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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

YEAR ENDED 31 MARCH 2024 ANNUAL RESULTS ANNOUNCEMENT

Statement of Profit or Loss Highlights

	2024 <i>HK\$'million</i>	2023 <i>HK\$'million</i>
Revenue		
– Semiconductor distribution	937.3	634.3
– Consumer product and product sourcing business	46.7	24.7
– Venture capital	–	–
– Others	0.3	1.0
	<u>984.3</u>	<u>660.0</u>
Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items		
– Corporate expense	(29.6)	(26.9)
– Venture capital	(11.2)	(18.9)
– Semiconductor distribution	200.5	102.8
– Consumer product and product sourcing business: Selling and distribution expenses	(19.7)	(10.6)
Operating loss	(1.5)	(4.5)
	<u>(21.2)</u>	<u>(15.1)</u>
– Others	(1.0)	(2.0)
	<u>137.5</u>	<u>39.9</u>
Depreciation and amortisation	<u>(1.9)</u>	<u>(3.0)</u>
Profit for the year attributable to owners of the Company	<u>109.2</u>	<u>40.7</u>

	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
Statement of Financial Position Highlights		
Total assets	1,872.1	1,753.6
Total assets less current liabilities	1,723.4	1,627.9
Total equity	1,709.5	1,613.3
Borrowings and lease liabilities	36.2	20.1
Cash and cash equivalents	76.3	121.4
Financial assets at fair value through profit or loss (included in current assets)	4.5	11.9
	80.8	133.3
Total debt to total equity	2.1%	1.2%
Current assets to current liabilities	150.8%	164.3%
Cash and cash equivalents and financial assets at fair value through profit or loss (included in current assets) per share (HK\$)	0.09	0.15
Total equity per share (HK\$)	1.88	1.78

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 2024, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
REVENUE	3	984,294	660,008
Cost of sales		<u>(947,965)</u>	<u>(655,725)</u>
Gross profit		36,329	4,283
Other income and gains	3	12,604	31,305
Changes in fair value of investment properties		(10,825)	(13,056)
Selling and distribution expenses		(25,382)	(16,579)
Administrative expenses		(61,432)	(58,652)
Impairment of financial assets, net	4	(18,234)	(10,421)
Fair value losses on financial assets at fair value through profit or loss, net		(5,831)	(14,120)
Other expenses, net	4	(1,293)	(931)
Finance costs	5	(3,038)	(461)
Share of profits and losses of:			
Joint ventures		187,383	123,783
Associates		<u>–</u>	<u>(4,310)</u>
PROFIT BEFORE TAX	4	110,281	40,841
Income tax	6	<u>(1,118)</u>	<u>(123)</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>109,163</u>	<u>40,718</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic		<u>HK12.01 cents</u>	<u>HK4.48 cents</u>
Diluted		<u>HK12.01 cents</u>	<u>HK4.48 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*Year ended 31 March 2024*

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
PROFIT FOR THE YEAR	109,163	40,718
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(3,905)</u>	<u>(3,986)</u>
OTHER COMPREHENSIVE LOSS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	<u>(3,905)</u>	<u>(3,986)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>105,258</u>	<u>36,732</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment and right-of-use assets		33,367	34,693
Investment properties		130,091	124,828
Goodwill		–	–
Other intangible assets		3,055	3,485
Investments in joint ventures		1,451,801	1,355,041
Investments in associates		–	–
Financial assets at fair value through profit or loss	9	27,126	26,277
Prepayments and deposits		2,396	2,714
		<hr/>	<hr/>
Total non-current assets		1,647,836	1,547,038
CURRENT ASSETS			
Inventories		89,645	15,856
Trade receivables	10	27,735	9,116
Prepayments, deposits and other receivables		26,048	48,262
Financial assets at fair value through profit or loss	9	4,506	11,946
Cash and cash equivalents		76,345	121,371
		<hr/>	<hr/>
Total current assets		224,279	206,551
CURRENT LIABILITIES			
Trade payables, deposits received and accrued expenses	11	57,586	22,854
Contract liabilities		1,892	3,387
Lease liabilities		119	342
Interest-bearing bank borrowings		36,111	19,618
Tax payable		2,893	1,541
Financial guarantee obligation		50,112	77,959
		<hr/>	<hr/>
Total current liabilities		148,713	125,701
NET CURRENT ASSETS			
		75,566	80,850
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,723,402	1,627,888

