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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)

**SUPPLEMENTAL AGREEMENT AND ADDITIONAL INFORMATION
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED
SHARE CAPITAL OF THE TARGET**

Financial Adviser



Reference is made to the announcement (the “**Previous Announcement**”) of RM Group Holdings Limited (the “**Company**”) dated 30 June 2017 regarding the entering into of the agreement in relation to the proposed acquisition of the entire issued share capital of Empire Access Limited by the Company. Unless otherwise defined in this announcement, terms defined in the Previous Announcement shall have the same meanings in this announcement.

I. THE SUPPLEMENTAL AGREEMENT

On 15 September 2017 (after trading hours of the Stock Exchange), the Company and the Vendors entered into a supplemental agreement (the “**Supplemental Agreement**”), pursuant to which the parties agreed to amend the SPA with respect to the Acquisition. The principal terms of the Supplemental Agreement are set out below:

Key personnel and the additional condition precedent

The Company is aware that key personnel is critical to the success of the Target Group. To retain their services in the HK Subsidiary after the Completion, the Company and the Vendors agreed that the Completion shall be subject to one additional condition precedent, being the receipt of the employment agreements duly signed by the key personnel (the “**Key Personnel**”) to the satisfaction of the Purchaser, pursuant to which longer notice periods and clauses on restraint of trade for a particular period will be put in place.

In addition, as an incentive for achieving better performance of the Target Group, part of the Revised Consideration (as defined in the section headed “Consideration” below) shall be payable to certain Key Personnel with payment details set out in the section headed “Consideration” below. The Company may grant share options to the senior management of the Target Group based on their performance as decided by the Board and the remuneration committee of the Company.

Nevertheless, as the payment schedule under the new arrangement pursuant to the Supplemental Agreement had been spread across a few years horizon, the completion of the CB Placing shall no longer be one of the conditions precedent for the Completion.

Hoi On and the post-completion undertaking

During the legal due diligence on the Target Group, the Company is aware that there is an agreement dated 11 April 2017 entered into between the HK Subsidiary and the sole shareholder of Hoi On Technology Limited (“**Hoi On**”) (a limited liability company incorporated in Hong Kong, which is an institutional service provider for WeChat Pay) pursuant to which the HK Subsidiary has the right to exercise an option to acquire 95% of the equity interest of Hoi On (the “**Hoi On Acquisition**”).

As Hoi On holds a licence for operating money settlement service, filing has to be done to Customs and Excise Department for any change of ultimate shareholders in Hoi On. To minimize administration work, the parties agree that Hoi On Acquisition is a post-completion undertaking and any actions that will give effect to the Hoi On Acquisition, including (but not limited to) the execution of the relevant instrument of transfer and contract notes, will only be done after the Completion.

Consideration

During the due diligence on the Target Group, the Company is aware that the valuation of the market value of 70% of the issued share capital of the HK Subsidiary would be more prudently achieved at not less than HK\$240,000,000 rather than the original amount of HK\$275,000,000.

To cater for the revised valuation, the Company and the Vendors agreed that the Consideration shall be revised and be adjusted downwards to HK\$240,000,000 (the “**Revised Consideration**”) by way of the Supplemental Agreement.

To further protect the interests of the Company, the payment terms of the Revised Consideration are also amended to link with the performance of the ND Target Group in the following manner:

- (i) HK\$5,000,000 as refundable cash deposit, which has been paid by the Purchaser to the Vendors.
- (ii) HK\$55,000,000, being the second instalment of the Revised Consideration, which shall be payable to the Vendors in cash in proportion to their shareholding in the Target within 10 days after the Completion Date.
- (iii) a maximum of HK\$60,000,000 or such adjusted amount (the “**Third Instalment**”) by the issue of the promissory note(s) (the “**Promissory Notes**”) (For details of the Promissory Notes, please refer to the section headed “Promissory Notes” below), provided that the Revenue in the ND Target Group for the First Period shall be more than or equal to HK\$8,000,000 (the “**First Target**”), to be payable within 7 Business Days from the date of the receipt of the relevant auditor’s certificate on the Revenue of the First Period, in the following manner:
 - (aa) 90% of the Third Instalment, or as adjusted (as the case may be), be payable to the Vendors in proportion to their shareholding in the Target; and

- (bb) 10% of the Third Instalment, or as adjusted (as the case may be), to the Key Personnel and the senior management of the ND Target Group in the proportion as determined by the Company at its absolute discretion. The payment of such sum to the Key Personnel and the senior management of the ND Target Group will fully discharge the Company's obligation to pay the Third Instalment.

