
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **RMH Holdings Limited**, you should at once hand this Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

A copy of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "13. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "Warning of the Risks of Dealing in the Shares and Nil-paid Rights Shares" in the "Letter from the Board" in this Prospectus.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

The securities described in this Prospectus have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this Prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners, agents, custodians, nominees and trustees) into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil paid Rights Shares or Rights Shares or to take up any entitlements to the nil paid Rights Shares or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

RMH HOLDINGS LIMITED 德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8437)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

Financial adviser to the Company



Silverbricks Securities Company Limited

Underwriter of the Rights Issue



Silverbricks Securities Company Limited

Capitalised terms used in this cover shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus, unless otherwise stated.

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares is 4:00 p.m. on Friday, 11 March 2022. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 20 to 28 in the section headed "Letter from the Board – PROCEDURES FOR ACCEPTANCE AND PAYMENT OR TRANSFER" of this Prospectus.

It should be noted that the Rights Issue is underwritten on a best effort basis and that in the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly. Pursuant to the Company's constitutional documents and the Companies Law, there are no requirements for minimum levels of subscription in respect of the Rights Issue.

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Wednesday, 16 February 2022. The Rights Shares in their nil-paid form will be dealt in from Tuesday, 1 March 2022 to Tuesday, 8 March 2022 (both days inclusive). If prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if any of the other conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" contained in the "Letter from the Board" in this Prospectus is not fulfilled or waived (as appropriate), the Rights Issue will not proceed. If the Underwriter terminates or rescinds the Underwriting Agreement, the Rights Issue will not proceed.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (or waived (as appropriate)) and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser(s).

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These certain events are set out in the section headed "Termination of the Underwriting Agreement" on pages 7 to 9 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

25 February 2022

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acceptance Date”	11 March 2022, being the last date for acceptance of, and payment for, the Rights Shares
“Announcement”	the announcement of the Company dated 19 January 2022, in relation to, among other things, the Rights Issue and the Underwriting Agreement
“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the register of members of the Company in the name of a Registered Shareholder
“Board”	the board of Directors
“Business Day”	means a day (other than Saturday, Sunday, public holiday and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted or in effect in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted by HKSCC to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted by HKSCC to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“CCASS Participant”	a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant

DEFINITIONS

“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including its amendments from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	RMH Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8437)
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Despatch Date”	25 February 2022, being the expected date of despatch of the Prospectus Documents (or such later date as may be agreed between the Company and the Underwriter)
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Excluded Shareholders”	the Overseas Shareholders in respect of whom the Board, after making relevant enquiries, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rule
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Last Trading Day”	19 January 2022, being the last trading day for the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	21 February 2022, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on the Acceptance Date
“Latest Time for Termination”	4:00 p.m. on 14 March 2022, being the first Business Day following the Acceptance Date, and the latest time for the termination of the Underwriting Agreement
“Main Board”	main board of the Stock Exchange
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Overseas Shareholders”	the Shareholders whose addresses as shown in the register of members of the Company on the Record Date are not situated in Hong Kong

DEFINITIONS

“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China which, for the purpose of this Prospectus, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus to be issued by the Company relating to Rights Issue
“Prospectus Documents”	this Prospectus, the PAL and the EAF proposed to be despatched to the Qualifying Shareholders on the Despatch Date and any such supplementary prospectus to be despatched to the Qualifying Shareholders (if required)
“Qualifying Shareholders”	Shareholders, whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	24 February 2022, being the date for determining entitlements of the Shareholders to participate in the Rights Issue (or such other date as the Underwriter may agree in writing with the Company)
“Registrar”	the share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue by way of rights of Rights Shares in the proportion of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price
“Rights Share(s)”	up to 432,000,000 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)

DEFINITIONS

“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation
“Scale-down EAF Shares”	such number of Rights Shares (rounded up to the nearest integral) applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant
“Scale-down PAL Shares”	such number of Rights Shares (rounded up to the nearest integral) applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), including its amendments from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the commencement date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the Latest Practicable Date would have rendered any of the warranties and/or undertakings contained in the relevant provision(s) of the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.1 per Rights Share
“substantial Shareholder(s)”	has the meaning ascribed thereto in the GEM Listing Rules

DEFINITIONS

“S\$”	Singapore dollars, the lawful currency of Singapore
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“trading day”	means a day on which the Exchange is open for the trading of securities
“Underwriter”	Silverbricks Securities Company Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO, being the Underwriter
“Underwriting Agreement”	the underwriting agreement dated 19 January 2022 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	such number of untaken Rights Shares to be underwritten by the Underwriter on a best effort basis subject to the terms and conditions of the Underwriting Agreement
“US Securities Act”	the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
“US” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If at any time on or before the Latest Time for Termination:

- (I) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties or undertakings in the Underwriting Agreement being untrue, inaccurate, misleading or breached, or there is any matter which would reasonably be expected to give rise to a material breach or claim, and in each case the same is (in the absolute opinion of the Underwriter) material in the context of the Rights Issue; or
- (II) any of the following events take place:
 - (i) any introduction of any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any event, series of events or circumstances resulting in or likely to result in (whether or not foreseeable) any change in (whether or not permanent) local, national or international, financial, political, military, industrial, economic, legal, fiscal, taxation, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in the PRC, Hong Kong and the Cayman Islands which develop, occur, happen, come into effect, exist or come to the knowledge of the Underwriter;
 - (iii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, any local, national or international event or change of a political, military, financial, economic or other nature, any local, national or international outbreak or escalation of hostilities or armed conflict affecting local securities markets, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in the PRC, Hong Kong and the Cayman Islands;
 - (iv) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, foreign exchange or currency markets, or suspension or material restriction of trading in securities) occurs;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (v) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
- (vi) any material adverse change in the circumstances of the Company or any member of the Group;
- (vii) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange occurs due to exceptional financial circumstances or otherwise;
- (viii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than seven consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue or for such events as required under the GEM Listing Rules not caused by any default or breach of the GEM Listing Rules by the Company;
- (ix) the occurrence of any Specified Event which is incapable of being waived by the Underwriter; or
- (x) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which is or are, in the sole and absolute opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, rescind the Underwriting Agreement and the Rights Issue shall not proceed.

TERMINATION OF THE UNDERWRITING AGREEMENT

Upon rescission of the Underwriting Agreement by the Underwriter, all obligations of the Underwriter and the Company hereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission. Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination and in respect of any costs, fees and other reasonable out-of-pocket expenses of the Underwriter, which will be borne by the Company.

