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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)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF APPROXIMATELY 45.00% OF THE ISSUED SHARE CAPITAL OF M.I.P. INTERNATIONAL LIMITED**

#### **THE DISPOSAL**

On 30 September 2024 (after trading hours), the Vendor (a 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 to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor, the Sales Shares, representing approximately 45.00% of the issued share capital of the Disposal Company, at the Consideration of HK\$8,550,000.

Upon Completion, the Group will cease to own any direct or indirect interest in the Disposal Company and the Disposal Company will cease to be accounted as an associate of the Group.

#### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 19.07 of the GEM Listing Rules) are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

**As Completion is subject to and conditional upon fulfilment or waiver (as the case maybe) of the conditions precedent set out in the Sale and Purchase Agreement, the Completion 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.**

## INTRODUCTION

The Board is pleased to announce that on 30 September 2024 (after trading hours), the Vendor (a 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 to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor, the Sales Shares, representing approximately 45.00% of the issued share capital of the Disposal Company.

## THE SALE AND PURCHASE AGREEMENT

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

**Date** : 30 September 2024 (after trading hours)

**Parties** : (1) Amuse Development Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company, as the Vendor;

and

(2) Mr. Lam Wing Chak, Victor, holder of Hong Kong identity card, as the Purchaser

Mr. Lam is the spouse of an existing shareholder of the Disposal Company (the “**Existing Shareholder**”) and the Existing Shareholder currently holds approximately 55.00% of the issued share capital of the Disposal Company. To the best of the Director’s knowledge, information and belief having made all reasonable enquiries, the Purchaser and his associates are not connected with the Company, its subsidiaries and their connected persons as described under the GEM Listing Rules as at the date of this announcement.

### Assets to be disposed

Pursuant to the terms of the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell to the Purchaser, and the Purchaser has conditionally agreed to purchase from the Vendor, the Sales Shares, representing approximately 45.00% of the issued share capital of the Disposal Company, which will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of the Sale and Purchase Agreement.

## **Consideration**

The Consideration is HK\$8,550,000, which was determined after arm's length negotiations between the parties on normal commercial terms with reference to (i) the fair market value of the Sale Shares of HK\$7,860,000 as at 30 September 2024 as appraised by an independent professional valuer appointed by the Company; and (ii) the financial performance of the Disposal Company as set out in the section headed "Information on the Disposal Company" of this announcement. In particular, the Consideration for the Disposal represents a premium of HK\$600,000 over the purchase price paid by the Vendor for acquiring the Sale Shares back in 2022.

## **Conditions precedent**

The Completion shall be subject to the following conditions precedent having been fulfilled or waived (as the case may be):

- (i) (if applicable) the receipt from the Vendor of all such waivers, consents or other documents as the Purchaser may require in relation to the completion of the transactions contemplated under the Sale and Purchase Agreement; and
- (ii) the Purchaser being satisfied that, from the date of the Sale and Purchase Agreement and at any time before the Completion, that the Vendor's warranties remain true, accurate and not misleading and that no events have occurred that would result in any breach of any of the Vendor's warranties or other provisions of the Sale and Purchase Agreement by the Vendor.

The Purchaser is entitled to waive by written notice both conditions (i) and (ii) set out above.

In the event that the above conditions are not fulfilled or waived (as the case may be) on or before six months from the date of the Sale and Purchase Agreement (or such later date that may be agreed by both parties in writing), the Sale and Purchase Agreement shall cease to be effective and the parties shall be released from all obligations and liabilities thereunder (save for any antecedent breach).

## **Completion**

Subject to the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement, Completion shall take place on the Completion Date.

## **INFORMATION ON THE PARTIES**

The Vendor is a wholly-owned subsidiary of the Company and it is principally engaged in investment holding. The Company is an investment holding company and the Group is principally engaged in design, marketing, distribution and retail sales of toys and related products, and provision of agency services.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Purchaser is an individual and a holder of Hong Kong identity card, and he and his associates are not connected with the Company, its subsidiaries and their connected persons as described under the GEM Listing Rules as at the date of this announcement.

## INFORMATION ON THE DISPOSAL COMPANY

The Disposal Company is a limited liability company incorporated in Hong Kong which is beneficially owned as to approximately 55% by the Existing Shareholder and 45% by the Vendor as at the date of the Sale and Purchase Agreement.

