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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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 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 (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”). 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 Group recognised revenue of approximately HK\$107.9 million for the year ended 31 December 2025, representing a decrease of approximately HK\$18.0 million or 14.3% as compared with the year ended 31 December 2024.

The gross profit of the Group amounted to approximately HK\$24.9 million for the year ended 31 December 2025, representing a decrease of approximately 17.5% compared to the gross profit of approximately HK\$30.2 million for the year ended 31 December 2024.

The Group's loss attributable to owners of the Company amounted to approximately HK\$5.6 million for the year ended 31 December 2025, representing a decrease in profit of approximately HK\$7.4 million as compared with profit attributable to owners of the Company of approximately HK\$1.8 million for the year ended 31 December 2024.

The Board has resolved not to recommend a final dividend for the year ended 31 December 2025.

ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the consolidated results of the Group for the year ended 31 December 2025 (the “**Reporting Period**”), together with the comparative audited figures for the year ended 31 December 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	Year ended 31 December	
		2025	2024
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	107,942	125,887
Cost of services		(83,092)	(95,640)
Gross profit		24,850	30,247
Other income	4	275	378
Other (losses)/gains, net	4	(999)	1,347
(Provision for)/Reversal of impairment losses on trade receivables and contract assets		(270)	912
Selling expenses		(6,453)	(7,502)
Administrative expenses		(18,085)	(18,867)
Operating (loss)/profit		(682)	6,515
Finance income		1,129	2,335
Finance expenses		(4,506)	(7,839)
Finance expenses – net		(3,377)	(5,504)
(Loss)/Profit before income tax	6	(4,059)	1,011
Income tax (expense)/credit	5	(1,512)	747
(Loss)/Profit for the year		(5,571)	1,758
(Loss)/Profit for the year attributable to:			
– Owners of the Company		(5,569)	1,762
– Non-controlling interests		(2)	(4)
		(5,571)	1,758
Basic and diluted (loss)/profit per share attributable to owners of the Company <i>(HK cents)</i>	7	(1.39)	0.44

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/Profit for the year	(5,571)	1,758
Other comprehensive expense:		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>(1,652)</u>	<u>(1,747)</u>
Total comprehensive (expense)/income for the year	<u>(7,223)</u>	<u>11</u>
Total comprehensive (expense)/income for the year attributable to:		
– Owners of the Company	(7,221)	15
– Non-controlling interests	<u>(2)</u>	<u>(4)</u>
	<u>(7,223)</u>	<u>11</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December	
		2025	2024
	Notes	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		90,470	89,962
Right-of-use assets		443	2,114
Prepayments		1,640	–
Deposits		704	704
		<u>93,257</u>	<u>92,780</u>
		-----	-----
Current assets			
Trade and bills receivables	8	20,427	17,765
Contract assets		13,837	16,404
Prepayments, deposits and other receivables		11,011	8,886
Pledged time deposits		31,000	36,000
Cash and cash equivalents		6,314	12,464
		<u>82,589</u>	<u>91,519</u>
		-----	-----
Total assets		<u>175,846</u>	<u>184,299</u>
		=====	=====
EQUITY			
Share capital		4,000	4,000
Share premium		41,901	41,901
Exchange reserve		(3,113)	(1,461)
Other reserves		5,314	5,314
Retained earnings		3,045	8,614
		<u>51,147</u>	<u>58,368</u>
		-----	-----
Non-controlling interests		(9)	(7)
		<u>51,138</u>	<u>58,361</u>
		-----	-----
Total equity		51,138	58,361

		As at 31 December	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		5,694	2,691
Borrowings		17,650	17,650
Lease liabilities		112	338
		<u>23,456</u>	<u>20,679</u>
Current liabilities			
Trade and bills payables	9	46,278	44,789
Accruals and other payables		10,449	8,180
Borrowings		41,259	46,076
Lease liabilities		226	1,843
Current income tax liabilities		3,040	4,371
		<u>101,252</u>	<u>105,259</u>
Total liabilities		<u>124,708</u>	<u>125,938</u>
Total equity and liabilities		<u>175,846</u>	<u>184,299</u>

NOTES TO THE 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 Act (2021 Revision), formerly known as 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 Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, 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. As of 31 December 2025, the ultimate holding company of the Company is Mega King Elite Investment Limited incorporated in the British Virgin Islands ("BVI"). The ultimate controlling party of the Group is Mr. Wong Man Por ("Mr. MP Wong").