If the Underwriter exercises such right, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

EXPECTED TIMETABLE

EXPECTED TIMETABLE FOR THE RIGHTS ISSUE

Set out below is the expected timetable for the Rights Issue which is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate:

Events	Hong Kong Date and Time
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 1 March 2022
Latest time for splitting of PALs	4:30 p.m. on Thursday, 3 March 2022
Last day of dealings in nil-paid Rights Shares	Tuesday, 8 March 2022
Latest time for payment for and acceptance of Rights Shares and the application and payment for the excess Rights Shares	4:00 p.m. on Friday, 11 March 2022
Latest time for termination of underwriting agreement . . .	4:00 p.m. on Monday, 14 March 2022
Rights Issue expected to become unconditional after	5:00 p.m. on Monday, 14 March 2022
Announcement of the Rights Issue results	Friday, 18 March 2022
Despatch of certificates for fully-paid Rights Shares and refund cheques for wholly and partially unsuccessful excess applications	Monday, 21 March 2022
First day of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 22 March 2022

All times and dates stated in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company in agreement with the Underwriter and in accordance with the GEM Listing Rules. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION FOR AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in the paragraph headed “Expected Timetable for the Rights Issue” above may be affected. The Company will notify the Shareholders by way of a separate announcement of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD

RMH HOLDINGS LIMITED

德斯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8437)

Executive Directors:

Dr. Loh Teck Hiong

Mr. He Weiqing

Independent Non-executive Directors:

Mr. Yang Zhangxin

Mr. Loke Wai Ming

Ms. Wu Xiaoxia

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111 Cayman Islands

*Headquarter and principal place of business
in Singapore:*

#17-01/02 Paragon (Office Tower)

290 Orchard Road

Singapore 238859

Principal place of business

in Hong Kong:

Unit 912, 9/F Two Harbourfront

22 Tak Fung Street Hunghom

Kowloon, Hong Kong

25 February 2022

*To the Qualifying Shareholders and
for information only,
the Non-Qualifying Shareholders*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the Announcement and the announcement of the Company dated 20 January 2022, both of which in relation to, among other things, the Rights Issue and the Underwriting Agreement.

LETTER FROM THE BOARD

In the Announcement, the Board announced that the Company proposed to raise up to HK\$43.2 million before expenses (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date, by way of a rights issue of up to 432,000,000 Rights Shares at a price of HK\$0.1 per Rights Share on the basis of one (1) Right Share for every two (2) existing Shares held on the Record Date. The Qualifying Shareholders are entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue. The Rights Issue will not be available to the Excluded Shareholders.

The Rights Issue is underwritten by the Underwriter on a best effort basis. No controlling shareholder or substantial shareholder of the Company acts as an underwriter of the Rights Issue.

The purpose of this Prospectus is to provide you with, among other things, further details on the Rights Issue including information on (i) dealings in, transfer and acceptance of the Rights Shares; (ii) certain financial information of the Group; and (iii) other general information in respect of the Group.

RIGHTS ISSUE

The terms and the details of the Rights Issue are summarised below:

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	864,000,000 Shares (with an aggregate nominal value of HK\$8,640,000)
Number of Rights Shares	:	Up to 432,000,000 Rights Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$4,320,000
Number of Shares in issue immediately upon completion of the Rights Issue (assuming all Rights Shares will be taken up)	:	Up to 1,296,000,000 Shares (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date)

LETTER FROM THE BOARD

Amount to be raised by the Rights Issue before expenses	:	Up to HK\$43.2 million before deduction of the costs and expenses which the Company will incur in the Rights Issue
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment
Underwriter	:	Silverbricks Securities Company Limited

As at the Latest Practicable Date, the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares. The Company has no intention to issue or grant any Shares, convertible securities and/or options on or before the Record Date.

As at the Latest Practicable Date and up to the Record Date, assuming that there is no change in the issued share capital of the Company on or before the completion of the Rights Issue and all the Rights Shares are fully subscribed, the 432,000,000 Rights Shares to be issued and allotted pursuant to the Rights Issue represent (i) approximately 50.0% of the total number of issued Shares; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of the Announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

The Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up the securities of the Company to be offered to them under the Rights Issue as at the Latest Practicable Date.

The Rights Issue is only underwritten on a best effort basis. Pursuant to the Company's constitutional documents and the Companies Law, there are no requirements for minimum level of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or otherwise subscribed by the Underwriter or other subscribers procured by it pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.1 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or applications for excess Rights Shares, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- i. a premium of approximately 4.17% over the closing price of HK\$0.096 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- ii. a discount of approximately 29.58% to the closing price of HK\$0.142 per Share as quoted on the Stock Exchange on the Last Trading Day;
- iii. a discount of approximately 30.56% to the average closing price of HK\$0.144 per Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- iv. a discount of approximately 28.57% to the average closing price of approximately HK\$0.140 per Share for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- v. a discount of approximately 21.88% to the theoretical ex-rights price of approximately HK\$0.128 per Share based on closing price of HK\$0.142 per Share as quoted on the Stock Exchange on the Last Trading Day;
- vi. a premium of approximately 108.33% over the unaudited consolidated net assets of the Company of approximately HK\$0.048 per Share as at 30 June 2021; and
- vii. a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 9.86%.

LETTER FROM THE BOARD

The Subscription Price was set at a discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage the Shareholders to take up their entitlements to maintain their shareholdings in the Company, thereby minimising dilution impact. The terms of the Rights Issue, were determined between the Company and the Underwriter after arm's length negotiation with reference to (i) the market price of the Shares prior to and including the Last Trading Day; (ii) the prevailing market conditions; (iii) the latest business performance and financial position of the Group; and (iv) the funding and capital needs of the Company. Furthermore, the Board was also of the view that that the discount of the Subscription Price would encourage the Shareholders to participate in the future growth of the Group.

In view of the above, the Board considers that the terms of the Rights Issue (including the Subscription Price, the subscription ratio (i.e. one (1) Rights Share for every two (2) existing Shares) and the rate of the underwriting commission) to be fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The estimated net price per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.095.

Dilution effect

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may be diluted.

The Rights Issue will result in a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 9.86%.

LETTER FROM THE BOARD

In addition, the Directors would like to draw the attention of the Shareholders that:

- (a) the Rights Issue provides the Qualifying Shareholders the opportunity to subscribe for their pro-rata Rights Shares which will enable them to maintain their shareholding interests in the Company (save for fractional entitlements) at a discount to the recent closing prices of the Shares as quoted on the Stock Exchange; and
- (b) the Qualifying Shareholders who do not take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to make excess applications for additional Rights Shares and/or acquire additional nil-paid Rights Shares in the market.

Qualifying Shareholders and Excluded Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Excluded Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purposes only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must not be an Excluded Shareholder.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries, considers that the exclusion of such Overseas Shareholders from the Rights Issue will be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by duly completing a PAL and lodging the same with a cheque or a banker's cashier order in the sum payable for the Rights Shares being applied for with the Registrar at or before the Latest Time for Acceptance.

LETTER FROM THE BOARD

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, the Company had no Overseas Shareholders based on the shareholders information available from the Registrar. Since the register of members is closed from 18 February 2022 to 24 February 2022, the Company confirms that the Company will have no Overseas Shareholders as at the Record Date.

The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purpose only but will not send any PAL or EAF to them.

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus or the PAL or the EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that those applicable local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance or doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of such representations and warranties.

LETTER FROM THE BOARD

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before dealings in the nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be distributed by the Company to the Excluded Shareholders in Hong Kong dollars, at their own risk, pro rata to their respective entitlements provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. The Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance; (ii) any unsold nil-paid Rights Shares to which such Excluded Shareholders would otherwise have been entitled; (iii) any unsold Rights Shares created from the aggregation of fractions of the Rights Shares; and (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy or any other applicable fees and charges in Hong Kong.

