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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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

**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 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 companies, 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.**

*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 respects 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 revenue of the Group was approximately HK\$98.1 million for the six months ended 30 June 2019 representing an increase of approximately 5.3% as compared with that for the corresponding period in 2018.
- Profit attributable to owners of the Company amounted to approximately HK\$4.2 million for the six months ended 30 June 2019 representing an increase of approximately 93.1% as compared with that for the corresponding period in 2018.
- The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

The Board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the three and six months ended 30 June 2019 together with the unaudited comparative figures for the corresponding period in 2018, as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and six months ended 30 June 2019

	Notes	Three months ended 30 June		Six months ended 30 June	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	70,027	58,538	98,136	93,215
Cost of services	4	(49,488)	(44,533)	(69,255)	(70,008)
<b>Gross profit</b>		<b>20,539</b>	14,005	<b>28,881</b>	23,207
Other gains/(losses), net		506	(246)	481	(262)
Selling expenses	4	(1,690)	(1,478)	(2,620)	(2,533)
Administrative expenses	4	(12,308)	(7,586)	(17,354)	(14,462)
<b>Operating profit</b>		<b>7,047</b>	4,695	<b>9,388</b>	5,950
Finance income	6	11	71	26	139
Finance expenses	6	(1,188)	(1,360)	(2,390)	(2,667)
Finance expenses – net		(1,177)	(1,289)	(2,364)	(2,528)
<b>Profit before income tax</b>		<b>5,870</b>	3,406	<b>7,024</b>	3,422
Income tax expenses	7	(1,744)	(1,318)	(2,861)	(1,266)
<b>Profit for the period attributable to owners of the Company</b>		<b>4,126</b>	2,088	<b>4,163</b>	2,156
<b>Basic and diluted earnings per share for profit attributable to owners of the Company (HK cents)</b>	9	<b>1.03</b>	0.52	<b>1.04</b>	0.54

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the three and six months ended 30 June 2019*

	<b>Three months</b>		<b>Six months</b>	
	<b>ended 30 June</b>		<b>ended 30 June</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>4,126</b>	2,088	<b>4,163</b>	2,156
<b>Other comprehensive loss:</b>				
<i>Item that may be reclassified to profit or loss</i>				
Currency translation differences	<u><b>(1,011)</b></u>	<u>(2,747)</u>	<u><b>(1,392)</b></u>	<u>(826)</u>
<b>Total comprehensive income/(loss)</b>				
<b>for the period attributable to owners of</b>				
<b>the Company</b>	<u><b>3,115</b></u>	<u>(659)</u>	<u><b>2,771</b></u>	<u>1,330</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	92,549	94,020
Right-of-use assets		12,510	–
Prepayments and deposits	11	1,473	1,475
Pledged time deposits		44,000	44,000
		<u>150,532</u>	<u>139,495</u>
<b>Current assets</b>			
Trade receivables	11	66,274	68,978
Contract assets		–	584
Prepayments, deposits and other receivables	11	20,093	8,247
Cash and cash equivalents		14,878	19,325
		<u>101,245</u>	<u>97,134</u>
<b>Total assets</b>		<u><b>251,777</b></u>	<u><b>236,629</b></u>
<b>EQUITY</b>			
Share capital	12	4,000	4,000
Share premium		41,901	41,901
Exchange reserve		(3,510)	(2,118)
Other reserves		5,314	5,314
Retained earnings		54,974	50,811
<b>Capital and reserves attributable to owner of the Company</b>		<u><b>102,679</b></u>	<u><b>99,908</b></u>
Non-controlling interests		<u><b>(8)</b></u>	<u><b>(8)</b></u>
<b>Total equity</b>		<u><b>102,671</b></u>	<u><b>99,900</b></u>

		As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities		10,217	10,408
Lease liabilities		7,855	–
Borrowings	14	49,253	47,419
		<u>67,325</u>	<u>57,827</u>
<b>Current liabilities</b>			
Trade and bills payables	13	42,727	51,209
Accruals and other payables	13	10,787	7,779
Lease liabilities		4,810	–
Borrowings	14	17,337	11,449
Deferred income tax liabilities		1,593	1,619
Current income tax liabilities		4,527	6,846
		<u>81,781</u>	<u>78,902</u>
<b>Total liabilities</b>		<u>149,106</u>	<u>136,729</u>
<b>Total equity and liabilities</b>		<u>251,777</u>	<u>236,629</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 June 2019*

