# AV CONCEPT HOLDINGS LIMITED

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

**(Stock Code: 595)**

## YEAR ENDED 31 MARCH 2026
## ANNUAL RESULTS ANNOUNCEMENT

**Statement of Profit or Loss Highlights**

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'million*** | *HK$'million* |
| Revenue | | |
| – Semiconductor distribution | **1,311.1** | 1,146.2 |
| – Consumer product and product sourcing business | **23.7** | 43.3 |
| – Venture capital | **–** | – |
| – Others | **–** | 0.4 |
| | **1,334.8** | 1,189.9 |
| Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items | | |
| – Corporate expense | **(29.9)** | (34.5) |
| – Venture capital | **(14.5)** | (1.4) |
| – Semiconductor distribution | **314.2** | 139.8 |
| – Consumer product and product sourcing business: | | |
| Selling and distribution expenses | **(10.5)** | (20.9) |
| Operating loss | **(3.1)** | (4.1) |
| | **(13.6)** | (25.0) |
| – Others | **(0.3)** | (0.2) |
| | **255.9** | 78.7 |
| Depreciation | **(2.1)** | (1.7) |
| Profit for the year attributable to owners of the Company | **231.7** | 53.7 |

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'million*** | *HK$'million* |
| **Statement of Financial Position Highlights** | | |
| Total assets | **2,577.0** | 1,899.6 |
| Total assets less current liabilities | **1,972.0** | 1,747.4 |
| Total equity | **1,958.9** | 1,734.1 |
| Borrowings and lease liabilities | **53.9** | 32.0 |
| Cash and cash equivalents | **194.6** | 59.0 |
| Financial assets at fair value through profit or loss (included in current assets) | **18.9** | 2.9 |
| | **213.5** | 61.9 |
| Total debt to total equity | **2.8%** | 1.9% |
| Current assets to current liabilities | **105.6%** | 123.4% |
| Cash and cash equivalents and financial assets at fair value through profit or loss (included in current assets) per share (HK$) | **0.24** | 0.07 |
| Total equity per share (HK$) | **2.16** | 1.91 |

## 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 2026, together with the comparative figures for the previous year, as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended 31 March 2026*

| | Notes | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|---|
| **REVENUE** | 3 | **1,334,812** | 1,189,997 |
| Cost of sales | | **(1,220,381)** | (1,176,827) |
| Gross profit | | **114,431** | 13,170 |
| Other income and gains | 3 | **7,983** | 10,642 |
| Changes in fair value of investment properties | | **(3,853)** | (8,740) |
| Selling and distribution expenses | | **(23,596)** | (28,742) |
| Administrative expenses | | **(64,277)** | (68,743) |
| Impairment of financial assets, net | 4 | **(10,287)** | (11,693) |
| Fair value (losses)/gains on financial assets at fair value through profit or loss, net | | **(3,199)** | 2,843 |
| Other expenses, net | 4 | **(2,225)** | (6,001) |
| Finance costs | 5 | **(1,303)** | (4,259) |
| Share of profits and losses of: | | | |
| Joint ventures | | **233,221** | 155,812 |
| Associates | | **(692)** | (976) |
| **PROFIT BEFORE TAX** | 4 | **246,203** | 53,313 |
| Income tax | 6 | **(14,476)** | 401 |
| **PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | **231,727** | 53,714 |
| **EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY** | 8 | | |
| Basic | | **HK25.51 cents** | HK5.91 cents |
| Diluted | | **HK25.51 cents** | HK5.91 cents |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*Year ended 31 March 2026*

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **PROFIT FOR THE YEAR** | **231,727** | 53,714 |
| **OTHER COMPREHENSIVE INCOME/(LOSS)** | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | **3,377** | (1,904) |
| **OTHER COMPREHENSIVE INCOME/(LOSS) THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX** | **3,377** | (1,904) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY** | **235,104** | 51,810 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*31 March 2026*

| | Notes | 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment and right-of-use assets | | **32,818** | 32,947 |
| Investment properties | | **120,627** | 121,118 |
| Goodwill | | **–** | – |
| Other intangible assets | | **2,784** | 2,808 |
| Investments in joint ventures | | **1,767,509** | 1,524,514 |
| Investments in associates | | **2,895** | 371 |
| Financial assets at fair value through profit or loss | *9* | **9,419** | 28,064 |
| Prepayments and deposits | | **1,866** | 1,913 |
| Total non-current assets | | **1,937,918** | 1,711,735 |
| **CURRENT ASSETS** | | | |
| Inventories | | **377,614** | 96,766 |
| Trade receivables | *10* | **30,400** | 19,915 |
| Prepayments, deposits and other receivables | | **17,611** | 9,316 |
| Financial assets at fair value through profit or loss | *9* | **18,918** | 2,889 |
| Cash and cash equivalents | | **194,571** | 58,967 |
| Total current assets | | **639,114** | 187,853 |
| **CURRENT LIABILITIES** | | | |
| Trade payables, deposits received and accrued expenses | *11* | **119,905** | 70,543 |
| Contract liabilities | | **255,431** | 2,374 |
| Lease liabilities | | **–** | 15 |
| Interest-bearing bank borrowings | | **53,937** | 31,998 |
| Tax payable | | **15,891** | 1,822 |
| Financial guarantee obligation | | **159,880** | 45,481 |
| Total current liabilities | | **605,044** | 152,233 |
| **NET CURRENT ASSETS** | | **34,070** | 35,620 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **1,971,988** | 1,747,355 |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *(Continued)*
*31 March 2026*