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

31 March 2024

	2024 HK\$'000	2023 HK\$'000
NON-CURRENT LIABILITIES		
Lease liabilities	15	140
Deferred tax liabilities	<u>13,880</u>	<u>14,412</u>
Total non-current liabilities	<u>13,895</u>	<u>14,552</u>
Net assets	<u>1,709,507</u>	<u>1,613,336</u>
EQUITY		
Issued capital	90,866	90,866
Reserves	<u>1,618,641</u>	<u>1,513,050</u>
Equity attributable to owners of the Company	1,709,507	1,603,916
Non-controlling interests	<u>–</u>	<u>9,420</u>
Total equity	<u>1,709,507</u>	<u>1,613,336</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31 March 2024

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 financial assets at fair value through profit or loss 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 2024. 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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 new and revised HKFRSs for the first time for the current year's consolidated financial statements.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The nature and the impact of the new and revised HKFRSs are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in the annual report. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's consolidated financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Prior to the initial application of these amendments, the Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 January 2022. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets at 1 January 2022.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately, which have been reflected in the reconciliation disclosed in the annual report. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (d) Amendments to *HKAS 12 International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

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 product and product sourcing business segment engages in the design, development and sale of consumer products and product sourcing services;
- (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 managed funds, convertible bonds and listed bonds; and
- (d) the others segment mainly comprises the Group's internet social media business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 before tax except that bank interest income, interest income from a loan to an associate, interest income from other receivables, rental income, share of profits and losses of joint ventures and associates, gain on disposal/impairment of items of property, plant and equipment, impairment of other intangible assets, impairment of other receivables, changes in fair value of investment properties, finance costs and unallocated expenses are excluded from such measurement.

Segment assets exclude investment properties, investments in joint ventures and associates, a loan to an associate and amounts due from associates included in prepayments, deposits and other receivables, tax recoverable, 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, lease liabilities, interest-bearing bank borrowings, 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 <i>HK\$'000</i>	Consumer product and product sourcing business <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2024					
Segment revenue					
Sales to external customers	937,283	46,685	–	326	984,294
Other losses	–	–	(5,662)	–	(5,662)
Total	937,283	46,685	(5,662)	326	978,632
Reconciliation:					
Add: Other losses (<i>note</i>)					5,662
Revenue as presented in the consolidated statement of profit or loss					<u>984,294</u>
Segment results	8,768	(27,594)	(11,373)	(1,068)	(31,267)
Reconciliation:					
Bank interest income					1,977
Interest income from a loan to an associate					444
Interest income from other receivables					1,670
Rental income					5,552
Share of profits of joint ventures					187,383
Gain on disposal of items of property, plant and equipment					250
Impairment of other intangible assets					(430)
Impairment of other receivables					(11,819)
Changes in fair value of investment properties					(10,825)
Unallocated expenses					(29,616)
Finance costs					<u>(3,038)</u>
Profit before tax					<u>110,281</u>

2. OPERATING SEGMENT INFORMATION (Continued)

	Semiconductor distribution <i>HK\$'000</i>	Consumer product and product sourcing business <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2023					
Segment revenue					
Sales to external customers	634,273	24,686	–	1,049	660,008
Other losses	–	–	(13,906)	–	(13,906)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	634,273	24,686	(13,906)	1,049	646,102
Reconciliation:					
Add: Other losses (<i>note</i>)					13,906
					<hr/>
Revenue as presented in the consolidated statement of profit or loss					<u>660,008</u>
Segment results	(24,236)	(10,257)	(19,055)	(1,991)	(55,539)
Reconciliation:					
Bank interest income					596
Interest income from a loan to an associate					658
Interest income from other receivables					1,120
Rental income					4,537
Share of profits of joint ventures					123,783
Share of losses of associates					(4,310)
Gain on disposal of items of property, plant and equipment					21,807
Impairment of items of property, plant and equipment					(432)
Impairment of other receivables					(10,934)
Changes in fair value of investment properties					(13,056)
Unallocated expenses					(26,928)
Finance costs					(461)
					<hr/>
Profit before tax					<u>40,841</u>

Note: Other losses in segment revenue were classified as other income and gains, and fair value losses on financial assets at fair value through profit or loss, net, in the consolidated statement of profit or loss.

