

AMUSE GROUP HOLDING LTD:
THIS COMPANY HAS NO APPRECIABLE DEBT

But There Is The Possibility Of
Major Problems Down The Road ?

With regard to the lion's share of its Annual Revenues, Amuse Group Holding Ltd () (Code: 8545, The Growth Enterprise Market [the **GEM**], The Stock Exchange of Hongkong Ltd) is reliant on just one customer and on sales of its products to just one country.

If that one customer, for any reason, should suddenly determine to put a halt to its patronage, it could well signal curtains for this Company.

Because, among other things, it is quite unlikely that a replacement customer of the magnitude of the custom of the present one could be located to fill the revenue chasm that would, surely, be created.

The Initial Public Offering (IPO) Of Amuse Group Holding Ltd

Amuse Group Holding Ltd published and disseminated its Share Offer Prospectus on May 18, 2018.

The Company Offered a total of 250 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 25 cents to a high of 35 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China

(PRC) were encouraged to subscribe to 25 million shares (the Public Offer Shares) and the remaining 225 million Shares were reserved for Institutional/Professional/Well-Heeled Investors via select Share Placements (the Placing Shares).

At the midpoint of the Indicative Offer Price Per Share, being 30 cents, Management has estimated that it would be able to net about \$HK48.70 million from this cash call.

At Page 294 of the Share Offer Prospectus, the '*Use of Proceeds*', derived from this IPO, is intended to be utilised as follows:

1. Approximately, \$HK38.80 million, that is about 79.80 percent of the net proceeds, '*will be used for expanding our product portfolio of own licensed toys*';
2. Approximately, \$HK3.10 million, that is about 6.30 percent of the net proceeds, '*will be used for enhancing our overseas distribution network*';
3. Approximately, \$HK5.00 million, that is about 10.30 percent of the net proceeds, '*will be used for further strengthening our manpower*'; and,
4. Approximately, \$HK1.80 million, that is about 3.60 percent of the net proceeds, '*will be used for further enhancing our information technology system and performing warehouse renovation*'.

The Business Of Amuse Group Holding Ltd

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