The Disposal Company is principally engaged in provision of design services in IT network, IT solutions and firewall bundling program.

The audited financial results of the Disposal Company for the two years ended 31 December 2023 which are prepared in accordance with the accounting principles generally accepted in Hong Kong are as follows:

|                     | For the year ended 31 December |          |
|---------------------|--------------------------------|----------|
|                     | 2023                           | 2022     |
|                     | HK\$'000                       | HK\$'000 |
| Revenue             | 11,967                         | 5,610    |
| Profit for the year |                                |          |
| — before tax        | 1,360                          | 1,257    |
| — after tax         | 1,248                          | 1,182    |

The Disposal Company recorded unaudited net assets of approximately HK\$2,111,000 as at 31 July 2024.

## FINANCIAL EFFECT OF THE DISPOSAL

Subject to final audit, it is expected that the Group will realise a gain on disposal of approximately HK\$0.10 million, which is calculated by reference to the unaudited carrying value of the Disposal Company as at 30 September 2024. The proceeds from the Disposal are currently intended to be used by the Group as general working capital.

Upon Completion, the Group will cease to own any direct or indirect interest in the Disposal Company and the Disposal Company will cease to be accounted as an associate of the Group.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal is part of the Group's strategic decision to streamline its business operations and focus on its core competencies. Over the past few years, the Disposal Company has contributed positively to the Group's overall performance. However, given the current market conditions and the evolving landscape of the information technology sector, the Board believes that the divestment of the Disposal Company will allow the Group to reallocate resources to its core business areas and better align with the Group's long-term strategic goals.

The Disposal will also provide the Group with immediate liquidity, which can be utilized for general working capital purposes and potential investment opportunities. The Consideration for the Disposal reflects a premium over the purchase price initially paid by the Group, demonstrating the value appreciation of the Disposal Company's shares since acquisition.

In conclusion, the Board considers the terms of the Disposal to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 19.07 of the GEM Listing Rules) are more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

**As Completion is subject to and conditional upon fulfilment or waiver (as the case maybe) of the conditions precedent set out in the Sale and Purchase Agreement and the Completion 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, capitalised terms used shall have the following meanings:

|                   |   |
|-------------------|---|
| “Board”           | board of Directors  |
| “business day(s)” | means a day (excluding Saturday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for general business |
| “BVI”             | British Virgin Islands  |
| “Company”         | Amuse Group Holding Limited (stock code: 8545), a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM of the Stock Exchange  |
| “Completion”      | completion of the Disposal  |

|                               |  |
|-------------------------------|--|
| “Completion Date”             | the date on which Completion takes place, which shall be any business day falling within three business days after satisfaction and/or fulfilment and/or waiver (as the case may be) of all the conditions precedent set out in the Sale and Purchase Agreement (or such other date as may be agreed in writing between the parties) |
| “Consideration”               | HK\$8,550,000, being the total consideration for the Disposal  |
| “Director(s)”                 | director(s) of the Company   |
| “Disposal”                    | the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement   |
| “Disposal Company”            | M.I.P. International Limited, a company incorporated in Hong Kong with limited liability   |
| “GEM”                         | GEM of the Stock Exchange  |
| “GEM Listing Rules”           | Rules Governing the Listing of Securities on GEM of the Stock Exchange   |
| “Group”                       | the Company and its subsidiaries   |
| “Hong Kong”                   | Hong Kong Special Administrative Region of the People’s Republic of China  |
| “HK\$”                        | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Purchaser”                   | Mr. Lam Wing Chak, Victor (林永澤), holder of Hong Kong identity card   |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 30 September 2024 entered into between the Vendor and the Purchaser in relation to the Disposal  |
| “Sale Share(s)”               | 4,500 shares, representing approximately 45.00% of the issued share capital of the Disposal Company  |
| “Share(s)”                    | ordinary share(s) of HK\$0.01 each in the share capital of the Company   |
| “Shareholders”                | holder(s) of the Share(s)  |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited  |

“Vendor” Amuse Development Limited, a company incorporated in the BVI with limited liability and a 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, 30 September 2024

*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](http://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](http://www.amusegroupholding.com).*