	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 <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
<b>As at 1 January 2018 (Audited)</b>	4,000	41,901	202	5,314	29,166	80,583	–	80,583
<b>Comprehensive income</b>								
Profit for the period	–	–	–	–	2,156	2,156	–	2,156
<b>Other comprehensive loss</b>								
Currency translation differences	–	–	(826)	–	–	(826)	–	(826)
<b>Total comprehensive (loss)/income</b>	–	–	(826)	–	2,156	1,330	–	1,330
<b>As at 30 June 2018 (Unaudited)</b>	<u>4,000</u>	<u>41,901</u>	<u>(624)</u>	<u>5,314</u>	<u>31,322</u>	<u>81,913</u>	<u>–</u>	<u>81,913</u>
<b>As at 1 January 2019 (Audited)</b>	<u>4,000</u>	<u>41,901</u>	<u>(2,118)</u>	<u>5,314</u>	<u>50,811</u>	<u>99,908</u>	<u>(8)</u>	<u>99,900</u>
<b>Comprehensive income</b>								
Profit for the period	–	–	–	–	4,163	4,163	–	4,163
<b>Other comprehensive loss</b>								
Currency translation differences	–	–	(1,392)	–	–	(1,392)	–	(1,392)
<b>Total comprehensive (loss)/income</b>	–	–	(1,392)	–	4,163	2,771	–	2,771
<b>As at 30 June 2019 (Unaudited)</b>	<u>4,000</u>	<u>41,901</u>	<u>(3,510)</u>	<u>5,314</u>	<u>54,974</u>	<u>102,679</u>	<u>(8)</u>	<u>102,671</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2019*

	<b>Six months ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operation	5,077	(23,288)
Income tax paid	(5,015)	(1,360)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	62	(24,648)
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(5,978)	(10,402)
Decrease in pledged bank deposits	–	3,884
Bank interest income	26	139
	<hr/>	<hr/>
Net cash used in investing activities	(5,952)	(6,379)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	14,000	30,000
Repayments of borrowings	(6,223)	(54,543)
Repayments of finance lease	(56)	(112)
Payments of loan interest	(2,033)	(2,666)
Lease payments (including interest paid for lease liabilities)	(2,697)	–
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	2,991	(27,321)
<b>Net decrease in cash and cash equivalents</b>	<b>(2,899)</b>	<b>(58,348)</b>
Cash and cash equivalents at beginning of period	19,325	118,023
Exchange losses on cash and cash equivalents	(1,548)	(198)
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of period</b>	<b>14,878</b>	<b>59,477</b>
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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 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 People Republic of China (“**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 have been listed on the GEM of the Stock Exchange Hong Kong Limited since 21 December 2017.

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

## 2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

### (a) Basis of preparation

The unaudited condensed consolidated interim financial report for the half-year reporting period ended 30 June 2019 has been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the GEM Listing Rules.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this announcement is to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by the Company during the interim reporting period.

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

The unaudited condensed consolidated interim financial information has been prepared in consistent with those principal accounting policies followed in the Annual Report 2018 except the adoption of the following new/ revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations which are effective for accounting periods commencing on or after 1 January 2019.

The unaudited condensed consolidated interim financial statement, have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

**(b) New and amended standards adopted by the Group**

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current period:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycles

Except as described below, the application of the new and amendments to HKFRSs in the current period had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

***HKFRS 16 Leases***

HKFRS 16 is effective for annual periods beginning on or after January 1, 2019. On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate. Lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payments that are based on an index or a rate.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed consolidated statement of financial position.

Each lease payment is allocated between the principal repayment of lease liability and finance cost. The finance cost is charged to the condensed consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The Group has transitioned to HKFRS 16 in accordance with the modified retrospective approach and, therefore, the information presented for 2018 has not been restated. After reviewing the leases, there is no change on the opening balance of retained earnings and equity at the date of initial application of HKFRS 16.

