

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2020**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of Amuse Group Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2020 (the “Period”), together with the comparative figures for the three months ended 30 June 2019 (the “Corresponding Period”), which have not been audited nor reviewed by the independent auditor but have been reviewed and approved by the audit committee of the Company (the “Audit Committee”), are set out as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2020

	Notes	Three months ended 30 June	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	38,884	54,903
Cost of sales		(31,817)	(43,999)
Gross profit		7,067	10,904
Other net income	4	1,743	1,638
Selling expenses		(2,100)	(1,226)
Administrative expenses		(4,291)	(8,127)
Profit from operations		2,419	3,189
Finance costs	5(a)	(65)	(50)
Profit before taxation	5	2,354	3,139
Income tax expense	6	(590)	(1,288)
Profit for the period		<u>1,764</u>	<u>1,851</u>
Earnings per share			
– Basic and diluted (HK cents)	7	<u>0.18</u>	<u>0.19</u>
Profit for the period		1,764	1,851
Other comprehensive income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong		–	24
Total comprehensive income for the period		<u>1,764</u>	<u>1,875</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2020

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Land and buildings revaluation reserve <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>Balance at 1 April 2019</b>	10,000	66,991	26	1,242	129	84,382	162,770
Profit for the period	-	-	-	-	-	1,851	1,851
Other comprehensive income	-	-	24	-	-	-	24
Total comprehensive income	-	-	24	-	-	1,851	1,875
<b>Balance at 30 June 2019 (Unaudited)</b>	<u>10,000</u>	<u>66,991</u>	<u>50</u>	<u>1,242</u>	<u>129</u>	<u>86,233</u>	<u>164,645</u>
<b>Balance at 1 April 2020</b>	<b>10,000</b>	<b>66,991</b>	-	-	<b>129</b>	<b>93,074</b>	<b>170,194</b>
Profit for the period	-	-	-	-	-	<b>1,764</b>	<b>1,764</b>
Total comprehensive income	-	-	-	-	-	<b>1,764</b>	<b>1,764</b>
<b>Balance at 30 June 2020 (Unaudited)</b>	<u>10,000</u>	<u>66,991</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>94,838</u>	<u>171,958</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2020*

## 1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company's registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in design, marketing, distribution and retail sales of toys and related products.

The measurement basis used in the preparation of the unaudited condensed consolidated financial statements is the historical cost basis. The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all figures are rounded to the nearest thousand ("HK\$'000") unless otherwise indicated.

## 2. BASIS OF PREPARATION

The financial results set out in this announcement do not constitute the Group's condensed consolidated financial statements for the three months ended 30 June 2020 but are extracted from that financial report.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2020 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the applicable disclosure provisions of the GEM Listing Rules. The principal accounting policies used in the unaudited condensed consolidated financial statements for the three months ended 30 June 2020 are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2020 except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ended 31 March 2021.

The Group has adopted all the new and revised HKFRSs issued that are relevant to its operations and effective for its accounting period beginning on 1 April 2020. The adoption of the new and revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results of the Group.

The Group has not early adopted any new and revised HKFRSs that has been issued but are not yet effective.

### 3. REVENUE AND BUSINESS SEGMENT

#### (a) Revenue

The principal activities of the Group are design, marketing, distribution and retail sales of toys and related products.

The Group's revenue comprised the sales of Original Design Manufacturing ("ODM") toys to license holders, sale of own licensed toys and distribution of imported toys and is analysed by principal activities as follows:

	Three months ended 30 June	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Sales of ODM toys to license holders	30,424	41,037
Distribution of imported toys and related products	6,798	10,028
Sales of own licensed toys and related products	1,662	3,838
	<u>38,884</u>	<u>54,903</u>

The Group's customers are primarily distributors based in Japan. The percentage of revenue contributed by the Group's five largest customers for the Period amounted to approximately 86% (the Corresponding Period: 77%). Further details regarding the Group's principal activities are disclosed below.

