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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

YEAR ENDED 31 MARCH 2018
ANNUAL RESULTS ANNOUNCEMENT

Statement of Profit or Loss Highlights

	2018 HK$'million	2017 HK$'million
Revenue		
– Semiconductor distribution	**1,592.1**	1,304.9
– Consumer electronic product sales	**66.9**	36.8
– Venture capital	**0.8**	–
– Others	**3.1**	0.7
	1,662.9	1,342.4
Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items		
– Corporate	**(34.3)**	(22.2)
– Venture capital	**47.9**	14.0
– Semiconductor distribution	**161.5**	227.2
– Consumer electronic product sales	**(4.7)**	(7.6)
– Others	**(10.1)**	(6.4)
	160.3	205.0
Depreciation and amortisation	**(3.6)**	(3.0)
Profit for the year attributable to:		
Owners of the Company	**163.3**	276.1
Non-controlling interests	**(0.4)**	–
	162.9	276.1
Statement of Financial Position Highlights		
Total assets	**1,405.8**	1,280.9
Total assets less current liabilities	**1,106.9**	1,094.0
Total equity	**1,086.7**	1,078.3
Borrowings and finance lease payables	**136.6**	118.4
Cash and cash equivalents	**233.9**	111.6
Equity investments at fair value through profit or loss	**99.3**	102.1
Cash and cash equivalents and equity investments	**333.2**	213.7
Total debt to total equity (%)	**13%**	11%
Current assets to current liabilities (%)	**195%**	335%
Cash and cash equivalents and equity investments per share (HK$) (comparative restated)	**0.36**	0.23
Total equity per share (HK$) (comparative restated)	**1.18**	1.16

RESULTS

The Board of Directors (the "Board" or "Directors") of AV Concept Holdings Limited (the "Company" or "AV Concept") hereby announces the consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 March 2018, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
REVENUE	3	**1,662,878**	1,342,399
Cost of sales		**(1,623,512)**	(1,297,955)
Gross profit		**39,366**	44,444
Other income and gains	3	**14,042**	11,778
Changes in fair value of investment properties		**6,716**	2,345
Selling and distribution expenses		**(12,526)**	(10,908)
Administrative expenses		**(83,419)**	(62,902)
Fair value gains/(losses), net:			
Equity investments at fair value through profit or loss			
– held for trading		**555**	(4,093)
– designated as such upon initial recognition		**(59,164)**	20,485
Gain on deemed disposal of an associate		**–**	90,735
Gain on disposal of an available-for-sale investment		**128,918**	–
Other expenses, net		**(26,708)**	(29,875)
Finance costs	5	**(4,737)**	(3,218)
Share of profits and losses of:			
Joint ventures		**160,199**	214,487
Associates		**448**	3,118
PROFIT BEFORE TAX	4	**163,690**	276,396
Income tax	6	**(801)**	(274)
PROFIT FOR THE YEAR		**162,889**	276,122

CONSOLIDATED STATEMENT OF PROFIT OR LOSS *(Continued)*
Year ended 31 March 2018

	Note	2018 HK$'000	2017 HK$'000
Attributable to:			
Owners of the Company		**163,267**	276,122
Non-controlling interests		**(378)**	–
		162,889	276,122
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		(Restated)
Basic		**HK17.61 cent**	HK29.77 cent
Diluted		**HK17.60 cent**	HK29.77 cent

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2018

	2018	2017
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**162,889**	276,122
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**(17,651)**	148,030
Release of revaluation reserve upon disposal of an available-for-sale investment	**(128,918)**	–
	(146,569)	148,030
Exchange differences on translation of foreign operations	**7,658**	(3,019)
Release of exchange fluctuation reserve upon deemed disposal of an associate	**–**	(401)
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(138,911)**	144,610
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**23,978**	420,732
Attributable to:		
Owners of the Company	**24,356**	420,732
Non-controlling interests	**(378)**	–
	23,978	420,732

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**46,055**	39,261
Investment properties		**125,673**	115,955
Goodwill		**–**	–
Other intangible assets		**4,160**	3,411
Investments in joint ventures		**619,544**	470,321
Investments in associates		**1,148**	1,546
Available-for-sale investments		**22,353**	21,627
Deposits		**198**	42
Pledged time deposits		**2,623**	–
Non-pledged time deposits		**–**	3,193
Total non-current assets		**821,754**	655,356
CURRENT ASSETS			
Inventories		**160,176**	78,266
Trade receivables	*9*	**67,967**	49,359
Due from associates		**359**	760
Prepayments, deposits and other receivables		**22,389**	21,694
Available-for-sale investment		**–**	261,303
Equity investments at fair value through profit or loss	*10*	**99,265**	102,055
Tax recoverable		**2**	484
Cash and cash equivalents		**233,887**	111,600
Total current assets		**584,045**	625,521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
31 March 2018

