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Amuse Group Holding Limited

佰悅集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8545)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE FORMATION OF A JOINT VENTURE COMPANY

On 9 July 2018 (after trading hours), Amuse Development and Hong Kong Hexi entered into the Joint Venture Agreement pursuant to which the Parties agreed to jointly establish the Joint Venture, which will principally engage in the services of design and development of moulds for manufacturing parts, components for new energy passenger cars' cabin or compartment.

As all the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Joint Venture Agreement are below 5%, the formation of the Joint Venture does not constitute any notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules. The Company is publishing this announcement on a voluntary basis.

This announcement is made by the Company on a voluntary basis. The purpose of this announcement is to keep the Shareholders and potential investors informed of the latest business development of the Group.

INTRODUCTION

The Directors are pleased to announce that on 9 July 2018 (after trading hours), Amuse Development and Hong Kong Hexi entered into the Joint Venture Agreement pursuant to which the Parties agreed to jointly establish the Joint Venture, which will principally engage in the services of design and development of moulds for manufacturing parts, components for new energy passenger cars' cabin or compartment.

THE JOINT VENTURE AGREEMENT

Date: 9 July 2018 (after trading hours)

Parties: (i) Amuse Development; and
(ii) Hong Kong Hexi.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hong Kong Hexi and its ultimate beneficial owners are Independent Third Parties.

Joint Venture

The Joint Venture is proposed to be established as a limited liability company in accordance with the laws of Hong Kong and the provisions of the Joint Venture Agreement. Amuse Development and Hong Kong Hexi will jointly appoint suitable person(s) as the director and the chief executive officer of the Joint Venture.

Business Scope

The Joint Venture will be principally engaged in the services of design and development of moulds for manufacturing parts, components for new energy passenger cars' cabin or compartment.

The Joint Venture will also explore the potential of expanding its business in other sectors of the electric and new energy vehicles industry.

Capital Contribution

The amount of capital contribution was determined after arm's length negotiations among the Parties, having taken into account the expected capital requirements of the Joint Venture and the expected working capital necessary for initial work phases. The Parties will make the capital contribution in cash. Amuse Development and Hong Kong Hexi will each hold 50% of equity interest in the Joint Venture, and the registered capital of the Joint Venture is in the amount of HK\$10,000 to be contributed by the Parties in equal shares.

The Group intends to finance its investment in the Joint Venture from its internal resources.

INFORMATION ON THE PARTIES

Information on Hong Kong Hexi

Hong Kong Hexi is a company incorporated in Hong Kong on 12 March 2018, which is principally engaged in the business of trading and planning on engaging on trading of new energy vehicles.

Information on Amuse Development

Amuse Development is a company incorporated in the BVI on 14 June 2018, which is a direct wholly-owned subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE

It has been the Group's strategy to explore new potential projects in order to diversify its business as well as broaden income source of the Group and eventually to maximise the return to the Shareholders. The Board sees an increasing demand and huge business opportunities for the car manufacturing industry in the PRC in light of the increasing income of the population and fast growing middle class population. The Joint Venture will be principally engaged in the services of design and development of moulds for manufacturing parts, components for new energy passenger cars' cabin or compartment. The Directors are of the view that it is a good opportunity for the Group to invest in a developing industry with potential and the Joint Venture will bring about opportunities for business cooperation with the Group which may provide synergies and optimize the productivity.

LISTING RULES IMPLICATIONS

This announcement is voluntarily made by the Company. As all the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Joint Venture Agreement are below 5%, the formation of Joint Venture does not constitute any notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Amuse Development”	Amuse Development Limited (佰悅發展有限公司), a limited liability company incorporated in the BVI, a direct wholly-owned subsidiary of the Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Amuse Group Holding Limited (佰悅集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on GEM (Stock Code: 8545)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Hexi”	Hong Kong Hexi International Holding Limited (香港和璽國際控股有限公司), a limited liability company incorporated in Hong Kong
“Independent Third Party(ies)”	(a) party(ies) who is/are not (a) connected person(s) (as defined in the GEM Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Joint Venture”	Baiju Development Co., Limited* (佰具發展有限公司) (or in other names to be determined by the Parties), a limited liability company proposed to be incorporated in Hong Kong in accordance with the Joint Venture Agreement
“Joint Venture Agreement”	the agreement entered into on 9 July 2018 between, Amuse Development and Hong Kong Hexi in relation to the establishment of the Joint Venture

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Parties”	Amuse Development and Hong Kong Hexi
“PRC”	People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the PRC and the Taiwan area)
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Amuse Group Holding Limited
Li Wai Keung
Chairman and Executive Director

Hong Kong, 9 July 2018

As at the date of this announcement, the Board comprises Mr. Li Wai Keung, Mr. To Hoi Pan and Ms. Lee Kwai Fong as executive Directors; and Mr. Yu Pui Hang, Mr. Tung Man and Ms. Chow Chi Ling Janice as independent non-executive Directors.

This announcement, for which all the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the website of Stock Exchange at www.hkexnews.hk on the “Latest Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.amusegroupholding.com.

* *For identification purposes only*