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NOIZ GROUP LIMITED

聲揚集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

DISCLOSEABLE AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL IN RELATION TO THE EXERCISE OF PUT OPTION

Financial adviser to the Company



References are made to the NOIZChain Acquisition Announcement and the Grant of Put Option Announcement.

EXERCISE OF THE PUT OPTION AND THE DISPOSAL

On 23 December 2024, Benefit Palace served the Option Notice on the Vendors to exercise the Put Option which shall require the Vendors to repurchase the Sale Shares at the Repurchase Consideration.

Pursuant to the Put Option, the Repurchase Consideration shall be satisfied by the Vendors (or their respective nominee(s) or their respective successor(s)) by the transfer of all the Acquisition Consideration Shares received by the Vendors (or their respective nominee(s) or their respective successor(s)) as a result of the NOIZChain Acquisition in their respective apportionments to the person(s) or entity(ies) designated by Benefit Palace.

Benefit Palace intends to engage a placing agent for the placing of the Repurchase Consideration Shares to independent third parties with the placing proceeds retained by the Benefit Palace (or its nominee(s) or its successor(s)).

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, each of Vendor A and Vendor B is wholly-owned by Mr. Ann, who is a director of NOIZChain, each of Vendor A and Vendor B is a connected person of the Company by virtue of being an associate of Mr. Ann and accordingly is a connected person of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules. As such, the Disposal constitute a connected transaction with a connected person at the subsidiary level under Chapter 20 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Director has a material interest in the Exercise of the Put Option and the Disposal and no Director is required to abstain from voting on the board resolutions in relation to the approval of the Exercise of the Put Option and the Disposal.

As (i) each of Vendor A and Vendor B is a connected person at the subsidiary level of the Company; (ii) the Board has approved the Exercise of the Put Option and the Disposal; and (iii) the independent non-executive Directors have confirmed that the terms of pursuant to the Put Option are fair and reasonable, the Exercise of the Put Option and the Disposal are on normal commercial terms and in the ordinary and usual course of business of the Group, and is in the interests of the Company and the Shareholders as a whole, the Exercise of the Put Option and the Disposal is only subject to the notification and announcement requirements under the GEM Listing Rules but is exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules.

BACKGROUND

References are made to the announcements of the Company dated (i) 13 June 2022 in relation to the NOIZChain Acquisition (“**NOIZChain Acquisition Announcement**”); and (ii) 22 July 2024 in relation to the grant of Put Option Deed to the Company (“**Grant of Put Option Announcement**”, together with the NOIZChain Acquisition Announcement, collectively, being the “**Previous Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Previous Announcements unless the context requires otherwise.

As disclosed in the Grant of Put Option Announcement, according to the audited consolidated financial statement of NOIZChain for the year ended 31 December 2023, NOIZChain recorded minimal positive cash flows from operating activities for the year ended 31 December 2023 and thus the previous Option Event was not triggered. Notwithstanding the minimal positive cash flows, NOIZChain's corporate landscape has become increasingly challenging, which is contrary to the Board's initial expectations. As such, the Board has been negotiating with the Vendors and each of the Vendors and Benefit Palace have agreed and have entered into the Put Option Deed on 22 July 2024.

EXERCISE OF THE PUT OPTION

Given that the latest available management accounts of NOIZChain have proven to be unsatisfactory and fall short of expectations, coupled with the increasingly challenging conditions within the industry that were not anticipated by the Board, the Board has decided to Exercise of the Put Option rather than delay further. This decision reflects the Board's commitment to mitigating potential risks and minimizing losses for the Company, ensuring a more prudent course of action in light of the current circumstances.

Hence, on 23 December 2024, Benefit Palace served the Option Notice on the Vendors stating its decision to Exercise of the Put Option to require the Vendors to repurchase the Sale Shares at the Repurchase Consideration. The Option Notice was accepted by the Vendors on the same date.

THE DISPOSAL

The principal terms of the Disposal pursuant to the Exercise of the Put Option shall be as follows:

- Date : 23 December 2024
- Parties : (i) Benefit Palace (as seller under the Disposal); and
- (ii) Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F (collectively being the purchasers under the Disposal)

Each of the Vendors was the seller in the NOIZChain Acquisition and is now the purchaser under the Disposal. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of (i) Vendor A and Vendor B is wholly-owned by Mr. Ann, who is a director of NOIZChain, each of Vendor A and Vendor B is a connected person of the Company by virtue of being an associate of Mr. Ann and accordingly is a connected person of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules; and (ii) Vendor C, Vendor D, Vendor E and Vendor F is an Independent Third Party.

