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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)

(1) QUARTERLY UPDATE ON STATUS OF RESUMPTION AND

(2) CONTINUED SUSPENSION OF TRADING

This announcement is made by RMH Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company (the “**Announcements**”) dated (i) 28 April 2023 in relation to the resumption guidance; (ii) 12 May 2023 in relation to delay in publication of the 2023 First Quarterly Results and delay in despatch of the 2023 First Quarterly Report; (iii) 25 May 2023, 21 November 2023 and 4 January 2024 in relation to the additional resumption guidance; (iv) 2 July 2023, 5 October 2023 and 5 January 2024 in relation to the quarterly update on status of resumption; (v) 11 August 2023 in relation to, the delay in publication of the 2023 Interim Results and delay in despatch of the 2023 Interim Report; (vi) 14 November 2023 in relation to delay in publication of the 2023 Third Quarterly Results and delay in despatch of the 2023 Third Quarterly Report; and (vii) 22 March 2024 in relation to the 2023 First Quarterly Results, 2023 Interim Results and 2023 Third Quarterly Results. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 28 April 2023, the Company received from the Stock Exchange the following Resumption Guidance:

- (i) address the issues giving rise to the Disclaimer of Opinion on the Company’s financial statements for the year ended 31 December 2022 expressed by the Company’s auditor, CL Partners CPA Limited in the Company’s 2022 annual results announcement dated 31 March 2023, provide comfort that the Disclaimer of Opinion would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 17.49B of the GEM Listing Rules;
- (ii) demonstrate its compliance with Rule 17.26 of the GEM Listing Rules;

- (iii) conduct an appropriate independent investigation into the Issues, announce the findings and take appropriate remedial actions;
- (iv) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (v) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules; and
- (vi) announce all material information for the Company's shareholders and investors to appraise its position.

As disclosed in the announcements of the Company dated 25 May 2023, 21 November 2023 and 4 January 2024, the Company received from the Stock Exchange the following additional resumption guidance ("**Additional Resumption Guidance**", together with the Resumption Guidance, "**All Resumption Guidance**"):

- (vii) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications.
- (viii) re-comply with Rules 5.05, 5.28 and 5.36A of the GEM Listing Rules.
- (ix) re-comply with Rules 5.05A, 5.34 and 17.104 of the GEM Listing Rules.

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 12 months. In the case of the Company, the 12-month period expires on 2 April 2024. If the Company fails to remedy the substantive issues causing its trading suspension, fulfill the resumption guidance and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 2 April 2024, the Listing Division will recommend the GEM Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 9.14 and 9.15 of the GEM Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate. On 30 March 2024, the Company submitted a resumption proposal to the Stock Exchange and is now pending the feedback from the Stock Exchange.

UPDATES ON BUSINESS OPERATION

The Company is an investment company and the Group is principally engaged in providing dental services and trading sales. Since the suspension of trading in the Company's shares from 2 April 2023 and up to the date of this announcement, the Group has continued its normal business operations and there has been no major change on the business operations of the Group.

The Company will make announcement(s) to update its shareholders and investors regarding the major development of the business operations of the Group as and when appropriate.

THE EXPECTED TIMELINE IN FULFILLING THE RESUMPTION GUIDANCE

The Company would like to provide the following information to the shareholders and potential investors in relation to the Company’s resumption plan and the expected timetable towards fulfillment of All Resumption Guidance set by the Stock Exchange.

