



**RM Group announces its FY2014-2015 Q1 Results**  
**Profit attributable to owners of the Company surges 11 times**

**Financial Highlights**

HK\$'000	three months ended 30 June 2014		Change
	2014	2013	
Turnover	47,802	32,410	+47.5%
Gross profit	36,631	23,858	+53.5%
Gross profit margin	76.6%	73.6%	+3.0%
Profit before taxation	4,861	563	+763.4%
Profit for the period attributable to owners of the Company	3,760	305	+1,132.8%
Earnings per share (basic) (HK cents)	0.730	0.079	+824.1%

(8 August 2014 – Hong Kong ) **RM Group Holdings Limited** (“RM Group” or the “Company”, HKEx stock code: 8185) and its subsidiaries (the “Group”) announced its results for the three months ended 30 June 2014. During the reporting period, the Group recorded a turnover of approximately HK\$47.8 million, representing an increase of approximately 47.5% as compared with the same period last year (2013: approximately HK\$32.4 million). It is mainly due to the revenue attributable to health supplements increased by approximately 93.4%. The profit for the period attributable to owners of the Company is approximately HK\$3.8 million (2013: approximately HK\$0.3 million).

**Business Review**

The Group is principally engaged in the business of formulation, marketing, sales and distribution of health supplements and beauty supplements and products mainly in Hong Kong and Taiwan. The main products for the Group include (i) health supplements and (ii) beauty supplements and products. The Group’s products are sold under its proprietary brands (including “Royal Medic”) and private label brands specifically developed for and owned by a



renowned retail chain of health and beauty products in Hong Kong and Macau (the "Distribution Facilitator").

During the reporting period, health supplements remain the major source of income of the Group and have recorded continuous growth in turnover. For the three months ended 30 June 2014, the Group's revenue attributable to health supplements amounted to approximately HK\$38.3 million (2013: approximately HK\$19.8 million); while the revenue attributable to beauty supplements and products amounted to approximately HK\$9.2 million (2013: approximately HK\$12.5 million).

During the reporting period, the Group's revenue attributable to proprietary brands health supplements increased by approximately HK\$14.4 million or 96.6% to approximately HK\$29.3 million (2013: approximately HK\$14.9 million); while the revenue attributable to proprietary brands beauty supplements and products decreased by approximately HK\$0.8 million or 9.0% to approximately HK\$8.1 million (2013: approximately HK\$8.9 million).

Revenue attributable to private label brands health supplements increased by approximately HK\$4.1 million or 83.7% to approximately HK\$9.0 million for the three months ended 30 June 2014 (2013: approximately HK\$4.9 million), mainly due to the expansion of the product range and increase in the number of Health Proof special designated counters, which primarily sold health supplements. The Group focused resources on marketing the Health Proof products, among the private label brands, which were primarily health supplements. As a result, revenue attributable to private label brands beauty supplements and products decreased to approximately HK\$1.1 million (2013: approximately HK\$3.6 million).

## **Prospects**

Mr. Mark Chan, Chairman and Chief Executive Officer of the Group, said, "we have great confidence in the Group's future prospects. The collaboration with CUCAMed Company Limited, a wholly owned subsidiary of The Chinese University of Hong Kong Foundation Limited, not only enhances the product portfolio of the Group but also brand recognition of Royal Medic. We will continue to develop and promote products under the brand 'LEGEND'. On the overseas markets front, we will continue to expand our business in Taiwan and also explore opportunities in China and other markets in Southeast Asian countries."

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## **About RM Group Holdings Limited**

RM Group Holdings Limited is principally engaged in the business of formulation, marketing, sales and distribution of health supplements and beauty supplements and products under its proprietary brand (including "Royal Medic") and private label brands specifically developed for and owned by a renowned retail chain of health and beauty products in Hong Kong and Macau (the "Distribution Facilitator"). The Group outsources most of its production to its suppliers and subcontracting manufacturers and the Group distributes its products mainly through the Distribution Facilitator. According to the industry report prepared by Ipsos Hong Kong Limited, the Group ranked third as a PCM health supplements provider in Hong Kong in 2012. Its best-



selling product, Royal Medic Cs-4, ranked first in terms of sales value in the Cordyceps market in Hong Kong for five consecutive years ended August 2013.