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# AV CONCEPT HOLDINGS LIMITED

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

**(Stock Code: 595)**

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

### Statement of Profit or Loss Highlights

	Six months ended 30 September	
	2025	2024
	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue		
– Semiconductor distribution	845.3	606.5
– Consumer product and product sourcing business	11.9	22.7
– Others	–	0.1
	<u>857.2</u>	<u>629.3</u>
Profit/(loss) before interest, tax, depreciation and non-cash items		
– Corporate	(16.7)	(13.9)
– Venture capital	(8.9)	(2.1)
– Semiconductor distribution	97.3	88.6
– Consumer product and product sourcing business:		
Selling and distribution expenses	(5.1)	(12.0)
Operating loss	(5.0)	(2.3)
	<u>(10.1)</u>	<u>(14.3)</u>
– Others	(0.2)	(0.1)
	<u>61.4</u>	<u>58.2</u>
Depreciation	<u>(0.9)</u>	<u>(0.8)</u>
Profit for the period attributable to owners of the Company	<u>62.4</u>	<u>56.3</u>

## Statement of Financial Position Highlights

	30 September 2025 <i>HK\$'million</i>	31 March 2025 <i>HK\$'million</i>
Total assets	<b>1,960.4</b>	1,899.6
Total assets less current liabilities	<b>1,804.0</b>	1,747.4
Total equity	<b>1,790.7</b>	1,734.1
Borrowings and lease liabilities	<b>31.0</b>	32.0
Cash and cash equivalents	<b>98.3</b>	59.0
Financial assets at fair value through profit or loss (included in current assets)	<b>1.0</b>	2.9
	<b>99.3</b>	61.9
Total debt to total equity	<b>1.7%</b>	1.9%
Current assets to current liabilities	<b>131.0%</b>	123.4%
Cash and cash equivalents and financial assets at fair value through profit or loss (included in current assets) per share ( <i>HK\$</i> )	<b>0.11</b>	0.07
Total equity per share ( <i>HK\$</i> )	<b>1.97</b>	1.91

## UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board” or “Directors”) of AV Concept Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (together referred to as the “Group”) for the six months ended 30 September 2025 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
<b>Revenue</b>	4	<b>857,168</b>	629,302
Cost of sales		<u>(842,174)</u>	<u>(619,637)</u>
Gross profit		<b>14,994</b>	9,665
Other income and gains	4	<b>4,656</b>	9,519
Selling and distribution expenses		<b>(10,807)</b>	(13,896)
Administrative expenses		<b>(34,282)</b>	(33,382)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net		<b>(4,062)</b>	109
Other expenses, net		<b>(5,746)</b>	(569)
Finance costs	5	<b>(663)</b>	(3,112)
Share of profits of joint ventures		<u><b>98,489</b></u>	<u>88,094</u>
<b>Profit before tax</b>	6	<b>62,579</b>	56,428
Income tax	7	<u><b>(131)</b></u>	<u>(111)</u>
<b>Profit for the period attributable to owners of the Company</b>		<u><b>62,448</b></u>	<u>56,317</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	9		
Basic		<u><b>HK6.87 cents</b></u>	<u>HK6.20 cents</u>
Diluted		<u><b>HK6.87 cents</b></u>	<u>HK6.20 cents</u>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

	<b>Six months ended 30 September</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>62,448</b>	<b>56,317</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u><b>3,302</b></u>	<u><b>3,700</b></u>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>THAT MAY BE RECLASSIFIED TO PROFIT OR</b>		
<b>LOSS IN SUBSEQUENT PERIODS AND OTHER</b>		
<b>COMPREHENSIVE INCOME FOR THE PERIOD,</b>		
<b>NET OF TAX</b>	<u><b>3,302</b></u>	<u><b>3,700</b></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		
<b>ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u><u><b>65,750</b></u></u>	<u><u><b>60,017</b></u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2025

