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## **AV PROMOTIONS HOLDINGS LIMITED**

### **AV策劃推廣(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8419)**

## **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 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 AV Promotions Holdings Limited (the “**Company**”) collectively and individually accept full responsibilities, 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 and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”). 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.*

## **FINANCIAL HIGHLIGHTS**

- The unaudited revenue of the Group was approximately HK\$24.8 million for the three months ended 31 March 2023, representing an increase of approximately 335.1% from approximately HK\$5.7 million for the corresponding three months ended 31 March 2022.
- The unaudited net profit of the Group was approximately HK\$0.6 million for the three months ended 31 March 2023 compared with net loss of approximately HK\$14.2 million for the corresponding three months ended 31 March 2022.
- The board of Directors (the “**Board**”) does not recommend the payment of any dividend for the three months ended 31 March 2023.

The Board hereby announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2023 (the “**Reporting Period**”) together with the unaudited comparative figures for the corresponding period in 2022, as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the three months ended 31 March 2023*

	<i>Note</i>	<b>Three months ended 31 March</b>	
		<b>2023</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>
Revenue	3	<b>24,827</b>	5,661
Cost of services	4	<b>(16,965)</b>	(14,118)
<b>Gross profit/(loss)</b>		<b>7,862</b>	(8,457)
Other income		<b>48</b>	127
Other losses, net		<b>(155)</b>	(99)
Selling expenses	4	<b>(880)</b>	(370)
Administrative expenses	4	<b>(6,466)</b>	(6,540)
<b>Operating profit/(loss)</b>		<b>409</b>	(15,339)
Finance income	5	<b>469</b>	76
Finance expenses	5	<b>(1,650)</b>	(1,042)
Finance expenses – net		<b>(1,181)</b>	(966)
<b>Loss before income tax</b>		<b>(772)</b>	(16,305)
Income tax credit	6	<b>1,353</b>	2,070
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<b>581</b>	(14,235)
<b>Basic and diluted earnings/(losses) per share attributable to owners of the Company (HK cents)</b>	8	<b>0.15</b>	(3.56)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2023

	Three months ended 31 March	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
<b>Profit/(loss) for the period</b>	<b>581</b>	(14,235)
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>328</u>	<u>457</u>
<b>Total comprehensive income/(expense) for the period</b>	<b><u>909</u></b>	<b><u>(13,778)</u></b>
<b>Total comprehensive income/(expense) for the period attributable to owners of the Company</b>	<b><u>909</u></b>	<b><u>(13,778)</u></b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>			
As at 1 January 2022 (audited)	4,000	41,901	5,164	5,314	72,750	129,129	-	129,129
<b>Comprehensive expense</b>								
Loss for the period	-	-	-	-	(14,235)	(14,235)	-	(14,235)
<b>Other comprehensive income</b>								
Currency translation differences	-	-	457	-	-	457	-	457
<b>Total comprehensive expense</b>	-	-	457	-	(14,235)	(13,778)	-	(13,778)
As at 31 March 2022 (unaudited)	<u>4,000</u>	<u>41,901</u>	<u>5,621</u>	<u>5,314</u>	<u>58,515</u>	<u>115,351</u>	<u>-</u>	<u>115,351</u>
As at 1 January 2023 (audited)	<u>4,000</u>	<u>41,901</u>	<u>827</u>	<u>5,314</u>	<u>19,221</u>	<u>71,263</u>	<u>-</u>	<u>71,263</u>
<b>Comprehensive income</b>								
Profit for the period	-	-	-	-	581	581	-	581
<b>Other comprehensive income</b>								
Currency translation differences	-	-	328	-	-	328	-	328
<b>Total comprehensive income</b>	-	-	328	-	581	909	-	909
As at 31 March 2023 (unaudited)	<u>4,000</u>	<u>41,901</u>	<u>1,155</u>	<u>5,314</u>	<u>19,802</u>	<u>72,172</u>	<u>-</u>	<u>72,172</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2017 as an exempted company with limited liability under the Companies Act (2021 Revision), formerly known as the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of visual, lighting and audio solution services in Hong Kong, the People's Republic of China (the "PRC") and Macau (the "Business"). The ultimate holding company of the Company is Jumbo Fame Company Limited ("Jumbo Fame") incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wong Man Por ("Mr. MP Wong").