| | 2026 | 2025 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| **NON-CURRENT LIABILITY** | | |
| Deferred tax liabilities | **13,128** | 13,298 |
| Net assets | **1,958,860** | 1,734,057 |
| **EQUITY** | | |
| Issued capital | **90,553** | 90,866 |
| Reserves | **1,868,307** | 1,643,191 |
| Equity attributable to owners of the Company | **1,958,860** | 1,734,057 |
| Non-controlling interests | **–** | – |
| Total equity | **1,958,860** | 1,734,057 |

## 1.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants, 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 2026. 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 amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

## 2. OPERATING SEGMENT INFORMATION

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

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

(b) the consumer 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 year.

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 and losses of joint ventures and associates, impairment of investments in associates, gain on disposal 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, 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 *HK$'000* | Consumer product and product sourcing business *HK$'000* | Venture capital *HK$'000* | Others *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **Year ended 31 March 2026** | | | | | |
| **Segment revenue** | | | | | |
| Sales to external customers | **1,311,062** | **23,750** | **–** | **–** | **1,334,812** |
| Other losses | **–** | **–** | **(3,007)** | **–** | **(3,007)** |
| Total | **1,311,062** | **23,750** | **(3,007)** | **–** | **1,331,805** |
| Reconciliation: | | | | | |
| Add: other losses *(note)* | | | | | **3,007** |
| Revenue as presented in the consolidated statement of profit or loss | | | | | **1,334,812** |
| **Segment results** | **79,001** | **(18,729)** | **(13,527)** | **(286)** | **46,459** |
| Reconciliation: | | | | | |
| Bank interest income | | | | | **815** |
| Interest income from other receivables | | | | | **839** |
| Rental income | | | | | **5,337** |
| Share of profits of joint ventures | | | | | **233,221** |
| Share of losses of associates | | | | | **(692)** |
| Gain on disposal of items of property, plant and equipment | | | | | **150** |
| Impairment of other intangible assets | | | | | **(24)** |
| Impairment of other receivables | | | | | **(4,800)** |
| Changes in fair value of investment properties | | | | | **(3,853)** |
| Unallocated expenses | | | | | **(29,946)** |
| Finance costs | | | | | **(1,303)** |
| Profit before tax | | | | | **246,203** |

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

| | Semiconductor distribution *HK$'000* | Consumer product and product sourcing business *HK$'000* | Venture capital *HK$'000* | Others *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| Year ended 31 March 2025 | | | | | |
| **Segment revenue** | | | | | |
| Sales to external customers | 1,146,221 | 43,340 | – | 436 | 1,189,997 |
| Other revenue | – | – | 2,989 | – | 2,989 |
| Total | 1,146,221 | 43,340 | 2,989 | 436 | 1,192,986 |
| Reconciliation: | | | | | |
| Less: other revenue *(note)* | | | | | (2,989) |
| Revenue as presented in the consolidated statement of profit or loss | | | | | 1,189,997 |
| **Segment results** | (20,647) | (33,579) | (1,572) | (170) | (55,968) |
| Reconciliation: | | | | | |
| Bank interest income | | | | | 1,537 |
| Interest income from other receivables | | | | | 103 |
| Rental income | | | | | 5,419 |
| Share of profits of joint ventures | | | | | 155,812 |
| Share of losses of associates | | | | | (976) |
| Impairment of investments in associates | | | | | (2,068) |
| Gain on disposal of items of property, plant and equipment | | | | | 80 |
| Impairment of other intangible assets | | | | | (247) |
| Impairment of other receivables | | | | | (2,902) |
| Changes in fair value of investment properties | | | | | (8,740) |
| Unallocated expenses | | | | | (34,478) |
| Finance costs | | | | | (4,259) |
| Profit before tax | | | | | 53,313 |

*Note:* Other (losses)/revenue in segment revenue were classified under other income and gains, and fair value (losses)/gains 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 *HK$'000* | Consumer product and product sourcing business *HK$'000* | Venture capital *HK$'000* | Others *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **31 March 2026** | | | | | |
| **Segment assets** | **1,312,617** | **20,178** | **21,573** | **2,287** | **1,356,655** |
| Reconciliation: | | | | | |
| Elimination of intersegment receivables | | | | | **(876,038)** |
| Investments in joint ventures | | | | | **1,767,509** |
| Investments in associates | | | | | **2,895** |
| Corporate and other unallocated assets | | | | | **326,011** |
| Total assets | | | | | **2,577,032** |
| **Segment liabilities** | **412,008** | **308,199** | **479,592** | **94,833** | **1,294,632** |
| Reconciliation: | | | | | |
| Elimination of intersegment payables | | | | | **(876,038)** |
| Corporate and other unallocated liabilities | | | | | **199,578** |
| Total liabilities | | | | | **618,172** |
| 31 March 2025 | | | | | |
| **Segment assets** | 664,058 | 15,707 | 4,798 | 2,160 | 686,723 |
| 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 | | | | | 1,899,588 |
| **Segment liabilities** | 90,920 | 303,021 | 123,482 | 88,374 | 605,797 |
| Reconciliation: | | | | | |
| Elimination of intersegment payables | | | | | (505,995) |
| Corporate and other unallocated liabilities | | | | | 65,729 |
| Total liabilities | | | | | 165,531 |

