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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

References are made to the announcement of Amuse Group Holding Limited (the “**Company**”) dated 08 August 2022 (the “**Announcement**”) in relation to the Acquisition. Terms defined in the Announcement shall have the same meanings when used herein.

The Company wishes to provide the following supplemental information in relation to the Acquisition.

COMPLIANCE WITH THE GEM LISTING RULES

As the discounted cash flow method was applied in the aforesaid valuation prepared by an independent professional valuer, Ravia Global Appraisal Advisory Limited (the “**Valuer**”), the calculations of the appraised fair value of the entire issued capital of the Target Company as set out in the valuation report (the “**Valuation Report**”) is regarded as a profit forecast under Rule 19.61 of the GEM Listing Rules. Accordingly, the Company discloses the following valuation details in compliance with Rule 19.60A of the GEM Listing Rules.

ASSUMPTIONS OF THE VALUATION UNDER INCOME APPROACH

Pursuant to Rule 19.62 of the Listing Rules, the principal and commercial assumptions, upon which the Valuation is based under income approach, are as follows:

Major Assumptions

- The information provided and the representations made by the Target Company's Management with regard to its financial and business affairs are accurate and reliable;
- The Target Company will continue to operate as a going concern and has sufficient liquidity and capability to achieve the business development;
- The Target Company has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry with de minimis expenses;
- There will be sufficient supply of technical staff in the industry in which the Target Company operates or intends to operate, and the Target Company will retain competent management, key personnel and technical staff to support their ongoing operations and developments;
- There will be no major changes in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic or market conditions in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;
- There will be no material changes in the relevant interest rates and exchange rates that would impact the Target Company's business; and
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the Target Company as at the Date of Valuation.

Taking into account of the above, the Company considers that the Valuation is fair and reasonable, and hence it is reliable as a reference to determine the Consideration.

CONFIRMATIONS

Confucius International CPA Limited, acting as the Company's reporting accountants (the "Reporting Accountants"), has reported on the arithmetical accuracy of the calculations of the discounted cash flow forecast and the consistency of accounting policies as adopted in the preparation of the Valuation Report issued by the Valuer.

The Directors have discussed with the Valuer the different aspects upon which the Valuation was prepared (including the principal and commercial assumptions) and have reviewed the Valuation for which the Valuer is responsible. The Directors have confirmed that the Valuation has been made after due and careful enquiry by them.

A report from the Reporting Accountants dated 18 August 2022 in compliance with Rule 19.62(2) of the Listing Rules and a letter from the Board dated 19 August 2022 in compliance with Rule 19.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

EXPERTS AND CONSENTS

The qualifications of the experts who have given their opinion and advice included in this announcement are as follows:

Name	Qualification
Ravia Global Appraisal Advisory Limited	Independent valuer
Confucius International CPA Limited	Certified Public Accountants, Hong Kong

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the Valuer and the Reporting Accountants is a third party independent of the Group and its connected persons. As at the date of this announcement, each of the Valuer and the Reporting Accountants does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer and the Reporting Accountants has given and has not withdrawn its written consent to the issue of this announcement with inclusion of its name, statements and all references to its name (including its qualification) in the form and context in which they are included.

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

Hong Kong, 19 August 2022

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; Mr. Lee Ming Yeung Michael, Mr. Wei Qing and Mr. Chu Wai Tak as non-executive Directors; and Mr. Yu Pui Hang, Mr. Cheng Pak Lam, Ms. Chow Chi Ling Janice and Ms. Kwok Wai Ling 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, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk, the GEM website at www.hkgem.com, on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at www.amusegroupholding.com.

APPENDIX I — LETTER FROM THE REPORTING ACCOUNTANTS RELATING TO THE PROFIT FORECAST

The following is the text of a report received from the Reporting Accountants, Confucius International CPA Limited, for the purpose of incorporation in this announcement.



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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ACCOUNTANTS' REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF FOREVER PROFITS DEVELOPMENT LIMITED (THE "TARGET COMPANY")

18 August 2022

The Board of Directors
Amuse Group Holding Limited (the "Company")

We have examined the accounting policies adopted and calculations of the discounted future estimated cash flows on which the valuation prepared by Ravia Global Appraisal Advisory Limited dated 8 August 2022 in respect of the Target Company (the "Valuation"). The Valuation is in connection with the acquisition of the Target Company, as set out in the Company's announcement dated 8 August 2022 (the "Announcement"). The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

Directors' responsibilities for the Discounted Future Estimated Cash Flows

The directors of the Company (the "Directors") are responsible for the preparation of the discounted future estimated cash flows in accordance with the basis and assumptions determined by the Directors and set out in the Announcement (the "Assumptions"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants’ responsibilities

Our responsibility is to express an opinion, based on our work on the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 19.62(2) of the GEM Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. We examined the consistency of accounting policies adopted and the arithmetical accuracy of the discounted future estimated cash flows. We comply with ethical requirements and have planned and performed the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the accounting policies and calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of the Target Company.

The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the accounting policies and calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions as set out in the Announcement and is presented on a basis consistent in all material aspects with the accounting policies currently adopted by the Company.

Confucius International CPA Limited

Certified Public Accountants

Hong Kong

APPENDIX II — LETTER FROM THE BOARD IN RELATION TO THE PROFIT FORECAST

The following is the text of a letter from the Board for the purpose of incorporation in 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)

19 August 2022

Listing Division

The Stock Exchange of Hong Kong Limited

12/F, Two Exchange Square

8 Connaught Place Central

Hong Kong

Dear Sirs,

Re: Announcement — DISCLOSEABLE TRANSACTION ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

We, Amuse Group Holding Limited (the “**Company**”) (Stock code: 8545), refer to the announcement of the Company dated 08 August 2022 (the “**Announcement**”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Announcement shall have the same meanings when used herein.

We refer to the Valuation conducted by an independent valuer. The Valuation adopts an income approach, among which the income approach (which is based on the discounted cash flow forecast) is regarded as a profit forecast under Rule 19.61 of the Listing Rules. We have discussed with the Valuer the different aspects upon which the Valuation was prepared (including the principal and commercial assumptions) and have reviewed the Valuation for which the Valuer is responsible.

Pursuant to Rule 19.62(2) of the Listing Rules, we have also engaged Confucius International CPA Limited acting as the Company's reporting accountants, to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (which does not involve the adoption of accounting policies), and considered the report from Confucius International CPA Limited which was prepared in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants, as set out in Appendix I to the Announcement.

On the basis of the above, we confirm that the Valuation has been made after due and careful enquiry by us.

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