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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of RMH Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (the “**2022 Annual Report**”). Unless otherwise defined, the capitalised terms used herein shall have the same meanings as those set out in the 2022 Annual Report.

The Board would like to provide additional information in relation to (i) the rights issue completed on 21 March 2022 (the “**Rights Issue**”); (ii) the placing of new shares of the Company under the general mandate on 18 October 2021 (the “**Placing**”); (iii) the net proceeds from the listing of the shares of the Company (the “**Shares**”) with effect from 13 October 2017 by way of share offer (the “**Listing**”); and (iv) the share option scheme adopted by the Board on 22 September 2017 (the “**Share Option Scheme**”) pursuant to the disclosure requirements of the GEM Listing Rules as follows:

RIGHTS ISSUE

The Company would like to supplement the following information in relation to the Rights Issue in the 2022 Annual Report:

The purpose of the Rights Issue was to raise funds for the general working capital of the Group and other intended uses of the net proceeds, including potential development plan of the aesthetic medicine business in the PRC, medical imaging business and dental services related business, repayment of part of the outstanding debt of the Company and purchase of equipment and products in aesthetic medicine.

The Company issued a total of 432,000,000 Shares with the nominal value of HK\$0.01 each at the subscription price of HK\$0.10 per rights Share as a result of the Rights Issue. The net price per rights Share was approximately HK\$0.095. The subscription price represents a premium of approximately 4.17% over the closing price of HK\$0.096 per Share as quoted on the Stock Exchange on 21 February 2022, being the latest practicable date prior to the printing of the prospectus of the Rights Issue.

The gross proceeds from the Rights Issue are approximately HK\$43.2 million and the net proceeds from the Rights Issue, after deducting the underwriting commission and all other relevant expenses for the Rights Issue, are estimated to be approximately HK\$41.0 million (the “**Net Proceeds**”). As at 31 December 2022, the Company had fully utilised the Net Proceeds. The Board had resolved to change certain uses of the Net Proceeds and had utilised the Net Proceeds as follows:

Intended use of the Net Proceeds	Planned amount of the Net Proceeds <i>HK\$ million</i>	Utilised Net Proceeds up to 30 June 2022 <i>HK\$ million</i>	Utilised Net Proceeds up to 31 December 2022 <i>HK\$ million</i>	<i>Note</i>
General working capital of the Group	12.3	1.89	8.79	1, 2
Potential development plan of the (i) aesthetic medicine business in PRC; (ii) medical imaging business; and (iii) dental services related business	16.4	3.0	3.0	3
Repayment of part of the outstanding debt of the Group	8.2	2.45	2.45	2
Purchase of equipment and products in aesthetic medicine	4.1	4.1	4.1	
Short-term investments	—	9.26	9.26	1
Aesthetic business in Hong Kong	—	13.4	13.4	3
	<u>41.0</u>	<u>34.1</u>	<u>41.0</u>	

Notes:

1. The Board had resolved to utilise and had utilised HK\$9.26 million of the Net Proceeds which was originally intended to be used as general working capital for short-term investments temporarily in March 2022. Such change in use of the Net Proceed was also disclosed in note 1 at page 54 of the 2022 interim report of the Company.
2. The Board had resolved to utilise and had utilised HK\$5.75 million of the Net Proceeds which were originally intended to be used for repayment of part of the outstanding debt of some of the subsidiaries of the Company as general working capital of the Group during the period from July to December 2022. The reason for the said change is that the relevant subsidiaries have been placed under judicial management or provisional liquidation.

3. The Board had resolved to utilise and had utilised HK\$13.4 million of the Net Proceeds which was originally intended to be used for potential development plan of the (i) aesthetic medicine business in PRC; (ii) medical imaging business; and (iii) dental services related business for aesthetic business in Hong Kong during the period from April to June 2022.
4. The Board considered the aforesaid changes of use of the Net Proceeds to be fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

PLACING

The Company would like to supplement the following information in relation to the Placing in the 2022 Annual Report:

The net proceeds from the Placing after deducting the underwriting fees and commissions and other relevant fees and expenses, amounted to approximately HK\$19.1 million. Up to 31 December 2022, the Group had used the net proceeds from the Placing as follows:

Intended use of the Net Proceeds	Planned use of the Net Proceeds	Utilised Net Proceeds up to 31 December 2021	Utilised Net Proceeds up to 31 December 2022
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
General working capital	5.7	5.7	5.7
Potential investments	5.7	5.0	5.7
Purchase of equipment and products in aesthetic, regenerative and imaging medicine	7.7	0.9	7.7
Total	19.1	11.6	19.1

LISTING

The Company would like to supplement the following information in relation to the Listing in the 2022 Annual Report:

The net proceeds from the Listing after deducting the underwriting fees and commissions and other relevant fees and expenses, amounted to approximately HK\$44.7 million. Up to 31 December 2022, the Group had used the net proceeds from the Listing as follows:

Intended use of the net proceeds	Planned use of the net proceeds HK\$ million	Utilised net proceeds up to 31 December 2021 HK\$ million	Utilised net proceeds up to 31 December 2022 HK\$ million
Strategically expand and strengthen our network of clinics in Singapore	3.2	3.2	3.2
Enhance the quality and variety of our Services at our existing Clinics and establish new medical aesthetic clinics	13.6	13.6	13.6
Purchase additional new devices and broaden the variety of treatments and products offered	9.6	4.3	9.6
Improve our information technology infrastructure and systems	1.1	1.1	1.1
General working capital	9.5	9.5	9.5
Strategically expand and strengthen our network of clinics outside Singapore	5.0	5.0	5.0
Strategically invest in MedTech and digital healthcare to create synergy to our current businesses	1.8	1.8	1.8
Development of innovative products to create a new business that have synergy with our current business	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>
Total	<u><u>44.7</u></u>	<u><u>39.4</u></u>	<u><u>44.7</u></u>

SHARE OPTION SCHEME

The Company would like to supplement the following information in the table set forth on page 21 of the 2022 Annual Report:

The closing price of the Shares immediately before the date on which the options were granted to the grantees, namely Mr. He Weiqing, Mr. Lee Chung Shun, Mr. Yang Zhangxin, Mr. Luo Honghui and the relevant employees of the Company (collectively, the “**Grantees**”), (i.e. 28 September 2022) was HK\$0.105 per Share.

The weighted average closing price of the Shares immediately before the date on which the options were exercised by Mr. He Weiqing, Mr. Lee Chung Shun and the relevant employees of the Company (i.e. 11 January 2023) was HK\$0.074 per Share.

As at 1 January 2022 and 31 December 2022, the number of options available for grant under the Share Option Scheme was 60,000,000 and nil, respectively.

SUSPENSION OF TRADING

At the direction of the Stock Exchange, trading in the shares of the Company 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 shares or other securities of the Company.

By order of the Board
RMH Holdings Limited
Yang Zhangxin
Co-Chairman

Hong Kong, 17 August 2023

As at the date of this announcement, the executive Directors are Mr. Yang Zhangxin, Mr. Cui Han and Mr. Lee Chung Shun; and the independent non-executive Directors are Mr. Liu Fei, Mr. Luo Honghui, Ms. Li Yin Fai and Mr. Loke Wai Ming.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest 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>.