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

**Other segment information:**

| | Semiconductor distribution *HK$'000* | Consumer product and product sourcing business *HK$'000* | Venture capital *HK$'000* | Others *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| **Year ended 31 March 2026** | | | | | |
| Depreciation of items of property, plant and equipment | **771** | **–** | **456** | **–** | **1,227** |
| Depreciation of right-of-use assets | **864** | **–** | **–** | **–** | **864** |
| Provision for impairment of inventories | **2,992** | **180** | **–** | **–** | **3,172** |
| Impairment of trade receivables, net | **–** | **5,487** | **–** | **–** | **5,487** |
| Capital expenditure* | **710** | **–** | **1,046** | **–** | **1,756** |
| Year ended 31 March 2025 | | | | | |
| Depreciation of items of property, plant and equipment | 563 | – | 349 | – | 912 |
| Depreciation of right-of-use assets | 864 | – | – | – | 864 |
| Provision for impairment of inventories | 1,714 | 184 | – | – | 1,898 |
| Impairment of trade receivables, net | – | 8,791 | – | – | 8,791 |
| Capital expenditure* | 72 | – | 1,269 | – | 1,341 |

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

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

### Geographical information

#### *(a) Revenue from external customers*

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Hong Kong | **51,418** | 43,776 |
| Chinese mainland | **4,051** | 7,398 |
| Singapore | **1,279,343** | 1,138,823 |
| | **1,334,812** | 1,189,997 |

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

#### *(b) Non-current assets*

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Hong Kong | **1,800,057** | 1,556,874 |
| Chinese mainland | **68,361** | 71,056 |
| Singapore | **55,320** | 53,457 |
| Other | **2,895** | 371 |
| | **1,926,633** | 1,681,758 |

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Customer A | **142,575** | 276,231 |

## 3. REVENUE, OTHER INCOME AND GAINS

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Revenue from contracts with customers** | | |
| Semiconductor distribution | **1,311,062** | 1,146,221 |
| Consumer product sales and product sourcing business | **23,750** | 43,340 |
| Others | **–** | 436 |
| | **1,334,812** | 1,189,997 |

**Other income and gains**

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Bank interest income | **815** | 1,537 |
| Interest income on listed bond investments | **4** | 2 |
| Interest income from other receivables | **839** | 103 |
| Dividend income from an unlisted equity investment | **48** | 39 |
| Gain on disposal of items of property, plant and equipment | **150** | 80 |
| Rental income | **5,337** | 5,419 |
| Government grant *(note)* | **100** | – |
| Foreign exchange differences, net | **–** | 2,972 |
| Others | **690** | 490 |
| | **7,983** | 10,642 |

*Note:* There are no unfulfilled conditions or contingencies relating to this grant.

## 4. PROFIT BEFORE TAX

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

| | Note | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|---|
| Cost of inventories sold* | | **1,217,273** | 1,174,898 |
| Provision for impairment of inventories* | | **3,172** | 1,898 |
| Depreciation of items of property, plant and equipment | | **1,227** | 912 |
| Depreciation of right-of-use assets | | **864** | 864 |
| Impairment of financial assets, net | | | |
| Impairment of other receivables | | **4,800** | 2,902 |
| Impairment of trade receivables, net | *10* | **5,487** | 8,791 |
| | | **10,287** | 11,693 |
| Other expenses, net: | | | |
| Impairment of investments on associates | | **–** | 2,068 |
| Impairment of other intangible assets | | **24** | 247 |
| Expense in relation to the financial guarantee utilised by joint ventures | | **76,133** | 65,735 |
| Gain on derecognition of financial guarantee obligation | | **(76,133)** | (65,735) |
| Foreign exchange differences, net | | **1,387** | – |
| Others | | **814** | 3,686 |
| | | **2,225** | 6,001 |
| Fair value losses/(gains) on financial assets at fair value through profit or loss, net | | **3,199** | (2,843) |
| Gain on disposal of items of property, plant and equipment | | **(150)** | (80) |

* 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:

| | 2026<br>HK$'000 | 2025<br>HK$'000 |
|---|---|---|
| Interest on bank borrowings | **1,300** | 4,247 |
| Interest on lease liabilities | **3** | 12 |
| | **1,303** | 4,259 |

## 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 (2025: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Current – Elsewhere | | |
| Charge for the year | **14,848** | 181 |
| Deferred | **(372)** | (582) |
| Total tax charge/(credit) for the year | **14,476** | (401) |

## 7. DIVIDENDS

Dividends recognised as distribution during the year:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| 2026 – Interim – nil (2025: HK$0.01) per ordinary share | **–** | 9,087 |
| 2025 – Final – HK$0.01 (2025: 2024 final dividend HK$0.02) per ordinary share | **9,087** | 18,173 |
| | **9,087** | 27,260 |

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2026 of HK$0.02 (2025: final dividend in respect of the year ended 31 March 2025 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 weighted average number of ordinary shares of 908,503,866 (2025: 908,663,302) in issue during the year.