2. OPERATING SEGMENT INFORMATION (Continued)

	Semiconductor distribution <i>HK\$'000</i>	Consumer product and product sourcing business <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 March 2024					
Segment assets	626,216	13,294	5,632	2,554	647,696
Reconciliation:					
Elimination of intersegment receivables					(462,881)
Investments in joint ventures					1,451,801
Corporate and other unallocated assets					235,499
Total assets					<u>1,872,115</u>
Segment liabilities	82,781	255,943	130,324	83,548	552,596
Reconciliation:					
Elimination of intersegment payables					(462,881)
Corporate and other unallocated liabilities					72,893
Total liabilities					<u>162,608</u>
31 March 2023					
Segment assets	551,553	77,971	12,787	2,704	645,015
Reconciliation:					
Elimination of intersegment receivables					(529,762)
Investments in joint ventures					1,355,041
Corporate and other unallocated assets					283,295
Total assets					<u>1,753,589</u>
Segment liabilities	33,516	269,454	185,782	79,764	568,516
Reconciliation:					
Elimination of intersegment payables					(529,762)
Corporate and other unallocated liabilities					101,499
Total liabilities					<u>140,253</u>

2. OPERATING SEGMENT INFORMATION (Continued)

Other segment information:

	Semiconductor distribution <i>HK\$'000</i>	Consumer product and product sourcing business <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2024					
Depreciation of items of property, plant and equipment	525	-	152	-	677
Depreciation of right-of-use assets	968	-	229	-	1,197
Reversal of provision for impairment of inventories	-	(367)	-	-	(367)
Impairment of trade receivables, net	-	6,415	-	-	6,415
Capital expenditure*	184	-	554	-	738
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Year ended 31 March 2023					
Depreciation of items of property, plant and equipment	1,057	2	134	249	1,442
Depreciation of right-of-use assets	1,032	-	520	-	1,552
Reversal of provision for impairment of inventories	-	(915)	-	-	(915)
Reversal of impairment of trade receivables, net	-	(513)	-	-	(513)
Capital expenditure*	9,550	15	-	-	9,565
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

2. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	48,869	25,894
Singapore	<u>935,425</u>	<u>634,114</u>
	<u>984,294</u>	<u>660,008</u>

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

(b) Non-current assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	1,484,483	1,390,476
Mainland China	79,109	89,140
Singapore	<u>54,722</u>	<u>38,431</u>
	<u>1,618,314</u>	<u>1,518,047</u>

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

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	117,571	N/A*
Customer B	N/A*	74,438

* Less than 10% of the Group's revenue.

3. REVENUE, OTHER INCOME AND GAINS

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
Semiconductor distribution	937,283	634,273
Consumer product sales and product sourcing business	46,685	24,686
Others	326	1,049
	<u>984,294</u>	<u>660,008</u>

Other income and gains

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	1,977	596
Interest income on listed bond investments	7	8
Interest income from a loan to an associate	444	658
Interest income from other receivables	1,670	1,120
Dividend income from listed equity investments	50	53
Gain on disposal of items of property, plant and equipment	250	21,807
Rental income	5,552	4,537
Government grants (note)	–	792
Foreign exchange differences, net	1,189	762
Others	1,465	972
	<u>12,604</u>	<u>31,305</u>

Note: There were no unfulfilled conditions on contingencies relating to these grants.

4. PROFIT BEFORE TAX

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

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Cost of inventories sold*		948,328	656,347
Reversal of provision for impairment of inventories*		(367)	(915)
Depreciation of items of property, plant and equipment		677	1,442
Depreciation of right-of-use assets		1,197	1,552
Impairment of financial assets, net			
Impairment of other receivables		11,819	10,934
Impairment/(reversal of impairment) of trade receivables, net	<i>10</i>	6,415	(513)
		18,234	10,421
Other expenses, net:			
Impairment of other intangible assets		430	–
Expense in relation to the financial guarantee utilised by joint ventures		121,204	95,445
Gain on derecognition of financial guarantee obligation		(121,204)	(95,445)
Impairment of items of property, plant and equipment		–	432
Others		863	499
		1,293	931
Fair value losses on financial assets at fair value through profit or loss, net		5,831	14,120
Gain on disposal of items of property, plant and equipment		(250)	(21,807)

* These balances are included in “Cost of sales” on the face of the consolidated statement of profit or loss.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK\$'000	2023 HK\$'000
Interest on bank borrowings	3,018	418
Interest on lease liabilities	20	43
	3,038	461

