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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

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.*

FINAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the consolidated results of the Group for the year ended 31 March 2025 (the “**Year**”), together with the comparative figures for the year ended 31 March 2024 (the “**Prior Year**”) as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
	<i>Notes</i>		
Revenue	4	143,140	219,190
Cost of sales		<u>(116,143)</u>	<u>(181,352)</u>
Gross profit		26,997	37,838
Other income and other gains	6	5,786	2,927
Selling expenses		(7,977)	(6,779)
Administrative and other expenses		(23,103)	(27,650)
Gain/(loss) on change in fair value of financial assets at fair value through profit or loss		2,396	(3,474)
(Impairment losses)/reversal of impairment losses on trade receivables		(167)	77
Impairment losses on deposits and other receivables, net of reversal		(510)	—
Impairment loss on interest in an associate		(4,519)	—
Loss on disposal of an associate		(504)	—
Share of results of associates		<u>377</u>	<u>(1,041)</u>
(Loss)/profit from operations		(1,224)	1,898
Finance costs	7(a)	<u>(317)</u>	<u>(368)</u>
(Loss)/profit before taxation	7	(1,541)	1,530
Income tax expense	8	<u>(570)</u>	<u>(1,044)</u>
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		<u><u>(2,111)</u></u>	<u><u>486</u></u>
(Loss)/earnings per share			
— Basic and diluted (in HK cents)	10	<u><u>(0.18)</u></u>	<u><u>0.04</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		16,013	20,573
Goodwill		5,378	5,378
Interest in a joint venture		–	–
Interests in associates		3,976	17,172
Deferred tax assets		294	99
Rental deposits		388	623
		26,049	43,845
Current assets			
Inventories		3,005	2,392
Trade receivables	11	10,674	21,892
Prepayments, deposits and other receivables	12	60,496	45,625
Financial assets at fair value through profit or loss		5,071	4,007
Tax recoverable		1,093	1,424
Bank deposits and cash		123,739	102,696
		204,078	178,036
Current liabilities			
Trade payables	13	9,464	8,252
Other payables and accrued expenses		3,437	4,560
Contract liabilities		15,690	5,243
Bank borrowing		2,953	3,075
Lease liabilities		2,477	3,835
Tax payable		649	260
		34,670	25,225
Net current assets		169,408	152,811
Total assets less current liabilities		195,457	196,656

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current liabilities			
Lease liabilities		917	—
Deferred tax liabilities		51	56
		<u>968</u>	<u>56</u>
Net assets		<u>194,489</u>	<u>196,600</u>
Equity			
Share capital	14	11,923	11,923
Reserves		<u>182,566</u>	<u>184,677</u>
Total equity		<u>194,489</u>	<u>196,600</u>

1. GENERAL INFORMATION

Amuse Group Holding Limited (the “**Company**”) is a company 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 located at 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 located at Flat B–E, 33/F., Plaza 88, No. 88 Yeung UK Road, Tsuen Wan, New Territories, Hong Kong.

The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 31 May 2018.

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.

2. MATERIAL ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by the primary users.

These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”). Material accounting policies adopted by the Group are disclosed below.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendment to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial positions and financial performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — dependent Electricity ²

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the directors of the Group anticipate that all applications of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements but is not yet in a position to state whether this new and revised HKFRS would have a material impact on the disclosure and the presentation of the consolidated financial statements in the future.

4. REVENUE

Disaggregation of revenue from contracts within the scope of HKFRS 15

Disaggregation of revenue from contracts with customers which are recognised at a point in time and over time by major products or service line is as follows:

	2025 HK\$'000	2024 HK\$'000
Types of goods or services		
Sales of ODM toys to license holders	48,324	90,316
Distribution of imported toys and related products	55,592	66,802
Sales of own licensed toys and related products	35,224	59,072
Revenue of agency services related to engineering projects	4,000	3,000
Total	143,140	219,190

5. SEGMENT INFORMATION

5.1 Revenue

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2025 and 2024 is set out below:

	Sales of ODM toys		Distribution of imported toys and related products		Sales of own licensed toys and related products		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	48,324	90,316	55,592	66,802	35,224	59,072	4,000	3,000	143,140	219,190
Inter-segment revenue	-	-	21,137	21,891	26,899	43,289	-	-	48,036	65,180
Segment revenue	48,324	90,316	76,729	88,693	62,123	102,361	4,000	3,000	191,176	284,370
Segment (loss)/profit	(4,545)	(7,606)	(3,801)	5,690	2,206	3,266	1,380	2,136	(4,760)	3,486
Depreciation for the year	592	731	2,052	3,835	4,326	4,208	555	-	7,525	8,774
Segment assets										
Non-current assets (other than financial instruments), including:										
— Interests in associates	-	-	-	-	-	-	3,976	17,172	3,976	17,172
Additions to property, plant and equipment	31	-	1,050	85	1,050	548	834	-	2,965	633

5.2 Reconciliations of reportable segment results

	2025 HK\$'000	2024 HK\$'000
Other segment information		
Segment (loss)/profit derived from the Group's external customers	(6,140)	1,350
Other income and other gains	5,786	2,927
Gain/(loss) on change in fair value of financial assets at Financial assets at fair value through profit or loss ("FVTPL")		
— listed securities	3,317	(1,274)
— contingent consideration receivable	(921)	(2,200)
Impairment loss on interest in an associate	(4,519)	—
Loss on disposal of an associate	(504)	—
Share of results of associates	377	(1,041)
Finance costs	(317)	(368)
Unallocated	1,380	2,136
	<u> </u>	<u> </u>
Consolidated (loss)/profit before taxation	<u>(1,541)</u>	<u>1,530</u>

5.3 Geographic information

The following table sets out information about the geographic location of the Group's customers. The geographical location of customers is based on the location at which the goods or services were delivered.

	Revenue from external customers	
	2025 HK\$'000	2024 HK\$'000
Hong Kong (place of domicile)	<u>20,858</u>	<u>31,090</u>
Japan	51,296	96,745
Mainland China of the People's Republic of China	43,569	40,823
The United States of America	8,272	24,266
Taiwan	8,079	10,839
South Korea	3,034	4,441
Germany	1,692	—
Australia	1,489	2,157
Italy	825	2,095
France	3	1,913
Others	<u>4,023</u>	<u>4,821</u>
	<u>122,282</u>	<u>188,100</u>
	<u>143,140</u>	<u>219,190</u>

5.4 Information about major customers

Revenue from customers for the year contributing over 10% of the Group's revenue is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A — sales of products	<u>49,248</u>	<u>94,681</u>

6. OTHER INCOME AND OTHER GAINS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	3,942	2,190
Compensation income	46	230
Exchange gain, net	297	—
Freight charge income	194	281
Gain on disposal of financial assets at FVTPL	993	—
Government grant income (<i>note (i)</i>)	278	100
Sundry income	<u>36</u>	<u>126</u>
	<u>5,786</u>	<u>2,927</u>

Note:

- (i) During the year ended 31 March 2025, the Group recognised government grant income of HK\$278,000 (2024: HK\$100,000) in respect of SME Export Marketing Fund provided by the Hong Kong SAR Government. There were no unfulfilled obligations or contingencies in respect of the government grants.

7. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging the following items:

	2025 HK\$'000	2024 HK\$'000
(a) Finance costs		
Interest on bank borrowing	167	184
Interest on lease liabilities	<u>150</u>	<u>184</u>
	<u>317</u>	<u>368</u>
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	15,896	15,405
Contributions to defined contribution retirement benefits plan	<u>407</u>	<u>403</u>
	<u>16,303</u>	<u>15,808</u>
(c) Other items		
Depreciation:		
— Owned assets	4,585	5,601
— Right-of-use assets	<u>2,940</u>	<u>3,173</u>
Total depreciation	<u>7,525</u>	<u>8,774</u>
Auditor's remuneration	620	620
Write down of inventories	—	9
Provision for inventories	—	252
Write-off of property, plant and equipment	—	905
Exchange losses, net	<u>—</u>	<u>1,090</u>

8. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax — Hong Kong Profits Tax		
Provision for the year	602	952
Under-provision/(over-provision) in prior years	168	(278)
	<u>770</u>	<u>674</u>
Deferred tax (credit)/charge	(200)	370
	<u>570</u>	<u>1,044</u>

Hong Kong Profits Tax is calculated at 16.5% (2024: 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 the qualifying entity are taxed at 8.25% (2024: 8.25%), and the profits above HK\$2,000,000 are taxed at 16.5% (2024: 16.5%).