	Note	2018 HK$'000	2017 HK$'000
CURRENT LIABILITIES			
Trade payables, deposits received and accrued expenses	11	**128,338**	55,516
Interest-bearing bank borrowings		**129,658**	116,073
Finance lease payables		**820**	694
Tax payable		**494**	–
Financial guarantee obligation		**39,575**	14,551
Total current liabilities		**298,885**	186,834
NET CURRENT ASSETS		**285,160**	438,687
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,106,914**	1,094,043
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowing		**4,441**	–
Finance lease payables		**1,726**	1,640
Deferred tax liabilities		**14,021**	14,109
Total non-current liabilities		**20,188**	15,749
Net assets		**1,086,726**	1,078,294
EQUITY			
Issued capital		**92,315**	77,294
Reserves		**981,804**	989,655
Equity attributable to owners of the Company		**1,074,119**	1,066,949
Non-controlling interests		**12,607**	11,345
Total equity		**1,086,726**	1,078,294

NOTES

1.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments at fair value through profit or loss, certain available-for-sale investments (including key management insurance contracts) and investment properties which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

1.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amendments to HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

None of the above amendments to HKFRSs had a significant financial effect on these consolidated financial statements. The adoption of amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Apart from the additional disclosure in notes to the consolidated financial statements, the application of these amendments has had no impact on the Group's consolidated financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) the semiconductor distribution segment engages in the sale and distribution of electronic components;

(b) the consumer electronic product segment engages in the design, development and sale of electronic products;

(c) the venture capital segment engages in the investments in listed/unlisted equity and debt investments with an ultimate objective of obtaining capital gains on investee's equity listing or, in some circumstances, prior to listing. It also includes investments in real estate, managed funds or convertible bonds; and

(d) the others segment mainly comprises the Group's mobile application development business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, dividend income from listed investments, rental income, share of profits and losses of associates and joint ventures, gain on disposal of items of property, plant and equipment, gain on deemed disposal of an associate, provision for amount due from an associate, changes in fair value of investment properties, impairment of other receivables, finance costs and unallocated expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures and associates, tax recoverable, pledged time deposits, non-pledged time deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities, interest-bearing bank borrowings, finance lease payables, financial guarantee obligation and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. OPERATING SEGMENT INFORMATION *(Continued)*

	Semiconductor distribution *HK$'000*	Consumer electronic product *HK$'000*	Venture capital *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31 March 2018					
Segment revenue:					
Sales to external customers	**1,592,122**	**66,847**	**820**	**3,089**	**1,662,878**
Other revenue	**–**	**–**	**71,478**	**–**	**71,478**
Total	**1,592,122**	**66,847**	**72,298**	**3,089**	**1,734,356**
Reconciliation:					
Less: Other revenue *(note)*					**(71,478)**
Revenue as presented in the consolidated statement of profit or loss					**1,662,878**
Segment results	**(4,012)**	**(4,699)**	**67,975**	**(10,134)**	**49,130**
Reconciliation:					
Bank interest income					**586**
Dividend income from listed investments					**15**
Rental income					**5,860**
Share of profits of joint ventures					**160,199**
Share of profits of associates					**448**
Gain on disposal of items of property, plant and equipment					**636**
Impairment of other receivables					**(20,740)**
Changes in fair value of investment properties					**6,716**
Unallocated expenses					**(34,423)**
Finance costs					**(4,737)**
Profit before tax					**163,690**

2. OPERATING SEGMENT INFORMATION *(Continued)*

	Semiconductor distribution *HK$'000*	Consumer electronic product *HK$'000*	Venture capital *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31 March 2017					
Segment revenue:					
Sales to external customers	1,304,911	36,755	–	733	1,342,399
Other revenue	–	–	18,106	–	18,106
Total	1,304,911	36,755	18,106	733	1,360,505
Reconciliation:					
Less: Other revenue *(note)*					(18,106)
Revenue as presented in the consolidated statement of profit or loss					1,342,399
Segment results	(3,147)	(7,395)	13,838	(6,442)	(3,146)
Reconciliation:					
Bank interest income					511
Dividend income from listed investments					188
Rental income					6,270
Share of profits of joint ventures					214,487
Share of profits of associates					3,118
Gain on disposal of items of property, plant and equipment					1,376
Gain on deemed disposal of an associate					90,735
Provision for amount due from an associate					(6,373)
Impairment of other receivables					(7,739)
Changes in fair value of investment properties					2,345
Unallocated expenses					(22,158)
Finance costs					(3,218)
Profit before tax					276,396

Note: Other revenue in segment revenue was classified as other income and gains, changes in fair value of investment properties, fair value gains/(losses) of equity investments at fair value through profit or loss and gain on disposal of an available-for-sale investment in the consolidated statement of profit or loss.