If the Revenue in the ND Target Group for the First Period is less than the First Target, the Company shall only be required to pay the Third Instalment to be adjusted as set out in the section headed "Adjustment Mechanism of the Consideration" below, within 7 Business Days from the date of the receipt of the relevant auditor's certificate on the Revenue of the First Period.

- (iv) a maximum of HK\$60,000,000 or such adjusted amount (the "**Fourth Instalment**") by the issue of the Promissory Note(s), provided that the Revenue in the ND Target Group for the Second Period shall be more than or equal to HK\$43,000,000 (the "**Second Target**"), to be payable by the Purchaser within 7 Business Days from the date of the receipt of the relevant auditor's certificate on the Revenue of the Second Period in the following manner:

- (aa) 90% of the Fourth Instalment, or as adjusted (as the case may be), be payable to the Vendors in proportion to their shareholding in the Target; and

- (bb) 10% of the Fourth Instalment, or as adjusted (as the case may be), be payable to the Key Personnel and the senior management of the ND Target Group in the proportion as determined by the Company at its absolute discretion. The payment of such sum to the Key Personnel and the senior management of the ND Target Group will fully discharge the Company's obligation to pay the Fourth Instalment.

If the Revenue in the ND Target Group for the Second Period is less than the Second Target, the Company shall only be required to pay the Fourth Instalment to be adjusted as set out in the section headed "Adjustment Mechanism of the Consideration" below (with accumulative effect), within 7 Business Days from the date of the receipt of the relevant auditor's certificate on the Revenue of the Second Period.

- (v) a maximum of HK\$60,000,000 or such adjusted amount (the "**Fifth Instalment**") by the issue of the Promissory Note(s), provided that the Net Profit in the Target Group for the Third Period shall be more than or equal to HK\$23,000,000 (the "**Third Target**"), within 7 Business Days from the receipt of the relevant audited financial statements of the Third Period showing the Third Target is met.

If the Net Profit in the Target Group for the Third Period is less than the Third Target, the Company shall only be required to pay the Fifth Instalment to be adjusted as set out in the section headed "Adjustment Mechanism of the Consideration" below, within 7 Business Days from the date of the receipt of the relevant audited financial statements showing the Net Profit of the Third Period to the Vendors in proportion to their shareholding in the Target.

The above targets and periods are based on the valuation model on the ND Target Group and are summed up in the following table for illustration purpose:

Period	First Period	Second Period	Third Period	Fourth Period
Expected minimum figures based on the valuation model				
– Revenue	HK\$8,000,000*	HK\$43,000,000*	HK\$87,000,000	HK\$144,000,000
– Net Profit	N/A	N/A	HK\$23,000,000*	HK\$49,000,000
Instalment Affected	Third Instalment	Fourth Instalment	Fifth Instalment	N/A

* Being used as the targets to be benchmarked to the issuance of the Promissory Notes.

In light of the revised payment term, the mechanism in relation to the Option shall be removed.

Where:

First Period	means	the period of 12 calendar months after the Completion Date
Second Period	means	the period of 12 calendar months after the expiration of the First Period
Third Period	means	the period of 12 calendar months after the expiration of the Second Period
Fourth Period	means	the period of 12 calendar months after the expiration of the Third Period
Net Profit	means	the amount of net profit (as defined under and calculated in accordance with the relevant HKFRS) generated by the ND Target Group for the relevant period
Revenue	means	the amount of revenue (as defined under and calculated in accordance with the relevant HKFRS) generated by the ND Target Group for the relevant period
HKFRS	means	Hong Kong Financial Reporting Standards as accepted by the Hong Kong Institute of Certified Public Accountants
ND Target Group	means	HK Subsidiary and Hoi On