Share Certificates for the Rights Shares and Refund Cheques for the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Monday, 21 March 2022 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each Shareholder (except HKSCC Nominees Limited), will receive one share certificate for all allotted Rights Shares. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be posted on or before Monday, 21 March 2022 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 21 March 2022, by ordinary post to the applicants, at their own risk, to their registered addresses.

LETTER FROM THE BOARD

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAF(s). No odd lot matching services will be provided as the Directors are of the view that, having compared the fees to be charged by a designated securities broker to the market value of the odd lots of Shares, it will not be cost-effective for the Company to appoint such a broker to provide matching services for odd lots of Shares.

The Company reserves the right to treat as invalid any acceptances of or applications for the nil-paid Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Furthermore, the Company reserves the right to treat as invalid any purported acceptance of the provisional allotment of Rights Shares comprised in a PAL and/or any application for excess Rights Shares under an EAF or to refuse to register any purported transfer of the rights represented thereby if it appears to the Company or its agents that acceptance of such provisional allotment of Rights Shares or transfer or the registration of such transfer may involve a breach of the laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or the EAF in respect of such matters.

PROCEDURES FOR ACCEPTANCE AND PAYMENT OR TRANSFER

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to the full observance of the applicable laws of any relevant territory or jurisdictions including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes and duties due in such territories or jurisdictions. The attention of Shareholders with registered addresses in any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons, and investors who are located or resided in, with such addresses is drawn to the paragraph headed “Qualifying Shareholders and Excluded Shareholders” in this letter.

Completion and return of the PAL and/or EAF will constitute a warranty and representation to the Company, from such person, that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of it and/or the EAF and any applications under it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representation or warranty.

LETTER FROM THE BOARD

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the jurisdictions outside Hong Kong and which may involve a breach of the laws of the relevant jurisdictions; or otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirement.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

A PAL is enclosed with this Prospectus for each Qualifying Shareholder which entitles him/her/it to subscribe for the number of Rights Shares shown in the PAL. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Friday, 11 March 2022. All remittances must be made by cheque or banker's cashier order in Hong Kong dollars. Cheques must be drawn on a bank account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Tricor Investor Services Limited – A/C NO. 045**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Friday, 11 March 2022, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

Transfer and "splitting" of nil-paid Rights Shares

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on Thursday, 3 March 2022 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

LETTER FROM THE BOARD

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the “Form of Transfer and Nomination” (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the “Registration Application Form” (Form C) in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by no later than 4:00 p.m. on Friday, 11 March 2022.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or banker’s cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or banker’s cashier order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker’s cashier order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker’s cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No receipt will be given in respect of any application monies received.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate any applicable legal or regulatory requirements.

If any of the conditions of the Rights Issue (as set out in the paragraph headed “*Conditions of the Rights Issue and the Underwriting Agreement*” in this letter) is not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants, to the registered address of the first-mentioned person who appears on the register of members of the Company or the transfer form, at their own risk on or around Monday, 21 March 2022.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than through CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in nil-paid Rights Shares should be dealt with.

LETTER FROM THE BOARD

Application for excess Rights Shares

The Qualifying Shareholders may apply, by way of excess application, for Rights Shares representing (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance; (ii) any unsold nil-paid Rights Shares to which such Excluded Shareholders would otherwise have been entitled; (iii) any unsold Rights Shares created from the aggregation of fractions of the Rights Shares; and (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

Action to be taken by Qualifying Shareholders who wish to apply for excess Rights Shares

Application for excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Friday, 11 March 2022.

All remittances must be made by cheque or banker's cashier order in Hong Kong dollars. Cheques must be drawn on a bank account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Tricor Investor Services Limited – A/C NO. 050**" and crossed "**ACCOUNT PAYEE ONLY**".

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis, according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for but no reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots.

All cheques and banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or banker's cashier order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. Any EAF in respect of which a cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected.

No receipt will be given in respect of any application monies received.

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An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for amounts due, will be sent at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it has not been completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder, the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or around Monday, 21 March 2022. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be refunded to such Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder on or about Monday, 21 March 2022.

If any of the conditions of the Rights Issue (as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” in this letter) is not fulfilled or waived (as applicable), the Rights Issue will not proceed and the monies received in respect of applications for excess Rights Shares will be returned without interest to the relevant Qualifying Shareholders and, in the case of joint applicants, to the registered address of the first-mentioned person without interest, by means of cheque(s) to be despatched by ordinary post at their own risk on or around Monday, 21 March 2022.

Beneficial Owners whose Shares are held by a Registered Shareholder, or which are held in CCASS, should note that the Board will regard the Registered Shareholder (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, such Beneficial Owners should note that the above arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to apply for excess Rights Shares, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Shareholder, in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect.

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Action to be taken by Beneficial Owners holding interests in Shares through CCASS who wish to apply for excess Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures. The procedures for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Scale-down of subscriptions to avoid the triggering of MGO Obligation

The Rights Issue is only underwritten on a best effort basis. Any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL or apply for excess Rights Shares under the EAF may also unwittingly incur MGO Obligations.

Without prejudice to the generality of the Underwriting Agreement, to avoid the unwitting triggering of MGO Obligations, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it.

Any subscription monies for the Scale-down EAF Shares or the Scale-down PAL Shares will be refunded to the applicants, and the Scale-down EAF Shares and the Scale-down PAL Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation. Such scaledown of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the

LETTER FROM THE BOARD

scale-down is necessitated by the exceeding of shareholding by a group rather than an individual shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

For the avoidance of any doubt, the above provision shall not apply to the applications made, whether under the PAL or EAF, by HKSCC Nominees Limited.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 8,000 Shares in one board lot. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

No new class of securities is to be listed. It is expected that dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 1 March 2022 to Tuesday, 8 March 2022 (both days inclusive) and dealings in the Rights Shares in fully paid form will commence on Tuesday, 22 March 2022.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees and charges

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

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Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in the nil-paid Rights Shares or the Rights Shares and regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

THE UNDERWRITING AGREEMENT

On 19 January 2022 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter. Further details of the Underwriting Agreement are set out below:

Date	:	19 January 2022 (after trading hours of the Stock Exchange)
Underwriter	:	Silverbricks Securities Company Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO and its ordinary course of business includes, without limitation to, securities brokerage, underwriting and placement of securities. As at the Latest Practicable Date, the Underwriter and its ultimate beneficial owners are independent of and not connected with the Company or any of its connected persons.
Total number of Rights Shares being underwritten by the Underwriter	:	Subject to the terms and conditions of the Underwriting Agreement, the Underwriter has agreed to subscribe for, or procure the subscription for the Underwritten Shares not taken up on a best effort basis
Commission	:	2.5% of the aggregate subscription amount in respect of the Rights Shares actually subscribed for through the Underwriter and/or its sub-underwriters (if any) (No minimum fee shall be charged)

The Rights Issue is underwritten by the Underwriter on a best effort basis pursuant to the terms of the Underwriting Agreement.

