invest in MedTech and digital healthcare to create synergy to our current businesses	10.2	(6.4)	3.8	–
Development of innovative products to create a new business that have synergy with our current business	4.0	(0.9)	3.1	–
Usage on new products including development, branding, marketing and procurement for new skin care products	9.0	–	9.0	–
	<u>53.1</u>	<u>(25.2)</u>	<u>27.9</u>	<u>27.9</u>

REASONS AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

As COVID-19 pandemic in Hong Kong continue to persist from year 2020 till now despite multiple government measures and lockdown, we think it is financially prudent to be prepared for adverse economic operating situation there to continue for another 12 month. As such, we think it is necessary to withhold future investment to increase our cash allocation for the purpose of working capital. This will allow us to emerge strongly from the current economic downturn to resume our investment in the future.

The Directors (including the independent non-executive Directors) consider that the Change of UOP will enable the Group to effectively meet the financial needs of the Group and enhance the flexibility in financial management of the Company, and is in line with the current business needs of the Group, and therefore, is in the best interests of the Company and its shareholders as a whole.

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

Hong Kong, 22 March 2021

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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at <https://www.rmholdings.com.sg>.