

# RMH HOLDINGS LIMITED 德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8437

Third Quarterly Report

# 2017



## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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 the emerging nature of companies listed on GEM, 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 report, 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 the 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 report 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 report misleading.*

*The original report is prepared in the English language. This report 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 Company and its subsidiaries (collectively the “Group”) amounted to approximately S\$5,223,000 for the nine months ended 30 September 2017, representing an increase of approximately S\$579,000 or 12.5% as compared with the nine months ended 30 September 2016.
- The unaudited profit for the period of the Group was approximately S\$400,000 for the nine months ended 30 September 2017, representing a decrease of approximately S\$1,787,000 or 81.7% as compared to the profit for the nine months ended 30 September 2016. The decrease was mainly due to the recognition of the listing expenses of approximately S\$1,811,000 in connection with the listing of the Company’s shares on GEM for the period. Excluding the one-off listing expenses, the profit attributable to the Group for the nine months ended 30 September 2017 would have been S\$2,211,000, representing a slight increase of S\$24,000 as compared to the corresponding period of 2016.
- Basic and diluted earnings per share was 0.09 Singapore cents for the nine months ended 30 September 2017 compared to basic and diluted earnings per share of 0.49 Singapore cents for the nine months ended 30 September 2016.
- The Directors do not recommend the payment of dividend for the nine months ended 30 September 2017.

## THIRD QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company hereby announces the unaudited condensed consolidated results of the Group for the nine months ended 30 September 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

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

*For the nine months ended 30 September 2017*

		<b>Nine months ended 30 September</b>	
	<i>Notes</i>	<b>2017 S\$'000 (Unaudited)</b>	2016 S\$'000 (Unaudited)
Revenue	4	5,223	4,644
Other operating income		22	127
Consumables and medical supplies used		(686)	(669)
Other direct costs		(82)	(69)
Employee benefits expense		(933)	(700)
Depreciation of plant and equipment		(154)	(165)
Other operating expenses		(858)	(671)
Finance costs		(16)	(6)
Listing expenses		(1,811)	–
<b>Profit before tax</b>	5	<b>705</b>	2,491
Income tax expense	6	(305)	(304)
<b>Profit and total comprehensive income for the period attributable to owners of the Company</b>		<b>400</b>	2,187
<b>Earnings per share attributable to owners of the Company</b>			
Basic and diluted (Singapore cents)	7	<b>0.09</b>	0.49

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Share capital	Other reserves	Retained profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017 (audited)	2	–	434	436
Profit and total comprehensive income for the period	–	–	400	400
Transfer upon the group organisation	(1)	1	–	–
At 30 September 2017 (unaudited)	1	1	834	836
At 1 January 2016 (audited)	<b>2</b>	–	<b>762</b>	<b>764</b>
Profit and total comprehensive income for the period	–	–	<b>2,187</b>	<b>2,187</b>
At 30 September 2016 (unaudited)	<b>2</b>	–	<b>2,949</b>	<b>2,951</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2017*

## 1. GENERAL

The Company was incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Cayman Companies Law on 22 March 2017. The shares of the Company (the "Shares") were listed on GEM on 13 October 2017. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company was 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 its principal place of business in Hong Kong is Room 5705, 57th Floor, The Center, 99 Queen's Road Central, Hong Kong. The headquarters and principal place of business in Singapore of the Group is at #15-09 Paragon (Office Tower), 290 Orchard Road, Singapore 238859.

The immediate holding company and the ultimate holding company of the Company is Brisk Success Holdings Limited ("Brisk Success"), incorporated in the British Virgin Islands.

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
- prescription and dispensing services
- treatments services
- other services

## 2. REORGANISATION AND BASIS OF PREPARATION

Prior to the Reorganisation (as defined below), all the entities comprising the Group were under the common control of Dr. Loh Teck Hiong ("Dr. Loh"), Dr. Ee Hock Leong ("Dr. Ee") and Dr. Kwah Yung Chien, Raymond ("Dr. Kwah") (the "Controlling Shareholders"). In preparation for the listing of the Shares on GEM, the entities now comprising the Group underwent a group reorganisation (the "Reorganisation") to enable the Company to become the holding company of the Group. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Development" in the listing prospectus of the Company dated 29 September 2017 (the "Prospectus").

The entities now comprising the Group were under the common control of the Controlling Shareholders before and after the Reorganisation. The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the condensed consolidated financial statements for the nine months ended 30 September 2017 have been prepared to include the results of the entities now comprising the Group as if the group structure upon the completion of the Reorganisation had been in existence throughout the period, or since the date when the subsidiaries first came under the common control of the Controlling Shareholders, or since their respective dates of incorporation, where this is a shorter period.