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The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

The Underwriter may, if necessary, enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers, with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (a) the passing of all necessary resolution(s) by the Board of Directors to approve the Rights Issue;
- (b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the directors of the Company (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules, the Companies Ordinance, and the Companies (WUMP) Ordinance not later than the Despatch Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Despatch Date;
- (d) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of dealings in the nil-paid Rights Shares (or such other date as may be agreed between the Company and the Underwriter in writing), and such listing and permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (e) each condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval) having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares as set out in the

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Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;

- (f) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- (g) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof prior to the Latest Time for Termination;
- (h) compliance with and performance by the Company of all undertakings and obligations under the terms of the Underwriting Agreement by the times specified; and
- (i) all relevant approvals having been obtained from all relevant governmental authorities (where applicable) as the case may require in connection with the Rights Issue by the relevant time that such consent and approval is required and such approvals not being withdrawn or revoked prior to the Latest Time for Termination,

and the conditions as set out in (a), (b), (c), (d), (e), (f), (g) and (i) (where applicable) are incapable of being waived. In the event of any of the above conditions not being fulfilled or waived on or before the respective dates specified therefor (or if no time or date is specified, no later than 14 March 2022, or such later date or dates as may be agreed between the Company and the Underwriter in writing), the Underwriting Agreement may be rescinded by the Underwriter, under which all obligations of the Underwriter and the Company thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission. Rescission or termination of the Underwriting Agreement shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination and in respect of any costs, fees and other reasonable out-of-pocket expenses of the Underwriter, which will be borne by the Company.

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Termination of the Underwriting Agreement

Terms in relation to the termination of the Underwriting Agreement are summarised in the section headed “Termination of the Underwriting Agreement” in this Prospectus.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement does not become unconditional or in the event the Underwriter exercises its rights to rescind or terminate the Underwriting Agreement prior to the Latest Time for Termination, then the Rights Issue will not proceed, and all obligation and liabilities of the parties to the Underwriting Agreement will cease and determine and no party will have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of any antecedent breach of any obligation under the Underwriting Agreement and in respect of any costs, fees and other expenses incurred in connection with the Rights Issue (other than any underwriting commission) which will be borne by the Company). In such event, the Company will make a further announcement as and when appropriate.

INFORMATION ABOUT THE UNDERWRITER

The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO and its ordinary course of business includes securities brokerage and underwriting and placement of securities.

As at the Latest Practicable Date, the Underwriter and its ultimate beneficial owners did not hold any Shares. The Underwriter confirmed that (i) the Underwriter and its ultimate beneficial owners are independent of and not connected with the Company or any of its connected persons; and (ii) it has complied with Rule 10.24A (1) of the GEM Listing Rules that it is licensed under the SFO for type 1 regulated activity and its ordinary business includes underwriting of securities.

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EFFECTS OF THE RIGHTS ISSUE ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders and no further issue of new Share(s) and no repurchase of Share(s) on or before the completion of the Rights Issue); and (iii) immediately after the Rights Issue (assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter taking up the Rights Shares pursuant to the Underwriting Agreement and no further issue of new Share(s) and no repurchase of Share(s) on or before the completion of the Rights Issue).

Shareholders	As at the Latest Practicable Date		Immediately after the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders)		Immediately after the Rights Issue (assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter taking up the Rights Shares pursuant to the Underwriting Agreement) (Notes 4, 5)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Brisk Success Holdings Limited (Note 1)	141,848,000	16.42%	212,772,000	16.42%	141,848,000	10.95%
Substantial shareholder:						
Mr. Li Ming Cheng (Note 2)	133,664,000	15.47%	200,496,000	15.47%	133,664,000	10.31%
Public Shareholders:						
The Underwriter (Note 3)	-	-	-	-	432,000,000	33.33%
Other public Shareholders	588,488,000	68.11%	882,732,000	68.11%	588,488,000	45.41%
Total:	864,000,000	100%	1,296,000,000	100%	1,296,000,000	100%

Notes:

- As at the Latest Practicable Date, Dr. Loh Teck Hiong, an executive Director, holds 50% equity interests in Brisk Success Holdings Limited and by virtue of Part XV of the SFO, Dr. Loh Teck Hiong is deemed to be interested in the 141,848,000 Shares held by Brisk Success Holdings Limited. Ms. Fung Yuen Yee, being the spouse of Dr. Loh Teck Hiong, is deemed to be interested in all the Shares in which Dr. Loh Teck Hiong is interested by virtue of Part XV of the SFO.
- As at the Latest Practicable Date, HK MZ Health Investment Management Group Limited holds 132,968,000 Shares. Mr. Li Ming Cheng is the sole shareholder of HK MZ Health Investment Management Group Limited as at the Latest Practicable Date. Therefore, he is deemed to be interested in the 132,968,000 Shares held by HK MZ Health Investment Management Group Limited by virtue of Part XV of the SFO. Mr. Li Ming Cheng personally holds 696,000 Shares in the capacity as a beneficial owner.

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- 3) The Underwriter and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.
- 4) This scenario is for illustrative purpose only. Pursuant to the Underwriting Agreement, the Underwriter undertakes with the Company that (i) it shall use all reasonable endeavours to procure that its sub-underwriter (if any) and subscribers or purchasers of the Underwritten Shares procured by it under the Underwriting Agreement as well as subscribers or purchasers procured by its sub-underwriter (if any) shall be a third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) it shall, and shall cause its sub- underwriter (if any) to, procure independent subscribers or purchasers take up such number of Underwritten Shares (a) as necessary to ensure that the public float requirements under Rule 11.23(7) of the GEM Listing Rules are complied with by the Company and (b) such that it, its sub-underwriter (if any) and the subscribers or purchasers procured by it and by its sub-underwriter (if any) shall not, together with party(ies) acting in concert with each of them, become the controlling shareholder of the Company upon completion of the Rights Issue.
- 5) The Underwriter will underwrite solely on best effort basis, and not in a fully underwritten basis, in any event and notwithstanding any provisions herein, it will not underwrite to the extent that, together with any party acting in concert (within the meaning of the Takeovers Code) or its associates, hold thirty per cent (30.0%) or more of the voting rights of the Company immediately upon completion of the Rights Issue.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group primarily focuses on provision of specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilizing medical, surgical, laser and aesthetic treatments.

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue will be HK\$43.2 million and the estimated net proceeds of the Rights Issue will be approximately HK\$41.0 million. The estimated expenses of the Rights Issue are approximately HK\$2.2 million, which include underwriting commission and professional fees payable to the financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue and will be borne by the Company. The net subscription price per Rights Share is expected to be approximately HK\$0.095.

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The Company intends to use the net proceeds from the Rights Issue for the following purposes:

- (i) approximately 30% (or approximately HK\$12.3 million) as general working capital of the Group;
- (ii) approximately 40% (or approximately HK\$16.4 million) for (a) potential development plan of the aesthetic medicine business in PRC; (b) medical imaging business; and (c) dental services related business;
- (iii) approximately 20% (or approximately HK\$8.2 million) for repayment of part of the outstanding debt of the Company; and
- (iv) approximately 10% (or approximately HK\$4.1 million) for purchase of equipment and products in aesthetic medicine.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will first be utilised as general working capital of the Group. The remaining part of the net proceeds (if any) will then be utilised in proportion to the intended use of net proceeds.