The shares of the Company (the "Shares") were listed on the GEM of The Stock Exchange Hong Kong Limited on 21 December 2017.

## 2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622 of the laws of Hong Kong) and the applicable disclosures required by the GEM Listing Rules.

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

The unaudited condensed consolidated financial statements has been prepared in accordance with the same accounting policies adopted in the annual audited financial statements for the year ended 31 December 2022, except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 December 2023 and they should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2022. The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial period beginning on 1 January 2023:

HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above amendments to standards did not have any significant financial impact on these unaudited condensed consolidated financial statements.

### 3 REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

Revenue from the provision of visual, lighting and audio solution services is recognised over time when the services have been rendered. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts and value added taxes.

The Group's revenue recognised during each of the three months ended 31 March 2023 and 2022 are as follows:

	Three months ended 31 March	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Revenue from services	<u>24,827</u>	<u>5,661</u>

#### (b) Segment information

The Board has been identified as the chief operating decision makers.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The Group provides visual, lighting and audio solution services. The resources are allocated based on what is most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

The Group's chief operating decision makers consider that the performance assessment of the Group should be based on the loss before income tax of the Group as a whole. Accordingly, the management considers there is only one operating segment.

Revenue based on the geographic location that the Group derives revenue from customers are as follows:

	Three months ended 31 March	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Hong Kong	10,018	3,608
The PRC	14,659	1,888
Macau	<u>150</u>	<u>165</u>
Total	<u>24,827</u>	<u>5,661</u>

#### 4 EXPENSES BY NATURE

	Three months ended 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Auditors' remuneration	175	175
Depreciation of property, plant and equipment	4,307	3,376
Depreciation of right-of-use assets	959	1,185
Employee benefit expenses	13,269	12,870
Entertainment expenses	275	118
Freight expenses	369	89
Legal and professional fees	295	245
Material cost of consumables	279	64
Short-term lease payments	2,346	1,508
Travel expenses	322	195
Other expenses	1,715	1,203
	<u>24,311</u>	<u>21,028</u>
Total cost of services, selling expenses and administrative expenses	<u>24,311</u>	<u>21,028</u>

#### 5 FINANCE INCOME AND EXPENSES

	Three months ended 31 March	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest income		
– Bank interest income	469	76
Finance income	469	76
Interest expenses		
– Finance lease liabilities	(3)	(96)
– Borrowings	(1,647)	(946)
Finance expenses	(1,650)	(1,042)
Finance expenses – net	(1,181)	(966)



## 6 INCOME TAX CREDIT

The amount of taxation credited to the unaudited condensed consolidated statement of profit or loss represents:

	Three months ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong	–	–
– The PRC	–	–
– Macau	–	–
	<u>–</u>	<u>–</u>
	–	–
Deferred income tax	<u>(1,353)</u>	<u>(2,070)</u>
Income tax credit	<u><b>(1,353)</b></u>	<u><b>(2,070)</b></u>

Pursuant to the enactment of two-tiered profits tax rates issued by the Inland Revenue Department of Hong Kong from the year of assessment 2018/19 onwards, the qualifying group entity's first HK\$2 million of assessable profits under Hong Kong profits tax for the three months ended 31 March 2023 and 2022 is subject to a tax rate of 8.25%, while the remaining assessable profits are subject to a tax rate of 16.5%.

PRC Enterprise Income Tax has been provided at the rate of 25% on the estimated assessable profits for the three months ended 31 March 2023 and 2022.

Macau complementary tax has been provided at the rate of 12% on the estimated assessable profits exceeding MOP600,000 for the three months ended 31 March 2023 and 2022.

## 7 DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 31 March 2023 (for the three months ended 31 March 2022: Nil).

## 8 BASIC AND DILUTED EARNINGS/(LOSSES) PER SHARE

### (a) Basic

The basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the respective periods.

