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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)

MAJOR AND CONNECTED TRANSACTION DISPOSAL OF PROPERTY

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



DISPOSAL OF PROPERTY

On 17 June 2025 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the consideration of HK\$12.7 million.

GEM LISTING RULES IMPLICATIONS

The Purchaser is wholly-owned by Mr. Li, who is the chairman of the Board, an executive Director and the chief executive officer of the Company. As such, under Chapter 20 of the GEM Listing Rules, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction for the Company.

In addition, as one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major disposal of the Company under Chapter 19 of the GEM Listing Rules, and is subject to reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders in respect of the Disposal. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Any Shareholders who are involved in or interested in the Sale and Purchase Agreement are required to abstain from voting on the relevant ordinary resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Infinite Force (which is wholly-owned by Mr. Li) is a substantial Shareholder and beneficially interested in 204,640,000 Shares (representing approximately 17.16% of the total issued share capital of the Company). To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, save for Infinite Force, no Shareholders or their respective associates have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and are required to abstain from voting at the EGM on the resolution in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, amongst other things, (i) further information on the Disposal; (ii) the recommendation of the Independent Board Committee in respect of the Disposal; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal; (iv) the property valuation report of the Property; (v) other information as required under the GEM Listing Rules; and (vi) a notice of the EGM, is expected to be made available to the Shareholders on or before Wednesday, 9 July 2025.

Completion of the Disposal is conditional upon satisfaction of the conditions precedent under the Sale and Purchase Agreement. The Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DISPOSAL OF PROPERTY

On 17 June 2025 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the consideration of HK\$12.7 million.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 17 June 2025 (after trading hours)

Parties : (1) the Vendor; and
(2) the Purchaser

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property, which is located at Flat C on 59th Floor of Tower 2, The Dynasty, No. 18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong. The Property is a private residential unit for domestic use with a saleable area of approximately 728 sq. ft..

Consideration and payment terms

The Consideration is HK\$12.7 million, which shall be payable by the Purchaser to the Vendor (or its nominee) in cash in the following manner:

- (i) HK\$5.0 million, being approximately 39% of the Consideration, shall be paid at Completion; and
- (ii) the remaining balance of HK\$7.7 million (the “**Remaining Balance**”), being approximately 61% of the Consideration, shall be paid within three (3) months from the date of Completion.

Mr. Li will, on or before Completion, (i) provide a personal guarantee in favour of the Vendor under a deed of personal guarantee; and (ii) issue a post-dated cheque in the amount of HK\$7.7 million to the Vendor to guarantee the Purchaser’s payment obligations of the Remaining Balance under the Sale and Purchase Agreement.

Basis of consideration

The Consideration was arrived at arm’s length negotiations between the parties on normal commercial terms with reference to (i) the valuation of the Property of HK\$12.7 million as at 30 April 2025 according to the valuation made by the Independent Valuer; and (ii) the prevailing market conditions of the Hong Kong real estate industry.

Conditions precedent

The Completion is subject to the fulfilment of the following conditions precedent under the Sale and Purchase Agreement:

- (a) the Vendor having proved the good title to the Property in accordance with Section 13 of the CPO and delivered to the Purchaser title deeds and documents in accordance with Section 13A of the CPO and the terms of the Sale and Purchase Agreement;
- (b) the passing of necessary resolution(s) by the Independent Shareholders at the EGM approving the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with Chapters 19 and 20 of the GEM Listing Rules;
- (c) all consents, approvals and clearances necessary or expedient for the entering into, delivery and performance of the transaction documents of the Disposal having been obtained; and
- (d) the warranties provided by the parties under the Sale and Purchase Agreement remaining true, accurate and not misleading at the Completion.

The Purchaser may in its absolute discretion waive either in whole or in part at any time by notice in writing to the Vendor any of the conditions precedent, except paragraphs (a) and (b) above which are not capable of being waived. As at the date of this announcement, none of the conditions above has been fulfilled or waived.

If any of the conditions is not fulfilled or waived by the Purchaser (as the case may be) by the Long Stop Date, the Sale and Purchase Agreement and the transactions contemplated thereunder shall terminate automatically. Upon such termination, neither party shall have further obligations under the Sale and Purchase Agreement, except for any rights that have accrued prior to termination or obligations that are expressly stated to survive termination, and neither party shall be liable to the other solely by reason of such termination.

Completion

The Completion shall take place within ten (10) business days from the fulfilment (or waiver, as the case may be) of all the conditions precedent for the Sale and Purchase Agreement.

INFORMATION ON THE GROUP AND THE PARTIES

The Group

The Company is an investment holding company. The Group is principally engaged in design, marketing, distribution and retail sales of toys and related products, and provision of agency services.

The Vendor

The Vendor, Bestone Creative Development Limited (盈天創意發展有限公司), is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in design and sale of toys and related products.

The Purchaser

The Purchaser, Niken Investment Co. Limited (中壢投資有限公司), is a limited liability company incorporated in Hong Kong and principally engaged in investment holding. The Purchaser is directly wholly-owned by Mr. Li.

Mr. Li is the chairman of the Board, an executive Director and the chief executive officer of the Company.

INFORMATION ON THE PROPERTY

The Property is a private residential unit for domestic use situated at Flat C on 59th Floor of Tower 2, The Dynasty, No. 18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong, with a saleable area of approximately 728 sq. ft.. According to the property valuation report prepared by the Independent Valuer, the market value of the Property was HK\$12.7 million as at 30 April 2025.

