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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)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

#### **CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “Directors”) of RMH Holdings Limited (the “Company”) 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 (the “GEM Listing Rules”) 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.*

*The original report is prepared in the English language. This announcement is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.*

## HIGHLIGHTS

- The unaudited revenue of the Group amounted to approximately S\$5,433,000 for the nine months ended 30 September 2018, representing an increase of approximately S\$210,000 or 4.0% as compared with the nine months ended 30 September 2017.
- The unaudited profit of the Group was approximately S\$1,629,000 for the nine months ended 30 September 2018, representing an increase of approximately S\$1,229,000 as compared with the unaudited profit of approximately S\$400,000 for the nine months ended 30 September 2017. The increase was mainly due to the one-off Listing expenses for the nine months ended 30 September 2017, which was approximately S\$1,811,000. Excluding the one-off Listing expenses, the unaudited profit attributable to the shareholders of the Company for the nine months ended 30 September 2017 would be approximately S\$2,211,000. The decrease of approximately S\$582,000 or 26.3% in the unaudited profit without the effect of the one-off Listing expenses for the nine months ended 30 September 2017 was due to costs incurred for post-Listing fees and other professional fees incurred by the Group for the nine months ended 30 September 2018.
- Basic earnings per share was 0.31 Singapore cents for the nine months ended 30 September 2018 compared to basic earnings per share was 0.09 Singapore cents for the nine months ended 30 September 2017.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2018.

## UNAUDITED THIRD QUARTERLY RESULTS

The board (the “Board”) of directors of RMH Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) hereby announces the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2018, together with the comparative figures for the corresponding period in 2017, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the nine months ended 30 September 2018*

		<b>Nine months ended</b>	
		<b>30 September</b>	
		<b>2018</b>	2017
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4	<b>5,433</b>	5,223
Other operating income		<b>68</b>	22
Consumables and medical supplies used		<b>(855)</b>	(686)
Other direct costs		<b>(89)</b>	(82)
Employee benefits expense		<b>(1,151)</b>	(933)
Depreciation of plant and equipment		<b>(111)</b>	(154)
Other operating expenses		<b>(1,381)</b>	(858)
Finance costs		–	(16)
Listing expenses		–	(1,811)
		<hr/>	<hr/>
<b>Profit before tax</b>	5	<b>1,914</b>	705
Income tax expense	6	<b>(285)</b>	(305)
		<hr/>	<hr/>
<b>Profit and total comprehensive income for the period attributable to owners of the Company</b>		<b>1,629</b>	400
		<hr/>	<hr/>
<b>Earnings per share attributable to owners of the Company</b>			
Basic earnings per share (S\$ cents)	7	<b>0.31</b>	0.09
		<hr/> <hr/>	<hr/> <hr/>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
*For the nine months ended 30 September 2018*

	Share capital S\$'000	Share premium S\$'000	Other reserve S\$'000	Retained earnings (Accumulated loss) S\$'000	Total S\$'000
At 1 January 2018 (audited)	1,037	9,589	2,165	(36)	12,755
Profit and total comprehensive income for the period	–	–	–	1,629	1,629
<b>At 30 September 2018 (unaudited)</b>	<b>1,037</b>	<b>9,589</b>	<b>2,165</b>	<b>1,593</b>	<b>14,384</b>
At 1 January 2017 (audited)	2	–	–	434	436
Profit and total comprehensive income for the period	–	–	–	400	400
Transaction with owners, recognised directly in equity: Transfer upon the Group Reorganisation	(1)	–	1	–	–
Issue of shares of Unified Front Limited (“Unified Front”)	(1)	–	2,164	–	2,163
At 30 September 2017 (unaudited)	–	–	2,165	834	2,999

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2018*

## 1. GENERAL

The Company is incorporated as an exempted company in the Cayman Islands with limited liability under Cayman Companies Law on 22 March 2017. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) on 25 May 2017 and the principal place of business in Hong Kong is Room 5705, 57th Floor, The Center, 99 Queen’s Road Central, Hong Kong. The head office and principal place of business of the Company in Singapore is #15-09 Paragon (Office Tower), 290 Orchard Road, Singapore 238859. The shares of the Company (the “Shares”) have been listed on GEM of the Stock Exchange with effect from 13 October 2017.

The Company has been successfully listed on GEM of the Stock Exchange (the “Listing”) on 13 October 2017 by way of share offer (the “Share Offer”).