	Three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)
Profit/(loss) attributable to owners of the Company (HK\$'000)	581	(14,235)
Weighted average number of shares in issue (thousands shares)	<u>400,000</u>	<u>400,000</u>
Basic earnings/(losses) per share (HK cents)	<u><u>0.15</u></u>	<u><u>(3.56)</u></u>

### (b) Diluted

Diluted earnings/(losses) per share presented is the same as the basic profit/(losses) per share as there were no potentially dilutive ordinary shares outstanding as at 31 March 2023 and 2022.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECTS**

The Group is principally engaged in the provision of one-stop visual, lighting and audio solution services in Hong Kong, the PRC and Macau. The Group derived its revenue from provision of the aforesaid services to exhibitions, ceremonies, conferences, TV shows, product launches, concerts and other types of events.

Since early 2020, the outbreak of novel coronavirus disease (COVID-19) (the “**Pandemic**”) has adversely affected the overall economies in Hong Kong, the PRC and Macau. During the Reporting Period, the Group was engaged in 190 events compared with 75 events for corresponding period in 2022. The Group derived approximately 43.7% of its total revenue (three months period ended 31 March 2022: 31.3%) from exhibitions during the three months ended 31 March 2023, the majority of which took place in Hong Kong and the PRC.

Although the impact of the Pandemic has adversely affected the financial performance of the Group in past few years, with the easing of the epidemic during the Reporting Period, the general public’s activities gradually returned to normal. We expect that the financial performance afterwards will be maintained to the level before the Pandemic. The Group is well confident to further improve its profitability and bring value to its stakeholders in the long run.

Looking forward, we will continue to take all the necessary measures to minimise the impact of the Pandemic on the Group and to actively explore business opportunities as the economies in Hong Kong, the PRC and Macau are expected to gradually recover.

### **FINANCIAL REVIEW**

#### **Revenue**

The Group generates revenue from the provision of visual, lighting and audio solutions services to its customers in various events, including exhibitions, ceremonies, conferences, TV shows, product launches, concerts and other types of events.

The Group’s revenue increased from approximately HK\$5.7 million for the three months ended 31 March 2022 to approximately HK\$24.8 million for the Reporting Period, representing an increase of approximately 335.1%.

## Revenue analysis by geographical location

The following table sets forth the breakdown of the Group's revenue by geographical location during the Reporting Period with comparative figures for the three months ended 31 March 2022:

	Three months ended 31 March			
	2023		2022	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
	(Unaudited)		(Unaudited)	
Hong Kong	<b>10,018</b>	<b>40.3</b>	3,608	63.7
The PRC	<b>14,659</b>	<b>59.1</b>	1,888	33.4
Macau	<b>150</b>	<b>0.6</b>	165	2.9
Total	<b>24,827</b>	<b>100.0</b>	<b>5,661</b>	<b>100.0</b>

The increase in revenue was mainly due to the increase in number of events in Hong Kong and the People's Republic of China as a result of the gradual lift of the anti-epidemic measures during the Reporting Period.

## Cost of services

Cost of services mainly comprised of equipment rental cost, depreciation of property, plant and equipment, employee benefit expenses paid to front line on-site technical staff, material cost of consumables and freight expenses of equipment delivery. The Group's cost of services increased by approximately 20.6% from approximately HK\$14.1 million for the three months ended 31 March 2022 to approximately HK\$17.0 million for the Reporting Period, which was in line with the increase in revenue.

## Gross profit/(loss) and gross profit/(loss) margin

Gross profit of the Group for the Reporting Period amounted to approximately HK\$7.9 million (for the three months ended 31 March 2022: gross loss of HK\$8.5 million), representing gross profit margin of approximately 31.8% (for the three months ended 31 March 2022: gross loss margin of 149.1%). The increase in gross profit margin was mainly attributable to the increase in revenue which was analysed above.

## Selling expenses

Selling expenses mainly comprised staff costs and travel expenses of the Group's sales and marketing department and advertising expenses. The Group's selling expenses increased by approximately 125.0% from approximately HK\$0.4 million for the three months ended 31 March 2022 to approximately HK\$0.9 million for the Reporting Period, which was due to the increase in staff costs of sales and marketing department by approximately HK\$0.3 million.