The provision for Hong Kong Profits Tax for 2025 has also taken into account a reduction granted by the Hong Kong SAR Government of the tax payable for the year of assessment 2024–25. The eligible companies are entitled for the maximum reduction of HK\$1,500 (2024: HK\$3,000).

9. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the years ended 31 March 2025 and 2024.

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the following data:

	2025	2024
(Loss)/profit for the year attributable to owners of the Company (HK\$'000)	(2,111)	486
Weighted average number of ordinary shares	<u>1,192,307,692</u>	<u>1,192,307,692</u>
Basic (loss)/earnings per share (HK cents)	<u>(0.18)</u>	<u>0.04</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 years ended 31 March 2025 and 2024.

11. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables — gross	10,846	21,897
Less: ECL allowance	<u>(172)</u>	<u>(5)</u>
Trade receivables — net	<u>10,674</u>	<u>21,892</u>

Ageing analysis

Details of the ageing analysis of trade receivables (net of ECL allowance), based on the invoice date as of the end of the reporting period are as follows:

	2025 HK\$'000	2024 HK\$'000
Trade receivables		
Less than 30 days	1,904	8,673
31 to 60 days	2,493	1,978
61 to 90 days	4,723	8,350
Over 90 days	<u>1,554</u>	<u>2,891</u>
	<u>10,674</u>	<u>21,892</u>

Trade receivables are due within 0 to 60 days from the date of billing.

The movement in the ECL allowance on trade receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	5	82
ECL allowance recognised	167	—
Reversal of ECL allowance recognised	<u>—</u>	<u>(77)</u>
At the end of the year	<u>172</u>	<u>5</u>

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Other receivables	3,611	583
Trade deposits	48,023	35,361
Rental deposits	1,024	1,231
Other deposits	276	186
Prepayments	8,460	9,044
Less: ECL allowance	(510)	(157)
	<hr/>	<hr/>
Total prepayments, deposits and other receivables	60,884	46,248
Less: non-current rental deposits	(388)	(623)
	<hr/>	<hr/>
Current portion	<u>60,496</u>	<u>45,625</u>

Apart from rental deposits due over one year included under non-current assets, all of the prepayments, deposits and other receivables are expected to be recovered or recognised as expenses within one year.

The movement in the ECL allowance on deposits and other receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	157	157
ECL allowance recognised for the year	510	–
Eliminated on write-off of related receivables	(157)	–
	<hr/>	<hr/>
At the end of the year	<u>510</u>	<u>157</u>

13. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	2025 HK\$'000	2024 HK\$'000
Trade payables	9,464	8,252
Other payables and accrued expenses (<i>note</i>)	3,437	4,560
	<u>12,901</u>	<u>12,812</u>

Note: As at 31 March 2025, other payables and accrued expenses mainly included accrued salaries, accrued professional fee and accrued license fee of approximately HK\$2,222,000 (2024: HK\$2,075,000), HK\$1,215,000 (2024: HK\$896,000) and nil (2024: HK\$1,573,000), respectively.

Ageing analysis

The Group was granted by its suppliers with credit periods ranging from 30–60 days. At the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Less than 30 days	984	745
31 to 60 days	1,039	2,930
61 to 90 days	4,606	2,300
Over 90 days but within one year	2,056	735
Over one year	779	1,542
	<u>9,464</u>	<u>8,252</u>

14. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised ordinary shares of HK\$0.01 each:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,192,307,692</u>	<u>11,923</u>

- (i) The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

BUSINESS REVIEW

Amuse Group Holding Limited (the “**Company**”) is a company incorporated in the Cayman Islands with limited liability under the Companies Law (as revised) of the Cayman Islands. The Company and its subsidiaries (the “**Group**”) are principally engaged in design, marketing, distribution and retail sales of toys and related products, and provision of agency services.