(c) **New standards and interpretations not yet adopted by the Group**

		<b>Effective for annual periods beginning on or after</b>
HKAS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
HKFRS 3 (Amendments)	Definition of a Business	<i>Note</i>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 17	Insurance Contracts	21 January 2021

*Note:* Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

**3. REVENUE AND SEGMENT INFORMATION**

**(a) Revenue**

Revenue from the provision of visual, lighting and audio solution services is recognised at the point over time when the services have been rendered. 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 and is analysed as follows:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>HK\$'000</b>	<i>HK\$'000</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)
Revenue from services	<b><u>70,027</u></b>	<u>58,538</u>	<b><u>98,136</u></b>	<u>93,215</u>

**(b) Segment information**

The board of directors has been identified as the chief operating decision makers.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The Group provides visual, lighting and audio solution services. The resources are allocated based on what is most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

The Group's chief operating decision makers consider that the performance assessment of the Group should be based on the profit before income tax of the Group as a whole. Accordingly, the management considers there is only one operating segment.

Revenue based on the geographic location that the Group derives revenue from customers as follows:

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)
Hong Kong	15,612	24,797	30,616	40,020
The PRC	52,591	30,495	61,307	46,547
Macau	1,824	3,246	6,213	6,648
	<u>70,027</u>	<u>58,538</u>	<u>98,136</u>	<u>93,215</u>

The non-current assets are allocated based on the physical location of the assets as below:

	As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
	Hong Kong	136,887
The PRC	10,081	2,088
Macau	3,564	3,852
<b>Total non-current assets</b>	<u>150,532</u>	<u>139,495</u>

#### 4. EXPENSES BY NATURE

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)
Material cost of consumables	6,457	3,056	7,175	4,354
Freight expenses	1,403	1,566	2,805	2,611
Equipment rental cost	20,036	21,039	26,497	30,304
Travel expenses	3,029	2,373	3,836	3,358
Depreciation of property, plant and equipment	3,021	3,851	7,302	6,799
Depreciation of right-of-use assets	1,240	–	2,494	–
Auditors' remuneration	313	612	625	612
Operating lease payments which are not included in leases liabilities	853	1,566	1,550	2,816
Employee benefit expenses	24,338	17,537	32,928	31,454
Entertainment expenses	113	53	603	509
Motor vehicle expenses	230	50	334	253
Other expenses	2,453	1,894	3,080	3,933
Total cost of services, selling expenses and administrative expenses	<u>63,486</u>	<u>53,597</u>	<u>89,229</u>	<u>87,003</u>

## 5. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)
Wages, salaries and bonus	21,125	15,335	29,057	27,482
Pension costs	1,827	1,658	2,159	2,990
Other staff welfare and benefit	1,386	544	1,712	982
	<u>24,338</u>	<u>17,537</u>	<u>32,928</u>	<u>31,454</u>

## 6. FINANCE EXPENSES – NET

	Three months ended 30 June		Six months ended 30 June	
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)
Interest income				
– Bank interest income	<u>11</u>	<u>71</u>	<u>26</u>	<u>139</u>
Finance income	<u>11</u>	<u>71</u>	<u>26</u>	<u>139</u>
Interest expenses				
– Lease liabilities	(170)	–	(357)	–
– Finance lease	(1)	(2)	(2)	(5)
– Borrowings	<u>(1,017)</u>	<u>(1,358)</u>	<u>(2,031)</u>	<u>(2,662)</u>
Finance expenses	<u>(1,188)</u>	<u>(1,360)</u>	<u>(2,390)</u>	<u>(2,667)</u>
Finance expenses – net	<u>(1,177)</u>	<u>(1,289)</u>	<u>(2,364)</u>	<u>(2,528)</u>

## 7. INCOME TAX EXPENSES

Pursuant to the enactment of two-tiered profit tax rates issued by the Inland Revenue Department (“IRD”) of Hong Kong from the year of assessment 2018/19 onwards, the Group’s first HK\$2 million of assessable profits under Hong Kong profits tax for the three and six months ended 31 March 2019 is subject to a tax rate of 8.25%, while the remaining assessable profits are subject to a tax rate of 16.5%. Hong Kong profits tax had been provided for at the rate of 16.5% on the estimated assessable profits for the three and six months ended 30 June 2018.

PRC Enterprise Income Tax has been provided at the rate of 25% on the estimated assessable profits for the three and six months ended 30 June 2019 and 2018.