		30 September 2025 <i>HK\$'000</i> (unaudited)	31 March 2025 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment and right-of-use assets		32,784	32,947
Investment properties		122,969	121,118
Other intangible assets		2,808	2,808
Investments in joint ventures		1,582,315	1,524,514
Investments in associates		3,587	371
Financial assets at fair value through profit or loss	10	9,090	28,064
Prepayments and deposits	12	2,008	1,913
		<hr/>	<hr/>
Total non-current assets		1,755,561	1,711,735
<b>CURRENT ASSETS</b>			
Inventories		73,063	96,766
Trade receivables	11	21,542	19,915
Prepayments, deposits and other receivables	12	10,869	9,316
Financial assets at fair value through profit or loss	10	1,007	2,889
Cash and cash equivalents		98,348	58,967
		<hr/>	<hr/>
Total current assets		204,829	187,853
<b>CURRENT LIABILITIES</b>			
Trade payables, deposits received and accrued expenses	13	60,764	70,543
Contract liabilities		17,083	2,374
Lease liabilities		–	15
Interest-bearing bank borrowings		30,986	31,998
Tax payable		2,057	1,822
Financial guarantee obligation		45,481	45,481
		<hr/>	<hr/>
Total current liabilities		156,371	152,233
<b>NET CURRENT ASSETS</b>			
		<hr/>	<hr/>
		48,458	35,620
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/>	<hr/>
		1,804,019	1,747,355

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(continued)*  
**AT 30 SEPTEMBER 2025**

	<b>30 September 2025 HK\$'000 (unaudited)</b>	31 March 2025 HK\$'000 (audited)
<b>NON-CURRENT LIABILITY</b>		
Deferred tax liabilities	<u>13,299</u>	<u>13,298</u>
Net assets	<u><b>1,790,720</b></u>	<u><b>1,734,057</b></u>
<b>EQUITY</b>		
Issued capital	<b>90,866</b>	90,866
Reserves	<u><b>1,699,854</b></u>	<u>1,643,191</u>
Equity attributable to owners of the Company	<b>1,790,720</b>	1,734,057
Non-controlling interests	<u>—</u>	<u>—</u>
Total equity	<u><b>1,790,720</b></u>	<u><b>1,734,057</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

### 1. BASIS OF PREPARATION

The Company is an investment holding company. Its subsidiaries are principally engaged in marketing and distribution of electronic components, design, development and sale of consumer products and product sourcing services, and venture capital investment.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. PRINCIPAL ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements for the six months ended 30 September 2025 are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA effective as of 1 April 2025.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The adoption of the above amendments to HKFRSs has had no material impact on the interim condensed consolidated financial statements.

### 3. 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 that has been discontinued during the period.

### 3. OPERATING SEGMENT INFORMATION (Continued)

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 other receivables, rental income, share of profits of joint ventures, gain on disposal of items of property, plant and equipment, finance costs and unallocated expenses are excluded from such measurement.

Information regarding the above segments is reported below.

#### Six months ended 30 September 2025 (Unaudited)

	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>
<b>Segment revenue:</b>					
Sales to external customers	845,282	11,886	–	–	857,168
Other losses	–	–	(3,942)	–	(3,942)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	845,282	11,886	(3,942)	–	853,226
Reconciliation:					
Add: Other losses ( <i>note</i> )					3,942
					<hr/>
Revenue as presented in the condensed consolidated statement of profit or loss					<u>857,168</u>
<b>Segment results</b>	(3,579)	(10,097)	(8,984)	(193)	(22,853)
Reconciliation:					
Bank interest income					1,385
Rental income					2,757
Share of profits of joint ventures					98,489
Gain on disposal of items of property, plant and equipment					150
Unallocated expenses					(16,686)
Finance costs					(663)
					<hr/>
Profit before tax					<u>62,579</u>



### 3. OPERATING SEGMENT INFORMATION *(Continued)*

Six months ended 30 September 2024 (Unaudited)

	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>
Segment revenue:					
Sales to external customers	606,461	22,768	–	73	629,302
Other revenue	–	–	181	–	181
Total	606,461	22,768	181	73	629,483
Reconciliation:					
Less: Other revenue <i>(note)</i>					(181)
Revenue as presented in the condensed consolidated statement of profit or loss					<u>629,302</u>
Segment results	(1,719)	(14,326)	(2,199)	(93)	(18,337)
Reconciliation:					
Bank interest income					945
Interest income from other receivables					103
Rental income					2,665
Share of profits of joint ventures					88,094
Unallocated expenses					(13,930)
Finance costs					<u>(3,112)</u>
Profit before tax					<u>56,428</u>