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 combined financial statements for the year ended 31 December 2016, 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 Hong Kong 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 combined financial statements for the year ended 31 December 2016.

All IFRSs effective for the accounting period commencing from 1 January 2017, 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 have been prepared on the historical cost basis. The condensed consolidated financial statements are presented in Singapore dollars (“S\$” or “\$”) which is same as the Company’s functional currency except when otherwise indicated.

### **3. SEGMENT INFORMATION**

The Group’s operating activities are attributable to a single operating segment focusing on provision of dermatology treatment solutions, specialised in skin cancer, skin diseases and aesthetic procedures, to customers in Singapore. The major categories of the Group’s operating activities include consultation services, prescription and dispensing services and 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 2017, the Group’s revenue, operating expenses, assets and liabilities are mainly derived from the Group’s operations in Singapore.

As at 30 September 2017, the Group’s non-current assets were mainly located in Singapore.

#### 4. REVENUE

For the nine months ended 30 September 2017

	Nine months ended 30 September	
	2017 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)
<b>Revenue</b>		
Consultation services	1,328	1,175
Prescription and dispensing services	1,420	1,284
Treatment services	2,096	1,874
Other services	379	311
	<b>5,223</b>	<b>4,644</b>

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

#### 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

For the nine months ended 30 September 2017

	Nine months ended 30 September	
	2017 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)
Employee benefits expense		
– Directors' remunerations	(433)	(433)
– Other staff costs	(500)	(267)
Other operating expenses		
– Operating lease expenses	(261)	(271)



## 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% (2016: 17%) on the chargeable income arising in Singapore during the period after offsetting non-deductible expenses and listing expenses.

	Nine months ended 30 September	
	2017 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)
Income tax expense comprises Singapore corporate income tax	305	304

## 7. EARNINGS PER SHARE

For the nine months ended 30 September 2017

	Nine months ended 30 September	
	2017 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)
Earnings		
Profit for the period attributable to the owners of the Company for the purpose of calculation of basic and diluted earnings per share	400	2,187
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings per share	446,209	450,000

The number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined on the assumption that the reorganisation and the capitalisation issue had been effective on 1 January 2016.

## 8. DIVIDENDS

The Board does not recommend the payment of dividend for the nine months ended 30 September 2017 (nine months ended 30 September 2016: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's overall unaudited revenue amounted to approximately S\$5,223,000 for the nine months ended 30 September 2017, representing an increase of approximately S\$579,000 or 12.5% as compared with the unaudited revenue of S\$4,644,000 for the nine months ended 30 September 2016.

We provide an all-round treatment solution that is tailored to our patients' individual needs in the field of dermatology. These are achieved through our provision of personalised services in consultation services, prescription and dispensing services, treatment services and other services. The increase in revenue for the nine months ended 30 September 2017 was mainly attributable to the resident doctor who joined the Group and started to render services in March 2017.

Revenue increase is seen in all 4 services provided as follows:

Revenue from consultation services was increased by S\$153,000 from S\$1,175,000 to S\$1,328,000 for the nine months ended 30 September in 2016 and 2017 respectively. With an increase in our number of patient visits for consultations services from 11,578 to 13,178 for the nine months ended 30 September in 2016 and 2017 respectively, we recorded a 13.8% growth in the total number of visits by our patients.

Revenue from prescription and dispensing services was also increased by S\$136,000 from S\$1,284,000 to S\$1,420,000 for the nine months ended 30 September in 2016 and 2017 respectively. The increase is in relation also with the increase in patient visits from consultation services in the same period.

Revenue from treatment services was increased by S\$222,000 from S\$1,874,000 to S\$2,096,000 for the nine months ended 30 September in 2016 and 2017 respectively. The increase in revenue from treatment services was due mainly to the increase in excision, which increased from approximately S\$560,000 to approximately S\$677,000 for the nine months ended 30 September in 2016 and 2017 respectively.

Revenue from other services was increased by S\$68,000 from S\$311,000 to S\$379,000 for the nine months ended 30 September in 2016 and 2017 respectively. The increase in revenue from other services was mainly due to higher income generated from laboratory tests conducted on patients during treatments.

Overall, the private dermatology specialty clinics market in Singapore is expected to continue to grow steadily extending to the next 5 years, hence, our Group has recorded higher revenue for the nine months ended 30 September 2017 as compared to the corresponding period in 2016.

### **Other income and gains**

Other income for the nine months ended 30 September in 2016 and 2017 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 financial year and other miscellaneous income. Base on the latest publish information from IRAS, the above grant policy will expire by the end of year 2017.

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

Our consumables and medical supplies used amounted to S\$669,000 and S\$686,000 for the nine months ended 30 September in 2016 and 2017 respectively. The increase is 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 use and our procurement costs. The amount of medication and consumables we use is primarily driven by the number of patients’ 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 blood, urine, and other testing services for our patients.