The Group manages its business by three divisions, namely sale of ODM toys, sale of own licensed toys and related products and distribution of imported toys and related products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the above three reportable segments. No operating segments have been aggregated to form the above reportable segments.

#### (b) Information about major customers

Revenue from customers during the Period contributing over 10% of the Group's revenue are as follows:

	Three months ended 30 June	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Group's largest customer	<u>30,424</u>	<u>41,035</u>

#### 4. OTHER NET INCOME

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Bank interest income	152	239
Net exchange loss	(52)	(77)
Rental income	–	61
Freight charge income	53	216
Management fee income	330	615
Government grants	943	–
Sundry income	317	584
	<u>1,743</u>	<u>1,638</u>

#### 5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Three months ended 30 June	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>(a) Finance costs</b>		
Interest on bank loan and overdrafts	22	50
Interest on lease liabilities	43	–
	<u>65</u>	<u>50</u>
<b>(b) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	2,723	2,745
Contributions to defined contributions retirement plans	94	101
	<u>2,817</u>	<u>2,846</u>
<b>(c) Other items</b>		
Depreciation of property, plant and equipment	1,435	885
Depreciation of right-of-use assets	975	654
Auditors' remuneration	188	375
	<u>1,435</u>	<u>885</u>

## 6. INCOME TAX

	Three months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax	<u>590</u>	<u>1,288</u>
	<u><b>590</b></u>	<u><b>1,288</b></u>

The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for each of the reporting period.

## 7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$1,764,000 (the Corresponding Period: HK\$1,851,000) and weighted average of 1,000,000,000 ordinary shares in issue during the Period (the Corresponding Period: 1,000,000,000 shares).

The weighted average number of ordinary shares is calculated as follows:

	At 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Issued ordinary share at 1 April	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Weighted average number of shares at 30 June	<u><b>1,000,000,000</b></u>	<u><b>1,000,000,000</b></u>

There was no difference between basic and diluted earnings per share as the Company did not have any dilutive potential shares outstanding during the Period and the Corresponding Period.

## 8. DIVIDENDS

No dividends were paid or declared by the Company or any of the subsidiaries during the Period (the Corresponding Period: HK\$Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Business review and outlook**

The Group is principally engaged in design, marketing, distribution and retail sales of toys and related products.

#### ***Business Review***

For the Period as compared to the Corresponding Period, the Group's revenue decreased by approximately 29.2% while gross profit decreased by approximately 35.2%.

#### ***Business in the sales of ODM toys to license holder***

The Group's revenue in the sales of ODM toys to license holders decreased by approximately 25.9% to approximately HK\$30,424,000 (the Corresponding Period: approximately HK\$41,037,000).

The decrease in revenue from this segment was primarily because of the outbreak of Coronavirus Disease 2019 ("the COVID-19 outbreak") in early 2020, the suppliers have been slow to resume their normal production capacity in post lockdown in mainland China.

#### ***Business in the distribution of imported toys and related products***

The Group's revenue in the distribution of imported toys and related products substantially decreased by approximately 32.2% to approximately HK\$6,798,000 (the Corresponding Period: approximately HK\$10,028,000).

The decrease in revenue from the distribution of imported toys and related products was mainly because the COVID-19 outbreak has continuously affected the global transportation links.

#### ***Business in the sales of own licensed toys and related products***

The Group's revenue in the sales of own licensed toys and related products decreased by approximately 56.7% to approximately HK\$1,662,000 (the Corresponding Period: approximately HK\$3,838,000).

The decrease in revenue from the sales of own licensed toys and related products was primarily because the COVID-19 crisis has significant impacts on consumer behaviour and product demand and thereby resulting in a steep drop in sales from retail store.



