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## **Grown Up Group Investment Holdings Limited**

**植華集團投資控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1842)**

### **DISCLOSEABLE TRANSACTION DEED OF ASSIGNMENT AND NOVATION IN RELATION TO THE COOPERATION FRAMEWORK AGREEMENT**

#### **INTRODUCTION**

The Board is pleased to announce that, on 27 December 2024 (after trading hours), Ricktake Development, an indirect wholly-owned subsidiary of the Company entered into the Deed, with the Successor Party and CCC, pursuant to which all of the rights, benefits and obligations of Ricktake Development under the Cooperation Framework Agreement are to be assigned, assumed by and novated to the Successor Party in substitution for Ricktake Development, and on which CCC releases and discharges Ricktake Development from the Cooperation Framework Agreement.

The Consideration to be received by Ricktake Development for the Assignment and Novation is HK\$6,500,000.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in relation to the Assignment and Novation exceeds 5% but is less than 25%, the Assignment and Novation constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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## **THE DEED**

The principal terms of the Deed are summarised as follows:

### **Date**

27 December 2024 (after trading hours)

### **Parties**

- (a) Ricktake Development (as the original investor);
- (b) the Successor Party (as the successor investor); and
- (c) CCC

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Successor Party, CCC and their respective ultimate beneficial owners are Independent Third Parties.

### **Assignment and Novation**

In consideration of a sum of HK\$6,500,000 (the "**Consideration**") payable by the Successor Party to Ricktake Development, each of the parties to the Deed agrees that (i) all of the rights, benefits and obligations of Ricktake Development under the Cooperation Framework Agreement are to be assigned, assumed by and novated to the Successor Party in substitution for Ricktake Development pursuant to the provisions of the Deed, and (ii) on which CCC shall irrevocably and unconditionally release and discharge Ricktake Development from all liabilities and claims, whether arising prior to, on or subsequent to the date of the Deed.

### **Consideration**

The Consideration of HK\$6,500,000 shall be paid by the Successor Party to Ricktake Development in cash in the following manner:

- (i) 20% of the Consideration (i.e. HK\$1,300,000) shall be paid within fourteen (14) days from the date of the Deed; and
- (ii) 80% of the Consideration (i.e. HK\$5,200,000), being the remaining balance of the Consideration, shall be paid within three (3) months from the date of the Deed.

The Consideration, which represents an approximately 8.6% discount to the Investment Value (i.e. fair value) of the Cheung Chau Project as at 30 June 2024, was determined after arm's length negotiations between the parties to the Deed, taking into account (i) the Investment Value of HK\$7,112,000 as at 30 June 2024; and (ii) the reasons for and benefits of the Assignment and Novation as discussed below.

## **SUBJECT MATTER OF THE COOPERATION FRAMEWORK AGREEMENT**

The subject matter of the Cooperation Framework Agreement relates to the Cheung Chau Investment, pursuant to which, (i) the parties to the Cooperation Framework Agreement agreed to cooperate in the development of the Cheung Chau Project; and (ii) Ricktake Development agreed and had paid an investment amount of HK\$8,000,000 and would be entitled to 10% of the revenue sharing of the Cheung Chau Project for 8 years commencing from the date of the Cooperation Framework Agreement (i.e. 19 December 2022).

## **REASONS FOR AND BENEFITS OF THE ASSIGNMENT AND NOVATION**

The Company reviews its investment portfolio from time to time. The Company believes that, despite the Group is expected to record a loss of approximately HK\$612,000 on the Assignment and Novation, the Group is exposing to increasing uncertainties for its investment in the Cheung Chau Project and it is expected that the risks will outweigh the benefits if the Group continues to invest in the Cheung Chau Project after considering the followings:

- (i) as disclosed in the annual report of the Company for the year ended 31 December 2023, the Group had reported a fair value loss of HK\$888,000 on the Cheung Chau Investment;
- (ii) the development of the Cheung Chau Project is slower than expected and the revenue generated from the Cheung Chau Project remains minimal in 2024 based on the Company's recent discussion with CCC's management;
- (iii) the decreasing time value of the 8-year revenue sharing model under the Cooperation Framework Agreement; and
- (iv) based on the recent market data released by the Hong Kong Government in November 2024, Hong Kong's economy is still struggling to regain momentum. For the first three quarters as a whole, real GDP grew by 2.6% over a year earlier. On a seasonally adjusted quarter-to-quarter comparison, real GDP declined by 1.1% in the third quarter. Consumption activities remained weak in the third quarter of 2024 and after decreasing by 1.6% year-on-year in real terms in the preceding quarter, private consumption expenditure declined further by 1.3% in the third quarter.

Having considered the above, the Board is of the view that the Assignment and Novation represents a good opportunity for the Group to realise its Cheng Chau Investment in order to strengthen its working capital and reallocate its resources to the Group's businesses.

The Board considers that the Assignment and Novation is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

It is expected that the net proceeds from the Assignment and Novation will be approximately HK\$6,470,000 (after deducting all relevant fees and expenses) and the Company intends to apply the net proceeds from the Assignment and Novation for the general working capital of the Group.

## **FINANCIAL EFFECT OF THE ASSIGNMENT AND NOVATION**

Based on the Investment Value of the Cheung Chau Investment (which accounts for as financial assets at FVTPL) as at 30 June 2024 of HK\$7,112,000, the Group expects to record a loss of HK\$612,000 as a result of the Assignment and Novation, which represents the difference between the Consideration and the Investment Value at 30 June 2024. The actual gain or loss arising on the Assignment and Novation will be subject to audit.

## **INFORMATION OF THE PARTIES**

The Company is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1842). The principal activity of the Company is investment holding. The Group is principally engaged in the designing, developing, manufacturing and selling bag and luggage products catered to kid, teen, sports, leisure, business, travel and technical segments.

Ricktake Development is an investment holding company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company.

The Successor Party is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Chang, Chia-Ling, a Taiwanese investor and an Independent Third Party.

CCC is an investment holding company incorporated in British Virgin Islands with limited liability and is ultimately owned as to 40% by Lam Lai, as to 40% by Fan Ming Chun and as to 20% by Lee Kar Lung. All of them are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in relation to the Assignment and Novation exceeds 5% but is less than 25%, the Assignment and Novation constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

“Assignment and Novation”	the transfer by assignment and novation of Ricktake Development’s rights and obligations in and under the Cooperation Framework Agreement to the Successor Party
“Board”	the board of Directors
“CCC”	Cheung Chau Culture Company Limited, a company incorporated in the British Virgin Islands with limited liability

“Cheung Chau Investment”	the investment in the Cheung Chau Project by Ricktake Development under the Cooperation Framework Agreement
“Cheung Chau Project”	the development of the theme park for the promotion of tourism in Cheung Chau
“Company”	Grown Up Group Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1842)
“Cooperation Framework Agreement”	the cooperation framework agreement dated 19 December 2022 and entered into between Ricktake Development and CCC in relation to the Cheung Chau Investment
“Deed”	the deed of assignment and novation dated 27 December 2024 entered into between Ricktake Development, the Successor Party and CCC in relation to the Assignment and Novation
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Investment Value”	the fair value of the Cheung Chau Investment of HK\$7,112,000 as at 30 June 2024
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ricktake Development”	Ricktake Development Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company and the original party named in the Cooperation Framework Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Successor Party” NexusPeak Ventures Limited, a company incorporated in the British Virgin Islands with limited liability

“%” per cent.

By Order of the Board  
**Grown Up Group Investment Holdings Limited**  
**Thomas Berg**  
*Chairman and executive Director*

Hong Kong, 27 December 2024

*As of the date of this announcement, the executive Directors are Mr. Thomas Berg, Mr. Morten Rosholm Henriksen and Ms. Shut Ya Lai; and the independent non-executive Directors are Mr. Tsang Hing Suen, Mr. Wong Kai Hing and Mr. Chan Ting Leuk Arthur.*