Macau complementary tax has been provided at the rate of 12% on the estimated assessable income exceeding MOP600,000 for the three and six months ended 30 June 2019 and 2018.

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

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax				
– The PRC & Macau	<u>1,709</u>	<u>891</u>	<u>2,690</u>	<u>899</u>
Deferred income tax	<u>35</u>	<u>427</u>	<u>171</u>	<u>367</u>
Income tax expenses	<u><u>1,744</u></u>	<u><u>1,318</u></u>	<u><u>2,861</u></u>	<u><u>1,266</u></u>

## 8. DIVIDEND

The Board does not recommend the payment of any dividend for the three and six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

## 9. 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, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the respective periods.

	Three months ended 30 June		Six months ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	4,126	2,088	4,163	2,156
Weighted average number of shares in issue (thousands shares)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Basic earnings per share (HK cents)	<u><u>1.03</u></u>	<u><u>0.52</u></u>	<u><u>1.04</u></u>	<u><u>0.54</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 30 June 2019 and 2018.

## 10. PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment is analysed as follows:

	<i>HK\$'000</i>
At 1 January 2019 (Audited)	94,020
Additions	5,978
Depreciation	(7,302)
Currency translation differences	<u>(147)</u>
At 30 June 2019 (Unaudited)	<u><u>92,549</u></u>

## 11. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
Trade receivables	66,274	68,978
Less: loss allowance	—	—
	<u>66,274</u>	<u>68,978</u>
Trade receivables, net of provision	66,274	68,978
Rental deposits	802	802
Other deposits	51	51
Prepayments	13,023	8,857
Other receivables	7,690	12
	<u>21,566</u>	<u>9,722</u>
Less: Non-current portion	(1,473)	(1,475)
	<u>20,093</u>	<u>8,247</u>
	<u><u>86,367</u></u>	<u><u>77,225</u></u>

The Group's trade receivables are with credit terms ranging from 0-90 days. The ageing analysis of trade receivables, net of provision, based on invoice date, is as follows:

	As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
Current	22,075	30,494
0 to 3 months	35,484	28,696
3 to 6 months	4,028	6,754
Over 6 months	4,687	3,034
	<u>66,274</u>	<u>68,978</u>
	<u><u>66,274</u></u>	<u><u>68,978</u></u>



## 12. SHARE CAPITAL

Authorised ordinary shares:

	Number of shares	Nominal value of ordinary shares <i>HK\$'000</i>
HK\$0.01 each as at 31 December 2018 (Audited) and 30 June 2019 (Unaudited)	2,000,000,000	20,000

Ordinary shares, issued and fully paid:

	Number of shares	Nominal value of ordinary shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>
HK\$0.01 each as at 31 December 2018 (Audited) and 30 June 2019 (Unaudited)	400,000,000	4,000	41,901

## 13. TRADE AND BILLS PAYABLES, ACCRUALS AND OTHER PAYABLES

	As at 30 June 2019 <i>HK\$'000</i> (Unaudited)	As at 31 December 2018 <i>HK\$'000</i> (Audited)
Trade and bills payables ( <i>note (a)</i> )	42,727	51,209
Accrual expenses	10,227	6,399
Contract liabilities	–	740
Other payables	560	640
Accruals and other payables	10,787	7,779
Total	53,514	58,988

(a) The ageing analysis of trade and bills payables based on the invoice date is as follows:

	As at 30 June 2019 HK\$'000 (Unaudited)	As at 31 December 2018 HK\$'000 (Audited)
0 to 3 months	35,437	46,187
3 to 6 months	627	1,895
Over 6 months	6,663	3,127
	<u>42,727</u>	<u>51,209</u>

14. BORROWINGS

	As at 30 June 2019 HK\$'000 (Unaudited)	As at 31 December 2018 HK\$'000 (Audited)
<b>Current</b>		
Finance lease liabilities	37	149
Bank borrowings (note (a))	17,300	11,300
	<u>17,337</u>	<u>11,449</u>
<b>Non-current</b>		
Bank borrowings (note (a))	11,253	9,419
Loan from a third party (note (b))	38,000	38,000
	<u>49,253</u>	<u>47,419</u>
Total	<u>66,590</u>	<u>58,868</u>

(a) Bank borrowings

As at 30 June 2019, bank borrowings were denominated in HK\$ and secured by a pledged time deposit of HK\$44,000,000 and the Company's corporate guarantee. This bank borrowing carried floating rate at HIBOR plus a margin per annum. The weighted effective interest rate on these bank borrowing was 2.4% per annum (2018: 4.0% per annum).