The Company had no dilutive potential ordinary shares in issue for the current year.

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Earnings** | | |
| Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation | **231,727** | 53,714 |

## 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 | |
|---|---|---|
| | **2026** | 2025 |
| **Shares** | | |
| Number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation | **908,503,866** | 908,663,302 |

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

| | *Notes* | **2026** *HK$'000* | 2025 *HK$'000* |
|---|---|---|---|
| Listed equity investments | | **869** | 109 |
| Listed bond investments | *(a)* | **78** | 100 |
| Equity investment traded over-the-counter | *(b)* | **–** | 2,128 |
| Unlisted equity investments | *(c)* | **17,971** | 552 |
| Key management insurance contracts | *(d)* | **9,419** | 28,064 |
| | | **28,337** | 30,953 |
| Analysed for reporting purpose as: | | | |
| Current assets | | **18,918** | 2,889 |
| Non-current assets | | **9,419** | 28,064 |
| | | **28,337** | 30,953 |

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% (2025: 0% to 8.75%) per annum and maturity dates from 6 March 2023 to 31 January 2031 (2025: 6 March 2023 to 31 January 2031). Included in the amount was a listed bond of HK$19,000 (2025: HK$24,000) which was matured on 6 March 2023 and the directors considered that the amount of HK$19,000 (2025: HK$24,000) 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) As at 31 March 2026, the Group has equity interests in 1) NBL Group Limited, a Hong Kong-based company which principally engaged in AI driven biotechnology, 2) Type One Kairos LLC, a fund that invested in Gravitics Inc., and 3) Urban City Joint Stock Company ("Urban City"), which principally engaged in e-commerce business in Vietnam. As at 31 March 2025, the Group has equity interests in Urban City.

(d) As at 31 March 2026, the key management insurance contract represented a life insurance plan with investment elements relating to one member of key management personnel of the Group. The total sum insured is US$5,800,000 (approximately HK$45,066,000) with an annual minimum guaranteed return of 2%. The key management insurance contract was pledged to secure general banking facilities granted to the Group as at 31 March 2026.

As at 31 March 2025, 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) with an annual maximum guaranteed return of 2%. Certain key management insurance contract of HK$9,190,000 was pledged to secure general banking facilities granted to the Group as at 31 March 2025.

As at 31 March 2026, if the Group withdrew from the insurance contract, the accounts value, net of surrender charges of US$102,000 (approximately HK$793,000) (2025: US$260,000 (approximately HK$2,023,000)), 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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade receivables | **87,527** | 72,626 |
| Impairment | **(57,127)** | (52,711) |
| | **30,400** | 19,915 |

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 nil (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:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Within 1 month | **27,296** | 7,562 |
| 1 to 2 months | **118** | 247 |
| 2 to 3 months | **590** | 142 |
| 3 to 12 months | **2,303** | 5,582 |
| Over 12 months | **93** | 6,382 |
| | **30,400** | 19,915 |

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| At beginning of year | **52,711** | 43,920 |
| Impairment losses, net *(note 4)* | **5,487** | 8,791 |
| Written off | **(1,071)** | – |
| At end of year | **57,127** | 52,711 |

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade payables | **96,396** | 53,650 |
| Deposits received | **1,441** | 1,254 |
| Accrued expenses | **22,068** | 15,639 |
| | **119,905** | 70,543 |

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

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Trade payables: | | |
| Current | **87,881** | 46,753 |
| 1 to 30 days | **5,051** | 4,621 |
| 31 to 60 days | **2,464** | – |
| Over 60 days | **1,000** | 2,276 |
| | **96,396** | 53,650 |

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 2026, with the comparative figures for the corresponding financial year of 2025.

| | **2026** <br> ***HK$'million*** | 2025 <br> *HK$'million* |
|---|---|---|
| *Revenue by segment* | | |
| Semiconductor distribution | **1,311.1** | 1,146.2 |
| Consumer product and product sourcing business | **23.7** | 43.3 |
| Venture capital | **(3.0)** | 3.0 |
| Others | **–** | 0.4 |
| | **1,331.8** | 1,192.9 |
| *Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items* | | |
| Corporate expense | **(29.9)** | (34.5) |
| Venture capital | **(14.5)** | (1.4) |
| Semiconductor distribution | **314.2** | 139.8 |
| Consumer product and product sourcing business: | | |
| Selling and distribution expenses | **(10.5)** | (20.9) |
| Operating loss | **(3.1)** | (4.1) |
| | **(13.6)** | (25.0) |
| Others | **(0.3)** | (0.2) |
| | **255.9** | 78.7 |
| *Depreciation* | | |
| Corporate | **–** | – |
| Venture capital | **(0.5)** | (0.3) |
| Semiconductor distribution | **(1.6)** | (1.4) |
| Total depreciation | **(2.1)** | (1.7) |
| Profit before interest and tax | **246.7** | 56.1 |
| Interest expenses | **(1.3)** | (4.3) |
| Bank interest income | **0.8** | 1.5 |
| Profit before tax | **246.2** | 53.3 |
| Income tax | **(14.5)** | 0.4 |
| Profit for the year attributable to owners of the Company | **231.7** | 53.7 |

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 year ended 31 March 2026, the Group continued to execute its strategic initiatives across its business segments. The Group maintained a disciplined approach to cost management, working capital allocation and inventory management amid an uncertain macroeconomic environment and evolving industry conditions.