2. OPERATING SEGMENT INFORMATION *(Continued)*

	Semiconductor distribution *HK$'000*	Consumer electronic product *HK$'000*	Venture capital *HK$'000*	Others *HK$'000*	Total *HK$'000*
31 March 2018					
Segment assets	**638,601**	**115,515**	**124,184**	**13,318**	**891,618**
Reconciliation:					
Elimination of intersegment receivables					**(369,065)**
Investments in joint ventures					**619,544**
Investments in associates					**1,148**
Corporate and other unallocated assets					**262,554**
Total assets					**1,405,799**
Segment liabilities	**111,598**	**173,523**	**162,156**	**41,445**	**488,722**
Reconciliation:					
Elimination of intersegment payables					**(369,065)**
Corporate and other unallocated liabilities					**199,416**
Total liabilities					**319,073**
31 March 2017					
Segment assets	473,705	95,143	390,453	282	959,583
Reconciliation:					
Elimination of intersegment receivables					(291,882)
Investments in joint ventures					470,321
Investments in associates					1,546
Corporate and other unallocated assets					141,309
Total assets					1,280,877
Segment liabilities	63,660	146,329	120,068	29,235	359,292
Reconciliation:					
Elimination of intersegment payables					(291,882)
Corporate and other unallocated liabilities					135,173
Total liabilities					202,583

2. OPERATING SEGMENT INFORMATION *(Continued)*

Other segment information:

	Semiconductor distribution *HK$'000*	Consumer electronic product *HK$'000*	Venture capital *HK$'000*	Others *HK$'000*	Total *HK$'000*
Year ended 31 March 2018					
Depreciation	**2,093**	**418**	**871**	**241**	**3,623**
Amortisation of other intangible assets	**19**	**–**	**–**	**–**	**19**
Recovery of impairment of inventories	**(1,037)**	**(271)**	**–**	**–**	**(1,308)**
Impairment of trade receivables, net	**1,748**	**562**	**–**	**20**	**2,330**
Recovery of bad debts	**(311)**	**–**	**–**	**–**	**(311)**
Impairment of other intangible assets	**381**	**–**	**–**	**–**	**381**
Impairment of other receivables					**20,740**
Impairment of investments in joint ventures					**50,412**
Gain on disposal of an available-for-sale investment	**–**	**–**	**(128,918)**	**–**	**(128,918)**
Capital expenditure*	**1,919**	**749**	**–**	**7,013**	**9,681**
Year ended 31 March 2017					
Depreciation	2,027	38	426	–	2,491
Amortisation of other intangible assets	541	14	–	–	555
Provision for/(recovery of) impairment of inventories	(5,822)	2,208	–	–	(3,614)
Impairment of goodwill	10,483	–	–	–	10,483
Impairment/(recovery) of trade receivables	(558)	2,417	–	55	1,914
Impairment of other receivables					7,739
Provision for amount due from an associate					6,373
Impairment of investments in joint ventures					35,795
Capital expenditure*	1,180	648	2,795	–	4,623

* Capital expenditure consists of additions to property, plant and equipment.

2. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**333,363**	252,582
Singapore	**1,326,013**	937,351
Korea	**3,502**	152,466
	1,662,878	1,342,399

The revenue information above is based on the locations in which the sales originated.

(b) Non-current assets

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**663,035**	513,394
Mainland China	**98,220**	91,043
Singapore	**27,479**	24,717
Korea	**7,846**	1,340
	796,580	630,494

The non-current assets information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

For year ended 31 March 2018, no revenue from the Group's sales to a single customer amounted to 10% or above of the Group's total revenue (2017: Nil).

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

An analysis of revenue, other income and gains is as follows:

	2018	2017
	HK$'000	*HK$'000*
Revenue		
Semiconductor distribution	**1,592,122**	1,304,911
Consumer electronic product sales	**66,847**	36,755
Venture capital	**820**	–
Others	**3,089**	733
	1,662,878	1,342,399
Other income and gains		
Bank interest income	**586**	511
Interest income on convertible bonds	**2,324**	1,147
Recovery of bad debts	**311**	–
Dividend income from listed investments	**15**	188
Gain on disposal of items of property, plant and equipment	**636**	1,376
Trademark licence income from an associate	**272**	389
Rental income	**5,860**	6,270
Net exchange gain	**3,074**	279
Others	**964**	1,618
	14,042	11,778

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Note	**2018**	2017
		HK$'000	*HK$'000*
Cost of inventories sold***		**1,622,128**	1,300,465
Recovery of impairment of inventories***		**(1,308)**	(3,614)
Depreciation		**3,623**	2,491
Amortisation of other intangible assets**		**19**	555
Impairment of other intangible assets*		**381**	–
Impairment of trade receivables, net*	*9*	**2,330**	1,914
Impairment of other receivables*		**20,740**	7,739
Impairment of goodwill*		**–**	10,483
Fair value (gain)/losses, net:			
Equity investments at fair value through profit or loss			
– held for trading		**555**	4,093
– designated as such upon initial recognition		**(59,164)**	(20,485)
Gain on disposal of an available-for-sale investment		**(128,918)**	–
Gain on deemed disposal of an associate		**–**	(90,735)
Impairment of investments in joint ventures*		**50,412**	35,795
Provision for amount due from an associate*		**–**	6,373
Gain on derecognition of financial guarantee obligation*		**(50,412)**	(35,795)

* These balances are included in "Other expenses, net" on the face of the consolidated statement of profit or loss.