Assets to be disposed of

Pursuant to the Option Notice, Benefit Palace requested the Vendors to repurchase of the Sale Shares, representing 21,000 ordinary shares and 39,000 preference shares, representing the entire issued share capital of NOIZChain, which are legally and beneficially owned by Benefit Palace as at the date of this announcement.

Set out below is a table showing the shareholding structure of NOIZChain upon the completion of the Disposal:

Shareholder(s)	Class of shares	Number of shares	Overall shareholding percentage (taking into account of ordinary shares and preference shares)
Vendor A	Ordinary shares	5,000	8.3%
Vendor B	Ordinary shares	10,000	16.7%
Vendor C	Ordinary shares	6,000	10.0%
	Sub-total of the same class	21,000	35.0%
Vendor A	Preference shares	3,000	5.0%
Vendor D	Preference shares	15,000	25.0%
Vendor E	Preference shares	15,000	25.0%
Vendor F	Preference shares	6,000	10.0%
	Sub-total of the same class	39,000	65.0%

Repurchase Consideration

The Repurchase Consideration shall be satisfied by the Vendors (or their respective nominee(s) or their respective successor(s)) by the transfer of all the Acquisition Consideration Shares received by the Vendors (or their respective nominee(s) or their respective successor(s)) as a result of the NOIZChain Acquisition in their respective apportionments to the person(s) or entity(ies) designated by Benefit Palace.

Benefit Palace intends to engage a placing agent for the placing of the Repurchase Consideration Shares to independent third parties with the placing proceeds retained by the Benefit Palace (or its nominee(s) or its successor(s)).

As the Acquisition Consideration Shares were held in escrow pursuant to the Escrow Letter, the number of Repurchase Consideration Shares represents the number of the Acquisition Consideration Shares issued by the Company for the NOIZChain Acquisition, and the below table sets out the respective Acquisition Consideration Shares held by each of the Vendors as at the date of this announcement:

Shareholder(s)	Number of Shares
Vendor A	8,886,666
Vendor B	11,113,333
Vendor C	6,666,666
Vendor D	16,666,666
Vendor E	16,666,666
Vendor F	<u>6,666,666</u>
Total	<u><u>66,666,663</u></u>

Number of Repurchase Consideration Shares

The Repurchase Consideration Shares, comprising 66,666,663 Shares represent approximate 11.03% of the existing issued share capital of the Company as at the date of this announcement.

As at the date of this announcement, the Repurchase Consideration Shares are being held in escrow by the Escrow Agent jointly appointed by the Company and the Vendors in accordance with the terms and conditions of the NOIZChain Acquisition SPA.

Completion

Pursuant to the terms and conditions of the Put Option Deed, completion of the Disposal has taken place on 23 December 2024 upon serving of the Option Notice.

Upon completion of the Disposal, NOIZChain is wholly and beneficially owned by the Vendors and has ceased to be a subsidiary of the Company and the results of NOIZChain will no longer be consolidated into the consolidated financial statements of the Company.

INFORMATION ON THE PARTIES

Benefit Palace

As at the date of this announcement, Benefit Palace is a direct wholly-owned subsidiary of the Company.

Benefit Palace acquired the Sale Shares from the Vendors at the Acquisition Consideration of HK\$14,000,000 which was satisfied by the allotment and issuance of an aggregate of 66,666,663 Acquisition Consideration Shares by the Company to the Vendors at the issue price of approximately HK\$0.21 per Acquisition Consideration Share as disclosed in the NOIZChain Acquisition Announcement.

The Vendors

Vendor A is a company incorporated in the BVI with limited liability and principally engaged in investment holding.

Vendor B is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding. Each of Vendor A and Vendor B is beneficially owned by Mr. Ann.

Vendor C is a Hong Kong citizen and one of the co-founders of NOIZChain.

Vendor D is a Hong Kong citizen and one of the co-founders of NOIZChain and the Chief Technology Officer of NOIZChain.

Vendor E is a Hong Kong citizen and the Chief Operating Officer of NOIZChain.

Vendor F is a Hong Kong citizen.

INFORMATION OF NOIZCHAIN

NOIZChain is a limited liability company established in Hong Kong and was an indirect wholly-owned subsidiary of the Company immediately before completion of the Disposal.