The shares of the Company were listed on the GEM of The Stock Exchange of Hong Kong Limited on 21 December 2017.

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on a historical cost basis.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.1.1 Going concern

During the year ended 31 December 2025, the Group reported a net loss of approximately HK\$5,571,000 and as at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately HK\$18,663,000. These conditions indicated the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of such circumstance, the directors of the Group has given careful consideration to the future performance and liquidity of the Group. The Group has been continuously implementing measures to improve its profitability and operating performance and to mitigate the liquidity pressure. These measures include (1) implementing business strategies to secure more projects and enhance the operation efficiency of the Group's provision of visual, lighting and audio solutions services in Hong Kong, the PRC and Macau, (2) aiming to reduce the direct operating costs, (3) continuing its measures to control administrative and other operating expenses, (4) looking for other possible financing options to strengthen the liquidity of the Group, and (5) reducing addition of property, plant and equipment based on cash flow position.

The directors of the Company have assessed the Group's cash flow projections cover a period of not less than twelve months from 31 December 2025. The key factors that are taken into account by management in the cash flow projections include the anticipated cash flows from the Group's operations, capital expenditures, continuous availability of bank facilities. The Group's ability to achieve the projected cash flows depends on management's ability to successfully implement the aforementioned measures on profitability and liquidity and the continuous availability of bank facilities.

With respect to the Group's bank financing, the Group maintains continuous communication with its principal banks. The directors are not aware of any intention of the principal banks to require early repayment of the bank borrowings. The ultimate controlling party has undertaken to provide financial support for the continuing operations and to meet its liabilities as they fall due.

The directors are of the view that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period and accordingly, the consolidated financial statements have been prepared on a going concern basis.

2.1.2 Amendments to HKFRS Accounting Standards adopted by the Group

The Group has applied the following amendments to HKFRS Accounting Standards for its annual reporting period commencing 1 January 2025:

Amendments to HKAS 21 Lack of Exchangeability

The adoption of the amendments to HKFRS Accounting Standards for the year ended 31 December 2025 has had no material impact on the amounts reported in these consolidated results and/or disclosures set out in these consolidated results.

3 REVENUE AND SEGMENT INFORMATION

Revenue from the provision of visual, lighting and audio solution services is recognised 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.

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue from services	107,942	125,887

The performance obligation is satisfied when services are rendered. The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 are all expected to be recognised within one year.

The Board 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 or loss 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:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	66,073	83,726
The PRC	41,799	42,161
Macau	70	–
	107,942	125,887

Revenue individually generated from the following customer contributed more than 10% of the total revenue of the Group:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Customer A	N/A	16,903

The customer did not contribute over 10% or more to the Group's revenue during the year ended 31 December 2025.

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

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	92,620	91,408
The PRC	637	1,372
	<hr/>	<hr/>
Total non-current assets per consolidated statement of financial position	93,257	92,780
	<hr/> <hr/>	<hr/> <hr/>

4 OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

Other Income

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Government grants	150	351
Sundry income	125	27
	<hr/>	<hr/>
	275	378
	<hr/> <hr/>	<hr/> <hr/>

During the year ended 31 December 2025, the Group recognised government grants of approximately HK\$150,000 (2024: HK\$351,000) relates to industrial support subsidies provided by the Government of the PRC. There are no unfulfilled conditions or other contingencies attaching to the government grants.

Other (Losses)/Gains, Net

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Exchange differences – net	(457)	71
Gain on lease termination	–	1,153
(Losses)/Gains on disposals of property, plant and equipment	(542)	123
	<hr/>	<hr/>
	(999)	1,347
	<hr/> <hr/>	<hr/> <hr/>

5 INCOME TAX (EXPENSE)/CREDIT

The amount of taxation credited/(charged) to the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Over provision in prior years		
– The PRC	1,491	1,030
	<hr/>	<hr/>
Deferred income tax	(3,003)	(283)
	<hr/>	<hr/>
Income tax (expense)/credit	(1,512)	747
	<hr/> <hr/>	<hr/> <hr/>

6 (LOSS)/PROFIT BEFORE INCOME TAX

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/Profit before income tax is stated after charging:		
Auditors' remuneration	650	700
Depreciation of property, plant and equipment	17,732	17,247
Depreciation of right-of-use assets	1,671	3,746
Employee benefit expenses	45,334	48,532
Short-term leases payments	25,444	30,216
	<u>25,444</u>	<u>30,216</u>

7 BASIC AND DILUTED (LOSS)/PROFIT PER SHARE

(a) Basic

The basic (loss)/profit per share is calculated by dividing the (loss)/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 financial year.