## **Financial Analysis**

### ***Revenue***

Revenue decreased by approximately 29.2% to approximately HK\$38,884,000 for the Period from approximately HK\$54,903,000 for the Corresponding Period. The decrease in revenue was mainly due to the decrease in revenue from (i) distribution of imported toys and related products; (ii) sales of own licensed toys and related products; and (iii) sales of the ODM toys in the Period.

### ***Cost of sales***

Cost of sales decreased by approximately 27.7% to approximately HK\$31,817,000 for the Period from approximately HK\$43,999,000 for the Corresponding Period. The decrease of cost of sales is align with the decrease of revenue.

### ***Gross profit***

Gross profit decreased by approximately 35.2% to approximately HK\$7,067,000 for the Period from approximately HK\$10,904,000 for the Corresponding Period. The gross profit margin decreased to 18.2% for the Period from approximately 19.9% for the Corresponding Period due to the decrease of overall sales but not the fixed cost, such as mould depreciation cost.

### ***Other net income***

Other income increased by approximately 6.4% to approximately HK\$1,743,000 for the Period from approximately HK\$1,638,000 for the Corresponding Period.

The increase was mainly due to the subsidies received from Hong Kong Government, which covered by the Employment Support Scheme and the Retail Sector Subsidy Scheme.

### ***Selling expenses***

Selling expenses increased by approximately 71.3% to approximately HK\$2,100,000 for the Period from approximately HK\$1,226,000 for the Corresponding Period, mainly due to three additional retail stores newly opened which were not yet opened in the Corresponding Period.

### ***Administrative expenses***

Administrative expenses decreased by approximately 47.2% to approximately HK\$4,291,000 for the Period from approximately HK\$8,127,000 for the Corresponding Period. The decreased expense was mainly attributable to the extraordinary promotion events expense incurred in the Corresponding Period.

### ***Event after the reporting period***

There is no significant event subsequent to 30 June 2020 which would materially affect the Group's operating and financial performance. The Group may consider investment in assets or properties should opportunities arise.

### **Liquidity, financial resources and funding**

As at 30 June 2020, we had cash and bank deposits of approximately HK\$111,462,000 (31 March 2020: approximately HK\$115,102,000), which were cash at banks and on hand and bank deposits.

As at 30 June 2020, no bank deposit was pledged (31 March 2020: nil).

As at 30 June 2020, the Group's indebtedness comprised bank loans of HK\$3,604,000 (31 March 2020: HK\$3,639,000) and lease liabilities of HK\$5,411,000 (31 March 2020: 6,386,000).

The Group's gearing ratio, which is calculated by total debt (defined as bank and other debts incurred not in the ordinary course of business) divided by total equity, was 0.02 times as at 30 June 2020 (31 March 2020: 0.02 times).

### **Capital structure**

As at 30 June 2020 and 31 March 2020, the capital structure of our Company comprised issued share capital and reserves.

### **Future plans for material investments and capital assets**

Save as disclosed in the prospectus of the Company dated 18 May 2018 (the "Prospectus"), the Group may consider investment in capital assets including properties should opportunities arise.

### **Material acquisitions and disposals of subsidiaries and affiliated companies**

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies (the Corresponding Period: nil).

### **Significant investments**

As at 30 June 2020, the Group did not hold any significant investments (31 March 2020: nil).

## **Contingent liabilities**

The Group had no material contingent liabilities as at 30 June 2020 (31 March 2020: nil).

## **Exposure to exchange rate fluctuation**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$.

During the Period, the Group's exposure to foreign currency risk primarily arose from certain financial instruments including trade and other receivables, cash and cash equivalents and trade and other payables which are denominated in JPY, RMB and/or US\$. During the Period and the Corresponding Period, the Group did not adopt any hedging strategy but the management continuously monitored the foreign exchange risk exposure on a case-by-case basis. The Group did not use any hedging contracts to engage in speculative activities during the Period and the Corresponding Period.