### **Administrative expenses**

Administrative expenses of the Group mainly comprised administrative staff costs, depreciation of office equipment and right-of-use assets, and other sundry expenses.

The Group's administrative expenses remained stable as approximately HK\$6.5 million for both the Reporting Period and the three months ended 31 March 2022.

### **Finance expenses, net**

Net finance expenses of the Group mainly comprised bank interest income, interest expenses on borrowings and finance lease liabilities.

The Group's net finance expenses increased by approximately 22.3% from approximately HK\$1.0 million for the three months ended 31 March 2022 to approximately HK\$1.2 million for the Reporting Period. Such increase was mainly driven by the increase in interest on borrowings.

### **Income tax credit**

The Group is subject to income tax on an enterprise basis, based on profits arising in or derived from the jurisdictions in which the group companies of the Group are domiciled and operate.

Pursuant to the enactment of two-tiered profits tax rates issued by the Inland Revenue Department of Hong Kong from the year of assessment 2018/19 onwards, the qualifying group entity's first HK\$2 million of assessable profits under Hong Kong profits tax for the three months ended 31 March 2023 and 2022 is subject to a tax rate of 8.25%, while the remaining assessable profits are subject to a tax rate of 16.5%.

PRC Enterprise Income Tax has been provided at the rate of 25% on the estimated assessable profits for the three months ended 31 March 2023 and 2022.

Macau complementary tax has been provided at the rate of 12% on the estimated assessable profits exceeding MOP600,000 for the three months ended 31 March 2023 and 2022.

### **Profit/(loss) for the period**

As a result of the foregoing, the Group's net profit amounted to approximately HK\$0.6 million for the Reporting Period, representing an increase of approximately HK\$14.8 million as compared with net loss of approximately HK\$14.2 million for the three months ended 31 March 2022.

## **CAPITAL STRUCTURE**

As at 31 March 2023, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$72.2 million (31 December 2022: HK\$115.4 million), comprising issued share capital and reserves.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS**

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Reporting Period (for the three months ended 31 March 2022: Nil).

## **CAPITAL COMMITMENTS**

As at 31 March 2023, the Group did not have any material capital commitments (31 March 2022: Nil).

## **CONTINGENT LIABILITIES**

As at 31 March 2023, the Group has no material contingent liabilities (31 March 2022: Nil).

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

The Group's revenue and costs are primarily denominated in Hong Kong dollars and Renminbi. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. During the Reporting Period, the Group did not use any financial instruments for hedging purposes.

## **TREASURY POLICIES**

The Group would review its financial management approach towards its treasury policies as and when appropriate, and maintained a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2023, the Group employed a total of 165 employees (31 March 2022: 166 employees) based in Hong Kong, the PRC and Macau. Employee costs (including the Directors' remuneration, wages, salaries, bonuses, other benefits and contribution to defined contribution pension plans) amounted to approximately HK\$13.3 million for the Reporting Period (for the three months ended 31 March 2022: HK\$12.9 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and their performance.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2023 and up to the date of this announcement.

## **DIVIDEND**

The Board does not recommend the payment of any dividend for the Reporting Period (for the three months ended 31 March 2022: Nil).

## **OTHER INFORMATION**

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS**

Save as disclosed in this announcement, none of the Directors or an entity connected with any of them had any material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries, parent company or subsidiaries of the parent company was a party and subsisting at any time during or at the end of the Reporting Period.

As at 31 March 2023 and at any time during the Reporting Period, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries.

### **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

Save as disclosed in this announcement, at no time during the Reporting Period was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its specified undertakings as defined in the Companies (Directors' Report) Regulation (Cap. 622D of the laws of Hong Kong) or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

During the Reporting Period and up to the date of this announcement, the Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the “**Code of Conduct**”). After specific enquiries by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Reporting Period and up to the date of this announcement.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company’s securities during the Reporting Period.

