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**AV PROMOTIONS HOLDINGS LIMITED**

**AV策劃推廣（控股）有限公司**

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

**(Stock Code: 8419)**

**ANNOUNCEMENT OF FIRST QUARTERLY RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2018**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
(THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of AV Promotions Holdings Limited (the “**Company**”) collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together the “**Group**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material announcement and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## **FINANCIAL HIGHLIGHTS**

The unaudited consolidated revenue of the Company (together with its subsidiaries, the “**Group**”) for the three months ended 31 March 2018 increased by approximately 10.2% to HK\$34.7 million as compared with the corresponding period in 2017. For the three months ended 31 March 2018, the Group recorded a net profit of approximately HK\$68,000 which represent an increase of approximately 309.1% as compared with the corresponding period in 2017.

The Board does not recommend the payment of dividend for the three months ended 31 March 2018.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 31 March 2018 (the “**Reporting Period**”) together with the unaudited comparative figures for the corresponding period in 2017, as follows:

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 31 March 2018

	Notes	Three months ended 31 March	
		2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Revenue	3	34,677	31,463
Cost of sales		<u>(25,475)</u>	<u>(23,953)</u>
<b>Gross profit</b>		<b>9,202</b>	<b>7,510</b>
Other (losses)/gains, net		(16)	80
Selling expenses		(1,055)	(934)
Administrative expenses		<u>(6,876)</u>	<u>(5,692)</u>
<b>Operating profit</b>		<b>1,255</b>	<b>964</b>
Finance income		68	101
Finance expenses		<u>(1,307)</u>	<u>(1,056)</u>
Finance expenses – net		<u>(1,239)</u>	<u>(955)</u>
<b>Profit before income tax</b>	4	<b>16</b>	<b>9</b>
Income tax	5	<u>52</u>	<u>13</u>
<b>Profit for the period attributable to owners of the Company</b>		<b><u>68</u></b>	<b><u>22</u></b>
<b>Basic and diluted earnings per share for profit attributable to owners of the Company (HK cents)</b>	7	<b><u>0.0</u></b>	<b><u>0.0</u></b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the three months ended 31 March 2018*

	<b>Three months ended 31 March</b>	
	<b>2018</b>	<b>2017</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>68</b>	<b>22</b>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	<u>1,921</u>	<u>339</u>
	<u>1,921</u>	<u>339</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b><u>1,989</u></b>	<b><u>361</u></b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Share Premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>As at 1 January 2017 (audited)</b>	–	–	(2,576)	5,314	33,776	36,514
<b>Comprehensive income</b>						
Profit for the period	–	–	–	–	22	22
<b>Other comprehensive income</b>						
Currency translation differences	–	–	339	–	–	339
<b>Total comprehensive income</b>	–	–	339	–	22	361
<b>As at 31 March 2017 (unaudited)</b>	–	–	(2,237)	5,314	33,798	36,875
<b>As at 1 January 2018 (audited)</b>	4,000	41,901	202	5,314	29,166	80,583
<b>Comprehensive income</b>						
Profit for the period	–	–	–	–	68	68
<b>Other comprehensive income</b>						
Currency translation differences	–	–	1,921	–	–	1,921
<b>Total comprehensive income</b>	–	–	1,921	–	68	1,989
<b>As at 31 March 2018 (unaudited)</b>	4,000	41,901	2,123	5,314	29,234	82,572

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 General information, reorganisation and basis of presentation

### 1.1 General information

The Company was incorporated in the Cayman Islands on 23 February 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Estera Trust (Cayman) Limited, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of visual, lighting and audio solution services in Hong Kong, the PRC and Macau (the "**Business**"). The ultimate holding company of the Company is Jumbo Fame Company Limited ("**Jumbo Fame**") incorporated in the British Virgin Island ("**BVI**"). The ultimate controlling party of the Group is Mr. Wong Man Por ("**Mr. MP Wong**").