The exposure of these bank borrowings to interest rate changes and the contractual repricing dates are six months or less.

The Group's bank borrowings were repayable as follows:

	<b>As at 30 June 2019 HK\$'000 (Unaudited)</b>	As at 31 December 2018 HK\$'000 (Audited)
On demand or within a period not exceeding one year	<b>17,300</b>	11,300
Between one to two years	<b>11,253</b>	9,419
	<b>28,553</b>	20,719

The Group's bank borrowings were repayable, without taking into account of the repayable on demand clause or certain bank borrowing, as follows:

	<b>As at 30 June 2019 HK\$'000 (Unaudited)</b>	As at 31 December 2018 HK\$'000 (Audited)
Within one year	<b>17,300</b>	11,300
Between one to two years	<b>11,253</b>	9,419
	<b>28,553</b>	20,719

**(b) Loan from a third party**

In 2018, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with an independent third party with a principal of HK\$38,000,000, which is unsecured, bears fixed interest rate of 5% per annum and is fully repayable on 27 December 2023.

## 15. COMMITMENTS

The Group leases its premises under non-cancellable operating lease agreements. The lease terms range from two to five years.

The future aggregate minimum lease payments under non-cancellable operating leases of the Group are as follows:

	<b>As at 30 June 2019 HK\$'000 (Unaudited)</b>	As at 31 December 2018 HK\$'000 (Audited)
Operating lease of premises:		
No later than 1 year	3,866	3,625
Later than 1 year and no later than 5 year	<u>11,245</u>	<u>13,566</u>
	<u><b>15,111</b></u>	<u><b>17,191</b></u>

The Group did not have material capital commitment as at 30 June 2019 and 31 December 2018 for purchase of property, plant and equipments.

## 16. RELATED PARTY TRANSACTIONS

- (a) **The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the six months ended 30 June 2019 and 2018:**

Name of the related party	Relationship with the Group
Mr. MP Wong	Executive director and the ultimate controlling shareholder of the Company
Mrs. Wong	Spouse of Mr. MP Wong
WK Equipment Limited	Controlled by Mr. MP Wong

- (b) **Key management compensation**

Key management include executive directors and management of the Group. The compensation paid or payable to key management for employee services is amounted to approximately HK\$2,308,000 (approximately 2018: HK\$1,928,000) and approximately HK\$3,919,000 (approximately 2018: HK\$3,820,000) for the three and six months ended 30 June 2019 respectively.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the first half of 2019, global economic growth and international trade growth slowed down, and China's economic operation also faced downward pressure, but the level of economic growth remained within a reasonable range, continuing an overall stable, steady and progressive development trend.

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 events.

During the six months ended 30 June 2019, 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 Group will continue to strengthen the management's governance and open up more opportunities for our expansion, ultimately benefiting the shareholders with generous returns. To increase competitive edge of the Group over its competitors and to control the Group's overall costs to a reasonable level, the Group will unite its efforts to carefully evaluate each project, and to strive for increase in returns. The Board will also proactively seek for potential business opportunities in other segments of the live events industry e.g. content distributors and production specialists, and to widen the geographical coverage of the Group so as to broaden the sources of income and enhance value to its shareholders.

### **FINANCIAL REVIEW**

#### **Revenue**

Our revenue increased from approximately HK\$93.2 million for the six months ended 30 June 2018 to approximately HK\$98.1 million for the six months ended 30 June 2019, representing an increase of approximately 5.3%. The increase in revenue is mainly due to the scale of the events held in Shanghai during the first half of 2019 being relatively larger than that held in Beijing during the corresponding period in 2018. Therefore the Group recorded a higher revenue in the PRC.

## Revenue analysis by geographical location

The following table sets out the revenue of the Group by geographical location during the three and six months ended 30 June 2019 with comparative figures for the corresponding period in 2018.

