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AM GROUP HOLDINGS LIMITED

秀商時代控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1849)

APPOINTMENT OF AN EXECUTIVE DIRECTOR AND CONTINUING CONNECTED TRANSACTION PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

The board of directors of AM Group Holdings Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) announces that Mr. Mu Lei (“**Mr. Mu**”) has been appointed as an executive Director (the “**ED**”) with effect from 29 January 2021.

APPOINTMENT OF MR. MU AS AN EXECUTIVE DIRECTOR

The brief biographical particulars of Mr. Mu are set out as follows:

Mr. Mu, aged 41, has over 15 years of management and internet/e-business experience gained from working in a number of companies of different industries in the People’s Republic of China (the “**PRC**”), which included tourism, living service, health care and supply chain finance. Mr. Mu joined Show Times (Chongqing) Technology Co. Ltd. (“**Show Times**”) in September 2019 as its chief executive officer. Mr. Mu is also a director of Show Times. Show Times is a limited liability company established in the PRC which is 98%-owned by Mr. Mu and 2%-owned by an independent third party of the Company. Show Times has entered into a series of business collaboration agreements (the “**Business Collaboration Agreements**”) with Show Times (Chongqing) Network Service Limited which is wholly owned by Show Times (Hong Kong) Limited. Through the Business Collaboration Agreements, Majestic State International Limited (“**Majestic State**”), a 80%-owned subsidiary of the Company, has obtained rights to have effective control over the operation of Show Times and the right to enjoy the economic benefits in the business and/or asset of Show Times, and that Show Times is accounted for as a wholly-owned subsidiary of Majestic State in which its financial results be consolidated with that of Majestic State and its subsidiaries through the Business Collaboration Agreements. Hence, Show Times is an indirectly non-wholly owned subsidiary of the Company. Mr. Mu also holds 98% of the entire issued share capital of ROC Arise Holdings Limited (“**ROC**”) which in turn holds 20% of the entire issued share capital of Majestic State. Mr. Mu is the sole director of Majestic State and the legal representative and the chief executive officer of Show Times (Chongqing) Network Service Limited.

Since May 2020, Mr. Mu is the sole director of Show Times (Hong Kong) Limited which is wholly owned by Majestic State. During December 2016 to August 2019, Mr. Mu prepared and planned related business operations and market development of Show Times. Mr. Mu was the chief operating officer of EasyCloud Health Co., Ltd. from September 2014 to November 2016, the marketing director/principal of South China Branch of Beijing Yitao Unlimited Network Technology Co. Ltd. from April 2013 to August 2014 and the marketing director of dianping.com from April 2008 to March 2013. He was the regional sales manager of Ctrip.com from October 2002 to April 2008.

Mr. Mu graduated from Xidian University in the PRC with a bachelor's degree in finance.

Mr. Mu will enter into a service agreement with the Company for a term of 1 year commencing on 29 January 2021, which can be terminated by either party giving to the other 2 weeks' notice or payment in lieu of notice. Mr. Mu will retire as an ED at the next following annual general meeting of the Company (the "**Forthcoming AGM**") but will then be eligible for re-election. If re-elected at the Forthcoming AGM, he will be subject to retirement by rotation and re-election at least once in every three years in accordance with the articles of association of the Company. Mr. Mu is entitled to receive RMB120,000 basic salary per annum, and there is not any bonus payments, whether fixed or discretionary in nature, irrespective of whether Mr. Mu has/does not have a service agreement. Mr. Mu has entered into an employment contract with Show Times and is entitled to receive RMB500,000 basic salary per annum.

The remuneration of Mr. Mu has been determined by the Board upon the recommendation of the remuneration committee of the Board by reference to his qualifications, experience, duties and responsibilities within the Company and/or its subsidiaries and the prevailing market conditions. Mr. Mu has been considered as a candidate of a member of the Board since or about 29 December 2020, at which it was considered that it would be in the interest of the Company and its shareholders as a whole to have Mr. Mu who is expected to be able to provide strategies and insights on the expansion of the business of the Group in the PRC.

Mr. Mu did not hold any directorship in any public companies, the securities of which are listed in Hong Kong or overseas in the last three years. As at the date of this announcement, save as disclosed above, Mr. Mu does not:

- (a) hold any other position in the Company or any of its subsidiaries (collectively, the "**Group**");
- (b) have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders (the latter two terms as respectively defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) of the Company; and

- (c) have or is not deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Save as disclosed above, there are no other matters relating to the appointment of Mr. Mu as an ED that need to be brought to the attention of the shareholders of the Company and as confirmed by Mr. Mu, there is no information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Mu to the Board.

CONTINUING CONNECTED TRANSACTION PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES

Reference is made to the announcements of the Company dated 23 November 2020 and 30 November 2020 in relation to the acquisition of the majority stake of Majestic State (the “**Sale Shares**”) pursuant to a conditional sale and purchase agreement dated 23 November 2020 and entered into between the Company, ROC and Mr. Mu (the “**SPA**”).

As disclosed in these announcements, Mr. Mu was the majority ultimate beneficial owner of ROC, being the vendor of the Sale Shares, and personally guaranteed the performance of the obligations of ROC under the SPA. Mr. Mu is also the majority legal owner of Show Times.

As disclosed in these announcements, pursuant to the SPA, a profit guarantee had been provided by ROC (which was in turn personally guaranteed by Mr. Mu).

Mr. Mu has been a director of Majestic State since the date of its incorporation on 15 May 2020. As such, Mr. Mu has become a connected person of the Company at subsidiary level since Majestic State has become a non-wholly owned subsidiary of the Company on 30 November 2020 and is a connected person of the Company as at the date of this announcement, and accordingly, the guarantees provided by Mr. Mu and ROC are subject to the requirements of annual review and disclosure (including publishing announcement and annual reporting) under Chapter 14A pursuant to Rule 14A.60(1) of the Listing Rules.

If the actual performance of Show Times fails to meet the guarantees under the SPA as disclosed in the announcement dated 23 November 2020, the Company will make relevant disclosures in order to comply with the disclosure requirements under Rule 14A.63 of the Listing Rules.

Please refer to the announcements of the Company dated 23 November 2020 and 30 November 2020 for further details of the profit guarantee provided by ROC and the personal guarantee provided by Mr. Mu.

By Order of the Board
AM Group Holdings Limited
Teo Li Lian

Chairlady, Executive Director and Chief Executive Officer

Hong Kong, 29 January 2021

As at the date of this announcement, the Board comprises three EDs, namely Ms. Teo Li Lian (Chairlady and Chief Executive Officer), Mr. Teo Kuo Liang and Mr. Mu Lei; and three independent non-executive Directors, namely Mr. Chung Kwok Hoe, Mr. Lee Shy Tsong and Ms. Zhang Hong.