The shares of the Company (the "**Shares**") were listed (the "**Listing**") on the GEM of the Stock Exchange by way of placing and public offer (collectively, the "**Share Offer**") on 21 December 2017 (the "**Listing Date**").

These unaudited condensed consolidated financial statements are presented in HK dollars ("**HK\$**") and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

### 1.2 Reorganisation

For the purpose of the Listing, the Group underwent a reorganisation (the "**Reorganisation**"), pursuant to which the companies engaged in the Business were transferred to the Company. The Reorganisation involved the followings:

- (a) On 23 February 2017, the Company was incorporated in Cayman Islands and is ultimately controlled by Mr. MP Wong.
- (b) On 24 February 2017, AV Promotions (BVI) Limited, AVP (BVI) Limited and AVP (Macau) Investment Limited were incorporated in the BVI with their ordinary shares allotted and issued to the Company.
- (c) On 7 April 2017, AV Promotions (BVI) Limited acquired the entire issued share capital of AV Promotions Limited at a consideration of HK\$4,862,081 from Mr. MP Wong and Ms. Kong Suet Yan (the Spouse of Mr. MP Wong) ("**Mrs. Wong**") (holding on trust for Mr. MP Wong), its then shareholders. The consideration was satisfied by the allotment and issue of 99 new shares in AV Promotions (BVI) Limited credited as fully paid to the Company.
- (d) On 10 April 2017, AVP (BVI) Limited and AVP (Macau) Investment Limited acquired the entire issued share capital of AVP (Macao) Limited at a cash consideration of MOP300,000 in aggregate from Mr. MP Wong and Mr. Wong Chi Bor ("**Mr. CB Wong**") (as a representative party and registered owner for the benefit of Mr. MP Wong), the brother of Mr. MP Wong, its then shareholders.

### 1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Business is mainly conducted through AVP Macao Limited, AV Promotions Limited and its subsidiaries (collectively referred as to the “**Operating Companies**”). Pursuant to the Reorganisation, the Business was transferred to and held by the Company. The Company and newly incorporated subsidiaries have not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Business with no change in controlling shareholder and management. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Business conducted through the Operating Companies and the consolidated financial statements have been prepared and presented as a continuation of the consolidated financial statements of the Operating Companies, with the results, assets and liabilities recognised and measured at the carrying amounts of the Business under the consolidated financial statements for all periods presented.

Inter-company transactions, balances and unrealised gains/losses on transactions between companies now comprising the Group are eliminated on combination.

## 2 Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) under the historical cost convention.

The preparation of unaudited consolidated results in conformity with HKFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In the current period, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended 31 December 2017, as described in those consolidated financial statements except that the Group has adopted all the new and revised HKFRSs issued that are relevant to its operations and effective for its accounting period beginning on 1 January 2018. The application of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of these new standard(s), amendments and interpretation(s) will have no material impact on the unaudited condensed consolidated financial statements.

## 3 Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met. Revenue from the provision of visual, lighting and audio solution services is recognised when the services have been rendered.

Revenue represents the net invoiced value of services rendered, after allowances for trade discounts. The Group’s revenue recognised during each of the three months ended 31 March 2018 and 2017 are as follows:

	<b>Three months ended 31 March</b>	
	<b>2018</b>	<b>2017</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from services	<b>34,677</b>	<b>31,463</b>

#### 4 Expenses by nature

	Three months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Material cost of consumables	1,298	1,197
Freight expenses	1,045	718
Equipment rental cost	9,265	7,448
Travel expenses	985	878
Depreciation of property, plant and equipment	2,948	3,351
Operating lease payments	1,250	1,292
Employee benefit expenses	13,917	13,155
Entertainment expenses	456	571
Motor vehicle expenses	203	154
Other expenses	2,039	1,815
	<u>33,406</u>	<u>30,579</u>
Total cost of sales, selling expenses and administrative expenses	<u><u>33,406</u></u>	<u><u>30,579</u></u>

#### 5 Income tax

The amount of taxation charged to the unaudited condensed consolidated income statement represents:

