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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

MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made by Amuse Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders (the “**Shareholders**”) and potential investors of the Company with updated information on the business development of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 31 December 2021, Amuse Luck Limited, a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with Chu Guigui (褚桂桂) and Zhu Rongzheng (朱榮政) (collectively, the “**Potential Vendors**”) in relation to a possible acquisition (the “**Possible Acquisition**”) of all or part of the equity interests in DongYiQuan Network Technology Co., Ltd., (“**DongYiQuan**”) by the Group.

Pursuant to the MOU, during the period commencing from the date of the MOU and ending on the later of (i) ninety (90) days upon entering into of the MOU; or (ii) such later date as the parties to the MOU may agree (the “**Exclusivity Period**”), the Potential Vendors shall not enter into any agreement, arrangement or understanding with any other party other than the Group in relation to the sale and purchase of interest in DongYiQuan.

Upon entering into of the MOU and during the Exclusivity Period, the Group (and its advisers and/or agents) shall be entitled to conduct due diligence review on the assets, liabilities, operations and financial affairs of DongYiQuan. The Potential Vendors shall provide assistance to the Group (and its advisers and/or agents) in this respect.

The parties to the MOU shall negotiate in good faith in ensuring the formal agreement in relation to the Possible Acquisition be entered into as soon as possible and in any event, within ninety (90) days from the date of entering into of the MOU, or such later date as the parties to the MOU may agree.

The MOU does not create legally binding obligations on the parties as to the substantive terms in relation to the Possible Acquisition (including the percentage of interest to be acquired, consideration and any capital commitment).

INFORMATION ON DONGYIQUAN

DongYiQuan is an investment holding company incorporated in the British Virgin Islands with limited liability and, through its subsidiaries, is principally engaged in the provision of smart health care products and service systems in the People’s Republic of China (the “**PRC**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, DongYiQuan and the Potential Vendors are independent third parties of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)).

REASONS FOR AND BENEFITS OF THE MOU

The Group is an investment holding company mainly engaged in the design, marketing, distribution and retail sale of toys and related products.

Whilst remaining focused on developing its existing businesses, the Group has been exploring potential business opportunities from time to time in order to diversify its business, broaden its income source and eventually optimise the returns to the Shareholders. Meanwhile, the Board is eyeing on an increasing prevalence of smart home technology and rising public awareness of elderly care in the PRC. Particularly, the PRC government’s fourteenth five-year plan for 2021–2025 has stressed the importance of developing smart elderly care services and favourable policies are being promulgated to foster the application of advanced technology into enhancing senior-friendly products and services. The Directors consider that the Possible Acquisition, if materialised, is in the interests of the Company and Shareholders as a whole.

GENERAL

The Board wishes to emphasise that, as at the date of this announcement, no legally binding agreement in relation to the Possible Acquisition has been entered into.

Subject to further negotiations with the Potential Vendors and finalisation of a formal agreement, further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

As the MOU is not a legally binding agreement in relation to the Possible Acquisition, the Possible Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 31 December 2021

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; Mr. Lee Ming Yeung Michael, Mr. Wei Qing and Mr. Chu Wai Tak as non-executive Directors; and Mr. Yu Pui Hang, Ms. Ren Hongyan, Ms. Chow Chi Ling Janice and Ms. Kwok Wai Ling as independent non-executive Directors.

This announcement, for which 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 herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at www.amusegroupholding.com.