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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)**

**MEMORANDA OF UNDERSTANDING  
IN RELATION TO  
POSSIBLE ACQUISITIONS**

**Financial Adviser**



**Euto Capital Partners Limited**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

## **THE SV MOU AND THE GB MOU**

The Board announces that on 31 August 2017 (after trading hours),

- (i) the Purchaser and the SV Vendors entered into the SV MOU in relation to the possible acquisition of the 100% issued share capital of the SV Target Company. As advised by the SV Vendors, the SV Target Company holds the SV Property.
- (ii) the Purchaser and the GB Vendor entered into the GB MOU in relation to the possible acquisition of the 100% issued share capital of the GB Target Company. As advised by the GB Vendor, the GB Target Company holds the GB Property.

**The SV Acquisition and the GB Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Shares. The SV Acquisition and the GB Acquisition, if materialises, may each constitute a notifiable transaction for the Company under the Chapter 14 of Listing Rules. Should (i) the Company enter into the SV Agreement and/or GB Agreement; (ii) decide not to proceed the transactions contemplated under the SV MOU and/or GB MOU; or (iii) there be any material development on the SV Acquisition and/or the GB Acquisition, the Company will inform the Shareholders and investors by way of announcement(s) in accordance with the Listing Rules as and when appropriate.**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

## **THE SV MOU**

Date: 31 August 2017 (after trading hours)

Parties: (a) SV Vendors, being the vendors; and  
(b) Best Billion Limited, a wholly-owned subsidiary of the Company, being the purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the SV Vendors are independent of and not connected with the Company and its connected persons.

## **Assets to be acquired**

Subject to the parties entering into the SV Agreement, the SV Vendors shall sell and the Purchaser shall acquire the 100% issued share capital in the SV Target Company.

As advised by the SV Vendors, the SV Target Company holds the SV Property located at Units Nos 1 & 34 on 1st Floor, ABBA Centre, Nos 223-227 Aberdeen Main Road, Hong Kong.

## **Consideration**

The consideration for the SV Acquisition will be subject to further negotiation between the parties to the SV MOU and is expected to be satisfied by the Purchaser by cash.

## **Exclusivity period**

The SV Vendors agreed that they will not, and will procure that the SV Target Company and its directors, officers, employees, representatives and agents will not, directly or indirectly, for a period of three (3) months from the date of the SV MOU, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the issued shares of the SV Target Company or the sale, subscription, or allotment of any part thereof or any other shares of the SV Target Company.

The parties shall negotiate in good faith towards one another in ensuring the SV Agreement be entered into as soon as possible and in any event, on or before the date falling three (3) months from the date of the SV MOU, or such later date as the parties to the SV MOU may agree.

## **Conditions**

Subject to the entering into of the SV Agreement between the SV Vendors and the Purchaser, completion of the SV Acquisition is conditional upon, among other things, (i) the Purchaser being satisfied with the results of the due diligence review to be conducted after signing of the SV MOU on the assets, liabilities, operations and affairs of the SV Target Company; and (ii) any other conditions agreed by the parties to be included in the SV Agreement.

## **Legal effect**

The SV MOU is non-legally binding save for the provisions relating to due diligence review, exclusivity period, confidentiality, costs and governing law and jurisdiction. The failure to execute and deliver any SV Agreement in relation to the SV Acquisition shall not impose any liability on the parties.

## **The GB MOU**

Date: 31 August 2017 (after trading hours)

Parties: (a) GB Vendor, being the vendor; and  
(b) Best Billion Limited, being the purchaser.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the GB Vendor is independent of and not connected with the Company and its connected persons.

## **Assets to be acquired**

Subject to the parties entering into the GB Agreement, the GB Vendor shall sell and the Purchaser shall acquire the 100% issued share capital in the GB Target Company.

As advised by the GB Vendor, the GB Target Company holds the GB Property located at Flat on 7th Floor with balcony, "11 Macdonnell Road", No. 11 Macdonnell Road, Hong Kong.

## **Consideration**

The consideration for the GB Acquisition will be subject to further negotiation between the parties to the GB MOU and is expected to be satisfied by the Purchaser by cash.

## **Exclusivity period**

The GB Vendor agreed that it will not, and will procure that the GB Target Company and its directors, officers, employees, representatives and agents will not, directly or indirectly, for a period of one (1) month from the date of the GB MOU, (i) solicit, initiate or encourage enquiries or offers from; or (ii) initiate or continue negotiations or discussions with or furnish any information to; or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the sale or other disposition of the issued shares of the GB Target Company or the sale, subscription, or allotment of any part thereof or any other shares of the GB Target Company.

