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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)

BUSINESS UPDATE

This announcement is made by the Company on a voluntary basis to the Shareholders' and potential investors about the latest business development of the Group.

On 21 March 2024, RMH Hong Kong and Ms. Tse, being the existing shareholders of QR Medical and QR Medical entered into the Shareholder's Agreement to regulate the arrangement and the respective rights and obligations of RMH Hong Kong and Ms. Tse with respect to the management and operations of QR Medical.

SHAREHOLDERS' AGREEMENT

The principal terms of the Shareholders' Agreement are summarised as follows:

- Date: 21 March 2024
- Parties:
- (1) RMH Hong Kong;
 - (2) Ms. Tse; and
 - (3) QR Medical.

As at the date of this announcement, QR Medical is owned as to 51% by RMH Hong Kong and 49% by Ms. Tse. RMH Hong Kong is a company incorporated in Hong Kong with limited liability and is wholly-owned by the Company. It is principally engaged in provision of medical and aesthetic services as well as sale of skincare products and supplements. RMH Hong Kong has been holding 51% shareholding interest in QR Medical and has involved in the management and operation of QR Medical since its incorporation on 30 December 2019.

Ms. Tse is a merchant and an Independent Third Party.

Constitution of the board of directors of QR Medical

Prior to the entering into of the Shareholder's Agreement, QR Medical's directors comprised Ms. Tse and Dr. Loh Teck Hiong. Pursuant to the Shareholder's Agreement, unless otherwise agreed in writing by the shareholders of QR Medical, the number of directors of QR Medical shall consist of three directors, two of which shall be appointed and removed at the request of RMH Hong Kong and the remaining one director shall be appointed and removed at the request of Ms. Tse.

RMH Hong Kong has nominated Mr. Poon and Mr. Loke whereas Ms. Tse has nominated herself as the directors of QR Medical.

The chairman of QR Medical shall be nominated by RMH Hong Kong. The chairman of the board shall be Mr. Poon.

Business of QR Medical

QR Medical is a company incorporated in Hong Kong on 30 December 2019 with limited liability. QR Medical and its subsidiaries are principally engaged in the operation of medical aesthetic centre, medical clinic and specialists centre in Hong Kong (the "**Business**"). QR Medical shall not engage in any business or activity other than the Business or reasonably incidental thereto except with the prior approval of all the shareholders of QR Medical.

The Business shall be conducted in the best interests of QR Medical on sound commercial profit-making principles so as to generate the maximum achievable profits available for distribution and otherwise in accordance with the provisions of the Shareholders' Agreement.

Proceedings of the directors

Meetings of the board shall take place at such time or times and in such place or places as shall be determined by the board.

No business shall be transacted at any board meeting unless a quorum of directors is present at the commencement of and throughout the meeting. The quorum for a meeting of the board shall be two (2) Directors.

Questions or any other matters arising in any meeting of the board shall be decided by a majority of votes. Each director (or each alternate director, as the case may be) shall have one vote. The chairman shall be entitled to a second or casting vote in case of equal votes.

General meetings

No business shall be transacted at any general meeting of QR Medical unless a quorum is present when the general meeting proceeds to business. The quorum for general meetings shall be two shareholders. Any resolutions are to be decided by a simple majority of votes by way of poll (every shareholder present shall have one vote for every fully paid share) except where a greater majority is required by the articles of association of QR Medical, any agreement between the shareholders of QR Medical or by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

Dividend policy

The exact amount of dividend to be distributed to the shareholders shall be determined by the board having regard to QR Medical's financial condition and its current and projected cash requirements.

INFORMATION OF THE COMPANY AND QR MEDICAL

The Company

The Company and its subsidiaries are principally engaged in (i) healthcare service business in Singapore (discontinued due to liquidation of the Singapore subsidiaries of the Company and deconsolidation of the Singapore subsidiaries of the Company in November 2022); (ii) the provision of dental implant and oral healthcare-related medical services and sales of related products through our subsidiaries in the PRC (the “**Dental Business**”); and (iii) trading of healthcare and wellness products and nutritional supplements in Hong Kong (the “**Trading Business**”).

QR Medical

QR Medical and its subsidiaries are principally engaged in the provision of medical and aesthetic services as well as sale of skincare products and supplements through Queen's Road Specialist Centre (the “**Medical Centre**”) and QR Skin and Laser Centre (the “**Laser Centre**”). The Medical Centre is a family-friendly clinic and specialist centre located at Queen's Road Central, Hong Kong. Both the Medical Centre and the Laser Centre are furnished with multiple well-equipped consultation rooms and treatment rooms, and have experienced doctors and practitioners to provide consultation and treatment to clients.

Set out below is a summary of key unaudited consolidated financial information of QR Medical and its subsidiaries for the year ended 31 December 2022 and 31 December 2023:

	For the year ended 31 December 2022 HK\$'000 (unaudited)	For the year ended 31 December 2023 HK\$'000 (unaudited)
Revenue	8,104	11,643
Profit/(loss) before tax	(15,221)	(13,784)
Profit/(loss) after tax	(15,221)	(13,784)
	As at 31 December 2022	As at 31 December 2023
Net liabilities	11,127	24,911

Prior to the entering into of the Shareholder's Agreement, QR Medical is recognised as a joint venture company of the Group and its financial results, assets and liabilities have not been consolidated into the accounts of the Group. Upon the entering into of the Shareholder's Agreement and the appointment of Mr. Poon and Mr. Loke as directors of QR Medical, the Group will have control over the board of directors of QR Medical and QR Medical will be accounted for as a subsidiary of the Group and the financial results, assets and liabilities of QR Medical will be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SHAREHOLDERS' AGREEMENT

Reference is made to the announcement of the Company dated 21 February 2024 in relation to the appointment of executive Directors and the announcement of the Company dated 27 February 2024 in relation to the change of chairman of the Board. Following the change in management of the Company, by leveraging the Company's in depth knowledge and experience in management and operation of the healthcare service business in Singapore, the Board has resolved to adopt a new business plan and strategies to continue and revitalise the healthcare service business segment of the Group and to focus on the development of the healthcare service business segment of the Group as one of its principal businesses, along with the Dental Business and Trading Business of the Group.