The global semiconductor industry experienced one of its strongest expansion cycles in recent years during the year under review. According to industry research, worldwide semiconductor sales recorded substantial growth, supported primarily by increasing investment in AI infrastructure, cloud computing, high-performance computing and advanced memory technologies. The memory segment emerged as the principal growth driver of the industry, benefiting from strong demand, improving pricing conditions and relatively tight supply across major product categories.

The improvement in industry conditions was reflected in the Group's performance during the year under review. Benefiting from favourable market conditions within the semiconductor distribution business, particularly the strengthening of memory semiconductor pricing and demand, together with disciplined execution across its operating businesses and continued focus on higher-margin market opportunities, the Group recorded a significant improvement in financial performance compared with the previous financial year.

In addition to the improvement in the semiconductor distribution business, the Group continued to strengthen its strategic positioning within selected consumer electronics markets. The Group maintained its focus in Japan, where premium wireless audio products and education technology-related hardware continued to present attractive long-term opportunities, supported by evolving consumer preferences and ongoing digitalisation initiatives.

Revenue for the year under review amounted to HK$1,331.8 million (2025: HK$1,192.9 million). Gross profit amounted to HK$114.4 million (2025: HK$13.2 million), while gross profit margin was 8.6% (2025: 1.1%). The profit attributable to owners of the Company amounted to HK$231.7 million (2025: HK$53.7 million) during the year ended 31 March 2026.

The Group's performance by business segment is discussed below.

***Semiconductor Distribution Business***

***Industry Overview***

The global semiconductor industry delivered record performance during calendar year 2025. According to the World Semiconductor Trade Statistics ("WSTS"), worldwide semiconductor sales reached approximately USD795.6 billion in 2025, representing a year-on-year increase of approximately 26%, supported by strong demand for AI processors, graphics processing units ("GPUs"), advanced logic devices and memory products. The memory segment emerged as the principal driver of industry growth, benefiting from improving pricing conditions, tight supply dynamics and increasing deployment of AI infrastructure globally.

The defining industry trend during the year under review was the rapid expansion of AI-related investment. Major cloud service providers, hyperscale data-centre operators and enterprise customers continued to increase capital expenditure on AI infrastructure, resulting in substantial demand for server memory, enterprise solid-state drives and high-bandwidth memory ("HBM") products. Samsung Electronics and SK Hynix, two of the world's largest memory manufacturers, both reported in their respective first-quarter 2026 earnings commentaries that memory demand had increasingly expanded beyond AI model training into broader AI inference and agentic AI applications, creating a more diversified and sustainable demand profile for memory products.

Meanwhile, the memory market experienced significant improvement in pricing throughout the year under review. DRAM and NAND manufacturers reported strong utilisation rates, declining inventories and continued supply discipline. These market conditions contributed positively to the profitability of memory-related businesses across the semiconductor value chain.

The ASEAN region, including Singapore, India, Malaysia and Vietnam, continued to strengthen its position within the global semiconductor supply chain. Supply chain diversification initiatives and increasing investments in semiconductor manufacturing, assembly and testing activities further enhanced the strategic importance of Southeast Asia as a regional technology hub.

***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 continue to be the principal products distributed by AV Singapore, followed by thin-film transistor liquid crystal displays and panels which are widely used in LCD televisions. The key supplier of AV Singapore remains Samsung Electronics Singapore Pte. Limited ("Samsung Electronics"), one of the world's leading semiconductor manufacturers.

AV Singapore places orders with suppliers based on forecast demand provided by customers. Purchases from suppliers are not necessarily conducted on a back-to-back basis relative to sales to customers. To prepare sourcing budgets and inventory plans, AV Singapore relies on forecast demand from customers while maintaining prudent inventory management and working capital controls.

The Group continues to provide value-added services to customers, including relatively favourable credit terms enable our customers to (prudently) maximize their own credit risk management, technical guidance, shipping arrangements and sales return support. These services assist customers in managing their own supply chains while strengthening the Group's long-standing commercial relationships. The Group's customers are primarily electronics manufacturers and purchasing companies operating across various markets in Southeast Asia. The top five customers contributed approximately 43.2% of the Group's turnover during the year under review, while the largest customer contributed approximately 10.7%.

Samsung Electronics has been AV Singapore's key supplier since the Company's listing in 1996, and contributed 89.9% of our supply purchase for the year ended 31 March 2026. We have maintained a long-standing business relationship with Samsung Electronics since AV Singapore's appointment as one of Samsung Electronics' authorised distributors in 1982. Over the years, both parties have developed a strong and mutually beneficial commercial relationship, working closely on product allocation, technical support, logistics coordination and customer servicing.

The management continues with the technology leadership and product offerings of Samsung Electronics. During the year under review, Samsung Electronics benefited significantly from the strong demand environment for memory semiconductors, particularly products supporting AI infrastructure, cloud computing and data-centre applications. As one of the world's leading memory manufacturers, Samsung Electronics remained well positioned to benefit from favourable market conditions throughout the year.