	Three months ended 30 June				Six months ended 30 June			
	2019 <i>HK\$'000</i> (Unaudited)	<i>% of the Group's total revenue</i>	2018 <i>HK\$'000</i> (Unaudited)	<i>% of the Group's total revenue</i>	2019 <i>HK\$'000</i> (Unaudited)	<i>% of the Group's total revenue</i>	2018 <i>HK\$'000</i> (Audited)	<i>% of the Group's total revenue</i>
The PRC	52,591	75.1	30,495	52.1	61,307	62.5	46,547	49.9
Hong Kong	15,612	22.3	24,797	42.4	30,616	31.2	40,020	42.9
Macau	1,824	2.6	3,246	5.5	6,213	6.3	6,648	7.2
	<u>70,027</u>	<u>100.0</u>	<u>58,538</u>	<u>100.0</u>	<u>98,136</u>	<u>100.0</u>	<u>93,215</u>	<u>100.0</u>

During the six months ended 30 June 2019, the Group recorded an increase in revenue mainly from the Group's major events were located in Shanghai in the first half of 2019 instead of Beijing for the corresponding period in 2018, in which the scale of the events held in Shanghai was relatively larger than that held in Beijing.

## Cost of services

Our cost of services 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 services slightly decreased by approximately 1.08% from approximately HK\$70.0 million for the six months ended 30 June 2018 to approximately HK\$69.3 million for the six months ended 30 June 2019, as the Group used its own equipment and therefore the equipment rental cost decreased during the first half of 2019.

## Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2019 amounted to approximately HK\$28.9 million (2018: HK\$23.2 million), representing gross profit margin of approximately 29.4% (2018: 24.9%). The increase in gross profit was caused by the increase in gross profit margin of the Group's equipment rental service due to a better combination of our services with higher profit margins.

## **Selling expenses**

Selling expenses mainly comprised of staff cost of our Group's sales and marketing department, entertainment expense in association with business solicitation, advertising expenses and travel expenses of our sales department. The Group's selling expenses increased by approximately 3.4% from approximately HK\$2.5 million for the six months ended 30 June 2018 to approximately HK\$2.6 million for the six months ended 30 June 2019. There is no significant change in selling expenses.

## **Administrative expenses**

The administrative expenses of the Group mainly included administrative staff costs, rent and rate and other sundry expenses. The Group's administrative expenses increased by approximately 20.0% from approximately HK\$14.5 million for the six months ended 30 June 2018 to approximately HK\$17.4 million for the six months ended 30 June 2019, primarily due to the increase in administrative staff cost of approximately HK\$2.3 million.

## **Finance expenses – net**

The net finance expenses of the Group mainly consisted of interests on bank borrowings (which were wholly repayable within two years), loan from a third party and finance leases and interest income from daily bank balance and deposit. The Group's net finance expenses decreased by approximately 6.5% from approximately HK\$2.5 million for the six months ended 30 June 2018 to approximately HK\$2.4 million for the six months ended 30 June 2019, which was mainly due to the decrease in the interest rate on the bank borrowings.

## **Income tax expenses**

The Group is subject to income tax on an enterprise basis, based on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated in.

For the six months ended 30 June 2019 and 2018, our income tax expenses were approximately HK\$2.9 million and HK\$1.3 million respectively.

The increase in income tax expenses is due to the increase in profit before taxation during first half of 2019.

## **Profit for the period**

The Group's profit attributable to owners of the Company was of approximately HK\$4.2 million for the six months ended 30 June 2019 as compared with profit of approximately HK\$2.2 million for the six months ended 30 June 2018, representing an increase of approximately 93.1% as compared to that for the corresponding period in 2018. The improvement was primarily due to (i) the increase in revenue volumes and average equipment rental prices and (ii) the increase in the overall gross profit margin of the Group's equipment rental service due to a better combination of our services with higher profit margins.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group finances its operations primarily through cash generated from operating activities and interest-bearing borrowings. As at 30 June 2019, the Group's current assets exceeded its current liabilities by approximately HK\$19.5 million (31 December 2018: HK\$18.2 million). Included in current liabilities were bank borrowings of approximately HK\$17.3 million (31 December 2018: HK\$11.3 million) which are due for repayment within one year.

As at 30 June 2019, the Group's current ratio was approximately 1.2 (31 December 2018: 1.2) and the Group's gearing ratio calculated based on the total debt at the end of the year divided by total equity at the end of the year was approximately 0.7 (31 December 2018: 0.6).

