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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
FORMATION OF A JOINT VENTURE COMPANY**

THE JOINT VENTURE AGREEMENT

The Board of RMH Holdings Limited hereby announces that 20 March 2020, RMH (Hong Kong), a direct wholly-owned subsidiary of the Company, Ms. Tse and Mr. Xie entered into the Joint Venture Agreement pursuant to which the Parties have agreed to set up the JV Company with a registered capital of HK\$30 million and each of RMH (Hong Kong), Ms. Tse and Mr. Xie has agreed to contribute to the registered capital of the JV Company at HK\$15.3 million, HK\$13.2 million and HK\$1.5 million, respectively. RMH (Hong Kong), Ms. Tse and Mr. Xie will own 51%, 44% and 5% of the equity interests of the JV Company, respectively. Upon establishment of the JV Company, it will be recognized as a joint venture company of the Group and its financial results, assets and liabilities will not be consolidated into the accounts of the Group.

The principal terms of the Joint Venture Agreement are summarized below:

Date: 20 March 2020 (after trading hours)

Parties: (i) RMH (Hong Kong), a direct wholly-owned subsidiary of the Company;
(ii) Ms. Tse; and
(iii) Mr. Xie

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of Ms. Tse and Mr. Xie is a third party independent of and not connected with the Company and its connected persons.

Business of the JV Company

The JV Company will be principally engaged in the provision of multi-disciplinary specialist consultation and treatment including a day surgery and endoscopy unit to local and overseas patients.

Registered capital and capital contribution of the JV Company

The Parties agreed to establish the JV Company with a registered capital of HK\$30 million and RMH (Hong Kong), Ms. Tse and Mr. Xie have agreed to contribute to the registered capital of the JV Company at HK\$15.3 million, HK\$13.2 million and HK\$1.5 million, respectively. Details of the capital contributions of the Parties are as follows:

Parties	Capital contribution	% of equity interest in the JV Company
RMH (Hong Kong)	HK\$15.3 million	51%
Ms. Tse	HK\$13.2 million	44%
Mr. Xie	HK\$1.5 million	5%
Total	<u>HK\$30.0 million</u>	<u>100%</u>

The amount of capital contribution by RMH (Hong Kong) is arrived at arm's length negotiations between the Parties with reference to, among others, the projected capital requirement of the JV Company and the percentage of equity interests held by RMH (Hong Kong) in the JV Company. The capital contribution made by RMH (Hong Kong) will be funded by internal resources of the Group.

Conditions precedent

The transaction contemplated under the Joint Venture Agreement is not subject to any condition.

Management of the JV Company

The board of directors of the JV Company shall comprise two directors, one of whom will be appointed by RMH (Hong Kong) and the remaining one director will be appointed by Ms. Tse.

INFORMATION ABOUT THE GROUP AND THE PARTIES

The Group

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.

RMH (Hong Kong)

RMH (Hong Kong) a limited liability company incorporated in Hong Kong under the Companies Ordinance and a direct wholly-owned subsidiary of the Company. RMH (Hong Kong) is principally engaged in provision of medical aesthetic service and sale of skin care products.

Ms. Tse

Ms. Tse is a third party independent of the Company and its connected persons.

Mr. Xie

Mr. Xie is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JV COMPANY

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 formation of JV Company with Ms. Tse and Mr. Xie represents a good opportunity for the Company to diversify its business portfolio into a new business, without having directly involved in the operation of the Company.

The Directors are of the view that the Joint Venture Agreement was entered into after arm's length negotiations and on normal commercial terms and the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

IMPLICATIONS OF THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as set out in Rule 19.07 of the GEM Listing Rules) in respect of the formation of the JV Company exceeds 5% but is less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings below in this announcement:

“Board”	the board of Directors of the Company;
“Company”	RMH Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed and traded on GEM of the Stock Exchange (Stock code: 8437);
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;

“Group”	the Company, its subsidiaries and its consolidated affiliated entities 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;
“Joint Venture Agreement”	the joint venture agreement dated 20 March 2020 entered into between RMH (Hong Kong), Ms. Tse and Mr. Xie in relation to the formation of the JV Company;
“JV Company”	Queen’s Road Medical Company Limited (皇仁醫療有限公司), a limited liability company established by the Parties pursuant to the Joint Venture Agreement;
“Parties”	collectively, RMH (Hong Kong), Ms. Tse and Mr. Xie;
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“RMH (Hong Kong)”	RMH (Hong Kong) Holdings Limited (德斯(香港)控股有限公司), a limited liability company incorporated in Hong Kong under the Companies Ordinance and a direct wholly-owned subsidiary of the Company as at the date of this announcement;
“Share(s)”	the ordinary shares of the Company;
“Shareholder(s)”	holder(s) of Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary/(ies)”	has the meaning ascribed to it under the GEM Listing Rules;
“Ms. Tse”	Ms. Tse Yi Kit Gigi;

“Mr. Xie”

Mr. Tom Xie; and

“%”

per cent.

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

Hong Kong, 20 March 2020

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

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 the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at <https://www.rmholdings.com.sg>.