The management is also confident that the Group's relatively solid consolidated balance sheet, supported by historical profitability, accumulated reserves and prudent financial management, continues to make AV Singapore an attractive distribution partner for Samsung Electronics. The Group believes its financial strength, regional customer network and long operating history allow Samsung Electronics to maintain a stable revenue stream while assisting in inventory management and credit risk mitigation across the region.

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

Revenue for this segment was approximately HK$1,311.1 million (2025: HK$1,146.2 million), representing a 14.4% increase. Gross profit amounted to HK$110.4 million (2025: HK$2.7 million), while gross profit margin was 8.4% (2025: 0.2%).

The positive performance of the segment was primarily driven by favourable pricing conditions across the memory semiconductor market, particularly DRAM and NAND products, together with healthy shipment volumes and sustained demand from customers. The industry-wide expansion of AI infrastructure investment and continued demand for server memory products further supported the operating environment during the year under review.

Notwithstanding the improvement, management remains mindful of continuing pricing risks associated with semiconductor components. The semiconductor industry remains cyclical in nature and is subject to fluctuations in supply-demand conditions, inventory adjustments, geopolitical developments and global economic uncertainties. The timing difference between purchases from suppliers and sales to customers may also expose the Group to short-term pricing volatility. Accordingly, the Group will continue to adopt a disciplined approach towards inventory management, working capital allocation and risk control.

***AVPEL Group***

The Group's joint venture, AVP Electronics Limited and its subsidiaries (the "AVPEL Group"), which carries out semiconductor distribution business in China, remained an important contributor to the Group's profitability during the year under review. 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 continued to benefit from the Group's long-standing relationship with Samsung Electronics (as explained above). Its principal customers include major mobile phone manufacturers and component suppliers in China. AVPEL Group primarily distributes Samsung Electronics products including CMOS image sensors and multi-layer packaged chips.

During the year under review, revenue of the AVPEL Group was not included in the Group's consolidated financial statements. AVPEL Group recorded revenue of approximately HK$25,771 million (2025: HK$21,496 million), representing a 19.9% increase compared with the previous year. Gross profit dropped to HK$1,211 million (2025: HK$1,554 million), with its gross profit margin decreased to 4.7% (2025: 7.2%).

Market conditions in China's consumer electronics and mobile device sector demonstrated gradual improvement during the year under review. According to data from the International Data Corporation ("IDC"), smartphone shipments in China reached approximately 285 million units in 2025. Market sentiment was supported in part by the Chinese Government's consumer electronics trade-in subsidy programme, which stimulated demand for smartphones and other consumer devices and contributed to increased procurement activities across parts of the supply chain. These developments supported shipment volumes and demand for semiconductor components distributed by AVPEL Group, including CMOS image sensors and packaged chips supplied to major mobile phone manufacturers and component suppliers in China.

However, profitability remained under pressure amid a competitive operating environment. While demand conditions improved, competition across the consumer electronics supply chain remained intense, resulting in continued pricing pressure at the distribution level. In addition, rising semiconductor component costs affected overall margin performance during the period. IDC reported that China's smartphone shipments declined by 3.3% year-on-year in the first quarter of 2026 as manufacturers adopted a more cautious approach towards lower-margin market segments in response to rising component costs. These industry developments reflected the increasing focus on profitability and cost management across the sector and contributed to margin pressure experienced by market participants during the year.

Consequently, turnover amount increased for AVPEL Group during the year. However, the overall gross profit margin is decrease when compared to the last year. With the tight control for administrative costs and finance costs during the year, the Group's share of profit from the AVPEL Group is increased when compared to the last year by HK$77,409,000 and 49.7%.

Notwithstanding these challenges, AVPEL Group continued to benefit from its established customer relationships, long-standing cooperation with Samsung Electronics and disciplined operating approach. Management remained focused on inventory management, cost control and operational efficiency while navigating the evolving market environment.

***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$23.7 million (2025: HK$43.3 million), representing a 45.3% decrease. Gross profit amounted to HK$4.0 million (2025: HK$10.1 million), while gross profit margin was 16.9% (2025: 23.3%).

During the year under review, the Group continued to reposition this segment towards higher-margin products and selected markets, with particular focus on Japan. Management believes Japan continues to offer attractive long-term opportunities supported by a stable premium consumer base, strong purchasing power and favourable demand trends across both consumer electronics and education technology markets.

The Japanese consumer electronics market continued to demonstrate resilience during the year under review, particularly within premium audio and education technology segments. Consumer demand remained supported by increasing adoption of wireless audio products, continued growth in music and video streaming services, and the integration of smart devices into everyday life. Hybrid working arrangements, digital entertainment consumption and the growing popularity of gaming and esports also contributed to demand for premium audio products.

The Group continued to promote established brands including Nakamichi and SOUL. Nakamichi, with its long-standing Japanese heritage and reputation in audio engineering, continues to enjoy strong brand recognition among consumers, while SOUL remains well positioned within the lifestyle audio segment. The Group believes its brand-focused strategy enhances product differentiation and supports sustainable profitability within an increasingly competitive market environment.

