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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2023**

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 2023 (the “Period”), together with the comparative figures for the three months ended 30 June 2022 (the “Corresponding Period”), which have not been audited nor reviewed by an 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 2023

	<i>Notes</i>	Three months ended	
		30 June	
		2023	2022
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	52,372	43,142
Cost of sales		<u>(41,981)</u>	<u>(35,461)</u>
Gross profit		10,391	7,681
Other (expense)/income, net	4	(1,076)	111
Selling expenses		(1,735)	(1,924)
Administrative expenses		(5,966)	(4,957)
Fair value changes of financial assets at fair value thought profit or loss		(835)	(1,225)
Share of profit of joint ventures		<u>–</u>	<u>96</u>
Profit/(loss) from operations		779	(218)
Finance costs	5(a)	<u>(95)</u>	<u>(22)</u>
Profit/(loss) before taxation	5	684	(240)
Income tax expense	6	<u>(155)</u>	<u>(473)</u>
Profit/(loss) for the period		<u>529</u>	<u>(713)</u>
Earnings/(loss) per share			
— Basic and diluted (HK cents)	7	<u>0.04</u>	<u>(0.06)</u>
Profit/(loss) for the period		<u>529</u>	<u>(713)</u>
Total comprehensive income/(expense) for the period		<u>529</u>	<u>(713)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2022	10,000	66,991	129	103,232	180,352
Loss for the period	–	–	–	(713)	(713)
Issue of new shares	1,923	8,077	–	–	10,000
Total comprehensive expense	–	–	–	(713)	(713)
Balance at 30 June 2022 (Unaudited)	<u>11,923</u>	<u>75,068</u>	<u>129</u>	<u>102,519</u>	<u>189,639</u>
Balance at 1 April 2023	11,923	75,068	129	108,994	196,114
Profit for the period	–	–	–	529	529
Total comprehensive income	–	–	–	529	529
Balance at 30 June 2023 (Unaudited)	<u>11,923</u>	<u>75,068</u>	<u>129</u>	<u>109,523</u>	<u>196,643</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and the principal place of business of the Company is at Flat B-E, 33/F, Plaza 88, No. 88 Yueng Uk Road, Tsuen Wan, New Territories, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together referred to as the "Group") are principally engaged in design, marketing, distribution and retail sales of toys and related products, and provision of agency services.

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 unaudited condensed consolidated financial statements for the three months ended 30 June 2023 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 2023 are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2023 except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2024.

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 2023. 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 performances 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, and provision of agency services.

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

	Three months ended	
	30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of ODM toys to license holders	26,569	24,002
Distribution of imported toys and related products	13,477	8,429
Sales of own licensed toys and related products	9,326	10,711
Revenue of agency services related to engineering projects	3,000	—
	<u>52,372</u>	<u>43,142</u>
Total	<u>52,372</u>	<u>43,142</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 68.9% (the Corresponding Period: approximately 80.6%). 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 four 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	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Group's largest customer — sales of products	<u>28,300</u>	<u>24,704</u>

4. OTHER NET EXPENSE/INCOME

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	364	6
Net exchange loss	(1,561)	(1,099)
Gain on disposal of property, plant and equipment	–	380
Freight charge income	92	70
Management fee income	–	223
Government grants	–	404
Sundry income	29	127
	<u>364</u>	<u>6</u>
	<u>(1,561)</u>	<u>(1,099)</u>
	<u>–</u>	<u>380</u>
	<u>92</u>	<u>70</u>
	<u>–</u>	<u>223</u>
	<u>–</u>	<u>404</u>
	<u>29</u>	<u>127</u>
	<u>(1,076)</u>	<u>111</u>

