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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 ANNOUNCEMENT
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE
CAPITAL OF EMPIRE ACCESS LIMITED**

Financial Adviser



Euto Capital Partners Limited

Reference is made to the announcements (“**Announcements**”) of RM Group Holdings Limited dated 30 June 2017 and 15 September 2017 in respect of the acquisitions of the entire issued share capital of Empire Access Limited. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

The Company would like to provide the following supplemental information to the Shareholders and potential investors regarding the assumptions adopted for the Valuation:

- The projected number of recruited merchant store and annual revenue of the HK Subsidiary from 1 June 2017 to 31 May 2022 are illustrated as follows:

For 12 months ended	31-May-2018	31-May-2019	31-May-2020	31-May-2021	31-May-2022
Number of Recruited					
Merchant Store	2,927	5,927	8,927	11,927	13,427
Annual Revenue (HK\$)	8,436,453	43,496,652	87,217,705	144,768,224	206,177,221

- Cost of sales of the HK Subsidiary comprises service fee payment to Tenpay through Hoi On and commission payment to the recruitment agents;
- Administrative expenses of the HK Subsidiary mainly comprise (i) marketing expenses; (ii) rent and rate; (iii) entertainment and gift expenses; (iv) salaries and staff welfare; and (v) miscellaneous expenses;
- Capital expenditure of the HK Subsidiary mainly comprises equipment cost of point of sale machines to be installed in the merchant stores, as well as office furniture and computer equipment of the HK Subsidiary;
- Working Capital of the HK Subsidiary mainly comprises commission payable to the recruitment agents. Due to the business nature of the HK Subsidiary, no inventory is required. As settlement time between Tenpay and the HK Subsidiary is transfer date (T) + 2, no account receivable is adopted. According to the contracts provided by the HK Subsidiary, the commission paying to the recruitment agents is settled on monthly basis and hence one-month commission payment to the recruitment agents is adopted as the account payable of the HK Subsidiary; and
- Long-term cash flow growth rate of the HK Subsidiary is assumed to be approximately 3% per year with reference to the historical inflation rate in Hong Kong where the business of the HK Subsidiary is operated.

The above information does not affect any other information contained in the Announcements.

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

Hong Kong, 19 September 2017

As at the date of this announcement, the executive Directors 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 are Ms. SZETO Wai Ling, Virginia, Mr. LEUNG Winson Kwan Yau, Mr. TAM Kin Yip and Mr. LEUNG Man Loon.