** This balance is included in "Administrative expenses" on the face of the consolidated statement of profit or loss.

*** These balances are included in "Costs of sales" on the face of the consolidated statement of profit or loss.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2018	2017
	HK$'000	*HK$'000*
Interest on bank borrowings	**4,605**	2,977
Interest on mortgage loans	**–**	204
Interest on finance lease	**132**	37
	4,737	3,218

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2018	2017
	HK$'000	*HK$'000*
Current – Elsewhere		
Charge for the year	**856**	514
Overprovision in prior years	**–**	(287)
Deferred	**(55)**	47
Total tax charge for the year	**801**	274

7. DIVIDEND

	2018	2017
	HK$'000	*HK$'000*
Proposed final dividend – HK$0.02 (2017: HK$0.02) per ordinary share	**18,463**	15,459

At the Board meeting held on 27 June 2018, the Board resolved to recommend the payment of a final dividend of HK$0.02 (2017: HK$0.02) per share for the year ended 31 March 2018. The proposed final dividend is not reflected as dividend payable in the consolidated financial statements until it is approved by the shareholders at the forthcoming annual general meeting of the Company.

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 927,256,568 (2017 restated: 927,533,302) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on:

	2018	2017
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	**163,267**	276,122

	Number of shares	
	2018	2017
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**927,256,568**	927,533,302
Effect of dilution – weighted average number of ordinary shares:		
Share options	**181,238**	32,887
	927,437,806	927,566,189

Note:

On 19 September 2017, 154,588,883 shares of HK$0.10 each were issued under bonus issue on the basis of one bonus share for every five existing shares. Details of the bonus issue were set out in the announcement of the Company dated 19 September 2017. In determining the weighted average number of ordinary shares in issue during the year ended 31 March 2018, the 154,588,883 shares issued by way of capitalisation from reserves have been regarded as if these shares were in issue since 1 April 2017. Earnings per share for the year ended 31 March 2017 were restated accordingly.

9. TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**75,289**	55,707
Impairment	**(7,322)**	(6,348)
	67,967	49,359

The Group's trading terms with customers vary with the type of products supplied. Invoices are normally payable within 30 days of issuance, except for well-established customers, where the terms are extended to over 60 days. For customer-specific and highly specialised items, deposits in advance or letters of credit may be required prior to the acceptance and delivery of the products. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. A credit committee consisting of senior management and the directors of the Company has been established to review and approve large customer credits. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice due date and before provisions of impairment, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 1 month	**50,327**	22,678
1 to 2 months	**14,400**	20,148
2 to 3 months	**1,411**	2,149
Over 3 months	**9,151**	10,732
	75,289	55,707

9. TRADE RECEIVABLES *(Continued)*

The movements in provision for impairment of trade receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
At beginning of year	**6,348**	6,472
Impairment losses recognised *(note 4)*	**2,330**	1,914
Amounts written off as uncollectible	**(1,448)**	(2,074)
Exchange realignment	**92**	36
At end of year	**7,322**	6,348

The above provision is for individually impaired trade receivables, with a carrying amount before provision of HK$7,322,000 (2017: HK$6,348,000), which related to customers that were in financial difficulties and the receivables are not expected to be recovered.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2018	2017
	HK$'000	*HK$'000*
Neither past due nor impaired	**50,327**	22,678
Less than 1 month past due	**14,400**	20,148
1 to 2 months past due	**1,411**	2,149
Over 2 months past due	**1,829**	4,384
	67,967	49,359

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018	2017
	HK$'000	*HK$'000*
Investment in a joint venture, at fair value *(note a)*	**23,300**	30,000
Investment in convertible bonds, at fair value *(note b)*	**24,993**	56,631
Listed equity investments, at market value	**15,455**	15,424
Listed bond investment, at market value *(note c)*	**7,981**	–
Unlisted equity investments, at fair value *(note d)*	**27,536**	–
	99,265	102,055

The above equity investments with a carrying amount of HK$23,436,000 (2017: HK$4,495,000) at 31 March 2018 were classified as held for trading.

Notes:

(a) In the prior year, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to acquire 50% equity interest in the shares of J-Tex Holdings Limited ("J-Tex") at a consideration of HK$30,000,000. The acquisition was completed in February 2017. The investment in J-Tex was classified as an investment in a joint venture as the Group exercises joint control over the financial and operating policies of J-Tex.

As this joint venture is held as part of the venture capital organisation's investment portfolio, it is carried in the consolidated statement of financial position at fair value. This treatment is permitted by HKAS 28 (2011) *"Investments in Associates and Joint Ventures"* which requires investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with HKAS 39, with changes in fair value recognised in the consolidated statement of profit or loss in the period of change.