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

### 3. OPERATING SEGMENT INFORMATION *(Continued)*

The following is an analysis of the Group's assets and liabilities by segment:

	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>
<b>Period ended 30 September 2025 (unaudited)</b>					
<b>Segment assets</b>	<b>950,809</b>	<b>11,024</b>	<b>7,131</b>	<b>2,029</b>	<b>970,993</b>
Reconciliation:					
Elimination of intersegment receivables					(825,443)
Investments in joint ventures					1,582,315
Investments in associates					3,587
Corporate and other unallocated assets					228,938
Total assets					<u>1,960,390</u>
<b>Segment liabilities</b>	<b>89,730</b>	<b>312,948</b>	<b>428,126</b>	<b>93,189</b>	<b>923,993</b>
Reconciliation:					
Elimination of intersegment payables					(825,443)
Corporate and other unallocated liabilities					71,120
Total liabilities					<u>169,670</u>
<b>Year ended 31 March 2025 (audited)</b>					
<b>Segment assets</b>	<b>664,058</b>	<b>15,707</b>	<b>4,798</b>	<b>2,160</b>	<b>686,723</b>
Reconciliation:					
Elimination of intersegment receivables					(505,995)
Investments in joint ventures					1,524,514
Investments in associates					371
Corporate and other unallocated assets					193,975
Total assets					<u>1,899,588</u>
<b>Segment liabilities</b>	<b>90,920</b>	<b>303,021</b>	<b>123,482</b>	<b>88,374</b>	<b>605,797</b>
Reconciliation:					
Elimination of intersegment payables					(505,995)
Corporate and other unallocated liabilities					65,729
Total liabilities					<u>165,531</u>

#### 4. REVENUE, OTHER INCOME AND GAINS

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

##### Revenue

	Six months ended 30 September	
	2025 <i>HK\$'000</i> (unaudited)	2024 <i>HK\$'000</i> (unaudited)
<b>Revenue from contracts with customers</b>		
Semiconductor distribution	845,282	606,461
Consumer product sales and product sourcing business	11,886	22,768
Others	—	73
	<u>857,168</u>	<u>629,302</u>

##### Disaggregated revenue information for revenue from contracts with customers

*For the six months ended 30 September 2025 (Unaudited)*

Segments	Semiconductor distribution <i>HK\$'000</i>	Consumer product and product sourcing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Total revenue from contracts with customers	<u>845,282</u>	<u>11,886</u>	<u>857,168</u>
<b>Geographical markets</b>			
Hong Kong	1,044	11,886	12,930
Mainland China	1,227	—	1,227
Singapore	<u>843,011</u>	<u>—</u>	<u>843,011</u>
Total revenue from contracts with customers	<u>845,282</u>	<u>11,886</u>	<u>857,168</u>
<b>Timing of revenue recognition</b>			
Transferred at a point in time	<u>845,282</u>	<u>11,886</u>	<u>857,168</u>

#### 4. REVENUE, OTHER INCOME AND GAINS (Continued)

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

##### Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 September 2024 (Unaudited)

Segments	Semiconductor distribution HK\$'000	Consumer product and product sourcing business HK\$'000	Others HK\$'000	Total HK\$'000
Total revenue from contracts with customers	<u>606,461</u>	<u>22,768</u>	<u>73</u>	<u>629,302</u>
<b>Geographical markets</b>				
Hong Kong	–	22,768	73	22,841
Singapore	<u>606,461</u>	<u>–</u>	<u>–</u>	<u>606,461</u>
Total revenue from contracts with customers	<u>606,461</u>	<u>22,768</u>	<u>73</u>	<u>629,302</u>
<b>Timing of revenue recognition</b>				
Transferred at a point in time	<u>606,461</u>	<u>22,768</u>	<u>73</u>	<u>629,302</u>

