AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 595)

PROFIT WARNING

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 2018 (the "**Relevant Period**") and the information currently available to the Group, the Group is expected to record a decline in net profit by not less than 40%, as compared to the year ended 31 March 2017. Such drop in profit is mainly attributable to the following factors:

(i) increase in the Group's administrative expenses;

(ii) the fair value loss of the Group's equity investments at fair value through profit or loss during the Relevant Period, as compared to the net gain in fair value of equity investments at fair value through profit or loss for the year ended 31 March 2017;

(iii) the non-recurring gain on deemed disposal of an associate arising from the successful listing of Me2on Co., Ltd ("**Me2on**") on the Korea Securities Dealers Automated Quotations of the Korean Exchange was recognised during the year ended 31 March 2017, but no such non-recurring gain was recognised during the Relevant Period. However, its negative impact was offset by the fact that the Group had disposed of all of its equity interests in Me2on during the Relevant Period, resulting in a significant gain on disposal of available-for-sale investment; and

(iv) decrease in the share of profits and losses of joint ventures and associates during the Relevant Period as compared with that for the year ended 31 March 2017.

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 auditor of the Company and may be subject to adjustment. The audited consolidated final results of the Group for the year ended 31 March 2018 are expected to be announced on 27 June 2018 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, 20 June 2018

As at the date of this announcement, the Board comprises three executive directors, Dr. So Yuk Kwan (Chairman), 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.