According to research issued by IMARC Group, the Japanese wireless audio market reached approximately US$4.1 billion in 2025 and is projected to grow at a compound annual growth rate of approximately 13.1% to reach US$12.4 billion by 2034. Growth is expected to be supported by increasing adoption of True Wireless Stereo ("TWS") devices, active noise-cancellation ("ANC") technologies and high-resolution audio products, which remain consistent with the Group's strategic focus on higher-value audio products within the Japanese market.

In addition to consumer audio products, the Group continued to develop its presence within Japan's digital education and education-display markets. The Japanese Government has continued to promote digital transformation initiatives within schools through the NEXT GIGA programme, supporting the renewal and upgrading of classroom devices and digital learning infrastructure nationwide. The Group also observed increasing adoption of cloud-based learning platforms, interactive teaching tools and AI-assisted educational technologies across the Japanese education sector, creating additional opportunities for education-related hardware and display solutions.

Although current contributions from the education technology business remain relatively modest, management believes the long-term fundamentals remain favourable. According to research by IMARC Group, Japan's digital education market reached approximately US$4.9 billion in 2025 and is projected to reach approximately US$9.8 billion by 2034. While current contributions from this business remain relatively modest, the Group will continue to strengthen its distribution capabilities and explore opportunities arising from the ongoing digitalisation of Japan's education sector, which management believes will support the long-term development of this business as adoption of education technology continues to increase.

***Venture Capital Business***

The Group's venture capital portfolio remained relatively stable during the year under review. However, this business segment continued to represent a small proportion of the Group's overall operations.

The segment recorded a loss of HK$3.0 million (2025: profit of HK$3.0 million), primarily attributable to fair value movements of financial assets at fair value through profit or loss, dividend income received from investments and gains/losses arising from disposal of certain investment positions.

As at 31 March 2026, listed and unlisted equity investments, listed bond investments, equity investment traded over-the-counter and key management insurance contracts were held at a fair value of HK$28.3 million (31 March 2025: HK$31.0 million).

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

On 31 March 2026, the Group's major strategic investments included investments in Urban City Joint Stock Company, a Vietnamese e-commerce company, NBL Group Limited, a Hong Kong based company focusing on AI driven biotechnology, and Type One Kairos LLC, a fund that invested in Gravitics Inc.

The Group continues to maintain a disciplined investment approach, focusing on opportunities that may offer attractive long-term value creation potential and strategic relevance to the Group's technology ecosystem.

***Internet Social Media Business***

As previously disclosed, this segment has consistently represented a very small proportion of the Group's overall business.

Following a strategic review, the Group discontinued its Internet Social Media Business during the year under review due to its limited contribution to revenue and profitability. The cessation of this business is not expected to have any material impact on the Group's financial position or future operating performance.

***OUTLOOK***

Looking ahead, the Group remains cautiously optimistic regarding the prospects of its core businesses. While global economic and geopolitical uncertainties continue to persist, management believes the Group is operating within several long-term structural growth markets that are expected to support future business development.

The global semiconductor industry is expected to remain on an expansionary path through 2026 and beyond. Industry forecasts continue to indicate strong growth in demand for advanced semiconductor products, particularly memory devices supporting AI, cloud computing, high-performance computing and next-generation data-centre infrastructure. The rapid adoption of AI technologies across enterprise and consumer applications continues to drive significant investment in computing capacity globally, creating sustained demand for memory semiconductors and related components.

Management notes that the current semiconductor cycle differs from previous industry upcycles. Demand is increasingly being driven by long-term AI infrastructure investment rather than traditional consumer electronics replacement cycles. Industry participants have also observed that AI-related demand is broadening from large-model training into real-time inference and emerging agentic AI applications, creating a more diversified and structurally sustainable demand profile for memory products. As a result, management believes demand for DRAM, NAND and other advanced memory products is expected to remain supportive over the medium term.

For the Semiconductor Distribution Business, the Group expects favourable industry fundamentals to continue supporting business performance. The Group's long-standing relationship with Samsung Electronics, one of the world's leading memory manufacturers, continues to provide access to a broad portfolio of semiconductor products and positions the Group to benefit from ongoing growth in memory-related demand. The Group will continue to maintain close collaboration with its key suppliers, optimise product allocation, strengthen customer relationships and manage inventory prudently in response to evolving market conditions.

The Group also believes Southeast Asia will continue to increase in strategic importance within the global semiconductor supply chain. Ongoing supply chain diversification initiatives, increasing investment in semiconductor manufacturing and assembly activities, and continued growth in regional electronics production are expected to create additional opportunities for the Group's semiconductor distribution operations in Singapore, India, Malaysia and Vietnam.

For AVPEL Group, management expects operating conditions within China's consumer electronics sector to remain competitive. While demand from smartphone and consumer device manufacturers may continue to be influenced by macroeconomic conditions and consumer sentiment, the Group believes AVPEL Group remains well positioned through its established customer relationships, strong supplier support and disciplined operating model. Management will continue to focus on operational efficiency, prudent cost management and maintaining a healthy balance between growth and profitability.

For the Consumer Product and Product Sourcing Business, the Group will continue to focus on Japan as a strategic growth market. The premium wireless audio market continues to benefit from favourable long-term trends including increasing adoption of true wireless stereo devices, active noise-cancellation technologies, digital entertainment consumption and hybrid working arrangements. The Group believes its focus on established brands such as Nakamichi and SOUL remains aligned with consumer demand for premium and lifestyle-oriented audio products.