(b) In the prior year, the Group subscribed the convertible bonds issued by IE Limited ("IEL") with aggregate principals of approximately HK$19,425,000 on 8 June 2016 and HK$38,850,000 on 3 November 2016, respectively. The bonds were interest-bearing at a fixed rate of 4% per annum and repayable within two years since their respective issuance dates, which can be converted into common shares of IEL, at exercise prices of KRW500 and KRW819 per share, respectively, at any time after one year from their respective issuance dates.

On 25 April 2017, the Group subscribed a convertible bond issued by Mad Runway Holdings Limited ("Mad Runway") with principal of approximately HK$4,662,000. The bond is interest-bearing at a fixed rate of 10% per annum and is repayable within one year since its issuance date, which can be converted into 2.4% equity interest of Mad Runway within 30 days after the maturity date.

(c) On 25 October 2017, the Group purchased a bond listed on the Cayman Islands Stock Exchange, at a cost of US$1,007,000 (equivalent to HK$7,824,000), issued by Trillion Chance Limited with a principal of US$1,000,000 (equivalent to HK$7,770,000). This bond has a maturity date of 11 October 2018 and a coupon rate of 5.25% per annum.

10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

(d) On 1 August 2017, the Group acquired 753 ordinary shares (representing 7.00% of equity interest) of Luxury Choice Investment Limited, an independent third party, at a consideration of US$500,207 (equivalent to HK$3,887,000).

On 20 September 2017, the Group subscribed 10,000 preferred shares (representing 3.81% of equity interest) of Global ESports Limited, an independent third party, at a consideration of HK$1,000,000.

During the year, the Group acquired i) 6,527 preferred shares, representing 6.61% of equity interest; and ii) 7,326 ordinary shares, representing 7.42% of equity interest, of Vinus Entertainment Co., Ltd. ("Vinus"), a subsidiary of IEL. The total consideration for these acquisitions is HK$30,291,000.

11. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED EXPENSES

	2018	2017
	HK$'000	*HK$'000*
Trade payables	**93,059**	25,920
Deposits received	**12,304**	16,338
Accrued expenses	**22,975**	13,258
	128,338	55,516

An aged analysis of the trade payables as at the end of the reporting period, based on the payment due date, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Trade payables:		
Current	**90,238**	22,581
1 to 30 days	**550**	707
31 to 60 days	**19**	255
Over 60 days	**2,252**	2,377
	93,059	25,920

The trade payables are non-interest-bearing and are normally settled between 30 and 90 days. The carrying amounts of the trade payables approximate to their fair values.

BUSINESS REVIEW AND PROSPECTS

The following sets out the financial highlights for the year ended 31 March 2018, with the comparative figures for the corresponding financial year of 2017.

	2018	2017
	HK$'million	*HK$'million*
Revenue by segment		
Semiconductor distribution	**1,592.1**	1,304.9
Consumer electronic product sales	**66.9**	36.8
Venture capital	**72.3**	18.1
Others	**3.1**	0.7
	1,734.4	1,360.5
Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items		
Corporate	**(34.3)**	(22.2)
Venture capital	**47.9**	14.0
Semiconductor distribution	**161.5**	227.2
Consumer electronic product sales	**(4.7)**	(7.6)
Others	**(10.1)**	(6.4)
	160.3	205.0
Depreciation and amortisation		
Corporate	**–**	–
Venture capital	**(0.9)**	(0.4)
Semiconductor distribution	**(2.1)**	(2.5)
Consumer electronic product sales	**(0.4)**	(0.1)
Others	**(0.2)**	–
Total depreciation and amortisation	**(3.6)**	(3.0)
Profit before interest and tax	**167.8**	279.1
Interest expenses	**(4.7)**	(3.2)
Bank interest income	**0.6**	0.5
Profit before tax	**163.7**	276.4
Income tax	**(0.8)**	(0.3)
Profit for the year	**162.9**	276.1
Profit for the year attributable to:		
Owners of the Company	**163.3**	276.1
Non-controlling interests	**(0.4)**	–
	162.9	276.1

BUSINESS REVIEW

With the deepening of structural reforms on the supply side and the steady recovery of the global economy, China's economic obviously stabilized in year 2017. The economic growth rate remained within a reasonable range, with annual growth of 6.9%, 0.2% higher than the previous year. This was the first pick-up since 2011. The year 2018 is the beginning of a new era of China's economy. Although systematic adjustment of the global market and the intensified trade war since the beginning of the year have caused some turbulence against market recovery, the growth rate of the Chinese economy in the first quarter maintained at 6.8%, indicating that the endogenous growth momentum of Chinese economy remains stable. With increased uncertainties still lingering global recovery, the comparative advantage of the Chinese economy will be more appealing.