The Company has approached several potential underwriters. Given (i) the prevailing volatile market conditions; (ii) the impact caused by COVID-19 pandemic; (iii) the proposed subscription price; and (iv) the trading volume and the closing price of the Shares within the past twelve (12) months, only the Underwriter expressed its interest in acting as the underwriter of the Rights Issue on a best effort basis instead of a fully-underwritten basis among all those potential underwriters. Thus, the Board finally decided to conduct the Rights Issue on a best effort underwritten basis.

The Board has considered various ways of raising funds and believe that the Rights Issue is the most efficient way in terms of time and costs for the Company. The Board considers that it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer.

As for debt financing, though the Board has attempted to obtain loan financing from its principal bankers, it is not feasible for the Company to obtain loan facilities in favourable terms and conditions in a timely manner. Debt financing will also result in additional interest burden, higher gearing ratio of the Group, and a less favourable level to improve the rate of return of the Company's investment portfolio. In view of the above considerations, the Board considers that it is not commercially feasible for the Company to obtain further debt financing.

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As for equity fund raising, such as placing of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

On the other hand, the Board considers that the Rights Issue will allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlements, acquiring additional rights entitlements or disposing of their rights entitlements in the open market (subject to availability).

In the meantime, the Company can take this opportunity to broaden the capital base of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that the Rights Issue will enable the Group to strengthen its competitiveness and working capital base and improve its financial position.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

Set out below are the fund-raising activities conducted by the Company in the past 12 months immediately preceding the Latest Practicable Date:

Date of initial announcement	Fund-raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
27 September 2021	Placing of new shares under general mandate	19.14 million	(a) approximately HK\$7.66 million for purchase of equipment and products in aesthetic, regenerative and imaging medicine; (b) approximately HK\$5.74 million for general working capital; and (c) approximately HK\$5.74 million for potential investments	(a) approximately HK\$2.48 million utilised for purchase of equipment and products in aesthetic, regenerative and imaging medicine; (b) approximately HK\$5.74 million for general working capital; and (c) approximately HK\$5.00 million used for potential investments

As at the Latest Practicable Date, save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund-raising activity for the Group in the coming 12 months; and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

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GEM LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the date of this Prospectus, and the Rights Issue will not increase the issued share capital of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders at a general meeting pursuant to Rule 10.29(1) of the GEM Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

The Shares has been dealt in on an ex-rights basis from Wednesday, 16 February 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 1 March 2022 to Tuesday, 8 March 2022 (both days inclusive).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders’ attention. The Directors believe that there are certain risks involved in the operations of the Group which include, but do not limit to, the following:

Business risks relating to the Group

The Group is principally engaged in the business of investing, managing and operating medical clinics and healthcare related businesses in Hong Kong and the Asia Pacific region.

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(1) Reliance on key personnel

The Group was founded by, amongst others, Dr. Loh Tek Hiong, one of the executive Directors. Dr. Loh Tek Hiong has played an instrumental role in the development of the Group. With substantial medical practicing experiences of Dr. Loh Tek Hiong, the Group's success and performance, and the implementation of the Group's business plan has been, to a significant extent, attributable to his expertise and extensive experience, reputation and network in the industry, as well as their business vision, management skills and working relationships with employees, customers and suppliers.

Furthermore, the continuing performance and success is, to a significant extent, attributable to the contributions from Dr. Loh Tek Hiong and other key members of senior management, and the Group's capability to retain key members of the senior management who have extensive experience in management and the medical skincare services industry, all of whom have been instrumental in spearheading the growth, corporate development and overall business strategies. In view of the intensive competition for competent candidates in the industry together with a limited pool of competent candidates, should Dr. Loh Tek Hiong or other key members of senior management cease to be involved in the Group's management and operations, and if the Group fail to find suitable replacing personnels in a timely manner, the business and growth prospects may be adversely affected.

(2) Dependence on skilled and competent professional staff

The business of the Group is dependent on its ability to attract and retain skilled and competent professional staff, which comprises doctors, laboratory technicians and trained therapists. The ability to attract and retain them is dependent on several factors such as the Group's continued reputation, financial remuneration and job satisfaction. As the Group engages in a service-related industry, in the event that suitable replacements cannot be found in a timely manner with the resignation of significant number of the Group's skilled professional staff, financial position and results, business operations as well as future growth and prospects of the Group may be adversely affected.

(3) Doctors of the Group could become the subject of claims, regulatory or professional investigations and litigation regarding any medical dispute brought by the Group's customers, which may harm the Group's reputation and business; and the Group may be liable for the doctors' professional misconduct or negligence

Under the Medical Registration Act (Cap. 174 of the Laws of Singapore), statutory committees may investigate complaints made against medical practitioners in relation to any alleged professional misconduct and may impose sanctions including, among others, issuing a letter of advice or warning, referring the matter for mediation between the doctor and the patient, ordering the doctor to undergo further education or training or medical or psychiatric treatment or counselling, or removing or suspending his registration from the register if such medical practitioner is found guilty of professional misconduct.

LETTER FROM THE BOARD

When the Group's doctors are involved in medical disputes and/or are subject to complaints or professional investigations, the Group may have to allocate resources in handling such disputes, complaints or investigations which may affect the Group's operations. In addition, should any of such doctors be convicted of professional misconduct, it is possible that he/she may be restricted from practising in the clinics of the Group. This may have a material adverse effect on the Group's operations and/or profitability if no prompt substitution is available.

Furthermore, as the doctors are practicing under the Group's brand, the Group may be subject to claims for professional misconduct or negligence. The Group may be liable if negligent diagnosis or treatment were conducted at the Group's clinics. Legal actions against the Group may have a material adverse impact on the Group's financial position due to the resources involved in dealing with such legal actions. Furthermore, even if the Group is not involved in such professional misconduct investigation or litigation, reputation may nevertheless be adversely affected by the association with the relevant doctor.

Risks relating to politics, economics and regulations

The business operations of the Group are primarily based in Hong Kong and Singapore. Accordingly, the Group's operations and prospects could be adversely affected by economic, political and legal developments in Hong Kong and Singapore. Any changes in the political and economic policies/environments of Hong Kong and Singapore (including, but not limited to, government policies, political instability, expropriation, laws, labour activism, war, civil unrest, terrorism, and changes in interest rates, foreign exchange rates, taxation, environmental regulations and import and export duties and restrictions) may adversely affect the Group's business and operations as well as its ability to sustain its expansion strategies and thus future growth.

Risks relating to the Share price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares in the public market price and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in Hong Kong and Singapore could cause the market price of the Shares to fluctuate.

Risks relating to the global outbreak of COVID-19

The outbreak of respiratory illness caused by a novel coronavirus, namely COVID-19, was reported in December 2019 and continues to escalate globally. In March 2020, the World Health Organization characterized the outbreak of COVID-19 as a pandemic.