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

## Employee benefits expense

	Nine months ended 30 September	
	2017 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)
Directors' remunerations	433	433
Other staff costs	500	267
Employee benefits expense	933	700

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 higher headcounts in 2017 especially with hiring of one additional resident doctor in March 2017 and chief finance officer recruited in October 2016.

Our total staff count for employees (including part time staff), excluding our doctors, at the end of the respective periods is as follow:

	<b>Nine months ended 30 September</b>	
	<b>2017</b>	2016
	<b>S\$'000</b>	S\$'000
	<b>(Unaudited)</b>	(Unaudited)
Total staff count	<b>24</b>	17

### **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 surgical laser system installed at our Clinics;
- (b) computer and office equipment at our various premises leased/used for our operations; and
- (c) leasehold improvements in relation to the leased premises for use in 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 comprise rental and property upkeep, administrative fees, professional fees and other expenses.

The other operating expenses for the nine months ended 30 September 2017 increased by approximately S\$187,000 or 27.9% from approximately S\$671,000 for the nine months ended 30 September 2016 to approximately S\$858,000 for the nine months ended 30 September 2017.

	Nine months ended 30 September	
	2017 S\$'000 (Unaudited)	2016 S\$'000 (Unaudited)
Operating lease expenses	(261)	(271)
Administrative fees	(170)	(105)
Professional fees	(235)	(170)
Other expenses	(192)	(125)
<b>Other operating expenses</b>	<b>(858)</b>	<b>(671)</b>

The increase was primarily due to higher administrative fees of S\$65,000 which is in line with increase in revenue which are consistent over the periods at approximately 3.0% to 4.0% of our total revenue.

The higher professional fees (increase of S\$65,000) relate to fees incurred for audit, legal, compliance advisers, financial printers and share registrar.

The other expenses comprise primarily card charges, clinic supplies, repairs and maintenance, insurance and other miscellaneous expenses. The increase is mainly expected from the increase of card charges which are approximately 1.3% of revenue across periods and from other miscellaneous expenses in line with increase in revenue.

## **Finance costs**

Finance costs increased by approximately S\$10,000 from approximately S\$6,000 for the nine months ended 30 September 2016 to approximately S\$16,000 for the nine months ended 30 September 2017 mainly as a result of higher hire purchase interests from the Group's early redemption of hire purchases. Our Group did not have any bank borrowings, new finance lease liabilities, or new interest bearing liabilities for the nine months ended 30 September 2017. The Group settled the remaining obligations under finance leases for medical equipment in September 2017.

## **Listing expenses**

During the nine months ended 30 September 2017, the Group recognised non-recurring listing expenses of S\$1,811,000 as expenses in connection with the listing.

## **Profit for the period**

Due to the combined effect of the aforesaid factors, we recorded the unaudited profit for the period of approximately S\$400,000 for the nine months ended 30 September 2017, representing a decrease of approximately S\$1,787,000 as compared to the unaudited profit for the nine months ended 30 September 2016, largely due to listing expenses incurred S\$1,811,000. Excluding which, profit for the nine months ended 30 September 2017 would be S\$2,211,000 which had a slight increase over the same period for 2016.

Our financial performance for the year ending 31 December 2017 is expected to be adversely affected by the listing expenses to be charged to our combined statements of profit or loss to a material extent.

## BUSINESS REVIEW AND OUTLOOK

The Group is a leading specialist dermatological and surgical practice accredited by the Ministry of Health of Singapore in Singapore. We provide 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. Our private dermatology practice comprises primarily doctors, and trained personnel with specialised skill sets equipped to handle complex dermatological conditions. The Group is a medical and surgical service provider for different customer groups in the field of dermatology. We provide an all-round treatment solution that is tailored to our patients' individual needs. Services are provided to our patients for the treatment of, among others, skin cancer, skin diseases such as eczema, psoriasis, acne, pigmentation, adverse drug reactions and warts. We also perform aesthetic treatments to enhance the overall appearance of patients.

The Shares were successfully listed on GEM on 13 October 2017 (the "Listing") by way of share offer, at the offer price of HK\$0.48 per Share (the "Share Offer"). The amount of the net proceeds from the Share Offer received by the Company was approximately HK\$46.4 million. The Directors believe that the Listing would facilitate the implementation of our business strategies. Moving forward, with the additional capital raised from the Share Offer, the Group will pursue the following key business strategies: (i) strategically expand and strengthen our network of clinics in Singapore; (ii) enhance the quality and variety of our Services at our existing clinics and establish new medical aesthetic clinics; (iii) purchase additional new devices and broaden the variety of treatments and products offered; (iv) establish a logistics centre for centralised operations; and (v) improve our information technology infrastructure and systems.