##### Other income and gains

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest income	1,385	945
Interest income from other receivables	–	103
Dividend income from unlisted equity investments	48	–
Gain on disposal of items of property, plant and equipment	150	–
Rental income	2,757	2,665
Foreign exchange differences, net	–	5,583
Others	<u>316</u>	<u>223</u>
	<u>4,656</u>	<u>9,519</u>

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	663	3,106
Interest on lease liabilities	—	6
	<u>663</u>	<u>3,112</u>

## 6. PROFIT BEFORE TAX

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

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Depreciation of items of property, plant and equipment	510	401
Depreciation of right-of-use assets	432	432
Foreign exchange differences, net	363	(5,583)
Impairment of trade receivables, net	3,000	—
	<u>3,000</u>	<u>—</u>

## 7. 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 period (for the six months ended 30 September 2024: nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current – Elsewhere		
Charge for the period	<u>131</u>	<u>111</u>

## 8. DIVIDEND

Dividend recognised as distribution during the period:

	Six months ended 30 September	
	2025	2024
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Final dividend declared and paid – HK\$0.01 (2024: HK\$0.02) per ordinary share	<u>9,087</u>	<u>18,173</u>

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 September 2025.

## 9. 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 period attributable to owners of the Company, and the number of ordinary shares of 908,663,302 (for the six months ended 30 September 2024: 908,663,302) in issue during the period.

The Company has no dilutive potential ordinary shares in issue for the current and prior period.

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

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Earnings</b>		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	<u>62,448</u>	<u>56,317</u>
	<b>Number of shares</b>	
	30 September	30 September
	2025	2024
<b>Shares</b>		
Number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<u>908,663,302</u>	<u>908,663,302</u>

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Listed equity investments	136	109
Listed bond investments	96	100
Equity investment traded over-the-counter	223	2,128
Unlisted equity investments	552	552
Key management insurance contracts	9,090	28,064
	<b>10,097</b>	<b>30,953</b>
Analysed for reporting purpose as:		
Current assets	1,007	2,889
Non-current assets	9,090	28,064
	<b>10,097</b>	<b>30,953</b>

## 11. TRADE RECEIVABLES

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Trade receivables	76,816	72,626
Impairment	(55,274)	(52,711)
	<b>21,542</b>	<b>19,915</b>

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 net trade receivables are amounts due from the Group's associates of HK\$2,538,000 (31 March 2025: HK\$11,705,000), 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:

	<b>30 September 2025 HK\$'000 (unaudited)</b>	<b>31 March 2025 HK\$'000 (audited)</b>
Within 1 month	<b>10,638</b>	7,562
1 to 2 months	<b>6,489</b>	247
2 to 3 months	<b>492</b>	142
3 to 12 months	<b>3,923</b>	5,582
Over 12 months	<b>—</b>	6,382
	<b>21,542</b>	<b>19,915</b>

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>30 September 2025 HK\$'000 (unaudited)</b>	<b>31 March 2025 HK\$'000 (audited)</b>
Prepayments	<b>3,537</b>	2,791
Deposits	<b>4,104</b>	6,620
Other receivables	<b>8,138</b>	4,720
	<b>15,779</b>	14,131
Provision for impairment of other receivables	<b>(2,902)</b>	(2,902)
	<b>12,877</b>	11,229
Portion classified as non-current:		
Prepayments and deposits	<b>(2,008)</b>	(1,913)
Current portion	<b>10,869</b>	<b>9,316</b>



### 13. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED EXPENSES

	30 September 2025 <i>HK\$'000</i> (unaudited)	31 March 2025 <i>HK\$'000</i> (audited)
Trade payables	35,751	53,650
Deposits received	1,138	1,254
Accrued expenses	23,875	15,639
	<u>60,764</u>	<u>70,543</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:

	30 September 2025 <i>HK\$'000</i> (unaudited)	31 March 2025 <i>HK\$'000</i> (audited)
Trade payables:		
Current	14,463	46,753
1 to 30 days	10,950	4,621
31 to 60 days	9,218	–
Over 60 days	1,120	2,276
	<u>35,751</u>	<u>53,650</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 six months ended 30 September 2025, with the comparative figures for the corresponding six months period of 2024.

