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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)

UPDATE ON USE OF PROCEEDS AND SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORT

Reference is made to (i) the prospectus of Amuse Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 18 May 2018 (the “**Prospectus**”), which contained the proposed use of net proceeds (the “**Net Proceeds**”) raised from the share offer of the Company and (ii) the annual report of the Company for the year ended 31 March 2020 published by the Company on 24 June 2020 (the “**Annual Report 2020**”) in respect of the utilisation of the Net Proceeds as at 31 March 2020.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide an update to the use of the Net Proceeds as supplemental information to the Annual Report 2020.

Net proceeds from the initial public offering were HK\$57.9 million after deducting all the direct costs associated with the Listing.

As at 31 March 2020, the Group had utilised approximately HK\$34.2 million of the Net Proceeds for the purpose consistent with the section headed “Future Plans and Use of Proceeds” as set out in the Prospectus.

As at the date of this announcement, the Group utilised approximately HK\$38.9 million of the Net Proceeds and the unutilised Net Proceeds amounted to approximately HK\$20.2 million (the “**Unutilised Net Proceeds**”). Having considered the recent business environment and development of the Group, the Board resolved to revise the schedule of the use of the Unutilised Net Proceeds.

Details of the use of the Net Proceeds and the expected timeline for the intended use of the Unutilised Net Proceeds are as follows:

Intended application of the net proceeds	Percentage of total proceeds %	Planned applications HK\$ in million	Actual usage up to 31 March 2020 HK\$ in million	Actual usage up to the date of this announcement HK\$ in million	Unutilised amount as at the date of this announcement HK\$ in million	Expected timeline for utilising the Unutilised Net Proceeds
Expanding our product portfolio of own licensed toys (<i>Note 1</i>)	79.8	46.2	24.9	28.8	17.4	Expected to be fully utilised on or before 31 March 2022
Enhancing our overseas distribution network	6.2	3.6	3.5	3.5	0.1	Expected to be fully utilised on or before 31 March 2021
Further strengthening our manpower	10.4	6.0	4.6	5.4	0.6	Expected to be fully utilised on or before 31 March 2021
Further enhancing our information technology system and performing warehouse renovation	3.6	2.1	1.2	1.2	0.9	Expected to be fully utilised on or before 30 September 2021
Total	<u>100.0</u>	<u>57.9</u>	<u>34.2</u>	<u>38.9</u>	<u>19.0</u>	

Note 1: Due to the Anti-ELAB Movement from June, 2019, both the design and licensing approval process have been slowed down or stopped. Moreover, because of outbreak of COVID 19, the effect is extremely serious that not only the design and licensing approval process, but also the product supply chain has been lockdown. All of China suppliers resumed their work from April, 2020 and became normal until June. As the Group expects the effect of COVID 19 will continue until next year beginning. Therefore, we expect to fully utilize the relevant proceeds on or before 31 March, 2022.

As at the date of this announcement, there has not been any material change to the plan as to the use of the Net Proceeds and it is considered that the revised expected timeline for Unutilised Net Proceeds will not have any material adverse impact on the operations of the Group. The Board confirms that the above supplemental information does not affect other information contained in the Annual Report 2020. Save as disclosed above, the contents of the Annual Report 2020 remain unchanged.

By order of the Board
Amuse Group Holding Limited
Li Wai Keung
Chairman and Executive Director

Hong Kong, 14 August 2020

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; and Mr. Yu Pui Hang, Mr. Tung Man and Ms. Chow Chi Ling Janice 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, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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