Adjustment Mechanism of the Consideration

A. Meeting the Targets for the First Three Periods

The Third Instalment, the Fourth Instalment and the Fifth Instalment shall be adjusted in the following manners:

In the event that the Revenue in the ND Target Group for the First Period is less than the First Target and the Revenue in the ND Target Group for the Second Period is more than the Second Target:

$$\text{Third Instalment} = \frac{\text{Revenue in ND Target Group for the First Period}}{\text{HK\$8 million}} \times \text{HK\$60,000,000}$$

$$\text{Fourth Instalment} = \left(\frac{\text{HK\$43 million}}{\text{HK\$43 million}} \times \text{HK\$60,000,000} \right) + \left(\frac{\text{Revenue in the ND Target Group for the Second Period minus HK\$43 million}}{\text{HK\$8 million}} \times \text{HK\$60,000,000} \right)$$

In the event that Revenue in the ND Target Group for the First Period is more than the First Target and the Revenue in the ND Target Group for the Second Period is less than the Second Target:

$$\text{Third Instalment} = \frac{\text{HK\$8 million}}{\text{HK\$8 million}} \times \text{HK\$60,000,000}$$

$$\text{Fourth Instalment} = \left(\frac{\text{Revenue in the ND Target Group for the Second Period}}{\text{HK\$43 million}} \times \text{HK\$60,000,000} \right) + \left(\frac{\text{Revenue in the ND Target Group for the First Period minus HK\$8 million}}{\text{HK\$43 million}} \times \text{HK\$60,000,000} \right)$$

In the event that the Revenue in ND Target Group for the First Period is less than the First Target and the Revenue in the ND Target Group for the Second Period is less than the Second Target:

$$\text{Third Instalment} = \frac{\text{Revenue in the ND Target Group for the First Period}}{\text{HK\$8 million}} \times \text{HK\$60,000,000}$$

$$\text{Fourth Instalment} = \frac{\text{Revenue in the ND Target Group for the Second Period}}{\text{HK\$43 million}} \times \text{HK\$60,000,000}$$

For avoidance of doubt, the aggregate sum of the Third Instalment and the Fourth Instalment shall be capped at HK\$120,000,000 in any event.

In the event that the Net Profit in the ND Target Group for the Third Period is less than HK\$23,000,000:

$$\text{Fifth Instalment} = \frac{\text{Net Profit in the ND Target Group for the Third Period}}{\text{HK\$23 million}} \times \text{HK\$60,000,000}$$

B. Catching-up in the Fourth Period

Based on the Revenue and the Net Profit for the Fourth Period, the Promissory Notes for the portion of the Third Instalment, Fourth Instalment and the Fifth Instalment which have been adjusted downward pursuant to section headed “Adjustment Mechanism of the Consideration – A. Meeting the Targets for the First Three Periods” above shall be payable and delivered by the Company within 7 Business Days after the actual receipt of the relevant (i) financial statements of the ND Target Group (the “**Fourth Period Interim Accounts**”); or (ii) if the Revenue and the Net Profit in the Fourth Period Interim Accounts cannot meet the condition as set out under the relevant clause in the Supplement Agreement, audited financial statements for the Fourth Period, in the following manner:

(a) In the event that the sum of the Revenue for the Third Period and the Fourth Period is more than HK\$231,000,000, the following portion of the Third Instalment and the Fourth Instalment which have been adjusted downward pursuant to section headed “Adjustment Mechanism of the Consideration – A. Meeting the Targets for the First Three Periods” above shall become payable in the following order:

(aa) the following portion of the Fourth Instalment which has been adjusted downward pursuant to the section headed “Adjustment Mechanism of the Consideration” shall become payable first:

$$\frac{\text{Revenue in ND Target Group for the Third and Fourth Period minus HK\$231 million}}{\text{HK\$43 million}} \times \text{HK\$60,000,000}$$