	Three months ended 31 March	
	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)
Current income tax		
– Hong Kong	–	–
– The PRC & Macau	(8)	(63)
	<u>(8)</u>	<u>(63)</u>
Deferred income tax	60	76
	<u>60</u>	<u>76</u>
Income tax credit	52	13
	<u><u>52</u></u>	<u><u>13</u></u>

Hong Kong, the PRC and Macau profits/income tax has been provided at the rate of 16.5%, 25% and 12% respectively, on the estimated assessable profits for each of the three months ended 31 March 2018 and 2017.

#### 6 Dividend

The Directors do not recommend the payment of dividend for the three months ended 31 March 2018 (three months ended 31 March 2017: Nil).



## 7 Basic and diluted earnings per share

### (a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective years. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Reorganisation completed on 10 April 2017 and the 299,999,000 shares by way of capitalisation were deemed to have been in issue since 1 January 2017.

	Three months ended 31 March	
	2018 (Unaudited)	2017 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	68	22
Weighted average number of shares in issue (thousands shares)	<u>400,000</u>	<u>300,000</u>
Basic earnings per share (HK cents)	<u><u>0.0</u></u>	<u><u>0.0</u></u>

### (b) Diluted

Diluted earnings per share presented is the same as the basic earnings per share as there were no potentially dilutive ordinary share outstanding as at 31 March 2018 and 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the provision of visual, lighting and audio solution services in Hong Kong, the PRC and Macau. The Group derived its revenue from provision of the aforesaid services to exhibition, ceremony, conference, concert, TV show, product launch and other types of event.

During the three months ended 31 March 2018, we participated in visual, lighting and audio projects including but not limited to (i) various large scale auto shows in the PRC; (ii) luxury brand product launch; (iii) opening ceremony of new broadcast media in Hong Kong; (iv) Hong Kong International Film & TV Market; (v) Asian Financial Forum; and (vi) beauty contest.

The Shares were successfully listed on the GEM of the Stock Exchange by way of placing and Share Offer on 21 December 2017, which marked a significant milestone for the Group. The net proceeds raised from the Listing of approximately HK\$27.6 million will help the Group to implement its business plan, which includes (i) acquisition of advanced visual, lighting and audio equipment; (ii) setting up a new studio in Shanghai and; (iii) improving operating efficiency – development of a new backdrop construction team and hiring technicians. The Group believes that the successful implementation of the above business plan will help the Group to strengthen its position as one of the leading visual, lighting and audio solution provider in Hong Kong, the PRC and Macau and create long-term Shareholders' value.

The above business plan laid a solid foundation for the achievement and the growth of the Group. The Board will also proactively seek potential business opportunities so as to broaden the sources of income of the Group and enhance value to the shareholders of the Company (the “Shareholders”).

### FINANCIAL REVIEW

#### Revenue

The Group generates revenue from the provision of one-stop visual, lighting and audio solutions to its customers in various events, including exhibition, ceremony, conference, concert, TV show, product launch and others.

The Group's revenue increased from approximately HK\$31.5 million for the three months ended 31 March 2017 to approximately HK\$34.7 million for the three months ended 31 March 2018, representing an increase of approximately 10.2%.

## Revenue analysis by geographical location

The following table sets out the revenue of the Group by geographical location during the three months ended 31 March 2018 with comparative figures for the three months ended 31 March 2017.

	Three months ended 31 March			
	2018		2017	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)		(Unaudited)	
The PRC	15,223	43.9	14,744	46.9
Hong Kong	16,052	46.3	12,772	40.6
Macau	3,402	9.8	3,947	12.5
Total	<u>34,677</u>	<u>100.0</u>	<u>31,463</u>	<u>100.0</u>

During the three months ended 31 March 2018, the Group has increased number of projects in Hong Kong. Therefore, the Group had a higher revenue in Hong Kong as compared with the period ended 31 March 2017.