Resumption Guidance	Expected Timeline
<p>(i) publish all outstanding financial results requirement under the GEM Listing Rules and address the issues giving rise to the Disclaimer of Opinion on the Company’s financial statements for the year ended 31 December 2022 expressed by the Company’s auditor, CL Partners CPA Limited in the Company’s 2022 annual results announcement dated 31 March 2023, provide comfort that the Disclaimer of Opinion would no longer be required and disclose sufficient information to enable investors to make an informed assessment of its financial positions as required under Rule 17.49B of the GEM Listing Rules</p>	<p>The Company has published (i) the first quarterly results announcement for the three months ended 31 March 2023; (ii) the interim results announcement for the six months ended 30 June 2023, which has been 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; (iii) the third quarterly results announcement for the nine months ended 30 September 2023 on 22 March 2024; and (iv) the annual results announcement for the year ended 31 December 2023 on 9 April 2024.</p> <p>Other than the going concern issue disclosed in the 2023 Annual Results, there is no other disclaimer opinion. Based on the above, the Board is of the view that the Company has fulfilled this Resumption Condition.</p>
<p>(ii) demonstrate its compliance with Rule 17.26 of the GEM Listing Rules</p>	<p>Going forward, the Company will continue to exert its best efforts in developing its three core business segments, namely the provision of clinical healthcare, aesthetic dermatology and treatment service in Hong Kong, the dental business in the PRC and trading business of the Group. For the financial information of each business segments of the Group, please refer to the 2023 Annual Results.</p> <p>The board of directors of the Company (the “Board”) is of the view that the Company is carrying on businesses with sufficient level of operations to support its operations to warrant the continued listing of the Company’s shares and accordingly has fulfilled this Resumption Condition.</p>

Resumption Guidance	Expected Timeline
<p>(iii) conduct an appropriate independent investigation into the Issues, announce the findings and take appropriate remedial actions;</p>	<p>The Company has engaged Pan-China Enterprise Risk Management Consulting Limited to conduct an independent investigation into the Issues.</p> <p>With respect to the Issue 1, the key findings of the investigation are (i) there were two minutes pertaining to authorising and instructing Dr. Loh Teck Hiong (“Dr. Loh”) to sign the Corporate Guarantees on 17 April 2020. However, these minutes did not include the specific information about the meetings, such as the entities intended to be covered by the guarantees, the loan(s) intended to be covered by the guarantees, the intended use of loan proceeds, and so on; (ii) in relation to the banking facility letters issued by two banks (the “Facilities”), extracts of resolutions passed by the Board dated 30 April 2020 were certified by both Dr. Loh and Dr. Melvin Ee Hock Leong (“Dr. Ee”) while extracts of resolutions passed by the Board on 20 August 2020 were certified by Dr. Loh and another director, Seow Swee How. The investigation consultant has been advised by Dr. Loh that the Corporate Guarantees have been approved by Dr. Loh, Dr. Ee and Dr. Raymond Kwah Yuen Chien and the intended use of loan proceeds was for working capital of a Singapore subsidiary. However, given that these transactions took place several years ago, Dr. Loh could not recall all the details of the meetings, such as whether emails were sent to other directors to inform them about the corporate guarantee.</p> <p>Despite the investigation findings may not be adequate due to the transactions (i) took place several years ago; and (ii) was conducted by the previous management of the Company and all of which are no longer remain in the current new management of the Company, the Company would like to submit that, in addition to the Corporate Guarantees, the Facilities are secured by personal guarantees provided by Dr. Loh and Dr. Loh has agreed to settle the Facilities by his own personal resources and he agrees not to claim or take any action against the Group for recourse, conditional upon (i) a successful resumption of trading of the shares of the Company on GEM; (ii) issue and allotment of new shares of the Company as consideration, amounting to no less than 10% of the total issued share capital of the Company; and (iii) right to appoint a Director and as such the Company will not have any further liability or obligation whatsoever under the Corporate Guarantees. Taking in to account the above, the Company is of the view that the Issue 1 will be resolved upon the fulfillments of the conditions proposed by Dr. Loh. In order to prevent the reoccurrence of similar incident in the future, the Company will use its best endeavours to enhance its internal control and to ensure that it has adequate internal controls and procedures in place to meet its obligations under the GEM Listing Rules.</p>