## DISCLOSURE OF DIRECTORS’ INTERESTS

### (a) Interests and short positions of Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 March 2023, the interests and short positions of the Directors or the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “**SFO**”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) 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:

#### (i) *Interests in the Company*

Name of Director	Capacity/Nature of Interest	Number of Shares held/ interested in <i>(Note 1)</i>	Percentage of shareholding
Mr. MP Wong <i>(Notes 2 and 3)</i>	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	290,000,000 (L)	72.5%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares.
2. The 290,000,000 Shares are held by Mega King Elite Investment Limited (“**Mega King**”), a company wholly-owned by Jumbo Fame, which is in turn held by Trident Trust Company



(HK) Limited (“**Trustee**”) acting as the trustee of The WMPE Family 2017 Trust. The WMPE Family 2017 Trust is an irrevocable discretionary trust set up by Mr. MP Wong as settlor and appointer and by the Trustee as the trustee on 10 April 2017. The beneficiaries of The WMPE Family 2017 Trust are Mr. MP Wong, Ms. Kong Suet Yau (“**Mrs. Wong**”) (the spouse of Mr. MP Wong), Mr. Wong Hin Hang (the son of Mr. MP Wong and Mrs. Wong), Ms. Wong Hin Fei (the daughter of Mr. MP Wong and Mrs. Wong), and such person as may be appointed as additional member or members of the class of eligible beneficiaries pursuant to a trust deed dated 10 April 2017 entered into by Mr. MP Wong as the settlor and the appointer and by the Trustee as the trustee (“**Trust Deed**”). Mr. MP Wong as settlor, appointer and a beneficiary of The WMPE Family 2017 Trust is deemed or taken to be interested in the 290,000,000 Shares held by Mega King.

3. Mr. MP Wong is the founder of the Group, an executive Director, the chairman and the chief executive officer of the Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King and the 290,000,000 Shares beneficially owned by Mega King.

*(ii) Long position in the shares of associated corporations*

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of Shares held/ interested in <small>(Note 1)</small>	Percentage of shareholding
Mr. MP Wong <small>(Note 1)</small>	Mega King	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	1	100%
Mr. MP Wong <small>(Note 1)</small>	Jumbo Fame	Founder and beneficiary of a discretionary trust	100	100%

*Note:*

1. Mr. MP Wong is the founder of the Group, an executive Director, the chairman and the chief executive officer of the Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King. Mr. MP Wong as settlor, appointer and a beneficiary of The WMPE Family 2017 Trust is deemed or taken to be interested in the entire issued shares of Jumbo Fame. Mr. MP Wong is also one of the directors of Jumbo Fame.

Save as disclosed above, as at 31 March 2023, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) 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.

**(b) Interests and short positions of the substantial shareholders and other persons in the shares, underlying shares and debentures of the Company and its associated corporations**

As at 31 March 2023, so far as it is known to the Directors, the following persons (other than a Director or chief executives of the Company) had or were deemed to have interests or short positions in Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of shareholder</b>	<b>Capacity/Nature of Interest</b>	<b>Number of Shares held/ interested in</b> <i>(Note 1)</i>	<b>Percentage of shareholding</b>
Mega King <i>(Note 2)</i>	Beneficial owner	290,000,000 (L)	72.5%
Jumbo Fame <i>(Note 2)</i>	Interest of controlled corporation	290,000,000 (L)	72.5%
Trustee <i>(Note 2)</i>	Trustee	290,000,000 (L)	72.5%
Mrs. Wong <i>(Note 3)</i>	Interest of spouse	290,000,000 (L)	72.5%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares.
2. The 290,000,000 Shares are held by Mega King, a company wholly-owned by Jumbo Fame, which is in turn held by the Trustee acting as the trustee of The WMPE Family 2017 Trust. The WMPE Family 2017 Trust is an irrevocable discretionary trust set up by Mr. MP Wong as settlor and appointer and by the Trustee as the trustee on 10 April 2017. The beneficiaries of The WMPE Family 2017 Trust are Mr. MP Wong, Mrs. Wong, Mr. Wong Hin Hang (the son of Mr. MP Wong and Mrs. Wong), Ms. Wong Hin Fei (the daughter of Mr. MP Wong and Mrs. Wong), and such person as may be appointed as additional member or members of the class of eligible beneficiaries pursuant to the Trust Deed. By virtue of the SFO, each of Jumbo Fame and the Trustee is deemed to be interested in all the Shares held by Mega King.
3. Mrs. Wong is the spouse of Mr. MP Wong and is deemed or taken to be interested in all the Shares held by Mega King for the purpose of the SFO.