Going forward, we will continue to consolidate our position in the market and focus on the treatment services to achieve a continued growth in our business. Nonetheless, the Group has always evolved to stay distinctive and relevant, moving with the times and adapting to the change of economic conditions in order to defend our market position and maintain our competitive edge. The outlook in the next quarter for the Group looks to be on track and would continue to grow in tandem with our expansion plan.



## 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

Immediately following completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme (as defined below), 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 SFO) which, once the Shares are listed, 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, will be as follows:

Name of Director	Capacity/ nature of interest	Number of Shares	Approximate percentage of interest in our Company
Dr. Loh	Interest in controlled corporation <sup>(Note 1)</sup>	405,000,000 (long position)	67.5%
Dr. Ee	Interest in controlled corporation <sup>(Note 2)</sup>	405,000,000 (long position)	67.5%
Dr. Kwah	Interest in controlled corporation <sup>(Note 3)</sup>	405,000,000 (long position)	67.5%

Notes:

- (1) The 405,000,000 shares are held by Brisk Success. As Brisk Success is beneficially owned by Dr. Loh as to 33.33% and he was acting in concert with Dr. Ee and Dr. Kwah as to approximately 33.33% each, Dr. Loh is deemed to be interested in the Shares held by Brisk Success under the SFO.

- (2) The 405,000,000 shares are held by Brisk Success. As Brisk Success is beneficially owned by Dr. Ee as to 33.33% and he was acting in concert with Dr. Loh and Dr. Kwah as to approximately 33.33% each, Dr. Ee is deemed to be interested in the Shares held by Brisk Success under the SFO.
- (3) The 405,000,000 shares are held by Brisk Success. As Brisk Success is beneficially owned by Dr. Kwah as to 33.33% and he was acting in concert with Dr. Loh and Dr. Ee as to approximately 33.33% each, Dr. Kwah is 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

Immediately following completion of the Capitalisation Issue and the Share Offer and taking into account of any Shares which may be issued upon the exercise of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, so far as it is known to the Directors, the following person, not being a Director or chief executive of our Company, will have 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 10% 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	Approximate percentage of interest in our Company
Brisk Success	Beneficial owner <sup>(Note 1)</sup>	405,000,000	67.5%
Ms. Fung Yuen Yee	Interest of spouse <sup>(Note 2)</sup>	405,000,000	67.5%
Ms. Chou Mei	Interest of spouse <sup>(Note 3)</sup>	405,000,000	67.5%
Ms. Grace Lim Wen Li	Interest of spouse <sup>(Note 4)</sup>	405,000,000	67.5%
Magic Wave Holdings Limited	Beneficial Owner	45,000,000	7.5%
Dr. Wong Chun YU <sup>(Note 5)</sup>	Interested in controlled corporation	45,000,000	7.5%
Ms. Wong Oi Yee Amy <sup>(Note 5)</sup>	Interested of spouse	45,000,000	7.5%

*Notes:*

1. 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 405,000,000 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.
2. 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.
3. 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.
4. 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.
5. Magic Wave Holdings Limited is wholly-owned by Dr. Wong Chun Yu and he is therefore deemed to be interested in the Shares held by Magic Wave Holdings Limited. Ms. Wong Oi Yee Amy, being the spouse of Dr. Wong Chun Yu, is deemed to be interested in all the Shares that Dr. Wong Chun Yu is interested in pursuant to the SFO.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS**

During the period under review, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interests in any businesses which competed with or might compete with the business of the Group.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme, which was approved by written resolutions passed by all the shareholders of the Company on 22 September 2017 (the "share option scheme"). During the period from 22 September 2017 to the date of this report, no share options were granted by the Company.

## **INTEREST OF THE COMPLIANCE ADVISER**

As notified by the compliance adviser of the Company, Red Solar Capital Limited, as at 30 September 2017, 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 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.

## **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 period under review.

## **DIVIDENDS**

The Directors do not recommend the payment of dividend for the nine months ended 30 September 2017.

## **AUDIT COMMITTEE**

The Group established an audit committee (the "Audit Committee") on 22 September 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Ong Kian Guan, Mr. Wong Siu Ki and Mr. Cheung Kiu Cho Vincent. Mr. Ong Kian Guan with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting process, internal control and risk management systems, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the unaudited consolidated results of the Group for the nine months ended 30 September 2017 and has provided advice and comments thereon.

By order of the Board  
**RMH Holdings Limited**  
**Dr. Loh Teck Hiong**  
*Chairman*

Hong Kong, 14 November 2017

*As at the date of this report, 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. Wong Siu Ki and Mr. Cheung Kiu Cho Vincent.*