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 (2023: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current – Elsewhere		
Charge for the year	1,650	292
Deferred	<u>(532)</u>	<u>(169)</u>
Total tax charge for the year	<u><u>1,118</u></u>	<u><u>123</u></u>

7. DIVIDENDS

Dividends recognised as distribution during the year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
2024 – Interim – nil (2023: 2023 interim dividend HK\$0.01) per ordinary share	–	9,087
2023 – Final – HK\$0.01 (2023: 2022 final dividend HK\$0.04) per ordinary share	<u>9,087</u>	<u>36,347</u>
	<u><u>9,087</u></u>	<u><u>45,434</u></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 of HK\$0.02 (2023: final dividend in respect of the year ended 31 March 2023 of HK\$0.01) per share has been proposed by the directors and subject to approval by the shareholders in the forthcoming general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company, and the number of ordinary shares of 908,663,302 (2023: 908,663,302) in issue during the year.

One subsidiary (2023: two subsidiaries) of the Group issued share option to their employees and directors. No adjustment has been made to the Company's earnings per shares amounts presented for the years ended 31 March 2024 and 2023 in respect of these share options issued by the Company's subsidiaries as they had an antidilutive effect on the earnings per share amount presented. The Company had no other dilutive potential ordinary shares in issue for the current year.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	<u><u>109,163</u></u>	<u><u>40,718</u></u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

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

	Number of shares	
	2024	2023
Shares		
Number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>908,663,302</u>	<u>908,663,302</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Listed equity investments		1,461	1,562
Listed bond investments	(a)	138	981
Equity investment traded over-the-counter	(b)	1,672	8,890
Unlisted equity investments	(c)	1,235	513
Key management insurance contracts	(d)	<u>27,126</u>	<u>26,277</u>
		<u>31,632</u>	<u>38,223</u>
Analysed for reporting purpose as:			
Current assets		4,506	11,946
Non-current assets		<u>27,126</u>	<u>26,277</u>
		<u>31,632</u>	<u>38,223</u>

The above listed equity investments, listed bond investments and an equity investment traded over-the-counter were classified as financial assets at fair value through profit or loss as they were held for trading.

The key management insurance contracts were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The unlisted equity investments were classified as financial assets at fair value through profit or loss as the Group has not irrevocably elected to classify the unlisted equity investments at fair value through other comprehensive income.

Notes:

- (a) The listed bond investments have coupon rates ranging from 0% to 8.75% (2023: 0% to 8.75%) per annum and maturity dates from 6 March 2023 to 31 January 2031 (2023: 6 March 2023 to 31 January 2031). Included in the amount was a listed bond of HK\$51,000 (2023: HK\$301,000) which was matured on 6 March 2023 and the directors considered that the amount of HK\$51,000 (2023: HK\$301,000) could be recovered.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

- (b) The Group had equity interest in Tooniplay Co., Ltd., which principally engaged in mobile game development business.
- (c) The Group has equity interests principally in Urban City Joint Stock Company, which principally engaged in e-commerce business in Vietnam.
- (d) As at 31 March 2024, the key management insurance contracts represented life insurance plans with investment elements relating to two members of key management personnel of the Group and the joint venture. The total sum insured is US\$15,800,000 (approximately HK\$122,800,000) (2023: US\$15,800,000 (approximately HK\$122,800,000)) with an annual minimum guaranteed return of 2%. Certain key management insurance contract of HK\$8,775,000 (2023: HK\$8,480,000) was pledged to secure general banking facilities granted to the Group as at 31 March 2024.

As at 31 March 2024, if the Group withdrew from the insurance contracts, the accounts value, net of surrender charges of US\$287,000 (approximately HK\$2,230,000) (2023: US\$307,000 (approximately HK\$2,385,000)), would be refunded to the Group. The amount of the surrender charges decreased over time and was no longer required from the 19th year of contract conclusion onwards.

10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	71,655	46,621
Impairment	<u>(43,920)</u>	<u>(37,505)</u>
	<u>27,735</u>	<u>9,116</u>

The Group's trading terms with customers vary with the type of products supplied. Invoices are normally payable within 30 to 45 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.