	<b>Six months ended 30 September</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'million</i></b>	<b><i>HK\$'million</i></b>
<i>Revenue by segment</i>		
Semiconductor distribution	<b>845.3</b>	606.5
Consumer product and product sourcing business	<b>11.9</b>	22.7
Venture capital	<b>(4.0)</b>	0.2
Others	<b>–</b>	0.1
	<b><u>853.2</u></b>	<b><u>629.5</u></b>
<i>Profit/(loss) before interest, tax, depreciation and non-cash items</i>		
Corporate	<b>(16.7)</b>	(13.9)
Venture capital	<b>(8.9)</b>	(2.1)
Semiconductor distribution	<b>97.3</b>	88.6
Consumer product and product sourcing business:		
Selling and distribution expenses	<b>(5.1)</b>	(12.0)
Operating (loss)/profit	<b><u>(5.0)</u></b>	<u>(2.3)</u>
	<b>(10.1)</b>	(14.3)
Others	<b><u>(0.2)</u></b>	<u>(0.1)</u>
	<b><u>61.4</u></b>	<b><u>58.2</u></b>
<i>Depreciation</i>		
Venture capital	<b>(0.2)</b>	(0.1)
Semiconductor distribution	<b><u>(0.7)</u></b>	<u>(0.7)</u>
Total depreciation	<b><u>(0.9)</u></b>	<u>(0.8)</u>
Profit before interest and tax	<b>61.8</b>	58.6
Interest expenses	<b>(0.7)</b>	(3.1)
Bank interest income	<b><u>1.4</u></b>	<u>0.9</u>
Profit before tax	<b>62.5</b>	56.4
Income tax	<b><u>(0.1)</u></b>	<u>(0.1)</u>
Profit for the period attributable to owners of the Company	<b><u>62.4</u></b>	<b><u>56.3</u></b>

## **BUSINESS REVIEW**

Since the Company's listing on the Stock Exchange of Hong Kong in 1996, the Group has continued to actively engage in business activities in the electronics and semiconductor industry.

Currently, the Group continues to carry on semiconductor distribution, which remains the Group's primary revenue driver, and accounted for the majority of the Group's turnover. As the Group has grown and diversified its business, the Group has also engaged in other business segments, including consumer products and product sourcing businesses, and venture capital investments.

During the six months ended 30 September 2025 (the "Period"), the Group continued to execute its strategic initiatives across its business segments. The Group maintained a disciplined approach to cost management and working capital amid a stabilising but selective recovery in global demand. During the Period, the Group recorded a total revenue of HK\$853.2 million (2024: HK\$629.5 million). Gross profit amounted to HK\$15.0 million (2024: HK\$9.7 million), with gross margin improving to 1.75% (2024: 1.54%). The improvement in revenue and profitability are explained in the following by business segments.

### **Semiconductor Distribution Business**

#### ***Industry Overview***

The global semiconductor industry remained on an upward trajectory in 2025, extending its recovery cycle that began in the second half of 2024. According to the World Semiconductor Trade Statistics, worldwide semiconductor sales are expected to reach approximately US\$701 billion in 2025, representing an 11.2% year-on-year increase. The rebound was led by surging demand for artificial intelligence ("AI") processors, high-bandwidth memory ("HBM"), and advanced logic devices supporting data centres, edge computing and generative AI deployment.

Meanwhile, as discussed below, positively impacting revenue, gross profit, and gross margin for the Company, DRAM and NAND markets experienced notable price recovery through the third quarter of 2025, supported by tight supply conditions and reduced channel inventories. Major memory suppliers reported full capacity bookings into 2026 as AI-related demand remained robust. According to industry research, the global semiconductor memory market is projected to grow by more than 20% in 2025, driven by robust demand from AI servers, data-centre expansion and next-generation mobile devices.

## ***Our Semiconductor Distribution Business – AV Singapore***

Our semiconductor distribution business is principally carried out by AV Concept Singapore Pte Ltd (“AV Singapore”), a wholly owned subsidiary of the Company incorporated in Singapore, focusing on Southeast Asian countries such as Singapore, 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 key suppliers for AV Singapore are Samsung Electronics Singapore Pte. Limited (“Samsung Electronics”). AV Singapore placed the order to suppliers with the forecast provided by various customers. However, the order is not necessary sell on back-to-back basis.