Resumption Guidance	Expected Timeline
	<p>With respect to the Issue 2, the key finding of the investigation is that based on inquiries with Dr. Loh, Ms. Ang Shally, Mr. He Weiqing and Mr. Hugo Ho Yuk Ming, it remains unclear who placed the covenant page of the Deed of Undertaking, which bore the name of Dr. Loh and the name of Ms. Shally as witness. However, the Company would like to submit that the Deed of Undertaking was solely for the purpose of facilitating the completion of the transaction in relation to disposal of 51% equity interest and shareholder's loan in QR Medical (the "Transaction") back in 2022 and the Transaction had already fell through as disclosed in the announcement of the Company dated 25 October 2022. As disclosed in the announcement of the Company dated 21 March 2024, QR Medical has been accounted for as a subsidiary of the Group and the financial results, assets and liability of QR Medical will be consolidated into the financial statements of the Group upon the entering into of a shareholders' agreement. Taking into account the above, the Company is of the view that the Issue 2 will not have any material adverse effect on the business operation and financial position of the Group.</p>
<p>(iv) demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence</p>	<p>The composition of the Board now consists of Mr. Poon Chun Yin (chairman), Mr. Loke Wai Ming, Mr. Lee Chung Shun and Mr. Cui Han as executive Directors and Mr. Chau Wing Nam, Mr. Yeung Pok Man Peason, Mr. Cheung Tsu Lun and Ms. Chong Wai Shan as independent non-executive Directors, which has substantially changed since the suspension of trading in the shares of the Company on the Stock Exchange on 3 April 2023 (the "Suspension"). Mr. Lee Chung Shun and Mr. Cui Han are the only two Directors, who were also the Directors before the Suspension.</p> <p>Based on the above, the Company considers that there shall not be any regulatory concern about the management integrity of the Company and the Company has fulfilled this Resumption Condition.</p>
<p>(v) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules</p>	<p>The Company has engaged Pan-China Enterprise Risk Management Consulting Limited to conduct an independent internal control review.</p> <p>The internal control consultant has conducted first stage of internal control review to perform walkthrough between 26 January 2024 to 1 March 2024 and second stage of internal review to conduct test of control between 1 March 2024 to 28 March 2024 and will continue to conduct final stage of internal control review.</p> <p>The management of the Company will continue to work with the internal control consultant to complete the internal control review and will use its best endeavours to adopt the recommendations from the internal control consultant and perform the management action plans as recommended by the internal control consultant so as to enhance its internal control and to ensure that it has adequate internal controls and procedures in place to meet its obligations under the GEM Listing Rules.</p>

Resumption Guidance	Expected Timeline
(vi) announce all material information for the Company's shareholders and investors to appraise its position	<p>Since the Suspension, the Company has been keeping its shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange in accordance with the GEM Listing Rules.</p> <p>The Company will continue to keep its shareholders and potential investors abreast of the material developments by making further announcement(s) as and when appropriate and in accordance with the GEM Listing Rules.</p>
(vii) re-comply with Rules 5.05, 5.05A, 5.28, 5.34 and 17.104 of the GEM Listing Rules	<p>The Company has issued an announcement on 21 March 2024 in relation to the appointment of independent non-executive directors of the Company. Following the appointment of the requisite number of independent non-executive directors of the Company, the Company has re-complied with the requirements under Rules 5.05, 5.05A, 5.28, 5.34 and 5.36A of the GEM Listing Rules.</p> <p>The Company has issued an announcement on 27 March 2024 in relation to the appointment of Ms. Chong Wai Shan as independent non-executive director of the Company. Following the appointment of Ms. Chong Wai Shan, the Company has recompiled with the requirement under Rule 17.104 of the GEM Listing Rules.</p> <p>Based on the above, the Board is of the view that the Company has fulfilled this Resumption Condition.</p>

The Company has submitted a resumption proposal to the Stock Exchange on 30 March 2024 and will continue to liaise with the Stock Exchange in relation to the resumption of trading in the shares of the Company. Further announcement(s) will be made by the Company to update its shareholders and potential investors regarding the major development of the resumption of trading in the shares of the Company as and when appropriate.

CONTINUED 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 securities of the Company.

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

Hong Kong, 9 April 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, Mr. Cheung Tsu Lun and Ms. Chong Wai Shan.

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.