Included in the Group's trade receivables are amounts due from the Group's associates of HK\$9,549,000 (2023: nil), which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	22,402	8,407
1 to 2 months	779	318
2 to 3 months	89	5
3 to 12 months	3,673	213
Over 12 months	<u>792</u>	<u>173</u>
	<u>27,735</u>	<u>9,116</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At beginning of year	37,505	44,604
Impairment/(reversal of impairment) losses, net (<i>note 4</i>)	6,415	(513)
Written off	<u>–</u>	<u>(6,586)</u>
At end of year	<u>43,920</u>	<u>37,505</u>

11. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	39,507	5,708
Deposits received	2,151	1,260
Accrued expenses	15,928	15,886
	<u>57,586</u>	<u>22,854</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables:		
Current	38,709	3,780
1 to 30 days	304	39
31 to 60 days	19	2
Over 60 days	475	1,887
	<u>39,507</u>	<u>5,708</u>

The trade payables are non-interest-bearing and are normally settled between 30 and 90 days.

BUSINESS REVIEW AND PROSPECTS

The following sets out the financial highlights for the year ended 31 March 2024, with the comparative figures for the corresponding financial year of 2023.

	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
<i>Revenue by segment</i>		
Semiconductor distribution	937.3	634.3
Consumer product and product sourcing business	46.7	24.7
Venture capital	(5.7)	(13.9)
Others	0.3	1.0
	<u>978.6</u>	<u>646.1</u>
<i>Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items</i>		
Corporate expense	(29.6)	(26.9)
Venture capital	(11.2)	(18.9)
Semiconductor distribution	200.5	102.8
Consumer product and product sourcing business:		
Selling and distribution expenses	(19.7)	(10.6)
Operating loss	(1.5)	(4.5)
	<u>(21.2)</u>	<u>(15.1)</u>
Others	(1.0)	(2.0)
	<u>137.5</u>	<u>39.9</u>
<i>Depreciation and amortisation</i>		
Corporate	–	(0.2)
Venture capital	(0.4)	(0.7)
Semiconductor distribution	(1.5)	(2.1)
	<u>(1.9)</u>	<u>(3.0)</u>
Total depreciation and amortisation		
Profit before interest and tax	111.3	40.7
Interest expenses	(3.0)	(0.5)
Bank interest income	2.0	0.6
	<u>110.3</u>	<u>40.8</u>
Profit before tax		
Income tax	(1.1)	(0.1)
	<u>109.2</u>	<u>40.7</u>
Profit for the year attributable to owners of the Company	<u>109.2</u>	<u>40.7</u>

BUSINESS REVIEW

Over the past year, the global economy has maintained a steady but modest growth rate. The ongoing effects of strict monetary policies, originally introduced to manage inflation, are still noticeable across various sectors. Despite these challenges, economic activity has remained stable, as noted in the Organisation for Economic Co-operation and Development (“OECD”) latest Economic Outlook. This report projects that the global GDP growth rate will stay at 3.1% in 2024, the same as in 2023, with a slight increase to 3.2% expected in 2025, indicating a potentially brighter economic future.

Throughout this period, the Group has demonstrated significant adaptability and robust strategic responses to these conditions. The Group’s revenue amounted to HK\$978.6 million, representing an increase of 51.5% compared to the previous year (2023: HK\$646.1 million). Among which, the semiconductor distribution business generated a revenue of HK\$937.3 million (2023: HK\$634.3 million). The consumer product and product sourcing business recorded a revenue of HK\$46.7 million (2023: HK\$24.7 million). The venture capital business experienced a loss of HK\$5.7 million (2023: HK\$13.9 million). Lastly, the internet social media business reported a revenue of HK\$0.3 million (2023: HK\$1.0 million).

Semiconductor Distribution Business

The latest Gartner report predicts a strong rebound for the semiconductor industry in 2024, with global revenues expected to grow by 17% to US\$624 billion, following a challenging 2023 where the market shrank by 10.9% to US\$534 billion. This recovery is anticipated to be driven largely by the memory sector, specifically through NAND Flash and DRAM. These segments are forecasted to experience substantial revenue increases due to a recovery in pricing and heightened demand spurred by AI applications. This surge aligns with insights from McKinsey & Company, which indicates that the AI server memory chips industry is set for significant growth in 2024. This growth is attributed to advances in memory technologies like DDR and high bandwidth memory (“HBM”), which are critical for managing the rapid processing and access needs of large data volumes required by AI servers.