The Company’s immediate and ultimate holding company is Brisk Success Holdings Limited (“Brisk Success”), a company incorporated in the British Virgin Islands (“BVI”). Dr. Loh Teck Hiong (“Dr. Loh”), Dr. Ee Hock Leong (“Dr. Ee”) and Dr. Kwah Yung Chien Raymond (“Dr. Kwah”) jointly control Brisk Success and are the Directors and the controlling shareholders of the Company (together referred to as the “Controlling Shareholders”).

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

- consultation services (the “Consultation Services”)
- prescription and dispensing services (the “Prescription and Dispensing Services”)
- treatments services (the “Treatment Services”)
- other services

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements are unaudited but have been reviewed by the audit committee of the Company. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended 31 December 2017, which have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules, International Financial Reporting Standards (“IFRSs”) which include International Accounting Standards (“IASs”) and Interpretations promulgated by the International Accounting Standards Board and the disclosure requirements of the Companies Ordinance. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 December 2017.

All IFRSs effective for the accounting period commencing from 1 January 2018, together with the relevant transitional provisions, have been adopted by the Group in preparation of these condensed consolidated financial statements. The adoption of these new/revised IFRSs does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior period.

The condensed consolidated financial statements are presented in Singapore Dollars (“S\$”) which is the same as the functional currency of the Group, and all values are rounded to the nearest thousands, unless otherwise stated.

### 3. SEGMENT INFORMATION

The Group is principally engaged in the provision of specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising medical, surgical, laser and aesthetic treatments in Singapore, through the provision of personalised services, including the Consultation Services, the Prescription and the Dispensing Services and the Treatment Services. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies same as those of the Group. Dr. Loh, Dr. Ee and Dr. Kwah, directors of the Company, have been identified as the chief operating decision makers (“CODM”). The CODM review the Group’s revenue analysis by services and products in order to assess performance and allocate resources.

Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance and allocation of resources. The CODM reviews the results of the Group as a whole to make decisions. Accordingly, other than entity-wide information, no analysis of this single operating segment is presented.

During the nine months ended 30 September 2018, our revenue, operating expenses, assets and liabilities were mainly derived from the Group’s operations in Singapore.

As at 30 September 2018, the Group’s non-current assets were mainly located in Singapore.

### 4. REVENUE

The following is an analysis of the Group’s revenue from its major business activities:

	Nine months ended 30 September	
	2018	2017
	S\$’000	S\$’000
	(Unaudited)	(Unaudited)
<b>Revenue</b>		
Consultation Services	1,378	1,328
Prescription and Dispensing Services	1,561	1,420
Treatment Services	2,145	2,096
Other services	349	379
	<u>5,433</u>	<u>5,223</u>

*Note:* Other services mainly represent income from services provided to patients in relation to laboratory test carried out during treatment.

## 5. PROFIT BEFORE TAX

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>S\$'000</b>	S\$'000
	<b>(Unaudited)</b>	(Unaudited)
Profit before tax has been arrived at after charging:		
Auditor's remuneration	<b>113</b>	109
Operating lease expenses	<b>323</b>	261
Net foreign currency exchange loss	<b>90</b>	30
Employee benefits expense		
Directors' remunerations	<b>617</b>	433
Other staff costs		
— salaries, bonus and other benefits	<b>466</b>	435
— contributions to retirement benefits scheme	<b>68</b>	65
	<u><b>1,151</b></u>	<u>933</u>
Depreciation of plant and equipment	<u><b>111</b></u>	<u>154</u>

## 6. INCOME TAX EXPENSE

Since the business operations of the Group are based in Singapore, the Group is liable to pay profits tax in accordance with the laws and regulations of Singapore. Singapore profits tax has been provided at the rate of 17% (2017: 17%) on the chargeable income arising in Singapore during the period after offsetting non-deductible expenses.

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>S\$'000</b>	S\$'000
	<b>(Unaudited)</b>	(Unaudited)
Income tax expense comprises:		
Singapore corporate income tax		
— Current tax	<u><b>285</b></u>	<u>305</u>
	<u><b>285</b></u>	<u>305</u>

## 7. EARNINGS PER SHARE

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Profit attributable to the owners of the Company (S\$'000)	1,629	400
Weighted average number of ordinary shares in issue ('000)	531,000	446,000
Basic earnings per share (S\$ cents)	<u>0.31</u>	<u>0.09</u>

The number of ordinary shares of the Company for the purpose of calculating basic earnings per share has been determined on the assumption that the reorganisation and the capitalisation issue had been effective on 1 January 2017.