NOIZChain principally engages in (i) provision of a private blockchain as an infrastructure technology and on-going support of all core value transactions and applications for businesses; (ii) design and build realistic Metaverses for enterprises to connect reality and the virtual world; and (iii) creation and issuance of smart contracts for corporate and individual clients on an environmental-friendly blockchain.

FINANCIAL INFORMATION OF NOIZCHAIN

Set out below is the financial information of NOIZChain, as extracted from its unaudited financial statements for the period from 1 January 2024 to 30 November 2024, and audited financial statements for the years ended 31 December 2023 and 2022:

	For the period from 1 January 2024 to 30 November 2024 (unaudited) (Approx. HK\$'000)	For the year ended 31 December 2023 (audited) (Approx. HK\$'000)	For the year ended 31 December 2022 (audited) (Approx. HK\$'000)
Revenue	–*	2,822	1,937
Loss before income tax	2,906	3,149	3,268
Loss after income tax	2,906	3,149	3,268

Based on the unaudited management accounts of NOIZChain, the net assets value of NOIZChain was approximately HK\$6,510,000 as at 30 November 2024.

* *Amount less than HK\$1,000*

REASONS FOR AND BENEFITS OF THE EXERCISE OF THE PUT OPTION

The Group is principally engaged in (i) financial services business including provision of corporate finance advisory services, asset management business and money lending services; (ii) corporate consulting business including company secretarial services, accounting and financial reporting services and management consulting services; and (iii) digital business that leverages blockchain, artificial intelligence, and immersive interaction technologies to create value and protection to individuals, creators, artists, businesses and brand owners, and offer various opportunities within the entertainment sector, including the organization/production of and investment in concerts, events and festivals.

The operating environment has become increasingly challenging for NOIZChain since second half of 2023. Many enterprises, facing economic uncertainties, have significantly reduced their budgets for non-core areas that do not directly generate revenue, which has had a direct and adverse impact on the financial performance of NOIZChain. Despite efforts to adapt to these market conditions, the ongoing challenges, combined with the limited appetite of enterprises to invest in services that do not provide immediate or tangible revenue benefits, have made it difficult for NOIZChain to achieve its anticipated growth and profitability.

Given the uncertain outlook for NOIZChain and the lack of clarity regarding when the broader industry and market conditions may recover, the Board has carefully assessed the situation and determined that it is in the best interest of the Company to cease further losses. This decision reflects the Board's commitment to safeguarding shareholder value and ensuring the Company's resources are allocated to areas with greater potential for sustainable growth and profitability. As such, the Board has decided to refocus the Company's efforts on its core financial industry operations and actively explore other potential business opportunities that align more closely with the Company's strategic priorities and have a higher likelihood of generating meaningful returns for the Company and Shareholders.

As the (i) Repurchase Consideration shall be settled by the Repurchase Consideration Shares which are intended to be placed to independent third parties with the placing proceeds retained by the Benefit Palace (or its nominee(s) or its successor(s)); and (ii) Disposal aims to unwind the NOIZChain Acquisition which could protect the interests of the Company and the Shareholders as a whole, the Board considers that the terms of the Put Option are fair and reasonable and the Exercise of the Put Option and the Disposal are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE EXERCISE OF THE PUT OPTION

It is expected that the Group will record a gain on the Disposal in the amount of approximately HK\$3,157,000, which is calculated based on the difference between the market value of the Repurchase Consideration Shares from Benefit Palace to the Vendors in the amount of approximately HK\$9,667,000 and the consolidated net assets of NOIZChain attributable to the Company in the amount of approximately HK\$6,510,000 as at 30 November 2024 as extracted and calculated from the unaudited consolidated management accounts of NOIZChain for the period ended 30 November 2024.

The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to review and final audit by the auditors of the Company.

INTENDED USE OF PROCEEDS

Benefit Palace intends to engage a placing agent for the placing of the Repurchase Consideration Shares to independent third parties with the placing proceeds retained by the Benefit Palace (or its nominee(s) or its successor(s)).

It is expected that the proceeds to be received by the Company after the placing of the Repurchase Consideration Shares will be applied by the Company as general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the GEM Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, each of Vendor A and Vendor B is wholly-owned by Mr. Ann, who is a director of NOIZChain, each of Vendor A and Vendor B is a connected person of the Company by virtue of being an associate of Mr. Ann and accordingly is a connected person of the Company at the subsidiary level under Chapter 20 of the GEM Listing Rules. As such, the Disposal constitute a connected transaction with a connected person at the subsidiary level under Chapter 20 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Director has a material interest in the Exercise of the Put Option and the Disposal and no Director is required to abstain from voting on the board resolutions in relation to the approval of the Exercise of the Put Option and the Disposal.