On 15 April 2024, International Data Corporation (“IDC”) released its Worldwide Quarterly Mobile Phone Tracker, reporting a 7.8% increase in global smartphone shipments, reaching 289.4 million units in the first quarter of the year. This upsurge marks the third consecutive quarter of growth, signalling a robust recovery trajectory in the smartphone sector despite persistent macroeconomic challenges in several regions. According to the IDC report, this growth trend is driven by major brands regaining momentum and adapting their strategies in response to evolving consumer preferences and a competitive market landscape. The report also forecasts continued growth in the smartphone industry, spurred by ongoing market adjustments post-pandemic and innovative responses from companies to consumer demands for more advanced features and technology. The dynamic changes in the market underscore the competitive landscape, where companies like Samsung have regained top positions, highlighting the industry’s resilience and adaptability.

During the year under review, the Group's semiconductor distribution business recorded a revenue of HK\$937.3 million (2023: HK\$634.3 million) which came mainly from its Singapore subsidiary that focuses on Southeast Asian countries such as India, Malaysia, and Vietnam. Memory chips are the main product sold to the Singapore market followed by thin film transistor liquid crystal displays and panels which are widely used in LCD televisions.

The past year marked a notable improvement in the semiconductor industry, with prices showing a positive trend since the fourth quarter of 2023. This rise in semiconductor prices has been accompanied by growth in gross profits and a modest increase in volume, indicating a slight uptick in overall demand. Notably, the Group's Singapore subsidiary, which handles operations across the Asia-Pacific region, focuses on memory chips for servers and is poised to benefit significantly from the increasing demand for AI server capabilities. The integration of AI elements into server demands is expected to enhance performance and efficiency, further driving the positive impact on the semiconductor business in this sector.

During the year under review, the revenue of the Group's joint venture AVP Electronics Limited and its subsidiaries ("AVPEL Group") was not included in the Group's consolidated financial statements. It recorded a revenue of HK\$24,098 million (2023: HK\$19,270 million). AVPEL Group's main customers are China's major mobile phone manufacturers and component suppliers. AVPEL Group primarily engages in distribution of Samsung Electronics including CMOS image sensors and multi-layer packaged chips. Compared to the previous year, the Group's share of profit in AVPEL Group increased. This increase in profit sharing can be attributed to the focus on the China handset market for China major mobile phone manufacturers and component suppliers, which have seen an increase in both price and volume, significantly enhancing the profitability of the joint venture.

Consumer Product and Product Sourcing Business

The overall operation of the Group's consumer product and product sourcing business is mainly managed by one of its subsidiaries, AVC Technology (International) Limited. This subsidiary is responsible for distributing a diverse array of electronic products, encompassing small home appliances and the latest technology gadgets, all aimed at enhancing customers' quality of life and meeting their diverse needs.

During the year under review, the Group's consumer product and product sourcing business recorded a revenue of HK\$46.7 million (2023: HK\$24.7 million). The strategic focus has been concentrated in the Indonesian and Hong Kong markets, with particular attention on brands like Nakamichi and SOUL, while shifting away from white goods. In the past year, the Indonesian market saw increased marketing costs due to significant investments in e-commerce enablement. These marketing expenses are expected to continue rising as the Group implements strategies to expand its digital footprint and capture a larger share of the online consumer market in these regions. This approach involves a deliberate increase in short-term expenditures to improve online market penetration and brand visibility.

Recently, the Indonesian e-commerce market experiences robust growth and shows promising prospects. As of 2024, the market is projected to expand significantly, with a forecasted compound annual growth rate of 21.1% from 2024 to 2028. This growth is driven by several factors including increasing internet and smartphone penetration, a growing middle class with higher disposable incomes, and a strong inclination towards online shopping for fashion and apparel due to its convenience and variety.

The government's support for the digital economy through initiatives to improve internet infrastructure and promote digital literacy has also played a crucial role in boosting e-commerce activities. Furthermore, the increasing use of smartphones is significantly contributing to the rise of mobile commerce (m-commerce), which is becoming a major driver of e-commerce growth in Indonesia.

Internet Social Media Business

During the year under review, revenue from 830 Lab Limited ("830 Lab") was HK\$0.3 million (2023: HK\$1.0 million). 830 Lab is dedicated to helping its clients to promote their brands and businesses online. 830 Lab offers not only web design and development services, but also online content creation services including filming, photography, and post-production.