The parties shall negotiate in good faith towards one another in ensuring the GB Agreement be entered into as soon as possible and in any event, on or before the date falling one (1) month from the date of the GB MOU, or such later date as the parties to the GB MOU may agree.

## **Conditions**

Subject to the entering into of the GB Agreement between the GB Vendor and the Purchaser, completion of the GB Acquisition is conditional upon, among other things, (i) the Purchaser being satisfied with the results of the due diligence review to be conducted after signing of the GB MOU on the assets, liabilities, operations and affairs of the GB Target Company; and (ii) any other conditions agreed by the parties to be included in the GB Agreement.

## **Legal effect**

The GB MOU is non-legally binding save for the provisions relating to due diligence review, exclusivity period, confidentiality, costs and governing law and jurisdiction. The failure to execute and deliver any GB Agreement in relation to the GB Acquisition shall not impose any liability on the parties.

## **REASONS AND BENEFITS OF THE SV ACQUISITION AND THE GB ACQUISITION**

The Group is principally engaged in the business of sale, marketing and distribution of health and beauty supplements and products in Hong Kong, Taiwan and the PRC.

The SV Acquisition would be an opportunity to acquire high quality commercial property at a traditional populated residential and tourist area in Hong Kong (i.e. Aberdeen) for opening its own shops to sell and market health supplements and products. The Company prefers acquiring SV Property over renting them as it can save rental costs from a long term perspective and the Company expects the commercial property will appreciate in the long run.

On the other hand, GB Property, which would be acquired under GB Acquisition, will serve as accommodation for senior management of the Group travelling from overseas, which will save the Group's costs incurred from booking hotels.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

|                    |   |
|--------------------|---|
| “Board”            | the board of Directors  |
| “Company”          | RM Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange                       |
| “connected person” | has the meaning ascribed to it in the Listing Rules   |
| “Director(s)”      | the director(s) of the Company  |
| “GB Acquisition”   | the possible acquisition of the 100% issued share capital of the GB Target Company by the Purchaser from the GB Vendor  |
| “GB Agreement”     | the formal sale and purchase agreement to be entered into between the GB Vendor and the Purchaser in respect of the GB Acquisition  |
| “GB MOU”           | the memorandum of understanding dated 31 August 2017 entered into between the Purchaser and the GB Vendor setting out the preliminary understanding in relation to the GB Acquisition |
| “GB Property”      | the residential property located at Flat on 7th Floor with balcony, “11 Macdonnell Road”, No. 11 Macdonnell Road, Hong Kong   |

|                     |   |
|---------------------|---|
| “GB Target Company” | Giant Bloom Holdings Limited, a company incorporated in Hong Kong with limited liability  |
| “GB Vendor”         | Cheng Tze Kit Larry, a resident of Hong Kong and a businessman  |
| “Group”             | the Company and its subsidiaries  |
| “Hong Kong”         | the Hong Kong Special Administrative Region of the PRC  |
| “HK\$”              | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Listing Rules”     | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Purchaser”         | Best Billion Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company   |
| “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)   |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited   |
| “SV Acquisition”    | the possible acquisition of the 100% issued share capital of the SV Target Company by the Purchaser from the SV Vendors   |
| “SV Agreement”      | the formal sale and purchase agreement to be entered into between the SV Vendors and the Purchaser in respect of the SV Acquisition   |
| “SV MOU”            | the memorandum of understanding dated 31 August 2017 entered into between the Purchaser and the SV Vendors setting out the preliminary understanding in relation the SV Acquisition |

|                     |   |
|---------------------|---|
| “SV Property”       | the commercial properties located at Units Nos 1 & 34 on 1st Floor, ABBA Centre, No 223-227 Aberdeen Main Road, Hong Kong |
| “SV Target Company” | Super Value Sporting Goods Company Limited, a company incorporated in Hong Kong with limited liability                    |
| “SV Vendors”        | collectively, Lieu Tseng Van David, Lieu Bon Wai Wayne and Chen Siu Ling Shirley, residents of Hong Kong and businessman  |

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

Hong Kong, 31 August 2017

*As at the date of this announcement, the executive Directors are Mr. CHAN Yan Tak, Mr. LEE Chi Hang, Sidney, Mr. LIM Ming Shing, Tony, Mr. WONG Ping Yiu, Mr. WANG Xihua and Mr. LAI Wei Lam, William; and the independent non-executive Directors are Ms. SZETO Wai Ling, Virginia, Mr. LEUNG Winson Kwan Yau and Mr. TAM Kin Yip.*