## Cost of sales

Cost of sales mainly comprised of equipment rental cost, depreciation of visual and display equipment, employee benefit expenses paid to front line on-site technical staff, material cost of consumables and freight expenses of equipment delivery. The Group's cost of sales increased by approximately 6.3% from approximately HK\$24.0 million for the three months ended 31 March 2017 to approximately HK\$25.5 million for the three months ended 31 March 2018, which is primarily due to increased number of projects and the increase of revenue of approximately HK\$3.2 million as compared to the three months ended 31 March 2017.

## Gross profit

Gross profit of the Group for the three months ended 31 March 2018 amounted to approximately HK\$9.2 million (2017: HK\$7.5 million), representing gross profit margin of approximately 26.5% (2017: 23.9%). The increase in gross profit is primarily due to the increase of revenue of approximately HK\$3.2 million as compared to the three months ended 31 March 2017.

## Selling expenses

Selling expenses mainly comprised of staff cost and travel expense of sales and marketing department and entertainment expense in association with business solicitation. The Group's selling expenses increased by approximately 22.2% from approximately HK\$0.9 million for the three months ended 31 March 2017 to approximately HK\$1.1 million for the three months ended 31 March 2018, which is primarily due to the increase in sales staff cost at approximately HK\$0.2 million.

## **Administrative expenses**

The administrative expenses of the Group mainly include administrative staff costs, rent and rate and other sundry expenses. The Group's administrative expenses increased by approximately 21.1% from approximately HK\$5.7 million for the three months ended 31 March 2017 to approximately HK\$6.9 million for the three months ended 31 March 2018, primarily due to the increase in administrative staff cost at approximately HK1.0 million.

## **Finance expenses – net**

The finance expenses – net of the Group mainly consist of interests on bank borrowings which were wholly repayable within five years, interest expenses on obligations under finance leases and interest income from daily bank balance and deposit. The Group's finance expenses – net increased by approximately 20.0% from approximately HK\$1.0 million for the three months ended 31 March 2017 to approximately HK\$1.2 million for the three months ended 31 March 2018 which was mainly due to the new borrowings from banks obtained during the year ended 31 December 2017.

## **Income tax expenses**

The Group is subject to income tax on an enterprise basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. During the three months ended 31 March 2018 and 2017, major PRC subsidiaries of the Company were subject to an Enterprise Income Tax rate of 25.0%. The Hong Kong subsidiary of the Company was subject to Hong Kong profit tax at the rate of 16.5% on the estimated assessable profits during the three months ended 31 March 2018 and 2017.

## **Profit for the period**

As a result of the foregoing, the Group's profit was approximately HK\$68,000 for the three months ended 31 March 2018 (three months ended 31 March 2017: approximately HK\$22,000). There was no significant change in the amount of profit for the period.

## **Contingent Liabilities**

As at 31 March 2018 and 2017, the Group did not have any significant contingent liabilities.

## **Exposure to Fluctuations in Exchange Rates**

The Group's revenue and costs are primarily denominated in Hong Kong dollars and Renminbi (“RMB”). The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## Use of Proceeds and Comparison of Business Objectives with Actual Business Progress

The net proceeds received by the Company from the Share Offer, after deducting underwriting commission and professional expenses in relation to the Share Offer, amounted to approximately HK\$27.6 million. The actual net proceeds from the Listing was different from the estimated net proceeds of approximately HK\$25.0 million as set out in the prospectus of the Company dated 8 December 2017 in relation to the Share Offer (the “**Prospectus**”) and approximately HK\$29.5 million as set out in the announcement of the Company in relation to the allotment result dated 20 December 2017 (the “**Allotment Result Announcement**”).

