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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)**

## **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2021**

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

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, 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.**

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*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 nine months ended 31 December 2021 (the “Period”), together with the comparative figures for the nine months ended 31 December 2020 (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 nine months ended 31 December 2021

		<b>Nine months ended</b>	
		<b>31 December</b>	
		<b>2021</b>	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	<b>175,901</b>	159,774
Cost of sales		<b>(151,394)</b>	(129,206)
Gross profit		<b>24,507</b>	30,568
Other net income	5	<b>3,921</b>	5,756
Selling expenses		<b>(9,446)</b>	(6,249)
Administrative expenses		<b>(16,626)</b>	(12,579)
Fair value changes of financial assets at fair value through profit or loss		<b>(276)</b>	–
Share of loss of a joint venture		<b>(600)</b>	–
Profit from operations		<b>1,480</b>	17,496
Finance costs	6(a)	<b>(88)</b>	(159)
Profit before taxation	6	<b>1,392</b>	17,337
Income tax expense	7	<b>(2,035)</b>	(3,676)
(Loss)/profit for the period		<b>(643)</b>	13,661
(Loss)/earnings per share			
– Basic and diluted (HK cents)	8	<b>(0.06)</b>	1.37
(Loss)/profit for the period		<b>(643)</b>	13,661
Total comprehensive (loss)/income for the period		<b>(643)</b>	13,661

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Merger reserve HK\$'000	Retained earnings HK\$'000	Total equity HK\$'000
<b>Balance at 1 April 2020</b>	10,000	66,991	-	-	129	93,074	170,194
Profit for the period	-	-	-	-	-	13,661	13,661
Total comprehensive income	-	-	-	-	-	13,661	13,661
<b>Balance at 31 December 2020</b>	<u>10,000</u>	<u>66,991</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>106,735</u>	<u>183,855</u>
<b>Balance at 1 April 2021</b>	<b>10,000</b>	<b>66,991</b>	-	-	129	101,751	178,871
Loss for the period	-	-	-	-	-	(643)	(643)
Total comprehensive loss	-	-	-	-	-	(643)	(643)
<b>Balance at 31 December 2021</b>	<u>10,000</u>	<u>66,991</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>101,108</u>	<u>178,228</u>

# **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the nine months ended 31 December 2021*

## **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 Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, 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, except that the investment properties and certain financial assets are stated at fair value. 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 unaudited condensed consolidated financial statements for the nine months ended 31 December 2021 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 nine months ended 31 December 2021 are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2021 except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ended 31 March 2022.

## **3. ADOPTION OF NEW AND AMENDED HKFRSS AND CHANGES IN ACCOUNTING POLICIES**

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 2021. 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.

#### 4. 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:

	Nine months ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of ODM toys to license holders	91,441	104,467
Distribution of imported toys and related products	41,355	33,715
Sales of own licensed toys and related products	43,105	21,592
	<u>175,901</u>	<u>159,774</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 72% (the Corresponding Period: 74%). Further details regarding the Group's principal activities are disclosed below.

The Group manages its business by three divisions, namely sales of ODM toys, sales of own licensed toys and distribution of imported toys. 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:

	Nine months ended 31 December	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Group's largest customers	<u>119,833</u>	<u>105,522</u>

## 5. OTHER NET INCOME

	Nine months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Bank interest income	172	463
Net exchange gain	1,217	1,170
Rental income	610	4
Freight charge income	138	180
Management fee income	979	835
Sundry income	705	1,124
Government grant	100	1,980
	<u>3,921</u>	<u>5,756</u>

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Nine months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
<b>(a) Finance costs</b>		
Interest on bank loan and overdrafts	36	51
Interest on lease liabilities	52	108
	<u>88</u>	<u>159</u>
<b>(b) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	12,704	9,042
Contributions to defined contributions retirement plans	312	294
	<u>13,016</u>	<u>9,336</u>
<b>(c) Other items</b>		
Depreciation of property, plant and equipment	12,358	4,893
Depreciation of right-of-use assets	2,310	2,636
Auditors' remuneration	563	563
	<u>15,231</u>	<u>8,092</u>

## 7. INCOME TAX

	Nine months ended 31 December	
	2021	2020
	HK\$'000	HK\$'000
Current tax — Hong Kong Profits Tax	<u>2,035</u>	<u>3,676</u>

The provision for Hong Kong Profits Tax for the nine months ended 31 December 2021 is calculated at 16.5% (the Corresponding Period: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2,000,000 are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in the Corresponding Period.

## 8. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of HK\$643,000 (the profit for the Corresponding Period: HK\$13,661,000) 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 31 December	
	2021	2020
Issued ordinary share at 1 April	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Weighted average number of shares at 31 December	<u>1,000,000,000</u>	<u>1,000,000,000</u>

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

## **9. INVESTMENT PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT**

During the Period, the Group acquired items of plant and machinery with a cost of HK\$7,892,000 (the Corresponding Period: HK\$4,493,000).