(bb) if the sum of the Revenue for the Third Period and the Fourth Period remains in excess of HK\$231,000,000 after allocating the surplus to meet the Second Target, the following portion of the Third Instalment which has been adjusted downward pursuant to the section headed “Adjustment Mechanism of the Consideration – A. Meeting the Targets for the First Three Periods” above shall become payable:

$$\begin{array}{r} \text{Revenue in the ND Target Group for the Third} \\ \text{and Fourth Period minus HK\$231 million minus} \\ \text{HK\$43 million} \end{array} \quad \times \text{ HK\$60,000,000}$$

$$\text{HK\$8 million}$$

(b) In the event that the Net Profit for the Fourth Period is more than HK\$49,000,000, the following portion of the Fifth Instalment which has been adjusted downward pursuant to the section headed “Adjustment Mechanism of the Consideration – A. Meeting the Targets for the First Three Periods” above shall become payable:

$$\begin{array}{r} \text{Net Profit in the ND Target Group} \\ \text{for the Fourth Period minus HK\$49 million} \end{array} \quad \times \text{ HK\$60,000,000}$$

$$\text{HK\$23 million}$$

For avoidance of doubt, the aggregate sum of the Third Instalment, the Fourth Instalment and the Fifth Instalment shall be capped at HK\$180,000,000 in any event.

C. Early Achieving the Targets

In the event that the ND Target Group can fulfil the Revenue of HK\$51,000,000 and the Net Profit of HK\$23,000,000 in a financial year subsequent to the Completion Date and before the end of the Third Period, any amount of the Third Instalment, the Fourth Instalment and the Fifth Instalment which has been reduced by adjustment will become payable by the Purchaser to the Vendors shall be payable in proportion to their shareholding in the Target within 7 Business Days after the actual receipt of the relevant audited financial statements by the Purchaser.

Promissory Note(s)

The Company shall issue to the Vendors or his/her nominee(s) the Promissory Note(s) on the following principal terms:

Principal amount	HK\$180,000,000 in aggregate
Interest	the Company shall pay to the holder of the Promissory Note(s) interest on the face value or the outstanding amount of the Promissory Note(s) commencing from the date of the Promissory Note(s) up to the date of payment in full at the rate being 8% per annum. Interest shall accrue from day to day, shall be calculated on the basis of the actual number of days elapsed and a 365 day year, including the first day of the period during which it accrues but excluding the last and shall be paid on the last Business Day of the relevant Interest Period provided that the last interest payment date shall be the Maturity Date
Maturity Date	the date falling on the fifth (5) years from the issue date of this Note provided that if such date shall not be a Banking Day, the Maturity Date shall be the next Banking Day immediately thereafter
Repayment	due and repayable on the Maturity Date
Transferability	the holder of the Promissory Note(s) may assign or transfer the Promissory Note(s) to any person except for the transfer to a connected person of the Company which is subject to prior written consent of the Company and compliance of the relevant requirements under the Listing Rules
Early redemption	the Company may redeem all or part of the Promissory Note(s) at any time 5 Business Days prior to the Maturity Date at 100% of their face value together with all interest accrued on the principal amount of the Promissory Note(s) thereby redeemed but unpaid, by giving the holder of the Promissory Note(s) not less than seven (7) days' prior written notice

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

During the due diligence on the Target Group and as disclosed above, the Company is aware that the success of the Acquisition depends on proper handling of the issues relating to (i) the Key Personnel, (ii) the acquisition of Hoi On, (iii) valuation of the HK Subsidiary and (iv) the future performance of the HK Subsidiary. In light of the above issues, the Company and the Vendors agree to change the deal structure with amended terms which include the Revised Consideration, amended payment terms, revised conditions precedent and an additional post-completion undertaking as set out above.

The Directors (including the independent non-executive Directors) are of the view that such changed deal structure contemplated by the Supplemental Agreement would help reduce the immediate cash outflow (with Promissory Notes introduced to replace a 100% cash deal) and would increase the deal feasibility and better protect the interests of the Company.

II. ADDITIONAL INFORMATION

The Company would like to provide the following additional information to the Shareholders and potential investors in relation to the Acquisition and the business of WeChat payment which the Target Group is operating.

A. Types of WeChat Payment Service Providers

To the best knowledge of the Company and as advised by the Vendors, there are two types of WeChat Payment service providers, being the institutional participant (such as Hoi On) and the merchant acquirer participant (such as the HK Subsidiary).