During the year under review, the Group's revenue by segment was HK$1,734.4 million (2017: HK$1,360.5 million), increased by 27.5%. Among which semiconductor distribution business recorded a revenue of HK$1,592.1 million (2017: HK$1,304.9 million), consumer electronic product business recorded a revenue of HK$66.9 million (2017: HK$36.8 million), venture capital business recorded a revenue of HK$72.3 million (2017: HK$18.1 million) and mobile application business recorded a revenue of HK$3.1 million (2017: HK$0.7 million).

SEMICONDUCTOR DISTRIBUTION BUSINESS

According to Gartner, a leading global information technology research and consulting company, global semiconductor revenue is expected to reach US$451 billion in 2018, an increase of 7.6% from US$419 billion in 2017. This figure has almost doubled from Gartner's 4% growth rate forecast in October 2017.

During the year under review, the turnover of the semiconductor distribution business was HK$1,592.1 million (2017: HK$1,304.9 million). Among them, Singapore remained as the main market of the Group, contributing approximately HK$1,326.0 million, followed by Hong Kong and Korea with turnover of approximately HK$262.6 million and HK$3.5 million respectively. The National Economic Survey of the first quarter of 2018 announced by the Ministry of Trade and Industry of Singapore showed that Singapore's economic growth was strong with performance exceeded expectations. Continued improvement in external demand boosted the economy, and the electronics industry continued to grow. The Singapore economy is expected to maintain stable growth in 2018. The main products sold to the Singapore market are memory chips and thin film transistor liquid crystal displays, which are widely used in smartphones and LCD televisions. As the overall economy of Singapore is improving, the semiconductor distribution business will also maintain stable growth.

During the year under review, the joint venture of the Group, AVP Electronics Limited and its subsidiaries, continued to record satisfactory results. Its turnover, though not being consolidated into the Group's consolidated financial statements, recorded 6.9% increase to HK$21,420 million (2017: HK$20,039 million). The increase in turnover was mainly attributed to the distribution of Samsung Electronics including (i) CMOS images sensors, (ii) multi-layered packaged chips, and (iii) ARM processors. The main customers are China's major mobile phone manufacturers and mobile phone component suppliers.

According to Gartner's statistics, in the first quarter of 2018, global smartphone sales to end-users began to recover, an increase of 1.3% from the first quarter of 2017. The report shows that the demand for high-end smartphones continues to shrink, while the demand for low-end smartphones continues to increase due to continuous improvement in quality. Although the Chinese smartphone market is becoming increasingly saturated, the major mobile phone manufacturers in China still maintain a good growth trend due to their excellent performance in the Southeast Asian market. With the rise of the smartphone market in Southeast Asia, China's major mobile phone brands have shifted their focus to the Southeast Asian market. Due to its large population, India and Indonesia have huge potential in the consumer electronics and electrical appliance market, which will bring tremendous market opportunities to the export of home appliances and smartphones in China. IDC released the latest report shows that in the first quarter of 2018, Indonesia's smartphone sales increased by 13% year-on-year, and shipments reached 7.3 million. The growth of the Southeast Asian smartphone market will provide the impetus for the recent growth of the Group's semiconductor distribution business. In addition, with the active layout of domestic manufacturers in 5G and the further development of artificial intelligence, a new wave of replacement may be ushered in. The Group remains optimistic about the overall consumer environment and expects that technological innovation and reform will bring new opportunities to market participants. The Group will devote more resources in the semiconductor distribution business in the medium and long term to achieve more attractive returns.

CONSUMER ELECTRONIC PRODUCT BUSINESS

During the year under review, consumer electronic product business recorded a turnover of HK$66.9 million (2017: HK$36.8 million). Being mainly run under Signeo Design International Limited ("Signeo Design"), the subsidiary which was established in 2008, the consumer electronic product business is currently divided into three sectors, namely Brand Management, Brand Licensing and Product Sourcing. Signeo Design has partnered with PT Tokopedia, one of the largest e-commerce platforms in Indonesia, to provide customers with branded operation services for e-commerce platforms. Having secured the brand licensing by Akai, Nakamichi, Philips and other brands, it covers 18 brands and its product categories have expanded from consumer electronics such as mobile phone accessories, audio, personal care and beauty products. Signeo Design set up the joint venture company Signeo Design Richgo in Singapore and obtained distribution rights for Philips in Southeast Asia, Australia and South Africa. During the year, PT Egogo Hub Indonesia was established which is expected to acquire more Indonesian brand management business under PT Tokopedia.

Southeast Asia is becoming the fastest growing internet market in the world. According to estimates by Frost & Sullivan, the total volume of Southeast Asian e-commerce industry merchandise will surge from US$14.3 billion in 2016 to US$65.5 billion in 2021. Indonesia, which has a large population, is considered to be the Southeast Asian market with highest potential. Under the trend of decreasing prices of white goods such as smartphones, televisions, and air conditioners, and increasing purchasing channels, the demand for the home appliance market in Indonesia is expected to continue to grow. With the rapid growth of e-commerce market in Southeast Asia, Signeo Design's market share in the consumer electronics industry will further increase.