The Group adjusted the use of proceeds in the same manner and same proportion as set out in the Prospectus and the Allotment Result Announcement. An analysis of the utilization of the net proceeds from the Listing Date up to 31 March 2018 is set out below:

	<b>Net proceeds</b> <i>HK\$ million</i>	<b>Utilized amount from the Listing Date up to 31 March 2018</b> <i>HK\$ million</i>	<b>Unutilized amount as at 31 March 2018</b> <i>HK\$ million</i>
Acquisition of advanced visual, lighting and audio equipment (including equipment to be used in the new studio in Shanghai)	20.2	2.9	17.3
Setting up a new studio in Shanghai (excluding the cost of equipment purchase to display in the studio)	3.1	–	3.1
Improving operating efficiency – development of new backdrop construction team and hiring technicians	1.7	0.5	1.2
General working capital and other corporate use	2.6	0.9	1.7
	<u>27.6</u>	<u>4.3</u>	<u>23.3</u>

The Directors expect that the implementation plan of setting up a new studio in Shanghai will commence during the year ending 31 December 2018 as the Group is in the process to identify a suitable location for setting up the studio. The Directors intend to continue to apply the remaining net proceeds in accordance with the uses and in the proportions as stated in the Prospectus and the Allotment Result Announcement. The unused net proceeds have been placed as interest bearing deposits with licensed financial institutions in Hong Kong.

## **OTHER INFORMATION**

### **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

Save as disclosed in this announcement, at no time during the three months ended 31 March 2018 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its specified undertakings as defined in the Companies (Directors' Report) Regulation or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

The Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the Reporting Period.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither, the Company nor any of its subsidiaries redeemed, purchased or sold any of the Company's securities during the Reporting Period.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all of the Directors complied with such required standard of dealings and its code of conduct regarding directors' securities transactions during the Reporting Period.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this announcement, none of the Directors or an entity connected with any of them had any material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries, parent company or subsidiaries of the parent company was a party and subsisting at any time during or at the three months ended 31 March 2018.

As at 31 March 2018, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries.

## DISCLOSURE OF INTERESTS

### (a) Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations

As at the date of this announcement, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

#### (i) Interests in the Company

Name of Director	Capacity/Nature of Interest	Number of Shares (Note 1)	Percentage of shareholding
Mr. MP Wong (Notes 2 & 3)	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	300,000,000 (L)	75%

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. The 300,000,000 Shares are held by Mega King, a company wholly-owned by Jumbo Fame, which is in turn held by Trident Trust Company (HK) Limited (“**Trustee**”) acting as the trustee of The WMPE Family 2017 Trust. The WMPE Family 2017 Trust is an irrevocable discretionary trust set up by Mr. MP Wong as settlor and appointer and by the Trustee as the trustee on 10 April 2017. The beneficiaries of The WMPE Family 2017 Trust are Mr. MP Wong, Mrs. Wong, Mr. Wong Hin Hang (the son of Mr. MP Wong and Mrs. Wong), Ms. Wong Hin Fei (the daughter of Mr. MP Wong and Mrs. Wong), and such person as may be appointed as additional member or members of the class of eligible beneficiaries pursuant to a trust deed dated 10 April 2017 entered into by Mr. MP Wong as the settlor and the appointer and by the Trustee as the trustee (“**Trust Deed**”). Mr. MP Wong as settlor, appointer and a beneficiary of The WMPE Family 2017 Trust is deemed or taken to be interested in the 300,000,000 Shares held by Mega King.
  
3. Mr. MP Wong is the founder of the Group, an executive Director and the chairman of the Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King and the 300,000,000 Shares beneficially owned by Mega King.

**(ii) Long position in the shares of associated corporations**

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of Shares <i>(Note 1)</i>	Percentage of shareholding
Mr. MP Wong <i>(Note 1)</i>	Mega King	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	1	100%
Mr. MP Wong <i>(Note 1)</i>	Jumbo Fame	Founder and beneficiary of a discretionary trust	100	100%

*Note:*

1. Mr. MP Wong is the founder of the Group, an executive Director and the chairman of the Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King. Mr. MP Wong as settlor, appointer and a beneficiary of The WMPE Family 2017 Trust is deemed or taken to be interested in the entire issued shares of Jumbo Fame. Mr. MP Wong is also one of the directors of Jumbo Fame.