5. PROFIT/LOSS BEFORE TAXATION

Profit/loss before taxation is arrived at after charging:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(a) Finance costs		
Interest on bank loan and overdrafts	40	13
Interest on lease liabilities	55	9
	<u>40</u>	<u>13</u>
	<u>55</u>	<u>9</u>
	<u>95</u>	<u>22</u>
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	3,446	3,333
Contributions to defined contributions retirement plans	95	106
	<u>3,446</u>	<u>3,333</u>
	<u>95</u>	<u>106</u>
	<u>3,541</u>	<u>3,439</u>
(c) Other items		
Depreciation of owned assets	1,580	734
Depreciation of right-of-use assets	788	581
Auditor's remuneration	205	198
	<u>1,580</u>	<u>734</u>
	<u>788</u>	<u>581</u>
	<u>205</u>	<u>198</u>

6. INCOME TAX EXPENSE

	Three months ended	
	30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax — Hong Kong profits tax	<u>155</u>	<u>473</u>
	<u>155</u>	<u>473</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/LOSS PER SHARE

The calculation of basic earnings/loss per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK\$529,000 (loss in the Corresponding Period: approximately HK\$713,000) and weighted average of 1,192,307,692 ordinary shares in issue during the Period (the Corresponding Period: 1,120,456,466 shares).

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

	At 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Issued ordinary share at 1 April	<u>1,192,307,692</u>	<u>1,000,000,000</u>
Weighted average number of shares at 30 June	<u>1,192,307,692</u>	<u>1,120,456,466</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

The Group is principally engaged in design, marketing, distribution and retail sales of toys and related products, and provision of agency services related to engineering projects.

Business in the sales of ODM toys to license holder

The Group's revenue in the sales of ODM toys to license holders increased by approximately 10.7% to approximately HK\$26,569,000 (the Corresponding Period: approximately HK\$24,002,000).

The increase in revenue from this segment was primarily because of the production schedule varied in the suppliers 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 substantially increased by approximately 59.9% to approximately HK\$13,477,000 (the Corresponding Period: approximately HK\$8,429,000).

The increase in revenue from the distribution of imported toys and related products was mainly attributable to the revenue in the Corresponding Period was comparative low which affected by COVID-19 Pandemic.

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 12.9% to approximately HK\$9,326,000 (the Corresponding Period: approximately HK\$10,711,000).

The decrease in revenue from the sales of own licensed toys and related products was primarily because of no hot item has released in the Period.

Business in the agency services related to engineering projects

The Group's revenue in agency services related to engineering projects is approximately HK\$3,000,000 (the Corresponding Period: nil).

The revenue from this segment was primarily contributed by consultancy services for a construction project. The scope of the consultancy service was included in (i) Engineering Consultancy, (ii) Management Guidance, (iii) Progress Control, and (iv) Quality Control.

Financial Analysis

Revenue

Revenue increased by approximately 21.4% to approximately HK\$52,372,000 for the Period from approximately HK\$43,142,000 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 ODM toys to license holders in the Period; (iii) the new segment contribution.

Cost of sales

Cost of sales increased by approximately 18.4% to approximately HK\$41,981,000 for the Period from approximately HK\$35,461,000 for the Corresponding Period. The increase of cost of sales aligns with the increase of revenue.

Gross profit

Gross profit increased by approximately 35.3% to approximately HK\$10,391,000 for the Period from approximately HK\$7,681,000 for the Corresponding Period. The gross profit margin increased to 19.8% for the Period from approximately 17.8% for the Corresponding Period.

The increase of gross profit was mainly because of the significant increase in the distribution of imported toys and related products, which is comparatively high in profit margin among the business segments.

Other expense/income, net

Other expense/income, net decreased by approximately 1,069.4% to other expense, net of approximately HK\$1,076,000 for the Period from other income, net of approximately HK\$111,000 for the Corresponding Period.

The decrease was mainly due to the sharp rebound in the US dollar during the Period. The foreign currency held on hand during the Period results in a foreign exchange loss being written off from other incomes.

Selling expenses

Selling expenses decreased by approximately 9.8% to approximately HK\$1,735,000 for the Period from approximately HK\$1,924,000 for the Corresponding Period.