## **Charge on group's assets**

At 30 June 2020, the Group's building with an aggregate carrying value of HK\$6,378,000 were mortgaged to secure banking facilities granted to the Group (31 March 2020: HK\$6,422,000).

## **Information on employees**

As at 30 June 2020, the Group had 38 employees (31 March 2020: 38) working in Hong Kong. Employees are remunerated according to their performance and work experience. On top of basic salary, commission, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. The total staff cost (including remuneration of the Directors and mandatory provident funds contributions) for the Period amounted to approximately HK\$2,817,000 (the Corresponding Period: approximately HK\$2,846,000).

## **Interim dividend**

The Board does not recommend the payment of interim dividend for the Period (the Corresponding Period: Nil).

## Use of Proceeds

The ordinary share(s) of the Company (the “Shares”) were listed on GEM on 31 May 2018. The net proceeds from the listing of the Shares on GEM (the “Listing”) (after deducting the underwriting fees and related expenses) amounted to approximately HK\$58 million. Up to 30 June 2020, the actual use of proceeds and unutilised proceeds were approximately HK\$38 million and HK\$20 million, respectively. The proceeds from the Listing were applied as follows:

	<b>Total planned amount to used HK\$'000</b>	<b>Actual amount utilised up to 30 June 2020 HK\$'000</b>	<b>Unutilised balance as at 30 June 2020 HK\$'000</b>
Expanding our product portfolio of own licensed toys	46,200	27,719	18,481
Enhancing our overseas distribution network	3,600	3,511	89
Further strengthening our manpower	6,000	5,234	766
Further enhancing our information technology system and performing warehouse renovation	2,100	1,213	887
<b>Total</b>	<b>57,900</b>	<b>37,677</b>	<b>20,223</b>

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group’s business and the industry.

## Principal risks and uncertainties

The business operations and results of the Group may be affected by various factors, some of which are external causes and some are inherent to the business. The principal risks and uncertainties are summarised as follows:

### Principal risks and uncertainties facing the Group

- Failure to obtain new orders could materially affect the Group's financial performance
- The Group relies on the performance of senior management team
- Ineffective quality control over the suppliers and products may result in negative impact on the business and operation of the Group
- The Group may be exposed to delays and/or defaults of payments by customers which would adversely affect cash flows or financial results
- Failure to renew existing license rights and/or obtain new license rights for own licensed toys will have adverse impact on financial performance on the Group

### Directors' approach to addressing these risks and uncertainties

- The Group has constantly built up good relationships with key customers and actively solicited new customers
- The Group has constantly provided training to senior management team to enhance their performance
- The Group has professional and well trained engineer team to working closely and timely with suppliers in order to maintain its product in high standard of quality
- The Group only offer credit period for customers with long term relationship and well credit record. Most of the customers are traded on cash basis
- The Group has a dedicated team to work closely with existing licensor, obtained outstanding results in the joint events with the licensors. The Group has kept up good relationship and also developing new relationship with potential new licensors in the market

## Outlook

The Group will make steady progress in accordance with the plans formulated before the Listing and its actual operational conditions, so as to facilitate effective implementation of the business objectives of the Company and bring benefits from it.

The Board will proactively seek potential business opportunities and explore the possibility to expand the Group's network not limited to ACG figure toys market, that will broaden the sources of income of the Group and enhance value to the shareholders.

In the future, the Board believes that the Group will achieve another breakthrough in terms of its business performance by leveraging on its advantages, in particular with its wide variety of high-end toys product.

## OTHER INFORMATION

### Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company

As at 30 June 2020, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), Chapter 571), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company <i>(Note 1)</i>
Mr. Li Wai Keung (“Mr. Li”) <i>(Note 1)</i>	Interest of a controlled corporation	485,000,000 (L) <i>(Notes 2)</i>	48.50%

*Notes:*

- Mr. Li is wholly and beneficially interested in the said shares through his wholly owned Company, Infinite Force Holdings Ltd (“Infinite Force”), which is the beneficial owner of 485,000,000 Shares.
- The letter “L” denotes the person’s long position in the Shares.

