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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)

ANNOUNCEMENT ADJUSTMENT TO EXERCISE PRICES OF AND NUMBER OF SHARES SUBJECT TO OUTSTANDING OPTIONS AND ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 27 October 2017, 3 November 2017, 6 November 2017, 8 November 2017 and 4 December 2017 (the “**Announcements**”) in relation to, among others, the Share Subdivision. Terms used in this announcement shall have the same meanings given to them in the Announcements unless otherwise stated in this announcement.

SHARE SUBDIVISION BECOMING EFFECTIVE

The Board is pleased to announce that the Share Subdivision has been approved by an ordinary resolution by the Shareholders at the EGM held on 4 December 2017, which will take effect on 5 December 2017.

ADJUSTMENT UNDER THE SHARE OPTION SCHEMES

As at the effective date for the Share Subdivision, i.e. 5 December 2017, the Company had 36,800,000 share options outstanding under the share option scheme adopted on 11 October 2013 (the “**Share Option Scheme**”). Immediately before the Share Subdivision becoming effective, holders of the share options under the Share Option Scheme are entitled to subscribe for a total of 36,800,000 Shares. As a result of the Share Subdivision becoming effective, the exercise price of, and the number of Subdivided Shares subject to the outstanding share options under the Share Option Scheme have been adjusted as follows:

Adjustment under the Share Option Scheme

Date of grant	Exercise price before adjustment (per Share)	Number of Shares subject to share options granted under the Share Option Scheme	Adjusted exercise price (per Subdivided Share)	Adjusted number of Subdivided Shares subject to share options granted under the Share Option Scheme
30 October 2017	HK\$6.80 per Share	36,800,000 Shares	HK\$1.70 per Subdivided Share	147,200,000 Subdivided Shares

Crowe Horwath (HK) CPA Limited has certified that the adjusted exercise price of, and the adjusted number of Subdivided Shares subject to, the outstanding share options set out in the table above comply with the requirements provided in the Note to Rule 17.03(13) of the Listing Rules and the rules of the Share Option Scheme adopted by the Company on 11 October 2013. The adjustments will take effect on the effective date of the Share Subdivision being 5 December 2017.

ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

Reference is also made to the announcements of the Company dated 24 April 2017, 9 May 2017, 31 May 2017, 30 June 2017, 31 July 2017, 22 September 2017, 25 September 2017 and 12 October 2017 in relation to the issue by the Company of the HK\$265,000,000 convertible bonds due 2019 (the “**Convertible Bonds**”). As a result of the Share Subdivision becoming effective, (i) the conversion price of the Convertible Bonds within the first anniversary of the date of issue of the Convertible Bonds, being initially at HK\$4.65 per Share (subject to adjustment); and (ii) the conversion price of the Convertible Bonds after the first anniversary of the date of issue of the Convertible Bonds and before the Maturity Date, being initially at HK\$4.00 per Share (subject to adjustment), will be adjusted in accordance with the terms and conditions of the Convertible Bonds to HK\$1.1625 (the “**Adjusted Price Before First Anniversary**”) per Subdivided Share and HK\$1.00 (the “**Adjusted Price After First Anniversary**”) per Subdivided Share respectively. Accordingly, the number of Subdivided Shares issuable upon full conversion at the Adjusted Price Before

First Anniversary and the Adjusted Price After First Anniversary of the Convertible Bonds immediately after the Share Subdivision becoming effective are 227,956,988 Subdivided Shares and 265,000,000 Subdivided Shares respectively.

Wealth Link Securities Limited has certified that the adjustments to the conversion price of the Convertible Bonds comply with the terms and conditions of the Convertible Bonds. The adjustments will take effect on the effective date of the Share Subdivision being 5 December 2017.

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

Hong Kong, 4 December 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, Mr. SO Kevin Hoi Chak and Mr. LIAO Zhe; 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.