The decrease in selling expenses was mainly due to the closure of one retail outlet in the Period due to the impact of the COVID-19 epidemic, which resulted in decrease in selling expenses in the Period as compared to the Corresponding Period.

Administrative expenses

Administrative expenses increased by approximately 20.4% to approximately HK\$5,966,000 for the Period from approximately HK\$4,957,000 for the Corresponding Period. The increase in administrative expense was mainly due to additional expenses occurred for the new office commenced to use in the Period.

Event after the reporting period

There is no significant event subsequently to 30 June 2023 which would materially affect the Group's operating and financial performance.

Liquidity, financial resources and funding

As at 30 June 2023, we had cash and bank deposits of approximately HK\$122,709,000 (31 March 2023: approximately HK\$133,555,000), which were cash at banks and on hand and bank deposits.

As at 30 June 2023, no bank deposit was pledged (31 March 2023: nil).

As at 30 June 2023, the Group's indebtedness comprised bank loans of approximately HK\$3,157,000 (31 March 2023: approximately HK\$3,187,000) and lease liabilities of approximately HK\$6,728,000 (31 March 2023: approximately HK\$7,625,000).

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 0.03 times as at 30 June 2023 (31 March 2023: 0.02 times).

Capital structure

As at 30 June 2023 and 31 March 2023, 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 and disposals of subsidiaries and affiliated companies.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2023 (31 March 2023: 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 2023, the Group’s building with an aggregate carrying value of approximately HK\$6,025,000 were mortgaged to secure banking facilities granted to the Group (31 March 2023: approximately HK\$5,892,000).

Information on employees

As at 30 June 2023, the Group had 42 employees (31 March 2023: 40) 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\$3,541,000 (the Corresponding Period: approximately HK\$3,439,000).

Dividend

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

Principal risks and uncertainties

The business operations and performances 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 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 benefit from it.

The Board will proactively seek potential business opportunities and explore the possibility to expand the Group's network beyond to ACG figure toys market. This will diversify 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 capitalising upon its advantage of having a wide product portfolio of high-end toys.

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 2023, 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 (Note 1)
Mr. Li Wai Keung ("Mr. Li") (Note 1)	Interest of a controlled corporation	180,800,000 (L) (Notes 2)	15.16%

Notes:

1. 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.
2. The letter "L" denotes the person's long position in the Shares.

Save as disclosed above, as at 30 June 2023, 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 2023, person (other than the directors of the Company) 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) (Notes 2, 3)	15.16%
Ms. Fong Wing Yan ("Ms. Fong")	Interest of spouse	180,800,000 (L) (Note 4)	15.16%
Ms. Lam Hoi Yan	Beneficial owner	65,000,000 (L)	5.45%

Notes:

1. As at 30 June 2023, the Company's issued ordinary share capital was HK\$11,923,077 divided into 1,192,307,692 Shares of HK\$0.01 each.
2. 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. 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.
3. The letter "L" denotes the person's long position in the Shares.
4. 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 had appointed Ample Capital Limited ("Ample Capital") to be the compliance adviser with the compliance adviser agreement (the "Compliance Adviser Agreement") entered into between the Company and Ample Capital dated 10 May 2018 and as supplemented dated 26 August 2019, 15 April 2021 and 30 June 2022. Upon completion of the period provided for Rule 6A.19 of the GEM Listing Rules, the Company and Ample Capital have mutually agreed to terminate the Compliance Adviser Agreement on 1 October 2022.

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 2023 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 three months ended 30 June 2023 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 August 2023

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. Chu Wai Tak

Mr. Lee Ming Yeung Michael (retired on 11 August 2023)

Mr. Wei Qing (retired on 11 August 2023)

Independent non-executive Directors:

Ms. Chow Chi Ling Janice

Mr. Yu Pui Hang

Mr. Tung Man (appointed on 27 April 2023)

This announcement will remain on the Stock Exchange's website 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. This announcement will also be published on the Company's website at www.amusegroupholding.com.