For the nine months ended 30 September 2018 and 2017, no separated diluted earnings per share information has been presented as there was no dilutive potential ordinary shares outstanding.

## 8. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2018 (nine months ended 30 September 2017: Nil).



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is a leading specialist dermatological and surgical practice accredited by the Ministry of Health of Singapore in Singapore, providing 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. The Group's private dermatology practice comprises primarily doctors, and trained personnel with specialised skill sets equipped to handle complex dermatological conditions. The Group provides an all-round treatment solution that is tailored to our patients' individual needs for the treatment of, among others, skin cancer, skin diseases such as eczema, psoriasis, acne, pigmentation, adverse drug reactions and warts. The Group also performs aesthetic treatments to enhance the overall appearance of patients.

The revenue of the Group grew by approximately S\$210,000 or 4.0%, to approximately S\$5,433,000 for the nine months ended 30 September 2018, compared to the nine months ended 30 September 2017. The revenue generated from Consultation Services, Prescription and Dispensing Services, Treatment Services and other services.

### **BUSINESS OUTLOOK**

Looking forward, with strong potential in the specialist dermatology and surgical services industry in Singapore, the Group will continue to seek to enlarge our market share in the dermatological and surgical services industry in Singapore and to build our reputation, grow the "Dermatology & Surgery Clinic" brand and business. We will continue to consolidate our position in the market and achieve a continued growth in our business.

With the change of aesthetic perception, people in Singapore become more interested in medical dermatology services. In addition, more people in Singapore will tend to pay more attention to their appearance and receive medical aesthetic services to preserve their youth, which may promote the development of medical aesthetic service market. To this end, we intend to grow our medical aesthetic practice by establishing new medical aesthetic clinics in close proximity to each of our three existing Clinics. As our existing Clinics provide a myriad of treatments comprising both medical/surgical treatments, as well as aesthetics treatments, we believe that the establishment of dedicated clinics to provide medical aesthetic services will enable us to gain market penetration into the medical aesthetics field and increase our Group's profitability.

As part of our expansion plan for our medical aesthetics clinics, the establishment of new medical aesthetic clinics in close proximity to our existing Clinics not only provides us with an opportunity to grow our medical aesthetic practice, it also allows for the expansion of operations at our existing Clinics to optimise the time and skills of our resident Doctors by focusing on treatments of more complex dermatological conditions. In addition, we have recruited one female resident dermatologist to further strengthen our professional team. We train our trained therapists to become more involved in various aspects of patients' experience at our Clinics from aesthetic and skincare product counselling to certain non-invasive treatments under supervision of our resident Doctors. We continue to attract and retain talent pool of specialist doctors and staff for the expansion of Raffles Place Clinic and Orchard Clinic.

With the lapse of the tenancy agreement due to the landlord not able to deliver the unit in Holland Village, we will continue to source for a good alternate location for opening our “Family and Skin” clinic.

## FINANCIAL REVIEW

### Revenue

The Group’s overall revenue amounted to approximately S\$5,433,000 for the nine months ended 30 September 2018, representing an increase of approximately S\$210,000 or 4.0% as compared with the revenue of approximately S\$5,223,000 for the nine months ended 30 September 2017.

The Group provides an all-round treatment solution that is tailored to the patients’ individual needs in the field of dermatology. These are achieved through the provision of personalised services, including Consultation Services, Prescription and Dispensing Services and Treatment Services. The increase in revenue for the nine months ended 30 September 2018 was mainly attributable to the resident doctor who joined the Group and started to render services in March 2017. The following table sets forth a breakdown of our revenue for the periods indicated:

	<b>Nine months ended 30 September</b>			
	<b>2018</b>		<b>2017</b>	
	<b>S\$’000</b>	<b>%</b>	<b>S\$’000</b>	<b>%</b>
	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
<b>Revenue</b>				
Consultation Services	<b>1,378</b>	<b>25.4%</b>	1,328	25.4%
Prescription and Dispensing Services	<b>1,561</b>	<b>28.7%</b>	1,420	27.2%
Treatment Services	<b>2,145</b>	<b>39.5%</b>	2,096	40.1%
Other services	<b>349</b>	<b>6.4%</b>	379	7.3%
	<b>5,433</b>	<b>100.0%</b>	5,223	100.0%

Revenue generated from Consultation Services increased by approximately S\$50,000 from approximately S\$1,328,000 to approximately S\$1,378,000 for the nine months ended 30 September 2017 and 2018, respectively. With an increase in the total number of patient visits from 13,178 to 13,478 for the nine months ended 30 September 2017 and 2018, respectively, the Group recorded a 2.3% growth in the total number of patient visits for the nine months ended 30 September 2018 as compared with the nine months ended 30 September 2017.