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
(Loss)/Profit attributable to owners of the Company		
(HK\$'000)	<u>(5,569)</u>	<u>1,762</u>
Weighted average number of shares in issue		
(thousands shares)	<u>400,000</u>	<u>400,000</u>
Basic (Loss)/Profit per share (HK cents)	<u>(1.39)</u>	<u>0.44</u>

(b) Diluted

Diluted (loss)/profit per share presented is the same as the basic (loss)/profit per share as there were no dilutive potential ordinary share outstanding as at 31 December 2025 and 2024.

8 TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Trade receivables	21,416	17,619
Bills receivables	5	879
Loss allowance	<u>(994)</u>	<u>(733)</u>
Trade and bills receivables, net of provision	<u>20,427</u>	<u>17,765</u>

The carrying amounts of trade and bills receivables approximate their fair values.

The Group's trade receivables are with credit term of 90 days. All bills received by the Group are with a maturity period of less than one year. An aged analysis of trade receivables, which is net of allowance for credit losses (excluding bills held by the Group for future settlement) and presented based on the invoice date at the end of the reporting period, is as follows:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Up to 3 months	8,749	15,851
3 to 6 months	8,511	997
Over 6 months	3,162	38
	<u>20,422</u>	<u>16,886</u>

9 TRADE AND BILLS PAYABLES

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade and bills payables	<u>46,278</u>	<u>44,789</u>

The carrying amount of trade and bills payables approximate their fair value.

As at 31 December 2025 and 2024, the Group's ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Up to 3 months	33,273	35,968
3 to 6 months	3,070	2,415
Over 6 months	9,935	6,406
	<u>46,278</u>	<u>44,789</u>

10 DIVIDENDS

No dividend has been paid or declared by the Company in respect of the years ended 31 December 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of one-stop visual, lighting and audio solution services in Hong Kong, the People's Republic of China (the "PRC") and Macau. The Group derived its revenue from provision of the aforesaid services to exhibitions, ceremonies, conferences, TV shows, product launches, concerts, competitions and other types of events.

During the Reporting Period, the Group was engaged in 553 events compared with 778 events for the corresponding period in 2024. The Group derived approximately 37.9% of its total revenue (2024: 48.4%) from exhibitions during the Reporting Period, the majority of which took place in Hong Kong and the PRC.

The Group recognised revenue of approximately HK\$107.9 million for the Reporting Period, representing a decrease of approximately HK\$18.0 million or 14.3% as compared with the year ended 31 December 2024. The number of events handled by the Group decreased during the Reporting Period as compared with the year ended 31 December 2024. The gross profit of the Group for the Reporting Period amounted to approximately HK\$24.9 million, representing a decrease of approximately 17.5% as compared with approximately HK\$30.2 million for the year ended 31 December 2024. The Group recorded a net loss of approximately HK\$5.6 million for the Reporting Period as compared to a net profit of approximately HK\$1.8 million for the year ended 31 December 2024.

The Group is confident in further improving its profitability and bringing value to its stakeholders in the long run. The Board will proactively seek potential business opportunities so as to broaden the sources of income of the Group and to enhance value to the shareholders of the Company (the "Shareholders").

Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects could be affected by a number of risks and uncertainties including market risk, credit risk and liquidity risk.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group generated revenue from the provision of visual, lighting and audio solutions services to its customers in various events, including exhibitions, ceremonies, conferences, concerts, competitions, TV shows, product launches and other types of events.

The following table sets forth the breakdown of the number of events and the Group's revenue by types of events for the Reporting Period with comparative figures for the year ended 31 December 2024:

	Year ended 31 December					
	2025			2024		
	<i>Number of events</i>	<i>HK\$'000</i>	<i>%</i>	<i>Number of events</i>	<i>HK\$'000</i>	<i>%</i>
Exhibition	119	40,961	37.9	231	60,982	48.4
Ceremony	170	21,316	19.8	156	18,552	14.7
Conference	77	15,974	14.8	97	18,220	14.5
Competition	14	12,918	12.0	27	11,179	8.9
TV show	71	8,045	7.5	87	6,390	5.1
Concert	24	3,259	3.0	49	5,895	4.7
Product launch	3	2,200	2.0	4	834	0.7
Others ^(Note)	75	3,269	3.0	127	3,835	3.0
Total revenue	553	107,942	100.0	778	125,887	100.0

Note: Others mainly represented annual dinners, parties and other private events.