## **10. DIVIDENDS**

No dividends were paid or declared by the Company or any of the subsidiaries during the Period and the Corresponding Period.

## **11. FAIR VALUE MEASUREMENT**

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2021 and 31 March 2021.

## **12. COMMITMENTS**

At 31 December 2021 and 31 March 2021, the Group has no operating lease commitment as lessee.



## 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 increased by approximately 10.1% while gross profit decreased by approximately 19.8%.

#### ***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 12.5% to approximately HK\$91,441,000 (the Corresponding Period: approximately HK\$104,467,000).

The decrease in revenue from this segment was primarily because of a drastic decline in the production capacity of suppliers in mainland China due to electricity and water supply failure in the Period.

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

The Group's revenue in the distribution of imported toys and related products increased by approximately 22.7% to approximately HK\$41,355,000 (the Corresponding Period: approximately HK\$33,715,000).

The increase in revenue from the distribution of imported toys and related products was mainly because a hot-selling high-end robot figure was released and delivered in the Period.

#### ***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 increased by approximately 99.6% to approximately HK\$43,105,000 (the Corresponding Period: approximately HK\$21,592,000).

The increase in revenue from the sales of own licensed toys and related products was primarily because i) the sales of this segment was relatively low in the Corresponding Period; ii) a newly, developed super hero series figure was highly popular in the Period.

## **Financial Analysis**

### ***Revenue***

Revenue increased by approximately 10.1% to approximately HK\$175,901,000 for the Period from approximately HK\$159,774,000 for the Corresponding Period.

The increase in revenue was mainly due to the notable increase in revenue from (i) distribution of imported toys and related products; (ii) sales of own licensed toys and related products in the Period.

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

Cost of sales increased by approximately 17.2% to approximately HK\$151,394,000 for the Period from approximately HK\$129,206,000 for the Corresponding Period. The increase of cost of sales brings into line with the increase of revenue.

### ***Gross profit***

Gross profit decreased by approximately 19.8% to approximately HK\$24,507,000 for the Period from approximately HK\$30,568,000 for the Corresponding Period. The gross profit margin decreased to 13.9% for the Period from approximately 19.1% for the Corresponding Period. The increase in product cost which has been transferred by the suppliers due to the unstable production environment in Mainland China.

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

Other income, net decreased by approximately 31.9% to approximately HK\$3,921,000 for the Period from approximately HK\$5,756,000 for the Corresponding Period.

The decrease was mainly due to the subsidy of Employment Support Scheme and the Retail Sector Subsidy Scheme from Hong Kong Government was ceased.

### ***Selling expenses***

Selling expenses increased by approximately 51.2% to approximately HK\$9,446,000 for the Period from approximately HK\$6,249,000 for the Corresponding Period. The increase was mainly due to the expenses on Ani-Com & Games Hong Kong incurred in the Period, which was cancelled in the Corresponding Period, and the online marketing expenses on social media platforms.

### *Administrative expenses*

Administrative expenses increased by approximately 32.2% to approximately HK\$16,626,000 for the Period from approximately HK\$12,579,000 for the Corresponding Period. The increased expense was mainly due to a HK\$3,000,000 discretionary bonus is given to Mr. Li Wai Keung to reward his exceptional performance, as he led the Group in achieving continuous growth in sales since the Group listed on GEM in mid of 2018.

### *Event after the reporting period*

A wholly owned subsidiary of the Company, Amuse International Investment Limited (the “Vendor”) and Mr. Li Wai Keung (“Mr. Li”) entered into Agreement For Sale and Purchase in respect of Entire Issued Share Capital (the “Sale Shares”) of D4 Toys (oversea) Co., Limited (the “Disposal Company”) dated 8 November 2021 (the “Agreement”), pursuant to which the Vendor conditionally agreed to sell and Mr. Li conditionally agreed to acquire the Sale Share (the “Disposal”) a consideration of HK\$34.0 million which shall be payable by Mr. Li to the Vendor by cash.

Mr. Li is a connected person of the Company by virtue of his being the chairman, the executive Director and substantial Shareholder of the Company. The Disposal Company is directly owned as to 100% by the Vendor. The principal asset of Disposal Company is the Property of four workshops and a carpark located in Tsuen Wan, New Territories. It is expected to record a net gain of approximately HK\$1.1 million attributable to the Disposal.

An extraordinary general meeting of the Company (the “EGM”) was held on 7 January 2022 for the shareholders of the Company (the “Shareholders”), and approved the Disposal and transactions contemplated thereunder by way of poll. Mr. Li and his associates have abstained from voting at the EGM on the relevant resolutions to approve the Agreement and the Disposal.

