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GET HOLDINGS LIMITED

智易控股有限公司*

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 8100)

INSIDE INFORMATION – SETTLEMENT OF LITIGATIONS

This announcement is made by the Company pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND OF THE LITIGATIONS

Reference is made to (i) the announcements of the Company dated 13 June 2016, 23 June 2016 and 1 July 2016 in relation to, among other matters, the Acquisition; (ii) the announcements of the Company dated 12 June 2018, 26 June 2018 and 16 July 2018 in relation to, among other matters, the legal proceeding commenced against the Vendor and the Guarantor; and (iii) the announcement of the Company dated 27 July 2018 in relation to, among others, the legal proceeding commenced against Mr. Chan and Ms. Lim (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, as the Vendor and the Guarantor failed to repay the Group the Adjustment Amount of HK\$20,400,000 in accordance with the terms and conditions of the SP Agreement for the Acquisition, the Group commenced legal proceeding against the Vendor as the first defendant and the Guarantor as the second defendant in July 2018. As at 30 September 2020, the carrying amount of the Adjustment Amount after expected credit loss allowances was approximately HK\$6,954,000.

* For identification purposes only

As disclosed in the Announcements, Mr. Chan and Ms. Lim are the former directors of AP Investment until their resignations in July 2018. Mr. Chan and/or his controlled company, and the controlled company of Ms. Lim, are also former directors of the other members of the AP Group at all material times. Having considered the failure of Mr. Chan and Ms. Lim to, among others, deliver up the Full Business Records in connection with the running of the AP Group, the Group also commenced legal proceeding against Mr. Chan and Ms. Lim in July 2018.

In September 2019, an amended writ of summons with an indorsement of claim were filed at the Court of First Instance of the High Court of Hong Kong. Based on the amended writ, the Group claimed against the Vendor and the Guarantor for (a) the Adjustment Amount of HK\$20,400,000; (b) interests; (c) costs; and (d) further and/or other relief, and also against Mr. Chan and Ms. Lim for (e) damages in the sum of HK\$20,400,000; (f) interests; (g) costs; and (h) further and/or other relief (“**Legal Action**”).

SETTLEMENT AGREEMENT

On 1 February 2021 (after trading hours), Lucky Famous, a wholly-owned subsidiary of the Company, and other relevant parties, without admission of any liability in relation to the Legal Action, have amicably resolved and entered into the Settlement Agreement. In accordance with the Settlement Agreement, the parties have agreed that (i) the disputes in the Legal Action; and (ii) any other claims and complaint that the parties to the Settlement Agreement may have against each other arising out of or in connection with the sale and purchase agreement in respect of the sale and purchase of 510 shares of AP Investment entered into by and among the Vendor, Very Easy, City Link, Mr. Chan and Ms. Lim in 2015 and the SP Agreement (collectively, the “**Disputes**”) shall be settled in full.

The principal terms of the Settlement Agreement are summarised as follows:

Date:

1 February 2021

Parties:

- (i) Lucky Famous;
- (ii) the Vendor;
- (iii) the Guarantor;

- (iv) Mr. Chan;
- (v) Ms. Lim;
- (vi) Very Easy; and
- (vii) City Link.

Principal terms:

- (i) the Vendor and the Guarantor shall pay to the Group a sum of HK\$1,500,000 at the time of signing of the Settlement Agreement in full and final settlement of the Disputes;
- (ii) Mr. Chan shall pay to the Group a sum of HK\$2,700,000 in full and final settlement of the Disputes, by paying (a) a sum of HK\$1,300,000 at the time of signing of the Settlement Agreement; (b) a sum of HK\$23,500 per month for 59 months starting from 1 March 2021 up to 1 January 2026; and (c) a final sum of HK\$13,500 on or before 1 February 2026;
- (iii) Ms. Lim shall pay to the Group a sum of HK\$1,800,000 in full and final settlement of the Disputes, by paying (a) a sum of HK\$200,000 at the time of signing of the Settlement Agreement; (b) a sum of HK\$26,500 per month for 59 months starting from 1 March 2021 up to 1 January 2026; and (c) a final sum of HK\$36,500 on or before 1 February 2026; and
- (iv) within 7 days of the date of the Settlement Agreement, Lucky Famous or its legal representatives shall file at the Court of First Instance of the High Court of Hong Kong a consent summons for discontinuing the Legal Action with no order as to costs.

The Group shall be entitled as of right to take immediate legal action, including commencing bankruptcy proceedings without further notice if Mr. Chan and/or Ms. Lim fail(s) to make full and timely payment of any of the instalment(s) under (ii) and (iii) above.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENT

Since July 2018, the Group has been involved in the Legal Action which has consumed significant amount of time and resources of the Group and diverted the attention of the management of the Group. It is expected that considerable amount of legal expenses will be further incurred if the Group continues to pursue the Legal Action. Having considered the legal advice on the Legal Action, the Board is of the view that the outcome of the Legal Action is uncertain. Taking into account the uncertainty of the outcome of the Legal Action and to avoid further time, expenses and uncertainties of further litigation and refocus the resources on the Group's core business segments and future development, the Directors are of the view that the terms of the Settlement Agreement are fair and reasonable, and the entering into of the Settlement Agreement is in the interests of the Company and the Shareholders as a whole.

Based on the information currently available, the Board considers that the entering into of the Settlement Agreement will not have any material adverse impact on the financial position and business operation of the Group.

DEFINITIONS

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

“Acquisition”	the acquisition of 51% equity interest in AP Investment by the Group
“AP Group”	collectively, AP Investment and its subsidiaries
“AP Investment”	AP Group Investment Holdings Limited (愛拼集團控股有限公司)
“Board”	the board of Directors
“City Link”	City Link Consultancy Limited, a company wholly owned by Ms. Lim
“Company”	GET Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM (Stock code: 8100)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“GEM”	the GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Universe Entertainment and Culture Group Company Limited (寰宇娛樂文化集團有限公司), previously known as Universe International Holdings Limited (寰宇國際控股有限公司)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lucky Famous”	Lucky Famous Limited, a wholly-owned subsidiary of the Company
“Mr. Chan”	Mr. Chan Sze Long
“Ms. Lim”	Ms. Lim Wah Elsa
“Settlement Agreement”	the settlement agreement dated 1 February 2021 entered into by and among, Lucky Famous, the Vendor, the Guarantor, Mr. Chan, Ms. Lim, Very Easy and City Link in relation to the final and full settlement of the Disputes
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Fragrant River Entertainment Culture (Holdings) Limited (香江娛樂文化(控股)有限公司)
“Very Easy”	Very Easy Limited, a company wholly owned by Mr. Chan and a former director of the members of the AP Group

On behalf of the Board
GET HOLDINGS LIMITED
Wong Jing Shong
Chairman and Executive Director

Hong Kong, 1 February 2021

As at the date of this announcement, the Board consists of two executive Directors, namely Mr. Wong Jing Shong and Mr. Zhang Long and three independent non-executive Directors, namely Mr. Chan Yung, Mr. Cheng Hong Kei and Professor Chui Tsan Kit.

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 Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at www.geth.com.hk.