During the Reporting Period, the Group principally derived its revenue from exhibitions which accounted for approximately 37.9% of the Group's total revenue (2024: 48.4%). The Group's revenue decreased from approximately HK\$125.9 million for the year ended 31 December 2024 to approximately HK\$107.9 million for the Reporting Period, representing a decrease of approximately 14.3%. The decrease in revenue was mainly due to the decrease in number of events undertaken by the Group from 778 events for the year ended 31 December 2024 to 553 events for the Reporting Period.

The decrease in revenue of the Group for FY2025 as compared to FY2024 was mainly due to intense competition in the one-stop visual, lighting and audio solutions services industry during FY2025.

Revenue analysis by geographical location

The following table sets forth the breakdown of the Group's revenue by geographical location for the Reporting Period with comparative figures for the year ended 31 December 2024:

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Hong Kong	66,073	61.2	83,726	66.5
The PRC	41,799	38.7	42,161	33.5
Macau	70	0.1	–	–
Total revenue	<u>107,942</u>	<u>100.0</u>	<u>125,887</u>	<u>100.0</u>

During the years ended 31 December 2025 and 2024, the majority of the Group's revenue was generated from the PRC and Hong Kong.

Cost of services

The following table sets forth the breakdown of the Group's cost of services for the Reporting Period with comparative figures for the year ended 31 December 2024:

	Year ended 31 December			
	2025		2024	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Employee benefit expenses	28,317	34.1	29,777	31.1
Short-term leases payments	24,969	30.0	30,098	31.5
Depreciation of property, plant and equipment	16,259	19.6	16,429	17.2
Material cost of consumables	4,333	5.2	4,645	4.9
Freight expenses	3,860	4.6	4,373	4.6
Travel expenses	1,886	2.3	2,511	2.6
Depreciation of right-of-use assets	1,432	1.7	3,507	3.7
Other expenses	2,036	2.5	4,300	4.4
Total cost of services	<u>83,092</u>	<u>100.0</u>	<u>95,640</u>	<u>100.0</u>

The decrease in cost of services was mainly driven by the decrease in short-term leases payments and depreciation of right-of-use assets.

Employee benefit expenses

Employee benefit expenses mainly represented salaries, wages, staff benefit (including mandatory provident funds, social insurance and housing provident funds, if applicable) paid to our front line on-site technical and maintenance staff and fees paid for the services provided by ad hoc manpower. For the Reporting Period, employee benefits expenses constituted approximately 34.1% (2024: 31.1%) of our total cost of services.

Short-term lease payments

Short-term lease payments mainly represented the cost from renting of equipment from independent third parties to cater for our extra equipment needs, taking into account factors including (i) the availability of our equipment with reference to the schedule of our projects; (ii) the location of our projects; and (iii) our requirement of specific equipment to carry out specific effects desired by our customers. For the Reporting Period, short-term lease payments constituted approximately 30.0% (2024: 31.5%) of our total cost of services.

Depreciation of property, plant and equipment

Depreciation charges under cost of services mainly represented depreciation on the Group's visual and display equipment for the provision of its services. For the Reporting Period, depreciation of our visual and display equipment constituted approximately 19.6% (2024: 17.2%) of our total cost of services.

Material cost of consumables

Material cost of consumables mainly represented the cost of consumables used for the on-site installation and maintenance and backdrop materials. For the Reporting Period, material costs of consumables constituted approximately 5.2% (2024: 4.9%) of our total cost of services.

Gross profit and gross profit margin

Gross profit of the Group for the Reporting Period amounted to approximately HK\$24.9 million (2024: HK\$30.2 million), representing gross profit margin of approximately 23.1% (2024: 24.0%). The decrease in gross profit was due to the decrease in revenue and number of events of the Group during the Reporting Period as disclosed above.

Other income

Other income mainly represented government grants received during the Reporting Period, which amounted to approximately HK\$0.2 million (2024: HK\$0.4 million).

Other losses/gains, net

Other net losses/gains of the Group mainly represented losses/gains on disposals of property, plant and equipment, gain on lease termination and net foreign exchange differences. The significant difference between the figures during the relevant periods for the years ended 31 December 2025 and 2024 was mainly due to gain on lease termination of approximately HK\$1.2 million during the year ended 31 December 2024 whereas no such gain was recorded during the Reporting Period.