Save as disclosed above, as at the date of this announcement, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.



**(b) Interests and short positions of the substantial shareholders and other persons in the shares and underlying shares of the Company**

As at the date of this announcement, so far as it is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests or short positions in Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

<b>Name of shareholder</b>	<b>Capacity/Nature of Interest</b>	<b>Number of Shares held/ Interested</b> <i>(Note 1)</i>	<b>Percentage of shareholding</b>
Mega King <i>(Note 2)</i>	Beneficial owner	300,000,000 (L)	75%
Jumbo Fame <i>(Note 2)</i>	Interest of controlled corporation	300,000,000 (L)	75%
Trustee <i>(Note 2)</i>	Trustee	300,000,000 (L)	75%
Mrs. Wong <i>(Note 3)</i>	Interest of spouse	300,000,000 (L)	75%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares.
2. The 300,000,000 Shares are held by Mega King, a company wholly-owned by Jumbo Fame, which is in turn held by the Trustee acting as the trustee of The WMPE Family 2017 Trust. The WMPE Family 2017 Trust is an irrevocable discretionary trust set up by Mr. MP Wong as settlor and appointer and by the Trustee as the trustee on 10 April 2017. The beneficiaries of The WMPE Family 2017 Trust are Mr. MP Wong, Mrs. Wong, Mr. Wong Hin Hang (the son of Mr. MP Wong and Mrs. Wong), Ms. Wong Hin Fei (the daughter of Mr. MP Wong and Mrs. Wong), and such person as may be appointed as additional member or members of the class of eligible beneficiaries pursuant to the trust deed. By virtue of the SFO, each of Jumbo Fame and the Trustee is deemed to be interested in all the Shares held by Mega King.
3. Mrs. Wong is the spouse of Mr. MP Wong and is deemed or taken to be interested in all the Shares held by Mega King for the purpose of the SFO.

Save as disclosed above, as at the date of this announcement, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **Corporate Governance Practice**

The Board is responsible for performing the corporate governance duties in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 15 of the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance, training and continuous professional development of Directors, and reviewing the Company’s compliance with the principle and applicable code provision in the CG Code and disclosures in this announcement.

During the Reporting Period, the Company has complied, to the extent applicable and permissible with the principles and applicable code provisions of the CG Code.

## **Communication with shareholders and investor relations**

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (<http://www.avpromotions.com>) has provided an effective communication platform to the public and the shareholders.

## **Share option scheme**

The Company has adopted a share option scheme on 1 December 2017 (the “**Share Option Scheme**”). The principal terms of the Share Option Scheme are summarised in Appendix IV to the Prospectus and are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 March 2018.

## **Dividend**

The Directors do not recommend payment of dividend for the three months ended 31 March 2018.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As at 31 March 2018, neither Halcyon Capital Limited, the compliance adviser of the Company, nor any of its directors, employees or close associates had any interests in the securities of the Company or any other companies in the Group (including option or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

### **Audit Committee**

The Company established the Audit Committee on 1 December 2017 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chow Chun To, Mr. Chen Yeung Tak and Mr. Cheung Wai Lun Jacky. Mr. Chow Chun To is the chairman of the Audit Committee.

The unaudited condensed consolidated financial information of the Group for the three months ended 31 March 2018 have not been audited or reviewed by the Company's auditor, PricewaterhouseCoopers, but have been reviewed by the Audit Committee, which is of the opinion that the first quarterly financial information comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board  
**AV Promotions Holdings Limited**  
**Wong Man Por**  
*Chairman*

Hong Kong, 10 May 2018

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wong Man Por, Mr. Wong Hon Po, Mr. Wong Chi Bor and Ms. Fu Bun Bun and four independent non-executive Directors, namely, Mr. Chow Chun To, Mr. Chen Yeung Tak, Mr. Cheung Wai Lun Jacky and Mr. Chan Wing Kee.*