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The outbreak and escalation of virus in a global scale has caused extreme volatility in the global financial market. The COVID-19 pandemic has caused and may continue to cause a long-term adverse impact on the economy and social conditions in Hong Kong and Singapore, which adversely affect the Group's business operations. It remains uncertain as to when the COVID-19 pandemic will be entirely contained. In the event that the COVID-19 pandemic is not effectively controlled, the Group's business, operational and financial performance may be materially and adversely affected as a result of the corresponding slowdown in economic growth, negative business sentiment or other factors that the Group cannot foresee.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board
RMH Holdings Limited
Loh Teck Hiong
Chairman and executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 December 2018, 2019 and 2020 are disclosed in the annual reports of the Group for the years ended 31 December 2018 (pages 45 to 84), 31 December 2019 (pages 47 to 92), and 31 December 2020 (pages 45 to 106), and the interim report of the Group for the six months ended 30 June 2021 (pages 2 to 36) respectively. The above said published annual reports and the interim report of the Group are available on the Company's website at rmhholdings.com.sg and the website of the Stock Exchange at www.hkexnews.hk through the links below:

2021 interim report

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0813/2021081300582.pdf>

2020 annual report

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0330/2021033000927.pdf>

2019 annual report

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0330/2020033000979.pdf>

2018 annual report

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0328/gln20190328473.pdf>

2. STATEMENT OF INDEBTEDNESS

As at 31 December 2021, being the latest practicable date prior to the printing of this prospectus and for the purpose of ascertaining the information contained in this statement of indebtedness, the Group had outstanding indebtedness as follows:

	<i>HK\$'000</i>
Bank borrowings	4,991
Other borrowings	275
Lease Liabilities	<u>5,719</u>
	<u><u>10,985</u></u>

Bank loans at 31 December 2021 are secured by a corporate guarantee from the Company and personal guarantee from a director of the Company.

Save as above mentioned and apart from intra-group liabilities and normal payables in the ordinary course of business, as at the close of business on 31 December 2021, the Group did not have any outstanding mortgages, charges, debentures, or other loan capital or bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptances credits or hire purchase commitments, or any guarantees or other material commitment or any material contingent liabilities.

To the best knowledge of the Directors, having made all reasonable enquiries, there has not been any material change in the indebtedness, contingent liabilities and commitments of the Group since 31 December 2021 and up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the present internal financial resources available to the Group, the estimated net proceeds from the Rights Issue and the Group's internally generated funds, are of the opinion that the Group has sufficient working capital to satisfy its present requirements, that is for at least the next twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

During 2021, both the global business environment and the Group continued to be affected by the COVID-19 pandemic. The Group continued to implement preventive and control measures against its outbreak so as to minimise the impact arising therefrom and to continue to increase revenue.

Looking forward, with easing of the government anti-COVID-19 measures and the rapid roll out of mass vaccination on going currently, we are cautiously optimistic that the performance of the Group will rebound strongly to be profitable in 2022. The Directors will closely monitor the situation and evaluate the potential impact on our operations and financial position on a continuing basis.

As at the Latest Practicable Date, save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund raising activity for the Group in the coming 12 months; and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATIONA. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 7.31 of the GEM Listing Rules is set out below to illustrate the effects of the Rights Issues on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 June 2021.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2021, adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2021 <i>(Note 1)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2021 HK\$'000
Unaudited consolidated net tangible assets per existing Share before completion of the Rights Issue <i>(Note 3)</i>	32,244	41,000	73,244
			<u>HK\$0.037</u>
Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue <i>(Note 4)</i>			<u>HK\$0.057</u>

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2021 are based on the consolidated net tangible assets in the unaudited consolidated statement of financial position of the Group as at 30 June 2021 extracted from the published 2021 interim report, at an exchange rate of S\$1 to HK\$5.777.

	<i>HK\$'000</i>
Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2021	41,589
Less: Intangible assets (<i>note (a)</i>)	(2,328)
Less: Right-of-use assets (<i>note (b)</i>)	(26,164)
Consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2021	13,096
Net proceeds from the placing subsequent to 30 June 2021 up to the latest Practical Date (<i>note (c)</i>)	19,148
	32,244

Notes

- (a) The intangible assets of the Group of HK\$2,328,000 at 30 June 2021 is derived from the consolidated statement of financial position of the Group extracted from the Group's published unaudited consolidated financial statements for the period ended 30 June 2021, at an exchange rate of S\$1 to HK\$5.777.
- (b) The right-of-use assets of the Group of HK\$26,164,000 at 30 June 2021 is derived from the consolidated statement of financial position of the Group extracted from the Group's published unaudited consolidated financial statements for the period ended 30 June 2021, at an exchange rate of S\$1 to HK\$5.777.
- (c) The net proceeds from the placing of approximately HK\$19,148,000 are calculated based on 144,000,000 shares of the Company issued at HK\$0.135 per share subsequent to 30 June 2021 ("Placing Shares") after deduction of commission and other expenses of the placing of approximately HK\$292,000 up to the Latest Practicable Date.
2. The estimated net proceeds from the Rights Issue are based on 432,000,000 Right Shares at the Subscription Price of HK\$0.10 per Rights Share, after deduction of the professional fees and other share issue related expenses payable by the Company of approximately HK\$2,200,000.
3. Based on 864,000,000 Shares, on which 720,000,000 existing Shares in issue as at 30 June 2021 and 144,000,000 Placing Shares were successfully placed subsequent to 30 June 2021 before completion of the Rights Issue.
4. Based on 1,296,000,000 Shares, on which 720,000,000 existing Shares in issue as at 30 June 2021, 144,000,000 Placing Shares were successfully placed on 18 October 2021 and 432,000,000 Rights Shares were in issue as at 30 June 2021, assuming that the Rights Issue had been completed on 30 June 2021.

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the directors of RMH Holdings Limited**

We have completed our assurance engagement to report on the compilation of pro forma financial information of RMH Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 30 June 2021 as set out on pages II-1 to II-2 of the prospectus issued by the Company (the “Prospectus”). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Appendix II of the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group’s financial position as at 30 June 2021 as if the transaction had been taken place at 30 June 2021. As part of this process, information about the Group’s net tangible assets has been extracted by the directors from the Group’s condensed consolidated financial statements as included in the review report for the period ended 30 June 2021, on which a review report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for the Rights Issue and the use of proceeds" set out on pages 33 to 35 of the Prospectus.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming all Rights Shares are subscribed by the Qualifying Shareholders and there is no change in the issued share capital of the Company, on or before the Record Date) are as follows:

(A) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000.00</u>
<i>Issued and fully-paid:</i>		
<u>864,000,000</u>	Shares of HK\$0.01 each	<u>8,640,000.00</u>

(B) Immediately following the completion of the Rights Issue (assuming full acceptance of the Rights Issue and there is no change in the issued share capital of the Company, on or before the Record Date):

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000.00</u>
<i>Issued and fully-paid:</i>		
<u>864,000,000</u>	Shares of HK\$0.01 each in issue as at the Latest Practicable Date	<u>8,640,000.00</u>
<u>432,000,000</u>	Rights Shares of HK\$0.01 each to be allotted and issued upon completion of the Rights Issue	<u>4,320,000.00</u>
<u>1,296,000,000</u>	Shares of HK\$0.01 each	<u>12,960,000.00</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. All of the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

No Share or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. The Company has no outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert or exchange into the Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in shares and underlying shares

Save as disclosed below, as the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the Shares

Name	Nature of interests	Total number of Shares held	Approximate percentage of shareholding
Dr. Loh Teck Hiong (<i>Note 1</i>)	Interest of controlled corporation	141,848,000	16.42%

Note:

- (1) Brisk Success Holdings Limited holds 141,848,000 Shares. As at the Latest Practicable Date, Dr. Loh Teck Hiong holds 50% equity interests in Brisk Success Holdings Limited and by virtue of Part XV of the SFO, Dr. Loh Teck Hiong is deemed to be interested in the 141,848,000 Shares held by Brisk Success Holdings Limited.