AV Singapore’s purchase from its suppliers is not conducted on a back-to-back basis relative to sales to customers. In order to prepare a sourcing budget for its purchases as a distributor from its multiple suppliers, including Samsung Electronics, AV Singapore relies on forecast demand from its customers, and not specific to its orders from them.

We provide value-added services to our customers, such as relatively more favorable credit terms enabling them to (prudently) maximize their own credit risk management, technical guidance, shipping arrangements and sales return for the products we distribute. Our customers are mainly electronics manufacturers or purchasing companies in the market. Our top five customers contributed around 58.8% of the Group’s total turnover for the Period. The largest customer contributed around 16.3% of the Group’s total turnover for the Period.

Samsung Electronics has been AV Singapore’s key supplier since its IPO in 1996, and contributed 93.8% of our supply purchase for the Period. We have had a strong and mutually successful business relationship with Samsung Electronics since AV Singapore’s appointment as one of Samsung Electronics’ authorized distributors in 1982. The long-standing relationship to discuss and agree in a very commercially effective manner on technical guidance, shipping arrangements and sales returns for customers.

The management has consistently been satisfied that, as is widely recognized, the technology and product offerings of Samsung Electronics are strong. The management is also confident that the Group’s relatively strong consolidated balance sheet, derived from historical continuous profitability and accumulated profit, and as prudent financial management, continue to make AV Singapore attractive to Samsung Electronics as a distributor that can ensure a stable revenue flow for Samsung Electronics and help it manage its own inventory and minimize its credit risk.

AV Singapore is managed by a team with extensive management experience and expertise, including Dr. So Yuk Kwan (“Dr. So”) and Mr. So Chi Sun Sunny (both an executive director of the Company), and Mr. Lim Boon Keng.

Revenue for this segment was approximately HK\$845.3 million (2024: HK\$606.5 million), representing an increase of approximately 39.4%. Gross profit amounted to HK\$11.5 million (2024: HK\$3.7 million), increased approximately 210.8% period-on-period. Gross margin increased to 1.4% (2024: 0.6%), a 0.8% increase when compared to the same period in last year. The positive performance was driven by a favourable pricing environment in memory components (particularly DDR5 and server-grade DRAM), and consistent increase shipment volumes. With the increase in demand by our customers and the overall supply shortage in the market, we have been able to sell the product at a higher profit margin. Hence, the profit margin has a 0.8% improvement when compared to the same period in last year.

Notwithstanding the improvement, the management is mindful of the continuing pricing risk for the semiconductor components as observed from the price fluctuations over the past few years, including the downwards pricing trends from the strong year in 2021, during COVID, when demand for home electronic products was particularly strong, and the price correction in the second half of 2024 as a result of inventories adjustment in the supply chain. The timing difference between the purchase order to our suppliers and sales to our customers and external factors including global economic uncertainties, and political tension also pose pricing risk for the Group.

### ***AVPEL Group***

The Group's joint venture, AVP Electronics Limited and its subsidiaries (the "AVPEL Group"), that carried the semiconductor distribution business in China remained a key profit contributor during the Period. The Company owns 75% of the equity of the AVPEL Group, but with voting power of 50%. It is headquartered in Hong Kong. The other 50% of the voting power is controlled by Good Profit Hong Kong Group Limited, the (unconnected) joint venture partner of the Company. The Group has had 75% ownership in the AVPEL Group since 2012.

The AVPEL Group has continued to benefit from the Group's long-standing relationship with Samsung Electronics (as explained above). 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.

During the Period under review, the revenue of the AVPEL Group was not included in the Group's condensed consolidated financial statements. It recorded a revenue of approximately HK\$10,575 million (2024: HK\$12,664 million), representing a decrease of 16.5% compared to the previous period. Gross profit dropped to HK\$255 million (2024: HK\$323 million), with its gross margin decreased to 2.4% (2024: 2.6%). The decrease in turnover and profit margin of the joint venture is due to a comparatively weakened demand from China major mobile phone manufacturers and component suppliers, which have seen a decrease in both price and volume, affecting the profitability of the joint venture. The net profit after tax of the AVPEL Group improved when compared to the same period in last year with better control of finance costs and various administrative expenses during the Period. This caused the Group's share of profit from the AVPEL Group to increase when compared to the same period in last year by HK\$10,395,000 and 11.8%.