As (i) each of Vendor A and Vendor B is a connected person at the subsidiary level of the Company; (ii) the Board has approved the Exercise of the Put Option and the Disposal; and (iii) the independent non-executive Directors have confirmed that the terms pursuant to the Put Option are fair and reasonable, the Exercise of the Put Option and the Disposal are on normal commercial terms and in the ordinary and usual course of business of the Group, and is in the interests of the Company and the Shareholders as a whole, the Exercise of the Put Option and the Disposal is only subject to the notification and announcement requirements under the GEM Listing Rules but is exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition Consideration”	the consideration of HK\$14,000,000 for the NOIZChain Acquisition
“Acquisition Consideration Shares”	an aggregate of 66,666,663 Shares allotted and issued to each of the Vendors, subject to the terms and conditions under the NOIZChain SPA
“associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Benefit Palace”	a company incorporated in the BVI with limited liability and a directly wholly-owned by the Company, being the seller of the Disposal
“Board”	board of Directors from time to time
“Business Day”	any day (excluding Saturday, Sunday or public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“Company”	NOIZ Group Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM (stock code: 8163)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Disposal”	the disposal of NOIZChain by Benefit Palace to the Vendors upon the Exercise of Put Option
“Director(s)”	director(s) of the Company
“Escrow Agent”	Merdeka Securities Limited

“Escrow Letter”	escrow letter entered into between the Vendors, the Purchaser and the Escrow Agent in relation to the holding of the Acquisition Consideration Shares pursuant to the terms and conditions of the NOIZChain Acquisition SPA
“Exercise of the Put Option”	the exercise of the Put Option granted to Benefit Palace by the Vendors under the Put Option Deed
“GEM”	GEM operated by 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”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the GEM Listing Rules) with the Company and connected person(s) of the Company
“Mr. Ann”	ANN, Yu Chiu Andy, a director of NOIZChain as at the date of this announcement
“NOIZChain”	NOIZChain Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“NOIZChain Acquisition”	acquisition of the Sale Shares by Benefit Palace pursuant to the terms and conditions of the NOIZChain Acquisition SPA, which was completed on 4 July 2022
“NOIZChain Acquisition SPA”	the sale and purchase agreement dated 13 June 2022 entered into between the Vendors and Benefit Palace in respect of the NOIZChain Acquisition
“Option Notice”	the written notice dated 23 December 2024 and given by Benefit Palace to the Vendors to sell all of its Sale Shares to the Vendors at the Repurchase Consideration
“Put Option”	the right granted by the Vendors to Benefit Palace to sell all but not part of the Sale Shares to the Vendors up to the later of (i) 31 December 2024; or (ii) if extended by Benefit Palace at its sole and absolute discretion, 30 June 2025

“Put Option Deed”	the option deed dated 22 July 2024 in respect of the grant of the Put Option by the Vendors to Benefit Palace
“Repurchase Consideration”	the consideration of the Disposal, which shall be satisfied by the Repurchase Consideration Shares
“Repurchase Consideration Shares”	an aggregate of 66,666,663 Shares, which is same as the Acquisition Consideration Shares
“Sale Shares”	being 21,000 ordinary shares and 39,000 preference shares, representing the entire issued share capital of the NOIZChain, which were legally and beneficially owned by Benefit Palace immediately before completion of the Disposal
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor A”	NDN Ventures Limited, a company incorporated in the BVI with limited liability and is wholly-owned by Mr. Ann
“Vendor B”	NDN Group Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Ann
“Vendor C”	LEE, William
“Vendor D”	CHEUNG, Kelvin Chak Ming
“Vendor E”	AU, Sheung Ying Louise
“Vendor F”	LAM, Hing Lun Alain

“Vendors”	Collectively, being Vendor A, Vendor B, Vendor C, Vendor D, Vendor E and Vendor F, and the purchasers of the Disposal
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
NOIZ GROUP LIMITED
Wong Hin Shek
Chairman and Chief Executive Officer

Hong Kong, 23 December 2024

As at the date of this announcement, the executive Director is Mr. Wong Hin Shek (Chairman and Chief Executive Officer); and the independent non-executive Directors are Ms. Ng Ka Sim, Casina, Mr. Wong Wing Kit and Ms. Yeung Mo Sheung, Ann.

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 “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its publication and on the Company’s website at www.noiz-group.com.