MOBILE APPLICATION BUSINESS

During the year under review, the turnover for mobile application business was HK$3.1 million (2017: HK$0.7 million) with contributions from steadily developing 830 Media Limited.

The Group reorganized its Mobile Application Business into Online Media and Games Business in fourth quarter of 2017 with three major segments: (1) 830 Lab Limited which is the creative content incubator which helps media startups or content creators to get into digital media businesses; (2) Whizoo Media Limited which is an internet media company focusing on video production on trending topics; (3) Koocell Games Limited ("Koocell Games") which will remain as the major gaming and mobile application business arm. During the year under review, Koocell Games published a new game "我愛茶餐廳".

With the continuous increase in the number of mobile devices, the increase in cumulative internet traffic, and the increase in the number of internet users, internet-related businesses will maintain rapid growth. Mobile games and digital advertising will become the focus of the Company's future development. According to the data released by the Industrial Development Research Institute, the online advertising market in China in 2017 reached RMB382.9 billion, an increase of over 30%. It is expected that the market share of China's online advertising will exceed RMB500 billion in 2018. In 2017, the overall income growth of China's game industry gradually recovered and showed a good development trend. The Group believes that the internet industry will continue to maintain steady growth in the next few years. The Group will further enrich the game content and creativity to meet the needs of players in terms of differentiation, enhance players' experience, and expand on the basis of big data analysis for more targeted advertising campaigns for making mobile application business as another important source of income in the coming years.

VENTURE CAPITAL BUSINESS

During the year under review, the turnover for venture capital business was HK$72.3 million (2017: HK$18.1 million) that is mainly for the fair value gain/(losses) on equity investments, gain on disposal of an available-for-sale investment and interest income on convertible bonds in the current year. As of 31 March 2018, various funds, investment in a joint venture, convertible bonds, listed and unlisted equity investments and listed bond investment were held at fair market value of HK$99.3 million (31 March 2017: HK$102.1 million) in the Group. During the year under review, the venture capital business of the Group recorded a fair value loss on equity investments at fair value through profit or loss of HK$58.6 million (2017: fair value gain of HK$16.4 million).

Venture capital business has always been a good income source for the Group. The venture capital business engages in the investments in listed/unlisted equity investments with an ultimate objective of obtaining capital gains on investee's equity listing or, in some circumstances, prior to listing. It also includes investments in real estate, managed funds, a joint venture, or convertible bonds. The Group has invested in a Korean private company, Vinus Entertainment Co., Ltd.

Vinus Entertainment Co., Ltd. is a Korean-based mobile game developer. The Group also has other small strategic investments in Mad Runway Holdings Limited and Luxury Choice Investments Limited. Mad Runway Holdings Limited is a new member of the ELLE family, committed to creating the most authoritative one-stop fashion shopping platform, and Luxury Choice Investments Limited's Undone is one of the world's leading rapidly growing custom watch brands.

PROSPECTS

International Monetary Fund released "World Economic Outlook" report which shows that in 2017 the world's economic growth rate reached 3.8%, the fastest growth rate since 2011, the global economy will continue its growth trend, although trade restrictions and countermeasures may weaken confidence. As the core of the electronic information industry, benefiting from the emerging downstream industries such as artificial intelligence, automotive electronics and 5G, the global semiconductor economy will continue to grow. We believe that the trend of the semiconductor industry's transition to mainland China is clear. In the future, China's semiconductor sales will continue to grow faster than global growth, driving the demand of the industry chain. Looking ahead, as part of our aggressive business management strategy, in addition to the Chinese market, the Group will invest more resources in Singapore, India and other Asia-Pacific markets to expand market share across the region and maintain its leading position in semiconductor distribution business.

Consumption upgrade is a development trend in recent years, and the market's demand for differentiated high-end products has gradually increased. The Group is committed to expanding product categories and exploring more high-quality, high-tech consumer electronics products that meet consumer trends. With the continuous development of global e-commerce, the market share of online sales continues to increase. During the year under review, the Group started to engage in e-commerce and cooperated with PT Tokopedia, one of the largest e-commerce platforms in Indonesia, to provide customer-to-customer retail services. Southeast Asia is an emerging e-commerce market with growth rates far exceeding that of the world. The Group hopes to use its existing distribution network to open up a wider range of e-commerce pipelines to achieve considerable returns.

With the improving macro economy, China's mobile internet industry has also ushered in new growth opportunities. The Group is integrating the development of resources in the online media area to capture the investment opportunities brought about by the booming content marketing and gaming market. The forecast data released by Newzoo, a statistical analysis website, shows that in 2018, the revenue of gaming industry will reach US$137.9 billion, an increase of 13.3% over the previous year, while the revenue of mobile phone market will reach US$70.3 billion, accounting for 51% of the global market. In terms of countries and regions, China accounts for a quarter of the global game market. In recent years, the scale of female gamers has steadily increased and it has become the main increase in the number of gamers in China in 2017. The Group is striving to create more differentiated games to attract players at different levels. With rich internet resources and synergies among various businesses within the Group, the Group is confident in the development of online media and game businesses.