Sales of original design manufacturer (“ODM”) toys

The sales of ODM toys has been experiencing a significant downturn in years. The Group’s major customer, namely Sentinel Japan has worked with us for over 14 years, representing the primary revenue source of the sales of ODM toys. The Japan’s action figures market is navigating a complex landscape, with trends reflecting both resilience and challenges, mostly due to economic pressures and reduced discretionary spending. During the year ended 31 March 2025 (the “**Year**”), revenue from sales of ODM toys decreased by approximately 46.5% to approximately HK\$48,324,000 (2024: approximately HK\$90,316,000).

The gross profit margin of the sales of ODM toys has raised by approximately 58.9%, which was increased from 7.3% for the year ended 31 March 2024 (“**Prior Year**”) to 11.6% for the Year. Such increase was mainly due to the fact that the market is shifting toward low order quantities with high profit margins but lower overall revenue.

Distribution of imported toys and related products

The revenue from this segment turn to the largest portion of the sales business segment of the Group. However, the revenue of distribution has dropped by 16.8% to approximately HK\$55,592,000 (2024: approximately HK\$66,802,000) during the Year.

Economic uncertainty and inflation have curtailed discretionary spending, with consumers prioritizing essentials over toys. The collectible action figures market, while lucrative, is highly saturated with premium products tied to anime and gaming IPs, leading to softer demand for non-exclusive items in distribution channels.

Sales of own licensed toys and related products

The Group applied the “SENTINEL/ 千值練”, “TOPI” and “FLAME TOYS” brands in developing our own licensed toys and related products over the years. The significantly decrease in revenue from sales of own licensed toys and related products during the Year by 40.4%, to approximately HK\$35,224,000 (2024: approximately HK\$59,072,000).

Inflation and stagnant wages have reduced consumer spending on non-essential items like licensed toys, with families prioritizing necessities. Rising costs for materials and logistics, driven by global supply chain disruptions, increase retail prices for licensed toys, deterring casual buyers and shrinking the market.

Agency services related to engineering projects

The Group's new revenue stream from agency services related to engineering projects commenced on 8 August 2022, which mainly contributed from providing contraction projects consultancy service in the areas of (i) engineering consultancy; (ii) management consultancy, (iii) progress monitoring and (iv) quality assurance. It contributed the revenue of approximately HK\$4,000,000 for the Year (2024: approximately HK\$3,000,000).

FINANCIAL ANALYSIS

Revenue

Revenue is recognised when the customer takes possession of and accepts the products. Revenue is recognised net of discounts.

Revenue decreased by approximately 34.7% to approximately HK\$143,140,000 for the Year from approximately HK\$219,190,000 for the Prior Year. The decrease in revenue was mainly due to the significant decrease in sales of all toys business segments.

Cost of sales

Our Group's cost of sales, incurred from the ODM toys, distribution of imported toys and related products and own licensed toys and related products comprising of (i) production costs of related products; (ii) license fee; (iii) depreciation of mould and (iv) others.

Cost of sales decreased by approximately 36.0% to approximately HK\$116,143,000 for the Year from approximately HK\$181,352,000 for the Prior Year. The decrease in cost of sales is in line with the decrease in revenue.

Gross profit

Gross profit decreased by approximately 28.7% to approximately HK\$26,997,000 for the Year from approximately HK\$37,838,000 for the Prior Year. The gross profit margin increased 9.2% to approximately 18.9% for the Year from approximately 17.3% for the Prior Year.

Other income and other gains

Other income increased significantly by approximately 97.7% to approximately HK\$5,786,000 for the Year from approximately HK\$2,927,000 for the Prior Year.

The increase was mainly due to (i) profit from securities investment during the Year; and (ii) an increase in bank interest income as a result of the general rise in interest rates and increase in bank balances.

Selling expenses

Our selling expenses comprises (i) advertising; (ii) staff costs which mainly represents the expenses in salary of staff; (iii) freight, postage and delivery; (iv) commission expense for our consignment sales; and (v) other selling and distribution expenses. Selling expenses increased by approximately 17.7% from approximately HK\$6,779,000 for the Prior Year to approximately HK\$7,977,000 for the Year, mainly due to the increase in marketing expenses in online platforms, incurring costs for website development, marketplace fees, and enhanced digital storefronts to sell premium action figures directly to consumers..