As advised by the Vendors, institutional participants are superior to merchant acquirer participants in the following ways:

1. An institutional participant shall have the capability and licence to operate money settlement business in Hong Kong.
2. Institutional participants can recruit merchant acquirer participants for Tenpay in return for a fee.
3. Merchant acquirer participants take longer to arrange account opening for new WeChat Pay account for merchants where it takes 2 weeks for institutional participants but 30 days for merchant acquirer participants.

4. Different in revenue model:
 - (i) For institutional participants, they need to pay Tenpay a fee which is equal to a certain percent of each transaction sum under their merchant account out of the rate charged on the merchant (in other words, the gain would be the difference in rates). On top of that, Tenpay arranges payment to the merchant through the institutional participant. As the settlement period from Tenpay to the institutional participant is “T+2” while the settlement period from the institutional participant to the merchants would range from “T+5” to “T+21”, the institutional participant may hence take advantage of the timing difference to gain interest income.
 - (ii) For merchant acquirer participants, they receive commission from Tenpay at an agreed rate.
5. Different in settlement period with the merchants:
 - (i) For institutional participants, the settlement period from the Institutional Participant to the merchants would range from “T+5” to “T+21” (depending on their respective bargaining powers) as indicated above.
 - (ii) For merchant acquirer participants, the settlement period (directly from Tenpay to merchants) range from “T+2” for sizeable merchants having large number of chain stores to “T+30” for general merchants.

B. Selection Process for a WeChat Payment Service Provider by Tenpay

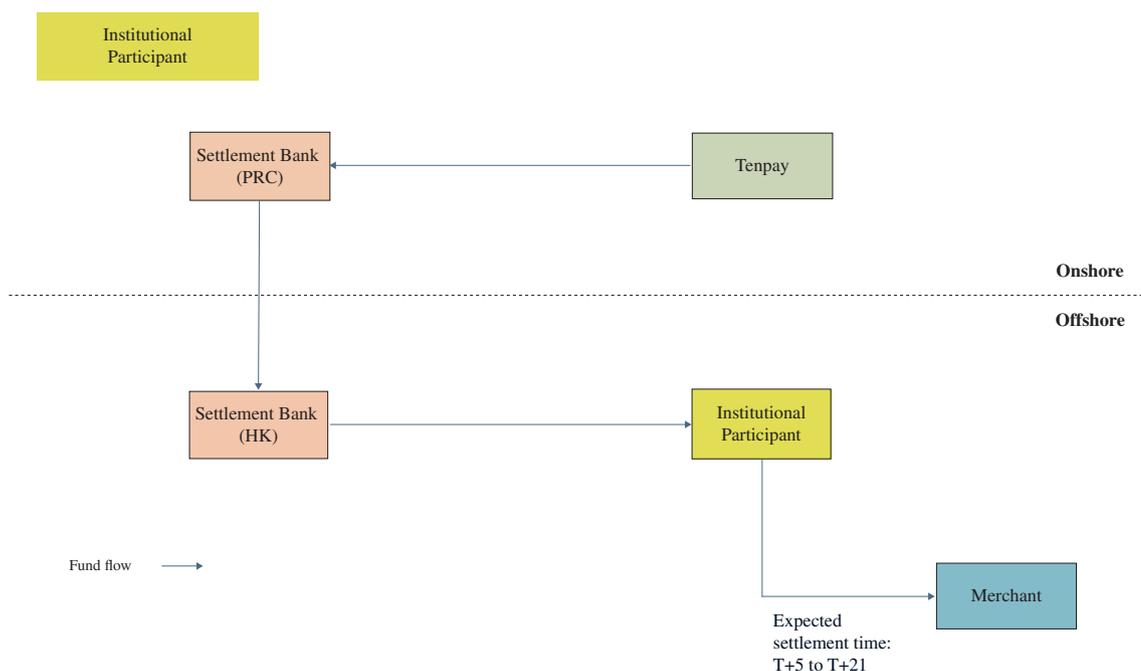
To the best knowledge of the Company and as advised by the Vendors, Tenpay deploys a strict selection criteria in authorizing WeChat payment service providers in Hong Kong. The selection criteria include:

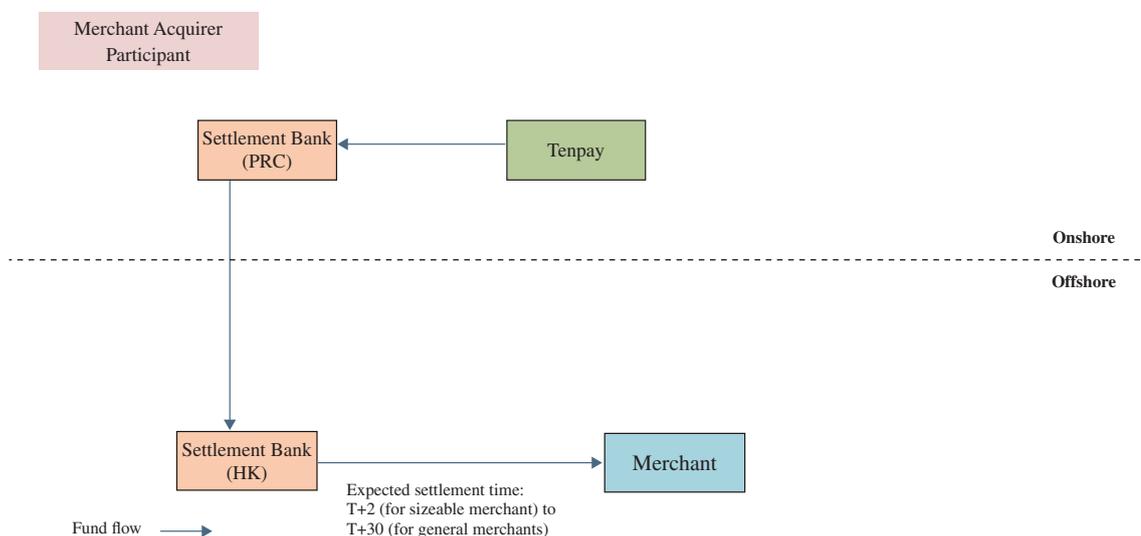
1. the background of the service provider;
2. the management team’s knowledge and technical expertise in operating electronic payment business; and
3. the willingness and ability to promote and invest in the WeChat payment business.

Furthermore, Tenpay requires candidates to submit documentary evidence showing they have fulfilled the above selection criteria and, if Tenpay is satisfied after such paper review, it will then invite the shortlisted candidate for an interview.

If such candidate can pass the interview, Tenpay will formally enter into a WeChat payment agreement to make the candidate as one of its WeChat payment service providers.

Below please find the fund flow for Institutional Participants and Merchant Acquirer Participant:





C. Recruitment of Merchant Shops

The HK Subsidiary would require each “recruited” merchant to fill in an application form entitled “WeChat Payment Service Application Form” setting out the merchant’s basic information and bank account details for the WeChat Pay system. The application form will also set out the charge rate, system (such as POS machine and QR Code system) installation fee and annual service fee. No other agreement will be signed between the HK Subsidiary and the merchant shop.

Although the application form has not provided for any exclusivity arrangement, exclusivity is implied as each merchant shop will be assigned by Tenpay with a unique and only one QR Code, which links with the HK Subsidiary. It is hence impossible for the merchant shop to cooperate with other WeChat Pay service providers at the same time.

In the event a merchant would like to change to another service provider, a new QR Code would need to be applied and assigned. As a new application would be required, to the best knowledge of the Company and as advised by the Vendors, merchant shops would tend not to change their service providers.

The Valuation has assumed that the HK Subsidiary would recruit approximately new 3,000 merchant stores per year during the forecast period are based on (1) the HK Subsidiary has recruited (through recruitment agents) a relatively large number of merchant shops in a relatively short period of time (782 merchant shops as at 1 September 2017); and (2) the ND Target Group is negotiating with merchants which have large number of shops. With these achievement and network resources, the Directors believe that the target of recruiting approximately 3,000 new merchant stores per year is achievable.

