AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

POSITIVE PROFIT ALERT

This announcement is made by AV Concept Holdings Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules).

The board ("**Board**") of directors of the Company wishes to inform the shareholders of the Company and potential investors that based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2017 (the "**Relevant Period**") and the information currently available to the Group, the Company is expected to record a very substantial year-on-year increase of not less than 100 times in net profit for the Relevant Period, when compared with the net profit of approximately HK$2.1 million for the year ended 31 March 2016. Such increase in profit is mainly attributable to the following factors:

(i) During the Relevant Period, when compared to that of the corresponding period in 2016, there was a significant increase of more than 25% in the Company's share of profits and losses of joint ventures and associates;

(ii) During the Relevant Period, when compared to that of the corresponding period in 2016, there was a significant decrease of the Group's administrative expenses and other net expenses through internal enhancement of cost control;

(iii) During the Relevant Period, the Group recorded a net gain in fair value of equity investments at fair value through profit or loss of the Company, with the realized gain on partial disposal of equity investments at fair value through profit or loss, as opposed to a fair value loss on equity investments at fair value through profit of loss in the corresponding period in 2016; and

(iv) During the Relevant Period, the Group recorded a gain on deemed disposal of certain stakes in an associate of the Group, Me2on Co., Ltd ("**Me2on**"), with the decrease in shareholding as a result of new shares being issued when Me2on was successfully listed on the Korea Securities Dealers Automated Quotations of the Korean Exchange on 10 October 2016.

The Company is still in the process of finalising its unaudited consolidated financial results of the Group for the Relevant Period. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts and information currently available to the Board, which have not yet been audited nor reviewed by the auditors of the Company and may be subject to adjustment. The audited consolidated final results of the Group for the year ended 31 March 2017 are expected to be announced on 26 June 2017 pursuant to the requirements of the Listing Rules.

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

On behalf of the Board
AV Concept Holdings Limited
So Yuk Kwan
Chairman

Hong Kong, 16 June 2017

As at the date of this announcement, the Board comprises four executive Directors, Dr. So Yuk Kwan (Chairman), Mr. So Chi On, Mr. So Kevin Chi Heng and Mr. So Chi Sun Sunny and three independent non-executive Directors, Dr. Lui Ming Wah, SBS, JP, Mr. Charles E. Chapman and Mr. Wong Ka Kit.