Revenue generated from Prescription and Dispensing Services also increased by approximately S\$141,000 from approximately S\$1,420,000 to approximately S\$1,561,000 for the nine months ended 30 September 2017 and 2018, respectively. The increase was in line with the increase in the total number of patient visits in the same period.

Revenue generated from Treatment Services increased by approximately S\$49,000 from approximately S\$2,096,000 to approximately S\$2,145,000 for the nine months ended 30 September 2017 and 2018, respectively. Revenue generated from Treatment Services are predominantly generated from excision, cryosurgery and skin tests.

### **Other operating income**

Other operating income for the nine months ended 30 September 2017 and 2018, represented primarily government grants and other income which comprised cash pay-out from Inland Revenue Authority of Singapore (“IRAS”) in relation to qualifying expenditure incurred during the reporting period ended, fixed deposit interest income and other miscellaneous income.

### **Consumables and medical supplies used**

Our consumables and medical supplies used amounted to approximately S\$686,000 and approximately S\$855,000 for the nine months ended 30 September in 2017 and 2018, respectively. The increase was in line with the increase in revenue. These comprised costs of treatment consumables, skincare products and medications necessary for the provision of our services at our clinics.

Our cost of medication and consumables is predominantly driven by the amounts of medication and consumables we used and our procurement costs. The amount of medication and consumables we used is primarily driven by the number of patient visits, the number and complexity of treatments and other dermatological and surgical services provided.

### **Other direct costs**

Other direct costs are mainly attributable to laboratory charges, which are fees charged by laboratories engaged by us for providing blood, urine and other testing services for our patients.

We generally outsource medical tests such as blood testing, urine testing, and other testing services where we believe that there is insufficient demand to warrant the necessary investment for the development of the expertise and the in-house infrastructure. Therefore, we have subcontracted such testing services to external service providers and incurred laboratory charges for the provision of such testing services.

## Employee benefits expense

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
	<b>S\$'000</b>	S\$'000
	<b>(Unaudited)</b>	(Unaudited)
Directors' remuneration	<b>617</b>	433
Staff salaries and related expense	<b>534</b>	500
	<hr/>	<hr/>
Employee benefits expense	<b>1,151</b>	933
	<hr/> <hr/>	<hr/> <hr/>

Employee benefits expense relate to directors' remuneration, salaries for other professional staff such as trained therapists, clinic executives and other administrative staff working at the Clinics, CPF contributions and bonuses. The increase is largely due to increase of Directors' remuneration as stated in the Prospectus.

Our total staff count for employees (including part time staff), excluding our doctors, as at the nine months ended of the respective period under review is as follow:

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2018</b>	2017
Total staff count	<b>21</b>	24
	<hr/> <hr/>	<hr/> <hr/>

## Depreciation of plant and equipment

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Our depreciation expenses primarily comprised:

- (a) professional equipment, mainly our medical equipment such as dermatological laser equipment used at our Clinics;
- (b) computer and office equipment at our various premises used for our operations; and
- (c) leasehold improvements in relation to the leased premises for our operations.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period. Our medical equipment and office equipment are generally depreciated over three to five years, which we considered as reasonable for the useful lives for assets of such nature.

## Other operating expenses

The Group's other operating expenses comprised rental and property upkeep, administrative fees, professional fees and other expenses.

The other operating expenses for the nine months ended 30 September 2018 increased by approximately S\$523,000 from approximately S\$858,000 for the nine months ended 30 September 2017 to approximately S\$1,381,000.

	Nine months ended 30 September	
	2018	2017
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Rental and property upkeep	323	261
Administrative fees	233	170
Professional fees	598	235
Net foreign currency exchange loss	90	30
Other expenses	137	162
	<hr/>	<hr/>
<b>Other Operating Expenses</b>	<b>1,381</b>	<b>858</b>
	<hr/> <hr/>	<hr/> <hr/>

The increase in professional fees from approximately S\$235,000 to approximately S\$598,000 for the nine months ended 30 September 2018 was due to the post-Listing fees incurred for audit, legal adviser, compliance adviser, financial printer and other professional fees.