Administrative expenses

Our administrative expenses mainly consists of (i) staff costs which mainly represents the expenses in salary and staff benefit payable to our administrative department including our Directors; (ii) operating lease charges for land and building; (iii) travelling and entertainment expenses; (iv) audit fee; (v) depreciation expenses; (vi) legal and professional fee; (vii) insurance expenses mainly in relation to product liability insurance; and (viii) other administrative expenses.

Administrative expenses decreased by approximately 16.4% from approximately HK\$27,650,000 for the Prior Year to approximately HK\$23,103,000 for the Year.

Finance costs

The finance costs arose from our bank borrowing and interest on lease liabilities. Finance costs decreased by approximately 13.9% to approximately HK\$317,000 for the Year from approximately HK\$368,000 for the Prior Year.

Income tax expenses

Income tax expenses decreased by approximately 45.4% to approximately HK\$570,000 for the Year, as compared to approximately HK\$1,044,000 for the Prior Year.

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 had no definite future plans for material investments and capital assets.

Significant investments held

(i) 30% of Grand Amuse

As at 31 March 2025, the Group is holding an investment of joint venture which was formed in accordance with the joint venture agreement entered into between Amuse Luck and Grand View Protective Products Limited (“**Grand View**”) (the “**Joint Venture Agreement**”) pursuant to which Amuse Luck and Grand View agreed to jointly establish a joint venture company named Grand Amuse Development Limited (“**Grand Amuse**”) in Hong Kong owned as to 30% by Amuse Luck and 70% by Grand View, which principally engages in manufacturing and sale of protective products (including medical face masks, infrared thermometer, disinfectant spray, protective clothing, etc.) in Hong Kong and PRC markets.

In accordance with the Joint Venture Agreement, Amuse Luck and Grand View have invested in aggregate amount of HK\$10 million to Grand Amuse for setting up the medical face masks production lines in proportion to their respective shareholdings, in which Amuse Luck contributed HK\$3 million to Grand Amuse and Grand View is responsible for the costs of medical face masks production equipment, its installation and the plant renovation which amount to approximately HK\$7 million.

(ii) 30% of DongYiQuan

On 25 April 2022, the Group entered into the Sale and Purchase Agreement with Chu Guigui (褚桂桂) and Zhu Rongzheng (朱榮政) to purchase 30% of DongYiQuan Network Technology Co., Ltd., (“**DongYiQuan**”). The Consideration is HK\$10,000,000 which was fully settled and discharged by the allotment and issue of 192,307,692 Consideration Shares that under General Mandate, at the Issue Price of HK\$0.052 per Consideration Share to the Vendors at Completion.

DongYiQuan is a high-tech enterprise focusing on the development and application of smart healthcare industry solutions. It is principally engaged in the provision of smart health care products and service systems with a vision of “cloud platform, smart hardware and smart service”. DongYiQuan has cumulated solid clienteles including local government agencies, hospitals, wellness centres, as well as individual households. It is in line with the Group’s investment objective by riding on the up side potential of the smart elderly care service sector and investing in DongYiQuan.

(iii) Disposal 45% of M.I.P.

On 30 September 2024, Amuse Development Limited (“**Amuse Development**”), (a wholly-owned subsidiary of the Company) and Mr. Lam Wing Chak, Victor (“**Mr. Lam**”) entered into the Sale and Purchase Agreement, pursuant to which Amuse Development had conditionally agreed to sell to Mr. Lam, and Mr. Lam had conditionally agreed to purchase from Amuse Development, the Sales Shares, representing approximately 45.00% of the issued share capital of M.I.P International Limited (the “**M.I.P.**”), at the Consideration of HK\$8,550,000.

The M.I.P. is a company incorporated in Hong Kong with limited liability. It is principally engaged in the provision of information technology solutions to customers, including (i) infrastructure solution such as network and data center; (ii) system and security solution such as application server and system security; and (iii) equipment reselling service. The M.I.P. has a diversified customer base, including renowned hotels, property developers and the government of Hong Kong.

All the conditions precedent set out in the Sale and Purchase Agreement have been fulfilled and the Completion took place on 2 December 2024. Upon Completion, the Company has ceased to own any direct or indirect interest in the M.I.P. and the M.I.P. has ceased to be accounted as an associate of the Company.