The Group remains committed to the dynamic internet social media business landscape, which is continually evolving and giving rise to a wide array of supplementary businesses offering new opportunities. Leveraging its extensive brand resources and drawing from its wealth of experience in operational strategy, the Group is well-prepared to navigate this ever-changing terrain. In addition to actively monitoring of the latest industry developments, the Group recognizes the crucial role of creativity and cutting-edge technologies in capitalizing on emerging trends and staying at the forefront of the evolving social media ecosystem.

Venture Capital Business

During the year under review, the Group's venture capital business recorded a loss of HK\$5.7 million (2023: HK\$13.9 million), mainly due to fair value losses on financial assets at fair value through profit or loss, net, and dividend income from listed equity investments in the current year. As of 31 March 2024, listed and unlisted equity investments, listed bond investments, equity investment traded over-the-counter and key management insurance contracts were held at a fair market value of HK\$31.6 million (31 March 2023: HK\$38.2 million) by the Group. During the year under review, the Group's venture capital business recorded a fair value loss on financial assets at fair value through profit or loss, net of HK\$5.8 million (2023: HK\$14.1 million).

The venture capital business has always contributed considerable income for the Group. The ultimate objective for these investments is to make capital gains on investee's equity listings or, in some circumstances, prior to listing.

On 31 March 2024, the Group's major strategic investments included investments in Tooniplay Co., Ltd. and Urban City Joint Stock Company. Tooniplay Co., Ltd. is a Korean-based mobile game developer, and Urban City Joint Stock Company is a Vietnamese e-commerce company.

Prospect

The global economic outlook remains cautiously optimistic, with steady growth anticipated. According to the International Monetary Fund and OECD, the global GDP is expected to grow by about 3.1% in 2024 and slightly improve to 3.2% in 2025, underpinned by resilience in major economies and fiscal support in regions like China. However, this growth remains below the pre-2020 historical average, constrained by high central bank rates and unwinding fiscal support amidst varying domestic challenges. Inflation is projected to decline, aiding in economic stability across both developed and emerging markets.

Nonetheless, the semiconductor industry is expected to have a rebound in 2024, with predictions of growth across various segments. IDC forecasts a solid 20% growth due to increased demand in key sectors such as smartphones, personal computers, and automotive electronics, further fuelled by the rising need for AI and high-performance computing chips. Deloitte supports this optimistic outlook, expecting a 13% rise in global semiconductor sales to US\$588 billion, driven mainly by a recovery in the memory chip market. This surge is anticipated due to a deliberate reduction in production that aims to elevate product prices, alongside greater adoption of high-cost HBM.

Adding to this positive scenario, the World Semiconductor Trade Statistics projects a 16% growth in the global semiconductor market in 2024. This growth is likely to be supported by strong performances and advancements in computing end-markets. The industry's focus on developing cutting-edge semiconductor technologies, especially for AI applications, is set to drive meaningful dynamics and continued expansion in the coming years.

The APAC region is at the forefront of global e-commerce growth, characterized by rapid digital adoption and an expanding middle class. Innovations in payment technologies and enhanced logistics are driving increased access to online markets, supported by mobile-first consumer behaviours and major e-commerce platforms like Alibaba and Shopee. Regional governments are fostering this growth through improvements in digital infrastructure and supportive regulatory frameworks, promoting both local and cross-border e-commerce activities.

In Indonesia, the e-commerce sector is particularly thriving due to a growing middle class and widespread mobile device usage. Government initiatives aim at improving internet access and digital literacy are crucial in propelling the market. This growth is amplified by strategic partnerships and foreign investments in tech-driven industries, positioning Indonesia as a key player in the Southeast Asian economic landscape. These efforts are expected to maintain Indonesia's dynamic growth within the APAC e-commerce trend.

Moving forward, the Group remains committed to its core business in semiconductor distribution, closely monitoring industry trends and seeking to enhance and expand its operations. Despite the general optimism in the market, we are aware of potential challenges and unforeseen issues that could impact industry development. The Group stands ready to confront these challenges head-on and seize emerging opportunities. With our extensive industry knowledge and a solid business foundation, we are confident in our ability to continue achieving success, navigating through uncertainties with resilience and strategic foresight.

