

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 30 March 2020 (after trading hours), Amuse Luck and Grand View entered into the Joint Venture Agreement pursuant to which the Parties agreed to jointly establish the Joint Venture in Hong Kong owned as to 30% by Amuse Luck and 70% by Grand View, which will principally engage in manufacturing and sale of protective products in Hong Kong and PRC markets.

As all the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the formation of the Joint Venture are below 5%, the formation of the Joint Venture does not constitute a 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 30 March 2020 (after trading hours), Amuse Luck and Grand View entered into the Joint Venture Agreement pursuant to which the Parties agreed to jointly establish the Joint Venture, which will principally engage in manufacturing and sale of protective products in Hong Kong and PRC markets.

THE JOINT VENTURE AGREEMENT

Date: 30 March 2020 (after trading hours)

Parties: (i) Amuse Luck; and
(ii) Grand View

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

Joint Venture

Pursuant to the Joint Venture Agreement, the Joint Venture is proposed to be established as a limited liability company in accordance with the laws of Hong Kong.

Business Scope

The Joint Venture will principally engage in manufacturing and sale of productive products (including medical face masks, infrared thermometer, disinfectant spray, protective clothing, etc.) in Hong Kong and the PRC markets.

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. Amuse Luck and Grand View will each subscribe 30% and 70% of equity interest in the Joint Venture, and the total amount of capital of the Joint Venture to be paid up by Amuse Luck and Grand View will be HK\$10,000, which shall be contributed by the Parties in proportion to the number of shares of the Joint Venture to be subscribed by the Parties.

Save for the aforesaid, in accordance with the Joint Venture Agreement, Amuse Luck and Grand View will advance a further investment in aggregate amount of HK\$10 million to the Joint Venture for setting up the medical face masks production lines in proportion to their respective shareholdings, in which Amuse Luck will contribute HK\$3 million to the Joint Venture and Grand View will be responsible for the costs of medical face masks production equipment, its installation and the plant renovation which amount to approximately HK\$7 million.

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

INFORMATION ON THE PARTIES

Information on Grand View

Grand View is a company incorporated in Hong Kong on 18 July 2016, which is principally engaged in the business of trading of protective products.

Information on Amuse Luck

Amuse Luck is a company incorporated in the Hong Kong on 19 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 medical face masks and protective products in the PRC and Hong Kong as a result of the increasing awareness of health protection due to the recent global wide spread of new coronavirus (COVID-19) outbreak. The Joint Venture will principally engage in manufacturing and sale of protective products in Hong Kong and the PRC markets. 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 diversify the Group's portfolio of businesses.

The Directors consider that the terms of the Joint Venture Agreement and the Joint Venture are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

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 formation of the Joint Venture are below 5%, the formation of Joint Venture does not constitute a 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 Luck”	Amuse Luck Limited (佰好有限公司), a limited liability company incorporated in the Hong Kong, a direct wholly-owned subsidiary of the Company
“Board”	the board of Directors

“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
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Grand View”	Grand View Protective Products Limited (康鴻防護用品有限公司), a limited liability company incorporated in Hong Kong
“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
“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”	a limited liability company proposed to be incorporated in Hong Kong in accordance with the Joint Venture Agreement
“Joint Venture Agreement”	the agreement dated on 30 March 2020 entered into between, Amuse Luck and Grand View in relation to the formation of the Joint Venture
“Parties”	Amuse Luck and Grand View
“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, 30 March 2020

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 publishing and will be published on the Company’s website at www.amusegroupholding.com.

* *For identification purposes only*