The conditions precedent to the Agreement have been fulfilled and the completion of the Disposal took place on 28 January 2022.

Apart from the above mentioned, there is no other significant event subsequent to 31 December 2021 which would materially affect the Group’s operating and financial performance.

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

As at 31 December 2021, the Group had cash and bank deposits of approximately HK\$108,578,000 (31 March 2021: approximately HK\$86,961,000), which were cash at banks and on hand and bank deposits.

As at 31 December 2021, no bank deposit was pledged (31 March 2021: nil).

As at 31 December 2021, the Group's indebtedness comprised bank loans of HK\$3,367,000 (31 March 2021: HK\$3,487,000) and lease liabilities of HK\$1,717,000 (31 March 2021: HK\$3,559,000).

Gearing ratio is calculated based on the total loans and borrowings divided by total equity at the respective reporting date. As at 31 December 2021, the Group's gearing ratio was approximately 0.02 times, while it was 0.02 times as at 31 March 2021.

## **Capital structure**

As at 31 December 2021 and 31 March 2021, the capital structure of the Company comprised issued share capital and reserves.

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

On 31 December 2021, Amuse Luck Limited, a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the "MOU") with Chu Guigui (褚桂桂) and Zhu Rongzheng (朱榮政) (collectively, the "Potential Vendors") in relation to a possible acquisition (the "Possible Acquisition") of all or part of the equity interest in DongYiQuan Network Technology Co., Ltd. ("DongYiQuan") by the Group.

DongYiQuan is an investment holding company incorporated in the British Virgin Islands with limited liability and, through its subsidiaries, is principally engaged in the provision of smart health care products and service systems in the People's Republic of China (the "PRC").

The parties to the MOU shall negotiate in good faith in ensuring the formal agreement in relation to the Possible Acquisition be entered into as soon as possible and in any event, within ninety (90) days from the date of entering into of the MOU, or such later date as the parties to the MOU may agree.

Apart from the above mentioned, and the disposal of subsidiary as mentioned under Event after the reporting period in Page 11 of this announcement, the Group did not have other plans for material investments and capital assets.

### **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).

### **Contingent liabilities**

The Group had no material contingent liabilities as at 31 December 2021 (31 March 2021: 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 31 December 2021, the Group's leasehold land and building with an aggregate carrying value of HK\$6,334,000 were mortgaged to secure banking facilities granted to the Group (31 March 2021: HK\$6,246,000).

## Information on employees

As at 31 December 2021, the Group had 42 employees (31 March 2021: 39) 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 remuneration of the Directors for the Period amounted to approximately HK\$7,025,000 (the Corresponding Period: approximately HK\$3,775,000).

## Dividend

The Board does not recommend the payment of 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\$57.9 million. The net proceeds were fully utilised in FY2021.

## 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

### 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

- 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
- 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 31 December 2021, 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:

<b>Name of Director</b>	<b>Nature of interest/ Holding capacity</b>	<b>Number of ordinary shares held</b>	<b>Percentage of issued share capital of the Company (Note 1)</b>
Mr. Li Wai Keung (“Mr. Li”) (Note 1)	Interest of a controlled corporation	180,800,000 (L) (Note 2, 3)	18.08%

*Notes:*

1. As at 31 December 2021, the Company issued ordinary share capital was HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each.
2. 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 180,800,000 Shares.
3. The letter “L” denotes the person’s long position in the Shares.

Save as disclosed above, as at 31 December 2021, 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 31 December 2021, 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 (Note 1)
Infinite Force	Beneficial owner	180,800,000 (L) (Note 2, 3)	18.08%
Ms. Fong Wing Yan ("Ms. Fong")	Interest of spouse	180,800,000 (L) (Note 4)	18.08%
Star Unicorn International Limited	Beneficial owner	74,536,000 (L)	7.45%
Ms. Lam Hoi Yan	Beneficial owner	65,000,000 (L)	6.50%

### Notes:

- As at 31 December 2021, the Company issued ordinary share capital was HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each.
- 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 180,800,000 Shares held by Infinite Force by virtue of his 100% shareholding interest in Infinite Force.
- The letter "L" denotes the person's long position in the Shares.
- 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.

## **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.

## **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 31 December 2021 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.

### **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 nine months ended 31 December 2021 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, 11 February 2022

*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

*Non-executive Directors:*

Mr. Lee Ming Yeung Michael (appointed on 30 September 2021)

Mr. Wei Qing (appointed on 30 September 2021)

Mr. Chu Wai Tak (appointed on 1 December 2021)

*Independent non-executive Directors:*

Ms. Chow Chi Ling Janice

Mr. Yu Pui Hang

Ms. Ren Hongyan

Ms. Kwok Wai Ling (appointed on 1 December 2021)

*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).*