LIQUIDITY AND FINANCIAL RESOURCES

The total debt position and the gearing ratio as at 31 March 2024 are shown as follows:

	2024 <i>HK\$'million</i>	2023 <i>HK\$'million</i>
Cash and cash equivalents	76.3	121.4
Financial assets at fair value through profit or loss (included in current assets)	<u>4.5</u>	<u>11.9</u>
	<u>80.8</u>	<u>133.3</u>
Borrowings and lease liabilities	<u>36.2</u>	<u>20.1</u>
Total equity	<u>1,709.5</u>	<u>1,613.3</u>
Total debt to total equity	<u>2.1%</u>	<u>1.2%</u>

As at 31 March 2024, the Group had cash and cash equivalents (i.e. cash and bank balances and deposits with other financial institutions) of HK\$76.3 million (31 March 2023: HK\$121.4 million), while the Group's financial assets at fair value through profit or loss (included in current assets) amounted to HK\$4.5 million (31 March 2023: HK\$11.9 million). The equity investments and financial assets at fair value through profit or loss 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 2024 was 2.1% (31 March 2023: 1.2%), while the Group's total equity as at 31 March 2024 was HK\$1,709.5 million (31 March 2023: HK\$1,613.3 million), with the total balances of cash and cash equivalents, and equity investments and financial assets at fair value through profit or loss (included in current assets) as at 31 March 2024 of HK\$80.8 million (31 March 2023: HK\$133.3 million).

The working capital position of the Group remains healthy. As at 31 March 2024, the liquidity ratio was 150% (2023: 164%).

	2024	2023
	<i>HK\$'million</i>	<i>HK\$'million</i>
Current assets	224.3	206.6
Current liabilities	(148.7)	(125.7)
Net current assets	75.6	80.9
Current assets to current liabilities	151%	164%

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 2024, the Group recorded financial assets at fair value through profit or loss of approximately HK\$31.6 million (31 March 2023: HK\$38.2 million). For a detailed breakdown of financial assets at fair value through profit or loss, please refer to note 9 in the consolidated statement of financial position. For the performance during the year and future prospects of financial assets at fair value through profit or loss, please refer to the section “Business Review – Venture Capital Business” on page 25 of this annual results announcement.

DIRECTORS’ SERVICE CONTRACTS

Each of the executive directors has entered into a service agreement with the Company for a term of one year, and each of the independent non-executive directors has entered into a letter of appointment with the Company for a term of one to three years.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

PLEDGE OF ASSETS

Certain of the Group’s financial assets at fair value through profit or loss have been pledged to secure the bank facilities granted to the Group.

EMPLOYEES

As at 31 March 2024, the Group employed a total of approximately 134 (31 March 2023: approximately 138) 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. Discretionary bonuses may be granted based on the Group's and individual's performances.

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

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

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance and Corporate Governance Report (the "Corporate Governance Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 March 2024, except for the deviation of code provision C.2.1 of the Corporate Governance Code as expressly below:

Code provision C.2.1 stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. During the year, the positions of Chairman and Chief Executive Officer (the "CEO") of the Company are held by Dr. So Yuk Kwan.

The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from the code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance. In addition, under the supervision of the Board which is comprised of three executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Group and its shareholders.

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 2024.

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, *PhD, SBS, JP*, Mr. Lai Yat Hung Edmund and Ms. Au-Yeung Kit Ping, 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 2024.

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 2024 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.02 (2023: HK\$0.01) per share for the year ended 31 March 2024 which is subject to the shareholders' approval at the forthcoming annual general meeting of the Company.

The proposed final dividend, if approved at the forthcoming annual general meeting to be held on Friday, 30 August 2024, will be payable on Monday, 30 September 2024 to shareholders whose names appear on the registrar of members of the Company on Friday, 6 September 2024.

CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the Company is scheduled on Friday, 30 August 2024. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 27 August 2024 to Friday, 30 August 2024, 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 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 26 August 2024.

In order to determine the list of shareholders who are entitled to receive the proposed final dividend for the year ended 31 March 2024, the Company's register of members will be closed from Thursday, 5 September 2024 to Friday, 6 September 2024, both days inclusive. Shareholders are reminded that in order to qualify for the proposed final dividend, 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 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 4 September 2024.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and at the website of the Company at www.avconcept.com. An annual report for the year ended 31 March 2024 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 of
AV CONCEPT HOLDINGS LIMITED
So Yuk Kwan
Chairman

Hong Kong, 20 June 2024

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, PhD, SBS, JP, Mr. Lai Yat Hung Edmund and Ms. Au-Yeung Kit Ping.