The Property has been held by the Group as Director's quarters since its acquisition, until recently when it was leased out for rental income. Therefore, there was no revenue generated from, or net profit attributable to, the Property for the two latest financial years immediately preceding the Disposal. The Property will be sold to the Purchaser with the existing tenancy.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board considers that the prospect of Hong Kong real estate market is deteriorating. According to recent data, Hong Kong home prices halted their rebound trend over the last quarter of 2024, recording a 7.2% year-on-year decrease by December 2024, according to the Rating and Valuation Department of Hong Kong.

The Board is of the opinion that the Disposal represents a good opportunity for the Group to realise the value of the Property at a reasonable price in order to (i) lower the risk of capital depreciation of the Property to the Group; and (ii) reallocate the net proceeds from the Disposal for general working capital of the Group.

The terms of the Sale and Purchase Agreement were arrived at after arm's length negotiation between the Vendor and the Purchaser. Based on the foregoing, the Directors (the views of the Independent Board Committee with regard to the Disposal shall be set out in the circular) consider that the terms of the Sale and Purchase Agreement are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The carrying value of the Property as shown in the unaudited accounts of the Company as at 31 March 2025 was approximately HK\$8.4 million. Based on the Consideration of HK\$12.7 million less the aforesaid carrying value of the Property before any related expenses, the Group is expected to recognise a gain of approximately HK\$4.3 million from the Disposal. It is estimated that the net proceeds from the Disposal (after deduction of professional fees and ancillary expenses) would be approximately HK\$12.2 million.

The financial effect of the Disposal as set out above is presented for illustrative purpose only and is subject to change upon Completion, review and final audit by the auditors of the Company.

The Company intends to apply the net proceeds of approximately HK\$12.2 million from the Disposal for general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

The Purchaser is wholly-owned by Mr. Li, who is the chairman of the Board, an executive Director and the chief executive officer of the Company. As such, under Chapter 20 of the GEM Listing Rules, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction for the Company.

In addition, as one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major disposal of the Company under Chapter 19 of the GEM Listing Rules, and is subject to reporting, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

Mr. Li did and will abstain from voting on the relevant board resolution(s) of the Company in view of his interest in the Disposal by virtue of his interests and/or relationships with the Purchaser. Save for the aforesaid, no other Director has a material interest or conflict of role in the Disposal or has abstained from voting on the relevant board resolution(s).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 20.37 of the GEM Listing Rules, an Independent Board Committee comprising all independent non-executive Directors, namely Mr. Yu Pui Hang, Ms. Chow Chi Ling Janice and Mr. Tung Man, has been established by the Company to advise the Independent Shareholders in respect of the Disposal and how to vote at the EGM.

Grande Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

EGM

The EGM will be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Any Shareholders who are involved in or interested in the Sale and Purchase Agreement are required to abstain from voting on the relevant ordinary resolution approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Infinite Force (which is wholly-owned by Mr. Li) is a substantial Shareholder and beneficially interested in 204,640,000 Shares (representing approximately 17.16% of the total issued share capital of the Company). To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, save for Infinite Force, no Shareholders or their respective associates have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and are required to abstain from voting at the EGM on the resolution in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, amongst other things, (i) further information on the Disposal; (ii) the recommendation of the Independent Board Committee in respect of the Disposal; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal; (iv) the property valuation report of the Property; (v) other information as required under the GEM Listing Rules; and (vi) a notice of the EGM, is expected to be made available to the Shareholders on or before Wednesday, 9 July 2025.

Completion of the Disposal is conditional upon satisfaction of the conditions precedent under the Sale and Purchase Agreement. The Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“business day”	a day on which licensed banks in Hong Kong are open for general commercial business, other than a Saturday, Sunday or public holiday in Hong Kong
“Company”	Amuse Group Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8545)

“Completion”	the completion of the Disposal in accordance with the terms and conditions under the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration for the Disposal payable by the Purchaser to the Vendor (or its nominee), which is HK\$12.7 million
“CPO”	the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong)
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Property by the Vendor to the Purchaser pursuant to the terms and conditions under the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Disposal
“Independent Financial Adviser”	Grande Capital Limited (均富融資有限公司), a corporation licensed to carry out Types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“Independent Shareholders”	the Shareholder(s) who do not have material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates
“Independent Valuer”	AP Appraisal Limited, an independent professional valuer appointed by the Company for the valuation of the Property
“Infinite Force”	Infinite Force Holdings Ltd, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Li
“Long Stop Date”	31 December 2025, or such other date as may be mutually agreed upon by the Vendor and the Purchaser
“Mr. Li”	Mr. Li Wai Keung (李偉強), the chairman of the Board, the chief executive officer of the Company, an executive Director, and a substantial shareholder of the Company who is interested in 204,640,000 Shares (representing approximately 17.16% of the total issued share capital of the Company) through Infinite Force
“Property”	the property situated at Flat C on 59th Floor of Tower 2, The Dynasty, No. 18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong with a saleable area of approximately 728 sq. ft.
“Purchaser”	Niken Investment Co. Limited (中壢投資有限公司), a company incorporated in Hong Kong with limited liability which is directly wholly-owned by Mr. Li
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 17 June 2025 (after trading hours) entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules

“Vendor” Bestone Creative Development Limited (盈天創意發展有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

“%” per cent

By order of the Board
Amuse Group Holding Limited
Li Wai Keung
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 17 June 2025

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. Chu Wai Tak as non-executive Director; and Mr. Yu Pui Hang, Ms. Chow Chi Ling Janice and Mr. Tung Man 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 be published on the website of the Stock Exchange at www.hkexnews.hk and on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at www.amusegroupholding.com.