The increase in net foreign currency exchange loss was mainly attributable to the weakening of Hong Kong dollars against Singapore dollars.

The other expenses comprised primarily card charges, clinic supplies, repairs and maintenance, insurance, travelling and other miscellaneous expenses.

## Finance costs

The Group did not have any bank borrowings, new finance lease liabilities, or new interest-bearing liabilities for the nine months ended 30 September 2018. The Group settled the remaining obligations under finance leases for the medical equipment in September 2017 thus leading to decrease in finance costs of approximately S\$16,000.

## Listing expenses

During the nine months ended 30 September 2017, the Group recognised one-off Listing expenses of approximately S\$1,811,000 in connection with the Listing. No Listing expense was incurred for the nine months ended 30 September 2018.

## Income tax expense

Income tax expense was approximately S\$285,000 for the nine months ended 30 September 2018 and approximately S\$305,000 for the nine months ended 30 September 2017. The decrease was mainly attributable to the combined effect of non-deductible listing expenses of approximately S\$1,811,000 incurred for the nine months ended 30 September 2017 and the decrease in profit before tax of approximately S\$1,209,000.

## Profit for the period

Due to the combined effect of the aforesaid factors, we recorded the unaudited profit of approximately S\$1,629,000 for the nine months ended 30 September 2018, representing an increase of approximately S\$1,229,000 as compared with the unaudited profit of approximately S\$400,000 for the nine months ended 30 September 2017. The increase was mainly due to one-off Listing expenses of approximately S\$1,811,000 incurred during the nine months ended 30 September 2017. Excluding which, profit for the nine months ended 30 September 2017 would be approximately S\$2,211,000.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2018, the interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which, once the Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by our Directors to be notified to our Company and the Stock Exchange, were as follows:

Name of Director	Capacity/nature of interest	Number of shares interested	Percentage of interest in our Company
Dr. Loh	Interest in controlled corporation <sup>(Note)</sup>	358,000,000 (Long position)	59.66%
Dr. Ee	Interest in controlled corporation <sup>(Note)</sup>	358,000,000 (Long position)	59.66%
Dr. Kwah	Interest in controlled corporation <sup>(Note)</sup>	358,000,000 (Long position)	59.66%

*Note:*

The 358,000,000 shares are held by Brisk Success. As Brisk Success is beneficially owned by Dr. Loh, Dr. Ee and Dr. Kwah as to 33.33%, respectively and they are acting in concert as to approximately 33.33%, respectively, therefore they are deemed to be interested in the Shares held by Brisk Success under the SFO.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2018, the following persons, not being a Director or chief executive of our Company, had an interest or short position in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is interested, directly or indirectly, in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name of Shareholder	Capacity/nature of interest	Number of shares interested	Percentage of interest in our Company
Brisk Success	Beneficial owner <sup>(Note 1)</sup>	358,000,000 (Long position)	59.66%
Ms. Fung Yuen Yee	Interest of spouse <sup>(Note 2)</sup>	358,000,000 (Long position)	59.66%
Ms. Chou Mei	Interest of spouse <sup>(Note 3)</sup>	358,000,000 (Long position)	59.66%
Ms. Grace Lim Wen Li	Interest of spouse <sup>(Note 4)</sup>	358,000,000 (Long position)	59.66%
Victory Spring Ventures Limited	Beneficial owner <sup>(Note 5)</sup>	35,560,000 (Long position)	5.93%
Ye Zhichun	Interest in controlled corporation <sup>(Note 5)</sup>	35,560,000 (Long position)	5.93%

### Notes:

- The entire issued share capital of Brisk Success is legally and beneficially owned as to approximately 33.33% by Dr. Loh, Dr. Ee and Dr. Kwah, respectively. Accordingly, Dr. Loh, Dr. Ee and Dr. Kwah are deemed to be interested in 358,000,000 Shares held by Brisk Success by virtue of the SFO. Dr. Loh, Dr. Ee and Dr. Kwah are executive Directors and are persons acting in concert and accordingly each of them is deemed to be interested in the Shares held by the others.
- Ms. Fung Yuen Yee, being the spouse of Dr. Loh, is deemed to be interested in all the Shares in which Dr. Loh is interested pursuant to the SFO.
- Ms. Chou Mei, being the spouse of Dr. Ee, is deemed to be interested in all the Shares in which Dr. Ee is interested in pursuant to the SFO.
- Ms. Grace Lim Wen Li, being the spouse of Dr. Kwah, is deemed to be interested in all the Shares in which Dr. Kwah is interested in pursuant to the SFO.
- 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.