Save as disclosed above, as at 30 June 2020, none of the Directors or chief executive of the Company had any other interest or a short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

## Interests and Short Positions of Substantial Shareholders in the Shares, Underlying Shares and Debentures of the Company

As at 30 June 2020, person (other than the Directors) who had interests or short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, was recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholders	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company
Infinite Force ( <i>Note 1</i> )	Beneficial owner	485,000,000 (L) ( <i>Notes 2</i> )	48.50%
Ms. Fong Wing Yan ("Ms. Fong") ( <i>Note 3</i> )	Interest of spouse	485,000,000 (L) ( <i>Notes 2</i> )	48.50%

*Notes:*

1. Infinite Force, a company incorporated in the British Virgin Islands on 18 October 2016 and an investment holding company, is wholly and beneficially owned by Mr. Li who is the chairman and an executive Director of the Company. Therefore, Mr. Li is deemed to be interested in the 485,000,000 Shares held by Infinite Force by virtue of his 100% shareholding interest in Infinite Force.
2. The letter "L" denotes the person's long position in the Shares.
3. Ms. Fong is the spouse of Mr. Li. She is deemed to be interested in the Shares in which Mr. Li is interested under Part XV of the SFO.

## Purchase, sale or redemption of listed securities of the Company

The Company had not redeemed any of its ordinary shares during the Period. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's ordinary shares during the Period.

## Directors' and controlling shareholders' interest in competing business

None of the Directors, the directors of the Company's subsidiaries, the Company's controlling shareholders, or any of their respective close associates, as defined in the GEM Listing Rules, has interest in any business that competes or may compete, either directly or indirectly, with the businesses of the Group or has any other conflict of interests with the Group (other than being a Director and/or a director of its subsidiaries and their respective associates) during the Period.

## **Directors' securities transactions**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Period.

## **Share Option Scheme**

The Company's share option scheme (the "Share Option Scheme") was approved by a resolution of the Company's shareholders passed on 11 May 2018. The principal terms of the Share Option Scheme, a summary of which is set out in Appendix VI to the Prospectus, are in compliance with the provisions under Chapter 23 of the GEM Listing Rules.

As of 30 June 2020 and up to the date of this announcement, there were no options granted, exercised, lapsed or cancelled under the Share Option Scheme. There was no outstanding share option not yet exercised under the Share Option Scheme.

## **Interests of the compliance adviser**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Ample Capital Limited ("Ample Capital") to be the compliance adviser. As informed by Ample Capital, neither Ample Capital nor any of its directors or employees or close associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Ample Capital dated 31 May 2018.

## **Corporate governance practice**

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the Code during the Period except for the deviation from the code provision A.2.1 of the Code. Mr. Li is the chairman of the Board and the chief executive officer of the Company and he has been managing the Group's business and supervising the overall operations of the Group since 2004. The Directors consider that vesting the roles of the chairman of the Board and the chief executive officer of the Company in Mr. Li is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Board will continue to review and consider splitting the roles of the chairman of the Board and the chief executive officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.



## **Audit committee**

The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the three months ended 30 June 2020 of the Group with the management and is of the view that such unaudited condensed consolidated financial statements complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

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

Hong Kong, 13 August 2020

*As at the date of this announcement, the Board composition is as follows:*

*Chairman and executive Director:*

Mr. Li Wai Keung

*Executive Directors:*

Mr. To Hoi Pan

Ms. Lee Kwai Fong

*Independent non-executive Directors:*

Ms. Chow Chi Ling Janice

Mr. Tung Man

Mr. Yu Pui Hang

*This announcement will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk), the GEM website at [www.hkgem.com](http://www.hkgem.com), on the "Latest Company Announcements" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at [www.amusegroupholding.com](http://www.amusegroupholding.com).*