After the Completion, the Company will, on one hand, try to continue such successful track record with the existing recruitment agents and, on the other hand, utilize its distribution network already established by the Group.

D. Future Prospect

Apart from the Group's established business in health supplements/products, the Group has commenced online marketing business through the operation of gd.qq.com (大粵網) starting from April 2017. 大粵網 provides the Company with a good platform to reach out the PRC consumers with its health supplements/products and to develop the PRC market, which the Company believes it will be a new driving force to its revenue.

The Acquisition, which allows the Group to tap into WeChat Pay business, will, on one hand, empower itself to ride on the PRC market and the rapid growth of the mobile commerce business in the PRC market. On the other hand, the Group, through operating data for the WeChat Pay, would then be able to locate targeted customer with specific shopping preference to facilitate its marketing (such as sending advertisement and coupons) and eventually sale of its health supplements/products.

Even though the Company currently has no specific expertise in the WeChat Pay business, it will facilitate the new business by bringing in management and financial experiences through continuous monitoring and review on the operation of the HK Subsidiary and Hoi On.

Apart from the Acquisition, the Company has considered joining the WeChat Pay business by applying for being a WeChat service provider itself, yet it would take more initial time and resources to reach the scale and build the intangible resources already attained by the HK Subsidiary and Hoi On, in which case the Company would have lost the first mover advantage.

Furthermore, if the Company does not proceed with the Acquisition, the HK Subsidiary and Hoi On may further expand in scale or may be acquired by other interested investors. With HK Subsidiary's strong merchant recruitment ability (being able to recruit over 700 merchant shops within a short period of time), it would pose fierce competition on the Company if the Company chooses to organically develop this business from scratch.

III. COMPLIANCE WITH RULE 14.62 OF THE LISTING RULES

The Valuation has been prepared by the Valuer. According to the Valuation, the market value of a 70% equity interest in the HK Subsidiary was reasonably stated at approximately HK\$247,335,000, as at the valuation date of 31 May 2017. The Valuation has adopted income approach and discounted cash flow method in valuing the HK Subsidiary. As such, the Valuation constitutes a "profit forecast" under Rule 14.61 of the Listing Rules. Rule 14.62 of the Listing Rules is hence applicable.

The principal assumptions, including commercial assumptions, on which the Valuation has been based, are as follows:

- There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the jurisdiction where the HK Subsidiary currently operates or will operate which will materially affect the revenues attributable to the HK Subsidiary, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;
- The financial projections in respect of the HK Subsidiary have been prepared on a reasonable basis, reflecting estimates that have been arrived at after due and careful consideration by the management of the HK Subsidiary;
- The projected financial performance of the HK Subsidiary could be achieved and the HK Subsidiary will have adequate financing for its operation;
- The HK Subsidiary will successfully carry out all necessary activities for the development of its business;
- The market trends and conditions where the HK Subsidiary operates will not deviate significantly from the economic forecasts in general;

- The unaudited financial statements of the HK Subsidiary provided by the management of the HK Subsidiary have been prepared in a manner which truly and accurately reflect the financial position of the HK Subsidiary as at the respective balance sheet dates;
- Key management, competent personnel, and technical staff will all be retained to support ongoing operations of the HK Subsidiary;
- There will be no material changes in the business strategy of the HK Subsidiary and its operating structure;
- All relevant approvals, business certificates, licenses or other legislative or administrative authority from any local government, or private entity or organization required to operate in the localities where the HK Subsidiary operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated.
- Total retail expenditure in Hong Kong by the PRC tourists accounts for 33% of total retail expenditure in Hong Kong by taking reference to an expert report provided by the Company; and
- The penetration rate of WeChat Pay services amongst the PRC tourists within retail merchants in Hong Kong will be 16%, 20%, 24%, 28% and 33% in the first five years in the forecast period respectively by taking reference to an expert report provided by the Company;

Crowe Horwath (HK) CPA Limited, the reporting accountants of the Company (“**Reporting Accountants**”), have reviewed the calculations of the discounted future estimated cash flows of the HK Subsidiary, which does not involve the adoption of accounting policies, in which the Valuation was based. The Board has reviewed the above principal assumptions and confirmed that the forecast has been made after due and careful enquiry. Letter from the Reporting Accountants is included in the Appendix I of this announcement as required under Rule 14.62 of the Listing Rules.