(b) Substantial Shareholders' interest

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, no person (other than a Director or chief executive of the Company or their respective associates) had, or were deemed or taken to have, an interest or a short position in the Shares or the underlying Shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

Long positions in the Shares

Name of the Substantial Shareholders	Capacity	Total number of Shares held	Approximate percentage of shareholding
Brisk Success Holdings Limited (<i>Note 1</i>)	Beneficial owner	141,848,000	16.42%
Ms. Fung Yuen Yee (<i>Note 1</i>)	Associate	141,848,000	16.42%
HK MZ Health Investment Management Group Limited (<i>Note 2</i>)	Beneficial owner	132,968,000	15.39%
Mr. Li Ming Cheng (<i>Note 2</i>)	Interest of controlled corporation	132,968,000	15.39%
	Beneficial owner	696,000	0.08%

Notes:

- (1) Brisk Success Holdings Limited holds 141,848,000 Shares. Dr. Loh Teck Hiong holds 50% equity interests in Brisk Success Holdings Limited and by virtue of Part XV of the SFO, Dr. Loh Teck Hiong is deemed to be interested in the 141,848,000 Shares held by Brisk Success Holdings Limited. Ms. Fung Yuen Yee, being the spouse of Dr. Loh Teck Hiong, is deemed to be interested in all the Shares in which Dr. Loh Teck Hiong is interested by virtue of Part XV of the SFO.

- (2) HK MZ Health Investment Management Group Limited holds 132,968,000 Shares. Mr. Li Ming Cheng is the sole shareholder of HK MZ Health Investment Management Group Limited as at the Latest Practicable Date. Therefore, he is deemed to be interested in the 132,968,000 Shares held by HK MZ Health Investment Management Group Limited by virtue of Part XV of the SFO. Mr. Li Ming Cheng personally holds 696,000 Shares in the capacity as a beneficial owner.

4. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or has or may have any other conflicts of interest with the Group pursuant to the GEM Listing Rules.

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation;
- (b) none of the Directors had any interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (c) none of the Directors was materially interested in any contract or arrangement, subsisting at the date of this Prospectus, which is significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this Prospectus:

Name	Qualification
Zhonghui Anda CPA Limited ("Zhonghui")	Certified Public Accountants

Zhonghui has given its written consent and confirmed that it has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, report, advice, opinion and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Zhonghui did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

As at the Latest Practicable Date, Zhonghui did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the following, there were no material contracts (not being contracts in the ordinary course of business of the Company) which had been entered into by members of the Group within two years immediately preceding the date of this Prospectus which are or may be material:

- (a) the Underwriting Agreement;
- (b) a placing agreement entered into between the Company and Silverbricks Securities Limited (as the placing agent) on 27 September 2021, pursuant to which the placing agent agreed to place, on a best effort basis, up to 144,000,000 placing shares at the placing price of HK\$0.135 per placing share to not less than six placees; and
- (c) a placing agreement entered into between the Company and Silverbricks Securities Limited (as the placing agent) on 22 December 2020, pursuant to which the placing agent agreed to place, on a best effort basis, up to 120,000,000 placing shares at the placing price of HK\$0.225 per placing share to not less than six placees.

9. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$2.2 million, which are payable by the Company.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	:	Cricket Square, Hutchins Drive P. O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarter and principal place of business in Singapore	:	#17-01/02 Paragon (Office Tower) 290 Orchard Road Singapore 238859
Principal place of business in Hong Kong	:	Unit 912, 9/F, Two Harbourfront 22 Tak Fung Street, Hunghom Kowloon, Hong Kong
Underwriter	:	Silverbricks Securities Company Limited Units 1005-1006, 10/F., China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan, Hong Kong
Financial adviser to the Company	:	Silverbricks Securities Company Limited Units 1005-1006, 10/F., China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan, Hong Kong
Legal adviser to the Company as to Hong Kong law in relation to the Rights Issue	:	Patrick Mak & Tse Rooms 901-905, 9/F, Wing On Centre 111 Connaught Road Central Hong Kong
Auditor	:	SHINEWING (HK) CPA Limited 43/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong

Reporting accountants	:	Zhonghui Anda CPA Limited 23/F, Tower 2, Enterprise Square Five 38 Wang Chiu Road, Kowloon Bay Kowloon, Hong Kong
Principal bankers	:	DBS Bank (Hong Kong) Limited Ground Floor, The Center 99 Queen's Road Central Central, Hong Kong
Principal share registrar and transfer office	:	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Hong Kong branch share registrar and transfer office	:	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East, Hong Kong
Authorised representatives	:	Dr. Loh Teck Hiong Unit 912, 9/F Two Harbourfront 22 Tak Fung Street Hunghom Kowloon, Hong Kong Mr. Man Yun Wah Unit 912, 9/F Two Harbourfront 22 Tak Fung Street Hunghom Kowloon, Hong Kong
Company secretary	:	Mr. Man Yun Wah (<i>ACG, HKACG</i>)

11. DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Loh Teck Hiong (“**Dr. Loh**”), aged 51, joined the Group in September 2013, was appointed as a director on 22 March 2017 and was redesignated as an executive Director and appointed as the chairman of the Board on 18 May 2017.

Dr. Loh graduated from the University of Melbourne in Australia in December 1995 with a Bachelor of Medicine & Bachelor of Surgery and was admitted as a member of the Royal College of Physicians of the United Kingdom in 1998. He is currently a fellow of the Academy of Medicine in Dermatology in Singapore. Dr. Loh was the author of three published medical articles relating to urticarial vasculitis, unna thost palmar-plantar keratoderma and occupational dermatosis. Dr. Loh has over 19 years medical practice specialising in dermatology and has extensive experience in medical, surgical and laser dermatology with special interest in atopic eczema, skin allergy, paediatric dermatology, moles or birthmarks and skin cancers.