## **CORPORATE GOVERNANCE CODE**

The Board recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders and is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests. Therefore, the Board has reviewed and will continue to review and improve the Company's corporate governance practices from time to time.

The Company adopted the code provisions on the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. Following the pass away of Mr. Wong Siu Ki, our former independent non-executive Director, on 7 March 2018, the Board comprised five members with three executive Directors and two independent non-executive Directors. As a result, the number of independent non-executive Directors of the Board was below the minimum number prescribed under Rule 5.05 of the GEM Listing Rules, the number of members of the audit committee of the Company (the Audit Committee") was reduced to two which was below the minimum number prescribed under Rule 5.28 of the GEM Listing Rules, as well as the number of members of the remuneration committee of the Company (the "Remuneration Committee") was reduced to two which was below the minimum number prescribed under Rule 5.34 of the GEM Listing Rules. The Company has appointed Mr. Wang Ning as an independent non-executive Director, a member of the Audit Committee and the chairman of the Remuneration Committee with effect from 1 June 2018. Upon the appointment of Mr. Wang Ning, the Company has been in compliance with Rule 5.05, 5.28 and 5.34 of the GEM Listing Rules. Save as disclosed above, the Company had complied with all the applicable code provisions of the CG Code during the nine months ended 30 September 2018.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme, which was approved by written resolutions passed by all the then shareholders of the Company on 22 September 2017 (the "Share Option Scheme"). As at 30 September 2018, no share options were granted by the Company.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2018.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the nine months ended 30 September 2018 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.



## **COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the nine months ended 30 September 2018.

## **COMPLIANCE OF NON-COMPETITION UNDERTAKING**

As disclosed in the Prospectus pursuant to the non-competition undertakings set out in the deed of non-competition dated 22 September 2017, each of our controlling Shareholders, namely, Dr. Loh, Dr. Ee and Dr. Kwah (collectively referred to as the “Controlling Shareholders”), have undertaken to the Company (for itself and on behalf of its subsidiaries) that, amongst other things, each of them is not or will not, and will procure each of their respective close associates not to, directly or indirectly, carry on, participate in, be engaged, interested directly or indirectly, either for their own account or in conjunction with or on behalf of or for any other person in any business in competition with or similar to or is likely to be in competition with the business of the Group upon the Listing of the Company. Particulars of which are set out in the section headed “Relationship with Controlling Shareholders — Independence from Controlling Shareholders — Non-Competition Undertaking” of the Prospectus.

The independent non-executive Directors have reviewed the implementation of the deed of non-competition and are of the view that the Controlling Shareholders had complied with their undertakings given under the deed of non-competition for the nine months ended 30 September 2018.

## **COMPETING INTERESTS**

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the reporting period and up to the date of this announcement.

## **INTEREST OF THE COMPLIANCE ADVISER**

As notified by the compliance adviser of the Company, Red Solar Capital Limited, as at 30 September 2018, save for the compliance adviser agreement with effect from 1 November 2017 entered into between the Company and Red Solar Capital Limited, neither Red Solar Capital Limited, its directors, employees and close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **DIVIDENDS**

The Directors do not recommend the payment of a dividend for the nine months ended 30 September 2018.

## **AUDIT COMMITTEE**

The Group established the Audit Committee on 22 September 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3 of the CG Code. As at the date of this announcement, the audit committee consists of three independent non-executive Directors, namely Mr. Ong Kian Guan, Mr. Cheung Kiu Cho, Vincent and Mr. Wang Ning. Mr. Ong Kian Guan, our independent non-executive Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and review the Company's financial information.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2018 and has provided advice and comments thereon.

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

Hong Kong, 13 November 2018

*As at the date of this announcement, the executive Directors are Dr. Loh Teck Hiong, Dr. Kwah Yung Chien, Raymond and Dr. Ee Hock Leong; and the independent non-executive Directors are Mr. Ong Kian Guan, Mr. Cheung Kiu Cho Vincent and Mr. Wang Ning.*

*This announcement will remain on the "Latest Company Report" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the day of its publication. This announcement will also be published on the Company's website at [www.dermclinic.com.sg](http://www.dermclinic.com.sg).*