On the basis of the foregoing, the Company’s financial adviser, Euto Capital Partners Limited (“**Financial Adviser**”), is satisfied that the forecast has been made by the Company after due and careful enquiry. A letter from the Financial Adviser is included in Appendix II of this announcement as required under Rule 14.62 of the Listing Rules.

The following are the qualifications of the experts who have given their opinion and advice included in this announcement:

Name	Qualification
Crowe Horwath (HK) CPA Limited	Certified Public Accountants
Colliers International (Hong Kong) Limited	Independent professional valuer
Euto Capital Partners Limited	A corporation licenced to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Valuer, the Reporting Accountants and the Financial Adviser is an Independent Third Party.

As at the date of this announcement, none of the Valuer, the Reporting Accountants and the Financial Adviser has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer, the Reporting Accountants and the Financial Adviser has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its letter and all references to its name (including its qualifications) in the form and context in which it is included.

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

Hong Kong, 15 September 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. WONG Ping Yiu, Mr. WANG Xihua, Mr. LAI Wei Lam, William and Mr. SO Kevin Hoi Chak; and the independent non-executive directors of the Company are Ms. SZETO Wai Ling, Virginia, Mr. LEUNG Winson Kwan Yau, Mr. TAM Kin Yip and Mr. LEUNG Man Loon.

APPENDIX I — LETTER FROM REPORTING ACCOUNTANTS



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
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REPORT ON THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF EMPIRE ACCESS LIMITED (THE “TARGET COMPANY”) AND ITS SUBSIDIARY

TO THE BOARD OF DIRECTORS OF RM GROUP HOLDINGS LIMITED

We refer to the discounted future estimated cash flows on which the business valuation dated 31 May 2017 prepared by Colliers International (Hong Kong) Limited in respect of the appraisal of the fair value of the Target Company and its subsidiary (as defined in this announcement) as at 31 May 2017 (the “**Valuation**”) is based. The Valuation is prepared based on the discounted future estimated cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The directors of RM Group Holdings Limited (the “**Directors**”) are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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.

Auditor's Responsibilities

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future estimated cash flows used in the Valuation. The discounted future estimated cash flows do not involve the adoption of accounting policies.

Basis of opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future estimated cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future estimated cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculation are concerned, the discounted future estimated cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of the Target Company and its subsidiary or an expression of an audit or review opinion on the Valuation.

The discounted future estimated cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

Crowe Horwath (HK) CPA Limited

Certified Public Accountants

Hong Kong, 15 September 2017

Kwok Cheuk Yuen

Practising Certificate Number P02412

APPENDIX II — LETTER FROM FINANCIAL ADVISOR



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The Board of Directors
RM Group Holdings Limited
27/F., The Galaxy
313 Castle Peak Road
Kwai Chung, Hong Kong

15 September 2017

Dear Sirs,

We refer to the valuation report prepared by Colliers International (Hong Kong) Limited (the “**Independent Valuer**”) in relation to the valuation of 70% equity interest in N-Dimension Limited as at 31 May 2017 (the “**Valuation**”). The principal assumptions upon which the Valuation is based are included in the announcement of RM Group Holdings Limited (the “**Company**”) dated 15 September 2017 (the “**Announcement**”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

We note that the Valuation has been developed based on the discounted cash flow approach which is regarded as profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules. We have discussed with the management of the Company and the Independent Valuer regarding the bases and assumptions of the Profit Forecast to arrive at the Valuation and have reviewed the letter dated 15 September 2017 issued by Crowe Horwath (HK) CPA Limited, the reporting accountants of the Company, as set out in Appendix I to the Announcement in regard to their work performed on the Profit Forecast. On the basis of the foregoing, we are of the opinion that the Profit Forecast underlying the Valuation, for which the directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully
For and on behalf of
Euto Capital Partners Limited
Manfred SHIU
Director