## **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, notably bluetooth headphones, smart watches, jewellery, IP camera and air purifiers, all aimed at enhancing customers' quality of life and meeting their diverse needs.

Revenue for this segment was approximately HK\$11.9 million (2024: HK\$22.7 million), representing a decrease of 47.6%. Gross profit amounted to HK\$3.5 million (2024: HK\$6.0 million), down 41.7% period-on-period. Gross margin, however, increased to 29.4% (2024: 26.4%). This was because we have selected the higher gross profit margin product and regions, such as Japan, to sell our products during the Period. Hence, despite the drop of our overall turnover by 47.6%, gross profit margin improved by 3.0%.

During the Period, the Group further repositioned this segment to focus primarily on the Japanese market, reflecting its stable premium consumer base and rising demand for lifestyle audio and digital-learning solutions. The Group continued to focus on brands such as Nakamichi and SOUL, while progressively shifting away from lower-margin white goods in line with its strategic direction highlighted in previous reports. This brand-centric approach allows the Group to strengthen its foothold in the premium consumer electronics segment and enhance long-term profitability. Japan's entire wireless audio market is projected to expand at a compound annual growth rate of approximately 13.8% between 2025 and 2033, reaching around US\$11.6 billion by 2033, supported by sustained consumer interest in true-wireless earbuds, active-noise-cancellation headphones, and high-resolution audio devices.

In parallel, the Group also advanced its entry into Japan's education-display and digital-learning hardware markets, supported by national initiatives promoting digital education. According to report issued by IMARC Group, the Japan's digital-education market is forecasted to grow at a compound annual rate of about 8.4% from 2025 to 2033, driven by rising adoption of classroom technologies and interactive teaching solutions. While current contributions to the Group's business performance remain very small, the Group expects this line of business to expand in the coming years as pilot projects scale up.

## **Venture Capital Business**

The Group's venture capital portfolio remained stable during the Period. However, this business segment was very small and experienced a loss of HK\$4.0 million for the Period (2024: profit of HK\$0.2 million), mainly due to fair value gains/losses on financial assets at fair value through profit or loss, and dividend income from unlisted equity investments in the Period.

The change from gain to loss during the Period is due to the fair value adjustment for equity investment traded over-the-counter and increase in realised loss for the disposal of listed equity investments when compared to the same period in last year.

As of 30 September 2025, 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\$10.1 million (31 March 2025: HK\$31.0 million). The decrease in the financial assets at fair value through profit or loss during the period is primary due to the disposal for one of the key management insurance contracts.

The ultimate objective for these investments is to make capital gains on investees' equity listings or, in some circumstances, prior to listing.

On 30 September 2025, 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. The Group continues to monitor its portfolio closely, focusing on opportunities with strategic relevance to its semiconductor and technology ecosystem.

### **Internet Social Media Business**

As previously disclosed, this segment has consistently been a very minor contributor to the Group. Following a strategic review, the Group decided to discontinue its Internet Social Media Business during the period due to its diminishing revenue contribution amid a challenging operating environment. The cessation of this business is not expected to have any material impact on the Group's overall financial performance.

### **OUTLOOK**

Looking ahead, the Group remains cautiously optimistic about the second half of the financial year. The global semiconductor cycle continues to strengthen, with memory and AI-related components expected to drive growth into 2026. According to industry forecasts, global semiconductor sales will remain on an expansionary path supported by sustained investment in AI servers, high-performance computing, and next-generation smartphones.

For the Semiconductor Distribution business, management expects continuing momentum driven by tight supply in memory markets and solid downstream demand in smartphones and AI-related applications. The Group will maintain close collaboration with the major suppliers, including Samsung Electronics, to optimise product mix, secure allocation in high-growth categories, and manage inventory levels prudently. Given our experience from the management team, the Group is also well positioned to benefit from stronger pricing trends and higher utilisation rates at key customers.

