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## **RM GROUP HOLDINGS LIMITED**

**御藥堂集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 932)**

### **MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION**

This announcement is made by RM Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 11 April 2017 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with potential vendors (the “**Potential Vendors**”). Pursuant to the MOU, the Company intends to acquire, and the Potential Vendors intend to dispose of, all or part of the issued share capital in a company (the “**Target**”).

**Company**”, together with its subsidiaries “**Target Group**”) (the “**Proposed Acquisition**”). As at the date of the MOU, the Potential Vendors hold the entire issued share capital of the Target Company. The Target Group is principally engaged in the business of service provision of the WeChat Pay Cross-Border Solutions to Tenpay, an integrated online payment platform, and the retail merchants in Hong Kong.

## **Principal Terms of the MOU**

### *Date*

11 April 2017 (after trading hours)

### *Parties*

- (i) The Company; and
- (ii) the Potential Vendors.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Potential Vendors and their ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## **Consideration**

The Company has agreed to deposit HK\$1,000,000.00 in cash as a refundable earnest money for the Proposed Acquisition (the “**Earnest Money**”) into an escrow account with Potential Vendors’ solicitor as designated by the Potential Vendors, within seven business days upon the execution of the MOU. Upon completion of the Proposed Acquisition, the Earnest Money will be deemed as payment in part of the consideration to be agreed upon in the Formal Agreement (as defined below). In the event that the Formal Agreement (as defined below) cannot be reached upon the expiry of the Exclusivity Period (as defined below), the Earnest Money will be returned to the Company within seven business days upon request by the Company.

The consideration for the Proposed Acquisition and the manner of payment shall be further negotiated between the Company and the Potential Vendors and be determined in the Formal Agreement (as defined below).

## **Due diligence review**

Pursuant to the MOU, the Company may conduct due diligence review on, including but without limitation, the assets, liabilities, business, operations and subsisting status of the Target Group upon signing of the MOU. The Potential Vendors shall use their best endeavours to procure the Target Group and its agent to provide such assistance and information as is necessary for the Company to complete its due diligence review on the Target Group.

## **Exclusivity**

During a 90-day period after the date of execution of the MOU (or such other date as agreed between the Company and the Potential Vendors in writing) (the “**Exclusivity Period**”), the Company shall have exclusive right to negotiate with the Potential Vendors in relation to the terms of the Proposed Acquisition. During the Exclusivity Period, the Potential Vendors shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Target Group or any of its businesses.

## **Formal Agreement**

The Company and the Potential Vendors shall use their best endeavours to procure a legally binding formal agreement in relation to the Proposed Acquisition (“**Formal Agreement**”) within the Exclusivity Period. The Company has the right to nominate one of its subsidiaries as the purchaser to enter into the Formal Agreement.

## **Termination**

The MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusivity Period; or
- (ii) the date of execution of the Formal Agreement.

## **Binding effect**

Save for the provisions relating to the Earnest Money, due diligence review, exclusivity, confidentiality, termination, notices, binding effect, governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

In order to maximise return to the Company and the shareholders of the Company in the long run, the Directors consider that it is in the interest of the Company to enter into the MOU to explore the possibility of diversification of the business of the Group. The Proposed Acquisition, should it materialise, will enhance the corporate development of the Group which will be in the best interests of the Company and its shareholders as a whole.

### **GENERAL**

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

**As the Proposed Acquisition may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.**

By Order of the Board  
**RM Group Holdings Limited**  
**CHAN Yan Tak**  
*Chairman*

Hong Kong, 11 April 2017

*As at the date of this announcement, the executive directors of the Company are Mr. CHAN Yan Tak, Mr. LEE Chi Hang, Sidney, Mr. LIM Ming Shing, Tony, Mr. WONG Ping Yiu, and Mr. WANG Xihua; and the independent non-executive directors of the Company are Ms. Szeto Wai Ling, Virginia, Mr. Leung Winson Kwan Yau and Mr. Tam Kin Yip.*