Selling expenses

Selling expenses mainly comprised staff cost of our Group's sales and marketing department, entertainment expenses and travel expenses of our sales department. The Group's selling expenses decreased by approximately 13.3% from approximately HK\$7.5 million for the year ended 31 December 2024 to approximately HK\$6.5 million for the Reporting Period. The decrease was in line with the decrease in revenue during the Reporting Period.

Administrative expenses

Administrative expenses of the Group mainly comprised administrative staff costs, depreciation of office equipment and right-of-use assets, and other sundry expenses. The Group's administrative expenses decreased by approximately 4.2% from approximately HK\$18.9 million for the year ended 31 December 2024 to approximately HK\$18.1 million for the Reporting Period.

Finance expenses, net

Net finance expenses of the Group mainly comprised interest on borrowings, interest expenses on finance leases liabilities and bank interest income. The Group's net finance expenses decreased by approximately 38.2% from approximately HK\$5.5 million for the year ended 31 December 2024 to approximately HK\$3.4 million for the Reporting Period which was mainly due to the decrease in interest on finance lease liabilities and bank borrowings.

Income tax expense/credit

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 operate. During the years ended 31 December 2025 and 2024, PRC Enterprise Income Tax has been provided at the rate of 25.0%. Pursuant to the enactment of two-tiered profit tax rates issued by the 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 Reporting Period is subject to a tax rate of 8.25%. The subsidiary incorporated and operating in Macau is subject to Macau complementary tax under which the estimated assessable profits of up to MOP600,000 is exempted from taxation with amounts beyond this amount to be taxed at a fixed rate of 12% for the years ended 31 December 2025 and 2024.

Loss/Profit for the year

As a result of the foregoing, the Group's loss attributable to owners of the Company amounted to approximately HK\$5.6 million for the Reporting Period, representing a decrease in profit of approximately HK\$7.4 million as compared with profit attributable to owners of the Company of approximately HK\$1.8 million for the year ended 31 December 2024.

Liquidity and Financial Resources

The Group financed its operations primarily through cash generated from operating activities and interest-bearing borrowings. As at 31 December 2025, the Group had net current liabilities of approximately HK\$18.7 million (2024: HK\$13.7 million). Included in current liabilities were bank borrowings of approximately HK\$41.3 million (2024: HK\$46.1 million) which are due for repayment within one year or were repayable on demand.

As at 31 December 2025, the Group's current ratio was approximately 0.8 (2024: 0.9) and the Group's gearing ratio calculated based on the total debt (including borrowings and lease liabilities) at the end of the year divided by total equity at the end of the year was approximately 115.9% (2024: 112.9%). The decrease of the Group's gearing ratio was mainly due to the decrease in borrowings and lease liabilities.

As at 31 December 2025, the amount of total available banking facilities (including unutilised and utilised amount) of the Group was approximately HK\$70.3 million (2024: HK\$76.1 million).

The bank borrowings were denominated in Hong Kong dollars and Renminbi, and secured by total pledged time deposit of approximately HK\$31.0 million (2024: HK\$36.0 million), the Company's corporate guarantee and personal guarantee provided by Mr. MP Wong. The bank borrowings carried floating rates at the Hong Kong Interbank Offered Rate and the China Foreign Exchange Trade System plus or less a margin per annum. The weighted effective interest rate on these bank borrowings was 5.1% per annum (2024: 6.5% per annum).

On 27 December 2018, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with a third party with a principal amount of HK\$38.0 million, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 27 December 2023. As at 23 December 2022, the subsidiary entered into a supplemental loan agreement with the third party to extend the maturity date from 27 December 2023 to 27 December 2028.

On 25 December 2023, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with Mr. MP Wong, with a principal amount of approximately HK\$2.7 million, which is unsecured, bears fixed interest rate of 5% per annum and is fully repayable on 31 December 2025. As at 23 December 2024, the subsidiary entered into a supplemental loan agreement with the director to extend the maturity date from 31 December 2025 to 31 December 2028.

Capital Structure

Since the listing of the shares of the Company on the Stock Exchange, there has been no change in the capital structure of the Group. As at 31 December 2025, the capital structure of the Group consisted of (i) equity attributable to owners of the Company of approximately HK\$51.1 million (2024: HK\$58.4 million), comprising issued share capital and reserves; and (ii) debts which comprised borrowings as disclosed above.

Pledge of Assets

As at 31 December 2025, an amount of approximately HK\$31.0 million (2024: HK\$36.0 million) of pledged time deposits was pledged to banks to secure certain bank facilities granted to the Group.

