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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)

PROFIT WARNING

This announcement is made by Amuse Group Holding Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary review of the unaudited consolidated management accounts (the “**Management Accounts**”) of the Company for the year ended 31 March 2020 (the “**Current Year**”) which have not been audited by the auditors of the Company nor reviewed by the audit committee of the Company, it is expected that the Group may record a profit of not less than HK\$7.0 million attributable to owners of the Company for the Current Year, as compared with the profit of approximately HK\$15.1 million for the year ended 31 March 2019. Based on the information available to the Company immediately preceding the publication of this announcement, the Board considers that the decrease of profit during the Current Year was mainly attributable to (i) the impairment on write-off for trade receivables of approximately HK\$4.7 million; (ii) the outbreak of COVID-19 since January 2020 which resulted in a drop in the demand of the Group’s products during the last quarter; (iii) a decrease in the gross profit margin of approximately 4.3% due to the increase in sales proportion of sales of original design manufacturing toys which generates a lower gross profit margin than sales of own licensed toys or distribution of imported toys; and (iv) an increase in the Group’s selling expenses of approximately HK\$3.0 million as a result of an increase in the number of selling staff and the rental expense of the newly opened retail stores.

The information contained in this announcement is only based on the Board's assessment of the information currently available to the Company and the Management Accounts. The Company is still in the process of finalising such accounts. The Company expects to publish an announcement on the annual result of the Group for the Current Year on 24 June 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 10 June 2020

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; and Mr. Yu Pui Hang, Mr. Tung Man and Ms. Chow Chi Ling Janice as independent non-executive Directors.