Prior to becoming a founder of the Group, from May 1996 to August 1996, Dr. Loh worked as a Preregistration House Officer in the Department of Surgery at the Aberdeen Royal Infirmary, United Kingdom, where he was responsible for consultation and diagnostic of patients under supervision of a registrar and consultant. Between August 1996 and February 1997, Dr. Loh worked as a House Officer of General Medicine department at the Northampton General Hospital in United Kingdom. From February 1997 to February 1998, Dr. Loh worked as a senior house officer in General and Neonatal Paediatrics at St. Peter’s Hospital in the United Kingdom. From February 1998 to February 1999, Dr. Loh worked as a senior house officer at Guy’s Hospital in the United Kingdom. His main duties included caring for patients from neonatology, paediatric cardiology and paediatric nephrology departments under the guidance of registrar and consultant. From September 1999 to March 2000, Dr. Loh was a Registrar in the Department of Paediatric, National University Hospital, Singapore and from May 2000 to April 2003, a Registrar at the National Skin Center in Singapore conducting consultation and diagnostic services to patients. From May 2003 to July 2005, Dr. Loh was an associate consultant dermatologist at the NSC, an outpatient specialist dermatological center in Singapore, where he was responsible for consultation and diagnosing patients, prescription and conducting treatments. Dr. Loh then established Dermatology Associates Pte. Ltd. in Singapore in November 2004 where he provided dermatology consultation and treatment until June 2014.

Dr. Loh is the chairman of the nomination committee of the Company (the “**Nomination Committee**”).

Mr. He Weiqing (“**Mr. He**”), aged 57, was graduated from the Atmospheric Science Department of the Sun Yatsen University in Guangzhou with a Bachelor of Science Degree in 1986 and graduated from the Management School of the same university with a Master’s Degree in Economics in 1989.

Mr. He has long been engaged in corporate management, financial management and project investment and management. He had held senior positions at the headquarters and branches of a number of renowned companies in the PRC, and acted as the project manager of various asset management companies and private equity investment companies in Shenzhen. From September 2015 to November 2017, Mr. He held senior management positions at Long Success International (Holdings) Limited (Stock Code: 8017), and subsequently from December 2017 to July 2020, he acted as an executive director of Grand Peace Group Holdings Limited (Stock Code: 8108), both of which were delisted, respectively on 19 October 2016 and 27 August 2021, respectively, pursuant to Rule 9.14 of the GEM Listing Rules.

Mr. He is a member of the remuneration committee of the Company (the “**Remuneration Committee**”).

Independent non-Executive Directors

Mr. Yang Zhangxin (“**Mr. Yang**”), aged 31, graduated from Shandong Xiehe University with bachelor’s degree of Nursing in 2014. Mr. Yang held the position of operating director of 美哈(深圳)專科診所管理有限公司 from June 2019 to April 2020. He was a Head Nurse of The Second Affiliated hospital of Zhejiang University School of Medicine from June 2013 to May 2019 and a practice nurse from July 2012 to March 2013. Mr. Yang has extensive experience in healthcare and knowledge of nursing.

Mr. Yang is the chairman of the Remuneration Committee and a member of the audit committee of the Company (the “**Audit Committee**”).

Mr. Loke Wai Ming (“**Mr. Loke**”), aged 49, obtained a bachelor’s degree in Accountancy from Nanyang Technological University in 1996 and obtained a master’s degree of Business Administration from Goizueta Business School, Emory University in 2002. Mr. Loke 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 activities under the SFO and a managing director of Titan Financial Services Limited since January 2020.

Mr. Loke served as an investment banking professional at multiple international investment banks in Hong Kong, including an assistant vice president in corporate banking of Overseas Union Bank from June 1996 to February 2000, an associate in finance institutions department of J.P. Morgan Securities Hong Kong Limited from August 2002 to January 2004, a vice president of Merrill Lynch (Asia Pacific) Limited from March 2004 to April 2007, a senior vice president in Macquarie Securities Limited from July 2007 to February 2009, an executive director of Daiwa Capital Markets Hong Kong Limited from July 2009 to November 2011, a managing director in investment banking divisions of Chief Securities Limited and a chief executive officer and managing director of Chief (Cambodia) Specialized Bank from November 2012 to April 2014, a general manager and board director of Anbang Asset Management (Hong Kong) Co. Limited from April 2014 to March 2015, a managing director of Ceneric Asia Limited, which is a subsidiary of Ceneric Holdings Limited, a company listed on the Main Board (stock code: 542) from April 2015 to March 2017, a managing director in corporate finance department of China Everbright Securities International Limited from March 2017 to October 2017 and a chief executive officer of RHB Hong Kong Limited from November 2017 to March 2019.

Mr. Loke is a member of both the Nomination Committee and the Audit Committee.

Ms. Wu Xiaoxia (“**Ms. Wu**”), aged 41, completed the course on Computer and Applications (計算機及應用) from Zhejiang Radio & TV University (浙江廣播電視大學)(currently known as Zhejiang Open University (浙江開放大學)) in 2001, and obtained professional and technical qualifications in economics and accounting from the Ministry of Human Resources and Social Security of the People’s Republic of China in 2019. Ms. Wu has extensive experience in various fields including finance, investments, mergers and acquisitions and internal audit. Ms. Wu has been an independent non-executive director of National Investments Fund Limited (a company listed on the Main Board (stock code: 1227)) since 13 June 2019. Ms. Wu has been the general manager of Xuntong Wangji (Shenzhen) Network Technology Co., Ltd. (訊通網際(深圳)網絡科技有限公司) since 2017. Ms. Wu served as the manager of the investment department of Zhejiang Orient Holdings Co., Ltd. from 2001 to 2009, and the deputy general manager and chief financial officer of Zhejiang Fifth Season Industrial Co., Ltd. (浙江第五季實業有限公司) from 2010 to 2017.

Ms. Wu is the chairlady of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee.

Business address of the Directors and senior management

The business address of the Directors and senior management is the same as the Company’s head office and principal place of business in Hong Kong at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hungghom, Kowloon, Hong Kong.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Ms. Wu (being the chairlady), Mr. Yang and Mr. Loke.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, make recommendations to the Board on the appointment, reappointment and removal of the external auditor, and review the Company's financial information.

12. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, and the written consent referred to in the paragraph headed "Qualifications and Consent of Expert" in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by section 342C of the Companies (WUMP) Ordinance.

14. DOCUMENTS ON DISPLAY

The following documents will be available on (i) the website of the Company (www.rmholdings.com.sg); and (ii) the website of the Stock Exchange (www.hkexnews.hk) during a period of 14 days from the date of this Prospectus (both days inclusive):

- (a) the memorandum of association and articles of association of the Company;
- (b) the interim report of the Company for the six months ended 30 June 2021 and the annual reports of the Company for the three years ended 31 December 2018, 2019 and 2020, respectively;
- (c) the letter from the Board, the text of which is set out on pages 12 to 39 of this Prospectus;
- (d) the letter from Zhonghui in respect of the unaudited pro forma financial information on the Group, the text of which is set out in Appendix II to this prospectus;
- (e) the Underwriting Agreement;

- (f) the written consent of the expert as referred to in the paragraph headed “Qualification and Consents of Expert” in this appendix;
- (g) the Prospectus Documents; and
- (h) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix.

15. MISCELLANEOUS

- (a) The English text of this Prospectus shall prevail over the Chinese text in case of any inconsistency.
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (c) As at the Latest Practicable Date, the Group had sufficient foreign exchange to meet its foreign exchange liabilities as they become due.