Gearing Ratio

Gearing ratio is calculated based on the total loans and borrowings divided by total equity at the respective reporting date. As at 31 March 2025, the Group’s gearing ratio was approximately 0.02 times, while it was 0.02 times as at 31 March 2024. The Group’s financial position is sound and strong. With available bank balances and cash, the Group has sufficient liquidity to satisfy its funding requirements.

Foreign Exchange Exposure

Certain trade receivables, bank balances and trade payables are denominated in foreign currency of the respective group entities which are exposed to foreign currency risk. Although part of the Group’s revenue and cost are in U.S. Dollar (“**USD**”) and Japanese Yen, the Group does not expect any significant movement in the USD and Japanese Yen exchange rate. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Charge on the Group’s assets

At 31 March 2025, the Group’s building with an aggregate carrying value of HK\$5,539,000 were mortgaged to secure banking facilities granted to the Group (31 March 2024: HK\$5,716,000).

Information on employees

As at 31 March 2025, the Group had 35 employees (31 March 2024: 35) working in Hong Kong. Employees are remunerated according to their performance and work experience. On top of basic salary, commission, discretionary bonus 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 Year amounted to approximately HK\$16,303,000 (2024: approximately HK\$15,808,000).

Dividend

The Board does not recommend the payment of dividend for the year ended 31 March 2025 (2024: Nil).

Contingent Liabilities

As at 31 March 2025, the Group had no significant contingent liabilities (2024: Nil).

Event After Reporting Period

On 17 June 2025, Bestone Creative Development Limited (盈天創意發展有限公司) (an indirect wholly-owned subsidiary of the Company) ("**the Vendor**") and Niken Investment Co. Limited (中壢投資有限公司) ("**the Purchaser**") (a company incorporated in Hong Kong with limited liability which is directly wholly-owned by Mr. Li Wai Keung ("**Mr. Li**")), who is the chairman of the Board, an executive Director and the chief executive officer of the Company entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and has conditionally agreed to purchase the Property, which is located at Flat C on 59th Floor of Tower 2, The Dynasty, No. 18 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong at the consideration of HK\$12.7 million.

Under Chapter 19 and 20 of the GEM Listing Rules, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction for the Company. The EGM will be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Mr. Li did and will abstain from voting on the relevant board resolution(s) of the Company in view of his interest in the Disposal by virtue of his interests and/or relationships with the Purchaser.

Completion of the Disposal is conditional upon satisfaction of the conditions precedent under the Sale and Purchase Agreement. The Disposal may or may not proceed.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

Corporate Governance

The Company and its management are committed to maintain good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders. The Company believes that good corporate governance is essential for continual growth and enhancement of shareholder's value. From the listing date to the date of this announcement, the Company has applied and complied with the code provisions stipulated in the Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The Company periodically reviews its corporate governance practices with reference to the latest development in corporate governance.

Directors' Securities Transactions

The Company has adopted the Model Code as the code of conduct regarding securities transactions by Directors. Following specific enquiry by the Company, all the Directors have confirmed that they have complied with the required standard as set out in the Model Code and its code of conduct regarding directors' securities transactions from the listing date to the date of this announcement.

Audit Committee

The Audit Committee was established in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the Company's financial information, overseeing the Group's financial reporting system, risk management and internal control systems, reviewing and monitoring the effectiveness of the scope of audit and making recommendation to the Board on the appointment of external auditors.

The Audit Committee currently consists of three members, namely Ms. Chow Chi Ling Janice (the Chairlady of the Audit Committee), Mr. Yu Pui Hang and Mr. Tung Man, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The Audit Committee has reviewed this announcement, including the draft consolidated results of the Group for the year ended 31 March 2025.

Scope of work of CCTH CPA Limited

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Group's external auditor, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2025. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

Appreciation

On behalf of the Board, the Chairman of the Company, Mr. Li Wai Keung, would like to take this opportunity to express his sincere gratitude to the management and staff of the Group for their hard work and dedication as well as to its shareholders and business companies for their continued support.

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

Hong Kong, 27 June 2025

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

This announcement will remain on the website of Stock Exchange at www.hkexnews.hk on the "Latest Information" page for at least 7 days from the date of its posting and will be published on the Company's website at www.amusegroupholding.com.