Significant Investments, Material Acquisitions and Disposals

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Reporting Period (2024: Nil).

Contingent Liabilities

As at 31 December 2025, the Group has no material contingent liabilities (2024: Nil).

Exposure to Fluctuations in Exchange Rates

The Group's revenue and costs are primarily denominated in Hong Kong dollars and Renminbi. 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. During the Reporting Period, the Group did not use any financial instruments for hedging purposes.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status 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 other commitments can meet its funding requirements from time to time.

Employees and Remuneration Policies

As at 31 December 2025, the Group employed a total of 124 employees (2024: 135 employees) based in Hong Kong, Macau and the PRC. Employee costs (including the Directors' remuneration, wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans) amounted to approximately HK\$45.3 million for the Reporting Period (2024: HK\$48.5 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and their performance.

Future Prospects

Looking forward, 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 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 of the Group and enhance value to its shareholders.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

The following is an extract of independent auditors' report issued by the Company's external auditor:

“OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$5,571,000 during the year ended 31 December 2025 and as of that date, the Group's current liabilities exceeded its current assets by approximately HK\$18,663,000 as at 31 December 2025. These conditions, along with other matters as described in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.”

DIVIDEND

The Board has resolved not to recommend a final dividend for the Reporting Period (2024: Nil).

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.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the “**Code of Conduct**”). After specific enquiries by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Reporting Period and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules. During the Reporting Period and up to the date of this announcement, the Company has complied with the principles and applicable code provisions in the CG Code except for the deviations of paragraph C.2.1 of Part 2 of the CG Code, which is explained in the paragraph below.

Chairman and Chief Executive Officer

Provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. MP Wong is currently the chairman and the chief executive officer of the Company. Mr. MP Wong was re-designated as the chief executive officer with effect from 30 September 2021 following the resignation of the former chief executive officer. The Board is of the view that the vesting of the roles of chairman and chief executive officer in Mr. MP Wong is beneficial to the business operations and management of the Group as it would provide a strong leadership to the Group, considering that Mr. MP Wong has been managing the Group’s business and formulation of the Group’s strategic vision, direction and goals, as well as monitoring, evaluating and developing the Group’s business since the Group’s establishment. In allowing the two roles to be vested in the same person, the Board believes that both positions require in-depth knowledge and considerable experience of the Group’s business and Mr. MP Wong is the most suitable person to occupy both positions for effective management of the Group following the resignation of the former chief executive officer. Therefore, the Board considers that the deviation from provision C.2.1 of Part 2 of the CG Code is appropriate in the circumstance.

Audit Committee

The Company established the Audit Committee in compliance with Appendix C1 to the GEM Listing Rules. As at 31 December 2025 and the date of this announcement, it comprised three independent non-executive Directors, namely Dr. Leung Wai Cheung, Mr. Chan Wing Kee and Ms. Soon Yuk Tai. Dr. Leung Wai Cheung is the chairman of the Audit Committee. The Company has also established the written terms of reference of the Audit Committee in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and provisions D3.3 and D3.7 of Part 2 of the CG Code.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the policies of the Group and to perform other duties and responsibilities as assigned by the Board. The full terms of reference setting out details of duties of the Audit Committee is available on both the GEM website of the Stock Exchange and the Company’s website.

The Audit Committee was satisfied with its review of the auditors' remuneration, the independence of the Company's auditors, HLB Hodgson Impey Cheng Limited ("HLB"), and recommended the Board to re-appoint HLB as the Company's auditors in the financial year ending 31 December 2026, which is subject to the approval of Shareholders at the forthcoming annual general meeting. The Audit Committee has reviewed the Group's audited consolidated financial statements for the Reporting Period, the effectiveness of the risk management and internal control system of the Group.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting will be held on Friday, 29 May 2026, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained a sufficient public float as required under the GEM Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on Friday, 29 May 2026, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both dates inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2026. The record date for entitlement to attend and vote at the annual general meeting is Friday, 29 May 2026.

By order of the Board
AV Promotions Holdings Limited
Wong Man Por
Chairman and Chief Executive Officer

Hong Kong, 31 March 2026

As at the date of this announcement, the executive Directors are Mr. Wong Man Por and Mr. Wong Chi Bor, and the independent non-executive Directors are Dr. Leung Wai Cheung, Mr. Chan Wing Kee and Ms. Soon Yuk Tai.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least seven days from the date of its publication and on the Company's website at www.avpromotions.com.