The Group is also encouraged by the long-term development of Japan's digital education market. Continued investment in digital-learning infrastructure, classroom technology upgrades and education technology initiatives is expected to support demand for education displays and digital-learning hardware solutions. While the current contribution of this business remains relatively modest, management believes the segment offers attractive long-term growth potential and will continue to strengthen its market presence accordingly.

For the Venture Capital Business, the Group will continue to adopt a disciplined and selective investment approach. Management will focus on opportunities that offer long-term value creation potential while maintaining prudent liquidity management and appropriate risk controls. The Group will continue to monitor its investment portfolio closely and seek opportunities that are strategically relevant to its broader technology ecosystem.

Overall, the Board and management maintain a positive view of the Group's long-term prospects. Supported by its long-standing supplier relationships, established customer base, prudent financial management and diversified business portfolio, the Group believes it is well positioned to capture opportunities arising from ongoing technological advancement and industry transformation. At the same time, the Group will remain disciplined in its execution and vigilant in managing risks in order to preserve shareholder value and deliver sustainable returns over the long term.

## LIQUIDITY AND FINANCIAL RESOURCES

The total debt position and the gearing ratio as at 31 March 2026 are shown as follows:

| | **2026** | 2025 |
|---|---|---|
| | ***HK$'million*** | *HK$'million* |
| Cash and cash equivalents | **194.6** | 59.0 |
| Financial assets at fair value through profit or loss (included in current assets) | **18.9** | 2.9 |
| | **213.5** | 61.9 |
| Borrowings and lease liabilities | **53.9** | 32.0 |
| Total equity | **1,958.9** | 1,734.1 |
| Total debt to total equity | **2.8%** | 1.9% |

As at 31 March 2026, the Group had cash and cash equivalents (i.e. cash and bank balances and deposits with other financial institutions) of HK$194.6 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$18.9 million (31 March 2025: HK$2.9 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 2026 was 2.8% (31 March 2025: 1.9%), while the Group's total equity as at 31 March 2026 was HK$1,958.9 million (31 March 2025: HK$1,734.1 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 2026 of HK$213.5 million (31 March 2025: HK$61.9 million).

The working capital position of the Group remains healthy. As at 31 March 2026, the liquidity ratio was 106% (2025: 123%).

| | 2026 | 2025 |
|---|---|---|
| | ***HK$'million*** | *HK$'million* |
| Current assets | **639.1** | 187.9 |
| Current liabilities | **(605.0)** | (152.2) |
| Net current assets | **34.1** | 35.7 |
| Current assets to current liabilities | **106%** | 123% |

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 2026, the Group recorded financial assets at fair value through profit or loss of approximately HK$28.3 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 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 27 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 2026, the Group employed a total of approximately 116 (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 granted based on the Group's and individual's performances.

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

During the year ended 31 March 2026, the Company repurchased a total of 3,854,000 ordinary shares of the Company at an aggregate consideration of approximately HK$1,536,980 on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Of these repurchased shares, 3,134,000 shares were cancelled by the Company. Details of the shares repurchases are as follows:

| Date of repurchase | Number of ordinary shares repurchased | Price per ordinary share (Highest) *(HK$)* | Price per ordinary share (Lowest) *(HK$)* | Aggregate consideration *(HK$)* |
|---|---|---|---|---|
| 11 March 2026 | 150,000 | 0.380 | 0.375 | 56,400 |
| 12 March 2026 | 1,000,000 | 0.385 | 0.375 | 380,750 |
| 13 March 2026 | 1,200,000 | 0.395 | 0.380 | 464,050 |
| 16 March 2026 | 484,000 | 0.400 | 0.400 | 193,600 |
| 17 March 2026 | 300,000 | 0.400 | 0.400 | 120,000 |
| 31 March 2026 | 720,000 | 0.450 | 0.440 | 322,180 |
| | 3,854,000 | | | 1,536,980 |

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

## CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance and Corporate Governance Report (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 2026, 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 four 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 2026.

## 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 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 the consolidated financial statements for the year ended 31 March 2026.

## 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 2026 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 (2025: HK$0.01) per share for the year ended 31 March 2026 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, 4 September 2026, will be payable on Monday, 5 October 2026 to shareholders whose names appear on the registrar of members of the Company on Friday, 11 September 2026.

## CLOSURE OF REGISTER OF MEMBERS

The Annual General Meeting of the Company is scheduled on Friday, 4 September 2026. 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, 1 September 2026 to Friday, 4 September 2026, 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 Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 31 August 2026.

In order to determine the list of shareholders who are entitled to receive the proposed final dividend for the year ended 31 March 2026, the Company's register of members will be closed from Thursday, 10 September 2026 to Friday, 11 September 2026, 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 Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 9 September 2026.

## 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 2026 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, 26 June 2026

*As at the date of this announcement, the Board comprises four executive Directors, Dr. So Yuk Kwan (Chairman), Mr. So Chi On, Mr. So Kevin Chi Heng and Mr. So Chi Sun Sunny and three independent non-executive Directors, Dr. Lui Ming Wah, PhD, SBS, JP, Mr. Lai Yat Hung Edmund and Ms. Au-Yeung Kit Ping.*