The entering into of the Shareholders' Agreement is the first step to implement the new business plan and strategies of the Group to continue and revitalise the healthcare service business segment of the Group. Upon the entering into of the Shareholder's Agreement and the appointment of Mr. Poon and Mr. Loke as directors of QR Medical, the Group will have control over the board of directors of QR Medical and QR Medical will be accounted for as a subsidiary of the Group and the financial results, assets and liabilities of QR Medical will be consolidated into the financial statements of the Group. Going forward, the Group will focus on the promotion and development of the healthcare service business in Hong Kong through QR Medical.

Mr. Poon, the chairman of the Board and an executive Director, has extensive experience in medical and education fields. He founded an education centre, a medical clinic and a Chinese medicine clinic in Hong Kong. He will be responsible to oversee the management, business development and operation of QR Medical. With his past knowledge and experience in medical industry, he will be able to give valuable strategic and development guidance and advice to the Group and to help the Group operate its healthcare service business segment so as to capture the increasing demand for healthcare service in Hong Kong, generate stable revenue for the Group and enhance the Shareholders' return in the long run.

Mr. Loke, an executive Director, has over 2 decades of experience in commercial banking, capital markets and investment banking, institutional broking and direct investment businesses. He is currently an accountant, a registered license holder, licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and a managing director of Titan Financial Services Limited since January 2020. Mr. Loke will be responsible for managing and developing the business operation of QR Medical and the Company will leverage on the knowledge, experience and network of Mr. Loke in corporate finance to look for suitable fund raising opportunities to raise fund for the business operations of the Group, in particular for the working capital of QR Medical. Mr. Loke possesses extensive knowledge in financial analysis, corporate finance and corporate governance and he will be able to provide valuable management insight and advice to the Group and QR Medical.

The terms of the Shareholders' Agreement were determined after arm's length negotiation among the parties thereto. Taking into account the above, the Directors are of the view that the entering into of the Shareholders' Agreement is on normal commercial terms and the terms of the Shareholders' Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

OTHER

The Company is actively working towards the fulfilment of the requirements under the resumption guidance issued by the Stock Exchange for the resumption of trading in the Shares, in particular, (i) the Company is in the progress of preparing the outstanding financial results, namely, (a) the first quarterly results for the three months ended 31 March 2023; (b) the interim results for the six months ended 30 June 2023, which will be reviewed by the auditor of the Company in accordance with Hong Kong standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants on a voluntary basis by the Company; (c) the third quarterly results for the nine months ended 30 September 2023; and (d) the annual results for the year ended 31 December 2023, and the Company will discuss with the auditor to address the issues giving rise to the disclaimer of opinion on the Company's financial statements for the year ended 31 December 2022 previously expressed by the auditor; (ii) the Company has engaged independent consultant to conduct appropriate investigation and internal control review and the draft investigation and internal control review reports are expected to be ready by the end of March 2024; and (iii) as disclosed in the announcement of the Company dated 21 March 2024, the Company has already appointed the requisite numbers of independent non-executive Directors and is in compliance with Rules 5.05, 5.05A, 5.28, 5.34 and 5.36A of the GEM Listing Rules.

It is expected that the Company will publish the outstanding financial results and submit a resumption proposal to the Stock Exchange in March 2024 to demonstrate that it has fulfilled all the resumption conditions.

CONTINUED SUSPENSION OF TRADING

At the direction of the Stock Exchange, trading in the Shares on the Stock Exchange has been suspended with effect from 9:08 a.m. on Monday, 3 April 2023 and will continue to be suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following words and expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“Company”	RMH Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the rules governing the listing of securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Mr. Loke”	Mr. Loke Wai Ming, an executive Director
“Mr. Poon”	Mr. Poon Chun Yin, the chairman of the Board and an executive Director
“Ms. Tse”	Ms. Tse Yi Kit Gigi, an Independent Third Party
“PRC”	the People’s Republic of China

“QR Medical”	Queen’s Road Medical Company Limited, a company incorporated in Hong Kong with limited liability and is owned as to 51% by RMH Hong Kong and 49% by Ms. Tse
“RMH Hong Kong”	RMH (Hong Kong) Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Share(s)”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
RMH Holdings Limited
Poon Chun Yin
Chairman and Executive Director

Hong Kong, 21 March 2024

As at the date of this announcement, the executive Directors are Mr. Poon Chun Yin (Chairman), Mr. Loke Wai Ming, Mr. Lee Chung Shun and Mr. Cui Han and the independent non-executive Directors are Mr. Chau Wing Nam, Mr. Yeung Pok Man Peason and Mr. Cheung Tsu Lun.

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 Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at <https://www.rmhhk.com>.

In case of any inconsistency between the English and Chinese versions, the English text of this announcement shall prevail over the Chinese text.