Save as disclosed above, as at 31 March 2023, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **CORPORATE GOVERNANCE PRACTICE**

The Board is responsible for performing the corporate governance duties stipulated in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 15 of the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance, training and providing continuous professional development of Directors, and reviewing the Company’s compliance with the principles and applicable code provisions in the CG Code and disclosures in this announcement.

During the Reporting Period and up to the date of this announcement, the Company has complied with the code provisions of the CG Code, except for the deviations of paragraph C.2.1 of Part 2 of the CG Code, which is explained in the paragraph below.

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wong Man Por is currently the chairman and the chief executive officer of the Company. Mr. MP Wong was re-designated as the chief executive officer with effect from 30 September 2021 following the resignation of the former chief executive officer. The Board is of the view that the vesting of the roles of chairman and chief executive officer in Mr. MP Wong is beneficial to the business operations and management of the Group as it would provide a strong leadership to the Group, considering that Mr. MP Wong has been managing the Group’s business and formulation of the Group’s strategic vision, direction and goals, as well as monitoring, evaluating and developing the Group’s business since the Group’s establishment. In allowing the two roles to be vested in the same person, the Board believes that both positions require in-depth knowledge and considerable experience of the Group’s business and Mr. MP Wong is the most suitable person to occupy both positions for effective management of the Group following the resignation of the former chief executive officer. Therefore, the Board considers that the deviation from provision C.2.1 of Part 2 of the CG Code is appropriate in the circumstance.

## **COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS**

The Company believes that maintaining a high level of transparency is key to enhancing investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to the shareholders of the Company (the “**Shareholders**”) and the public. The annual general meetings and other general meetings of the Company are the primary communication forum between the Company and its Shareholders. The Board, appropriate senior management and the external auditor will attend the general meetings to answer the Shareholders’ questions. In addition, the Company updates its Shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company ([www.avpromotions.com](http://www.avpromotions.com)) has provided an effective communication platform to its Shareholders and the public.

Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, serves the Shareholders in respect of share registration, dividend payments and related matters.

## **SHARE OPTION SCHEME**

The Company has adopted a share option scheme on 1 December 2017 (the “**Share Option Scheme**”). The principal terms of the Share Option Scheme are summarised in Appendix IV to the prospectus of the Company dated 8 December 2017 and are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group, and to promote the success of the business of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 March 2023.

## **AUDIT COMMITTEE**

The Company established the Audit Committee in compliance with Appendix 15 to the GEM Listing Rules which comprises three independent non-executive Directors, namely Dr. Leung Wai Cheung, Mr. Cheung Wai Lun Jacky and Mr. Chan Wing Kee. Dr. Leung Wai Cheung is the chairman of the Audit Committee. The Company has also established the written terms of reference of the Audit Committee in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions C3.3 and C3.7 of the CG Code.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the policies of the Group and to perform other duties and responsibilities as assigned by the Board. The full terms of reference setting out details of the duties of the Audit Committee is available on both the website of the Stock Exchange and the Company's website.

The Audit Committee has reviewed the first quarterly results for the Reporting Period. The Audit Committee is of the view that the unaudited condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, the GEM Listing Rules and the statutory provisions, and that sufficient disclosures have already been made.

The unaudited condensed consolidated financial results for the three months ended 31 March 2023 have not been audited or reviewed by the Company's auditors.

By order of the Board  
**AV Promotions Holdings Limited**  
**Wong Man Por**  
*Chairman and Executive Director*

Hong Kong, 10 May 2023

*As at the date of this announcement, the executive Directors are Mr. Wong Man Por, Mr. Wong Hon Po and Mr. Wong Chi Bor, and the independent non-executive Directors are Dr. Leung Wai Cheung, Mr. Cheung Wai Lun Jacky and Mr. Chan Wing Kee.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) for at least seven days from the date of its publication and on the Company's website at [www.avpromotions.com](http://www.avpromotions.com).*