The Group will leverage its leading position, excellent business reputation and competitive advantage to continue adopting prudent development strategies to achieve sustainable growth and bring satisfactory returns to the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The total debt position and the gearing ratio as at 31 March 2018 are shown as follows:

	2018	2017
	HK$'million	*HK$'million*
Cash and cash equivalents	**233.9**	111.6
Equity investments at fair value through profit or loss	**99.3**	102.1
Cash and cash equivalents and equity investments	**333.2**	213.7
Borrowings and finance lease payables	**136.6**	118.4
Total equity	**1,086.7**	1,078.3
Total debt to total equity	**13%**	11%

As at 31 March 2018, the Group had cash and cash equivalents (i.e., cash and bank balances, deposits with other financial institution and non-pledged time deposits) of HK$233.9 million (31 March 2017: HK$111.6 million), while the Group's equity investments at fair value through profit or loss amounted to HK$99.3 million (31 March 2017: HK$102.1 million). The equity investments included a balanced mix of fixed income, equity and alternative investments and such amount represented the cash reserves held for the Group's medium to long term business development and would form an integral part of the Group's treasury.

The total debt to total equity ratio as at 31 March 2018 was 13% (31 March 2017: 11%), while the Group's total equity as at 31 March 2018 was HK$1,086.7 million (31 March 2017: HK$1,078.3 million), with the total balances of cash and cash equivalents and equity investments as at 31 March 2018 of HK$333.2 million (31 March 2017: HK$213.7 million).

The working capital position of the Group remains healthy. As at 31 March 2018, the liquidity ratio was 195% (2017: 335%).

	2018	2017
	HK$'million	*HK$'million*
Current assets	**584.1**	625.5
Current liabilities	**(298.9)**	(186.8)
Net current assets	**285.2**	438.7
Current assets to current liabilities	**195%**	335%

Management is confident that the Group follows a prudent policy in managing its treasury position, and maintains a high level of liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business.

SIGNIFICANT INVESTMENTS

As at 31 March 2018, the Group recorded equity investments at fair value through profit or loss of approximately HK$99.3 million (31 March 2017: approximately HK$102.1 million) and available-for-sale investments of approximately HK$22.4 million (31 March 2017: approximately HK$282.9 million). For a detailed breakdown of equity investments at fair value through profit or loss, please refer to note 10 in consolidated statement of financial position. For the performance during the year and future prospects of equity investments at fair value through profit or loss, please refer to the section "Business Review and Prospects – Venture Capital Business" on page 27 of this annual results announcement.

For the available-for-sale investments, it comprised carrying amount of HK$22.4 million (31 March 2017: HK$21.6 million) for key management insurance contracts. The key management insurance contracts are insignificant when compared to the total assets of the Group. During the year ended 31 March 2018, the Group disposed all of equity interests in Me2on Co., Ltd that was classified as an available-for-sale investment at 31 March 2017.

EMPLOYEES

As at 31 March 2018, the Group employed a total of approximately 187 (31 March 2017: approximately 194) full-time employees. The Group recruits and promotes individuals based on merit and their development potentials for the positions offered. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. In addition, the Group operates share option schemes for eligible employees to provide incentive to the participants for their contribution and continuing efforts to promote the interests of the Group. Share options and discretionary bonuses are granted based on the Group's and individual's performances.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased and cancelled a total of 5,104,000 ordinary shares of the Company at an aggregate consideration of approximately HK$3,266,560 on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and the details of the repurchases are as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per ordinary share Highest	Price per ordinary share Lowest	Aggregate consideration
		(HK$)	*(HK$)*	*(HK$)*
February 2018	5,104,000	0.64	0.64	3,266,560

Save of the disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2018.

AUDIT COMMITTEE

The Company has an Audit Committee, which was established in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The Audit Committee, comprising three Independent Non-executive Directors, namely Dr. Lui Ming Wah, *SBS, JP*, Mr. Charles E. Chapman and Mr. Wong Ka Kit, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the consolidated financial statements for the year ended 31 March 2018.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in the preliminary announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the Company is scheduled on Monday, 27 August 2018. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 22 August 2018 to Monday, 27 August 2018, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 21 August 2018.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.02 (2017: HK$0.02) per share for the year ended 31 March 2018 which is subjected to the shareholders' approval at the forthcoming annual general meeting of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and at the website of the Company at www.avconcept.com. An annual report for the year ended 31 March 2018 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board
AV CONCEPT HOLDINGS LIMITED
So Yuk Kwan
Chairman

Hong Kong, 27 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.