In the Consumer Product and Product Sourcing business, the Group will continue to focus on Japan, which remains the new growth driver. The Group will also continue to invest in brand expansion, product innovation, and distribution efficiency to capture opportunities in the premium-audio market and digital-learning hardware space. Although contributions from the education-technology business will take time to scale, the segment's long-term fundamentals are positive.



The Group will continue to manage its Venture Capital Business cautiously, focusing on value creation through selective investments in synergistic technology areas while maintaining adequate liquidity. With disciplined execution and a prudent capital structure, the Group believes it is well positioned to navigate near-term uncertainties and deliver sustainable returns to shareholders.

The Board and management maintain an optimistic view of the Group's prospects. With the solid equities and a strong business base for the Group, we will catch the future opportunities to increase our business value. Overall economy growth in the future will be reflected in our business growth. In the meantime, our focus is on preserving shareholder value through disciplined execution, strategic foresight, and agility in responding to market changes.

## LIQUIDITY AND FINANCIAL RESOURCES

The total debt position and the gearing ratio as at 30 September 2025 and 31 March 2025 are shown as follows:

	<b>30 September 2025 HK\$'million</b>	31 March 2025 HK\$'million
Cash and cash equivalents	<b>98.3</b>	59.0
Financial assets at fair value through profit or loss (included in current assets)	<b>1.0</b>	2.9
	<b>99.3</b>	61.9
Borrowings and lease liabilities	<b>31.0</b>	32.0
Total equity	<b>1,790.7</b>	1,734.1
Total debt to total equity	<b>1.7%</b>	1.9%

As at 30 September 2025, the Group had cash and cash equivalents (i.e. cash and bank balances and deposits with other financial institutions) of HK\$98.3 million (31 March 2025: HK\$59.0 million), while the Group's financial assets at fair value through profit or loss (included in current assets) amounted to HK\$1.0 million (31 March 2025: HK\$2.9 million). The 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 30 September 2025 was 1.7% (31 March 2025: 1.9%), while the Group's total equity as at 30 September 2025 was HK\$1,790.7 million (31 March 2025: HK\$1,734.1 million), with the total balances of cash and cash equivalents, and financial assets at fair value through profit or loss (included in current assets) as at 30 September 2025 of HK\$99.3 million (31 March 2025: HK\$61.9 million).

The working capital position of the Group remains healthy. As at 30 September 2025, the liquidity ratio was 131% (31 March 2025: 123%).

	<b>30 September 2025 <i>HK\$'million</i></b>	31 March 2025 <i>HK\$'million</i>
Current assets	<b>204.8</b>	187.9
Current liabilities	<b>(156.4)</b>	(152.2)
Net current assets	<b>48.4</b>	35.7
Current assets to current liabilities	<b>131%</b>	123%

The 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 30 September 2025, the Group recorded financial assets at fair value through profit or loss of approximately HK\$10.1 million (31 March 2025: HK\$31.0 million). For a detailed breakdown of financial assets at fair value through profit or loss, please refer to note 10 in the condensed consolidated statement of financial position. For the performance during the period 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 22 of this announcement.

## **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 30 September 2025, the Group employed a total of approximately 113 (31 March 2025: approximately 125) 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 purchased, sold or redeemed any of the Company's listed securities during the period.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

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 Listing Rules throughout the six months ended 30 September 2025, except for the deviation of code provision C.2.1 of the Corporate Governance Code as express 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 period under review, the positions of Chairman and Chief Executive Officer (the "CEO") of the Company are held by Dr. So.

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 of Directors which is comprised of three executive Directors and three independent non-executive Directors, the Board of Directors 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") contained 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 six months ended 30 September 2025.

## AUDIT COMMITTEE

The audit committee of the Company (the “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 Mr. Lai Yat Hung Edmund (Chairman of Audit Committee), Dr. Lui Ming Wah, PhD, SBS, JP 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 a review of the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2025.

## INTERIM DIVIDEND

The Board of Directors does not recommend the payment of any interim dividend for the six months ended 30 September 2025.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.avconcept.com](http://www.avconcept.com). The interim report for the six months ended 30 September 2025 containing all the information required by the Listing Rules will be despatched 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, 28 November 2025

*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.*