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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 to the Company



On 8 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the conditions precedent to the Placing, a maximum of 259,200,000 Placing Shares to not less than six independent Placees at a price of HK\$0.078 per Placing Share.

The Placing Price of HK\$0.078 per Placing Share represents: (i) a discount of approximately 18.75% to the closing price of HK\$0.096 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.75% to the average closing price of approximately HK\$0.0972 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming the Placing Shares are fully placed, the maximum number of 259,200,000 Placing Shares represents approximately 19.73% of the issued share capital of the Company of 1,314,000,000 Shares as at the date of this announcement, and approximately 16.48% of the issued share capital of the Company as enlarged by the issue of the maximum number of Placing Shares.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$20.22 million and HK\$19.83 million, respectively. The Company intent to apply (i) approximately 70% replenishing the working capital of the Group's subsidiaries in Singapore, including debt restructuring for each Singapore subsidiaries. (ii) The remaining approximately 30% is used for enriching working capital in daily operation of the Group.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the General Mandate.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to Completion and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

On 8 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, the principal terms of which are summarized below:

Date

8 November 2022 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons.

Placees

It is intended that the Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners are third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. It is expected that none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

The Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the conditions precedent to the Placing, a maximum of 259,200,000 Placing Shares. Assuming the Placing Shares are fully placed, the maximum number of 259,200,000 Placing Shares represents approximately 19.73% of the issued share capital of the Company of 1,314,000,000 Shares as at the date of this announcement, and approximately 16.48% of the issued share capital of the Company as enlarged by the issue of the maximum number of Placing Shares. The aggregate nominal value of the maximum number of Placing Shares is HK\$2,592,000.

Placing Price

The Placing Price of HK\$0.078 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to the recent trading price of the Shares.

The Placing Price of HK\$0.078 per Placing Share represents: (i) a discount of approximately 18.75% to the closing price of HK\$0.096 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 19.75% to the average closing price of approximately HK\$0.0972 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

Subject to Completion, the Placing Agent will receive a placing commission of 1.5% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market rate.

Condition of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares, either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent; and
- (ii) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

If the above conditions are not satisfied on or before 29 November 2022 (or such later date as may be agreed between the Placing Agent and the Company) (the “**Long Stop Date**”), the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and determine and neither party shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination. Condition (i) to the Placing may not be waived by any party to the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place not later than four business days after the fulfillment of all the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree).

Termination

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 12:00 noon on the Completion Date:

- (i) there shall have been, since the date of the Placing Agreement, such a change in national or national financial, political or economic conditions or taxation or exchange controls as world, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or
- (ii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the Completion Date. In the event the Placing Agent terminates the Placing Agreement pursuant to the aforesaid clauses (i) to (iii), all obligations of each of the parties to the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Application for listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

GENERAL MANDATE

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 10 May 2022. Pursuant to the General Mandate, the Company was authorized to issue and allot up to 259,200,000 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution. The General Mandate has not been previously utilized prior to the issue of the Placing Shares. Accordingly, the issue of the Placing Shares is not subject to any Shareholders' approval.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The group is principally offering accessible, comprehensive, quality and specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising a wide range of advanced and sophisticated medical, surgical, laser and aesthetic treatments.

As disclosed in the Company's third quarterly report 2022, the Group recorded loss for the period of S\$5,887,000 (equivalent to approximately HK\$32,967,200) during the nine months ended 30 September 2022. The Board considers that it is desirable for the Group to enter into the Placing with the view to strengthening the Group's financial position and reducing its debt level.

The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$20.22 million and HK\$19.83 million, respectively. The Company intends to apply such net proceeds for (i) approximately 70% to replenishing the working capital of the Group's subsidiaries in Singapore, including debt restructuring for each Singapore subsidiaries. (ii) The remaining approximately 30% is used for enriching working capital in daily operation of the Group.

Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$0.0765 per Placing Share.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

During the past 12 months immediately preceding the date of this announcement, the Company has conducted the following equity fund raising activities:

Date of announcement	Date of completion	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
19 January 2022	11 March 2022	Rights issue on the basis of one (1) rights share for every two (2) existing shares	HK\$41.0 million	(a) approximately 30% (or approximately HK\$12.3 million) as general working capital of the Group;	(a) HK\$11.15 million as general working capital of the Group (Note 1);
				(b) approximately 40% (or approximately HK\$16.4 million) for potential development plan of the i) aesthetic medicine business in PRC; ii) medical imaging business; and iii) dental services related business;	(b) HK\$16.4 million for potential development plan of the i) aesthetic medicine business in PRC; ii) medical imaging business; and iii) dental services related business;

Date of announcement	Date of completion	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
				(c) approximately 20% (or approximately HK\$8.2 million) for repayment of part of the outstanding debt of the Company; and	(c) HK\$2.45 million for repayment of part of the outstanding debt of the Company; and
				(d) approximately 10% (or approximately HK\$4.1 million) for purchase of equipment and products in aesthetic medicine	(d) HK\$4.1 million for purchase of equipment and products in aesthetic medicine
04 November 2022	04 November 2022	Issue and allotment of new shares on 4 November 2022 pursuant to exercise of share options under the share option scheme (adopted on 22 September 2017) by option holder(s) other than the director(s) of the Company	HK\$1.962 million	HK\$1.962 million as general working capital of the Group;	HK\$1.962 million as general working capital of the Group

Note:

(1) HK\$9.26 million out of HK\$11.15 million was applied to short term investments temporarily.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the Completion Date):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Brisk Success (Note 2)	210,024,000	15.98	210,024,000	13.35
Substantial shareholder:				
– Li Mingcheng (Note 3)	133,664,000	10.17	133,664,000	8.50
Placees	–	–	259,200,000	16.48
Other public Shareholders	970,312,000	73.85	970,312,000	61.67
Total	<u>1,314,000,000</u>	<u>100.00</u>	<u>1,573,200,000</u>	<u>100.00</u>

Note:

- (2) As at the date of the Announcement, Dr. Loh Teck Hiong, an executive Director, held 70% equity interests in Brisk Success Holdings Limited and by virtue of Part XV of the SFO, Dr. Loh Teck Hiong was deemed to be interested in the 210,024,000 Shares held by Brisk Success Holdings Limited. Ms. Fung Yuen Yee, being the spouse of Dr. Loh Teck Hiong, was deemed to be interested in all the Shares in which Dr. Loh Teck Hiong was interested by virtue of Part XV of the SFO.
- (3) As at the date of the Announcement, HK MZ Health Investment Management Group Limited held 132,968,000 Shares. Mr. Li Ming Cheng was the sole shareholder of HK MZ Health Investment Management Group Limited as at the date of the Announcement. Therefore, he was deemed to be interested in the 132,968,000 Shares held by HK MZ Health Investment Management Group Limited by virtue of Part XV of the SFO. As at the date of the Announcement, Mr. Li Ming Cheng personally holds 696,000 Shares in the capacity as a beneficial owner.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to Completion and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“business day”	a day on which banks in Hong Kong are open for business, other than: (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon on which banks generally are open for business in Hong Kong
“Company”	RMH Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the GEM with stock code: 8437
“Completion”	the completion of the Placing
“Completion Date”	the date of the Completion
“connected person(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 10 May 2022 to issue and allot up to 259,200,000 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	any independent person(s) or entity(ies) procured by the Placing Agent or its sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing Agreement
“Placing”	the best-effort placing of up to 259,200,000 Placing Shares on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Silverbricks Securities Company Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 8 November 2022 in relation to the Placing
“Placing Price”	HK\$0.078 per Placing Share
“Placing Shares”	a maximum of 259,200,000 new Shares to be placed under the Placing
“S\$”	Singapore dollars, the lawful currency of Singapore
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the GEM Listing Rules
“%”	per cent

For the purpose of this announcement, the exchange rate of S\$1.00 = HK\$5.60 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in S\$ or HK\$ has been, could have been or may be converted at such a rate.

By order of the Board
RMH Holdings Limited
He Weiqing
Chairman

Hong Kong, 8 November 2022

As at the date of this announcement, the executive Directors are Mr. He Weiqing, Mr. Lee Chung Shun and Dr. Loh Teck Hiong; and the independent non-executive Directors are Mr. Yang Zhangxin, Mr. Luo Honghui, Ms. Li Yin Fai and Mr. Loke Wai Ming.

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 of Hong Kong Limited 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 Listed 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>