As at 30 June 2019, the total available banking facilities (including unutilised and utilised amount) of the Group was HK\$57.2 million (31 December 2018: HK\$48.8 million).

The bank borrowings were denominated in Hong Kong dollars, and secured by a pledged time deposit of HK\$44,000,000 and corporate guarantee provided by the Company. The bank borrowings carried floating rates at the Hong Kong Interbank Offered Rate plus a margin per annum. The weighted effective interest rate on these bank borrowings was 2.4% per annum (2018: 4.0% per annum).

On 27 December 2018, the Group entered into a loan agreement with an independent third party with a principal of HK\$38,000,000, charging at fixed interest rate of 5% per annum and was fully repayable on 27 December 2023. The proceeds of the loan has been used for general working capital of the Group.

## **CAPITAL STRUCTURE**

As at 30 June 2019, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$102.7 million (31 December 2018: approximately HK\$99.9 million), comprising issued share capital and reserves.



## **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. The Group had not engaged in any derivatives agreements nor any financial instrument to hedge its foreign exchange exposure during the six months ended 30 June 2019.

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirement.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS**

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the six months ended 30 June 2019.

## **COMMITMENTS**

Details of the commitments of the Group at 30 June 2019 are set out in note 15 to the unaudited condensed consolidated financial statements.

## **CONTINGENT LIABILITIES**

The Group did not have material contingent liabilities as at 31 December 2018 and 30 June 2019.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (2018: Nil).

## **CHARGES ON GROUP'S ASSETS**

As at 30 June 2019, pledged time deposits of approximately HK\$44,000,000 were pledged to a bank to secure bank facilities granted to the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2019, the Group had 195 employees in Hong Kong, the PRC and Macau (30 June 2018: 201 employees). The remuneration package the Group offered to the Group's employees includes wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans. In general, the Group determines employees' salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of the Group's employees, which forms the basis of the Group's decisions with respect to salary raises, bonuses and promotions.

## **EVENTS AFTER BALANCE SHEET DATE**

As from 30 June 2019 to the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that have occurred.

## **OTHER INFORMATION**

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

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2019.

### **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 six months ended 30 June 2019.

### **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 (the "**Required Standard of Dealings**"). Having made specific enquiries to all Directors, the Company confirms that all of the Directors complied with the Required Standard of Dealings and its code of conduct regarding directors' securities transactions during the six months ended 30 June 2019.

## DISCLOSURE OF DIRECTORS' 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, Ms. Kong Suet Yau (“Mrs. Wong”) (the Spouse of Mr. MP 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 our Group, an executive Director and the chairman of our 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**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/Nature of Interest</b>	<b>Number of Shares</b> <i>(Note 1)</i>	<b>Percentage of shareholding</b>
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 our Group, an executive Director and the chairman of our 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.

## 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 report, 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.

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

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 six months ended 30 June 2019, the Company has complied, to the extent applicable and permissible with the principles and applicable code provisions of the CG Code except the following deviation:

Under code provision A.6.7, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders.

Mr. Chan Wing Kee (being the independent non-executive Director at the relevant time) was unable to attend the annual general meeting of the Company held on 24 June 2019 as he was obliged to be away for his business matter.

## **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 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 30 June 2019.

## **INTEREST OF THE COMPLIANCE ADVISER**

As at 30 June 2019, 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.

Pursuant to the agreement entered between Halcyon Capital Limited and the Company, Halcyon Capital Limited received and will continue to receive fees for acting as the Company's compliance adviser.

## **AUDIT COMMITTEE**

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The audit committee consists of three members, namely Mr. Chen Yeung Tak, Mr. Cheung Wai Lun Jacky and Mr. Chan Wing Kee, all being independent non-executive Directors. Mr. Chen Yeung Tak currently serves as the chairman of the audit committee.

The committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of our Group, and as to the adequacy of the external and internal audits.

The audit committee has reviewed the unaudited interim consolidated financial statements of the Group for the six months ended 30 June 2019 and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

The condensed interim consolidated financial statements have not been audited or reviewed by the Company's auditor.

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

Hong Kong, 9 August 2019

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. 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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “**Latest Company Announcements**” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at [www.avpromotions.com](http://www.avpromotions.com).*