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## AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

### YEAR ENDED 31 MARCH 2017 ANNUAL RESULTS ANNOUNCEMENT

<b>Statement of Profit or Loss Highlights</b>	<b>2017</b>	<b>2016</b>
	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue		
– Semiconductor distribution	<b>1,304.9</b>	992.4
– Consumer electronic product sales	<b>36.8</b>	41.7
– Others	<b>0.7</b>	2.9
	<b><u>1,342.4</u></b>	<b><u>1,037.0</u></b>
Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items		
– Corporate	<b>(22.2)</b>	(25.9)
– Venture capital	<b>14.0</b>	(23.4)
– Semiconductor distribution	<b>227.2</b>	118.0
– Consumer electronic product sales	<b>(7.6)</b>	(3.9)
– Others	<b>(6.4)</b>	(6.9)
	<b><u>205.0</u></b>	<b><u>57.9</u></b>
Depreciation and amortisation	<b><u>(3.0)</u></b>	<b><u>(6.8)</u></b>
Profit for the year attributable to:		
Owners of the Company	<b>276.1</b>	2.1
Non-controlling interests	<b>–</b>	–
	<b><u>276.1</u></b>	<b><u>2.1</u></b>
<b>Statement of Financial Position Highlights</b>		
Total assets	<b>1,280.9</b>	884.5
Total assets less current liabilities	<b>1,094.0</b>	681.0
Total equity	<b>1,078.3</b>	657.6
Borrowings and finance lease payables	<b>118.4</b>	137.2
Cash and cash equivalents	<b>111.6</b>	69.6
Equity investments at fair value through profit or loss	<b>102.1</b>	73.0
Cash and cash equivalents and equity investments	<b><u>213.7</u></b>	<b><u>142.6</u></b>
Total debt to total equity (%)	<b>11%</b>	21%
Current assets to current liabilities (%)	<b>335%</b>	147%
Cash and cash equivalents and equity investments per share (HK\$)	<b>0.28</b>	0.18
Total equity per share (HK\$)	<b>1.40</b>	0.85

## RESULTS

The Board of Directors (the “Board” or “Directors”) of AV Concept Holdings Limited (the “Company” or “AV Concept”) hereby announces the consolidated results of the Company and its subsidiaries (together referred to as the “Group”) for the year ended 31 March 2017, together with the comparative figures for the previous year, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2017

	Notes	2017 HK\$'000	2016 HK\$'000
<b>REVENUE</b>	3	<b>1,342,399</b>	1,037,023
Cost of sales		<u>(1,297,955)</u>	<u>(1,010,893)</u>
Gross profit		<b>44,444</b>	26,130
Other income and gains	3	<b>11,778</b>	7,782
Changes in fair value of investment properties		<b>2,345</b>	(5,477)
Selling and distribution expenses		<b>(10,908)</b>	(14,578)
Administrative expenses		<b>(62,902)</b>	(81,862)
Fair value gain/(losses), net:			
Equity investments at fair value through profit or loss			
– held for trading		<b>(4,093)</b>	(18,113)
– designated as such upon initial recognition		<b>20,485</b>	(174)
Gain on deemed disposal of an associate		<b>90,735</b>	–
Other expenses, net		<b>(29,875)</b>	(74,255)
Finance costs	5	<b>(3,218)</b>	(5,829)
Share of profits and losses of:			
Joint ventures		<b>214,487</b>	158,362
Associates		<b>3,118</b>	8,771
<b>PROFIT BEFORE TAX</b>	4	<b>276,396</b>	757
Income tax	6	<b>(274)</b>	1,389
<b>PROFIT FOR THE YEAR</b>		<b><u>276,122</u></b>	<b><u>2,146</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)***Year ended 31 March 2017*

	<i>Note</i>	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
Attributable to:			
Owners of the Company		<b>276,122</b>	2,147
Non-controlling interests		<u>-</u>	<u>(1)</u>
		<b><u>276,122</u></b>	<b><u>2,146</u></b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>8</b>		
Basic		<b><u>HK35.72 cent</u></b>	<b><u>HK0.28 cent</u></b>
Diluted		<b><u>HK35.72 cent</u></b>	<b><u>HK0.28 cent</u></b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2017

	<i>Note</i>	<b>2017</b> <b>HK\$'000</b>	2016 HK\$'000
<b>PROFIT FOR THE YEAR</b>		<b>276,122</b>	2,146
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		<b>148,030</b>	(30,817)
Reclassification adjustment for impairment loss included in the consolidated statement of profit or loss	4	<u>          –</u>	<u>          29,888</u>
		<b>148,030</b>	(929)
Exchange differences on translation of foreign operations		<b>(3,019)</b>	(586)
Release of exchange fluctuation reserve upon deemed disposal of an associate		<u>          (401)</u>	<u>                  –</u>
<b>NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>		<u>          144,610</u>	<u>          (1,515)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>          420,732</u>	<u>                  631</u>
Attributable to:			
Owners of the Company		<b>420,732</b>	632
Non-controlling interests		<u>                  –</u>	<u>                  (1)</u>
		<u>          420,732</u>	<u>                  631</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2017

	<i>Notes</i>	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>39,261</b>	40,605
Investment properties		<b>115,955</b>	116,762
Goodwill		–	10,483
Other intangible assets		<b>3,411</b>	4,198
Investments in joint ventures		<b>470,321</b>	370,153
Investments in associates		<b>1,546</b>	22,439
Available-for-sale investments		<b>21,627</b>	20,891
Deposits		<b>42</b>	466
Pledged time deposits		–	269
Non-pledged time deposits		<b>3,193</b>	–
		<hr/>	<hr/>
Total non-current assets		<b>655,356</b>	586,266
<b>CURRENT ASSETS</b>			
Inventories		<b>78,266</b>	69,259
Trade receivables	9	<b>49,359</b>	63,994
Due from associates		<b>760</b>	12,157
Prepayments, deposits and other receivables		<b>21,694</b>	10,164
Available-for-sale investment		<b>261,303</b>	–
Equity investments at fair value through profit or loss	10	<b>102,055</b>	72,994
Tax recoverable		<b>484</b>	117
Cash and cash equivalents		<b>111,600</b>	69,563
		<hr/>	<hr/>
Total current assets		<b>625,521</b>	298,248

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

31 March 2017

	<i>Note</i>	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
<b>CURRENT LIABILITIES</b>			
Trade payables, deposits received and accrued expenses	11	<b>55,516</b>	62,652
Interest-bearing bank borrowings		<b>116,073</b>	127,480
Finance lease payables		<b>694</b>	287
Tax payable		–	185
Financial guarantee obligation		<b>14,551</b>	12,866
		<hr/>	<hr/>
Total current liabilities		<b>186,834</b>	203,470
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>438,687</b>	94,778
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,094,043</b>	681,044
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowing		–	8,826
Finance lease payables		<b>1,640</b>	610
Deferred tax liabilities		<b>14,109</b>	14,046
		<hr/>	<hr/>
Total non-current liabilities		<b>15,749</b>	23,482
		<hr/>	<hr/>
Net assets		<b>1,078,294</b>	657,562
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Issued capital		<b>77,294</b>	77,294
Reserves		<b>989,655</b>	568,923
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>1,066,949</b>	646,217
Non-controlling interests		<b>11,345</b>	11,345
		<hr/>	<hr/>
Total equity		<b>1,078,294</b>	657,562
		<hr/> <hr/>	<hr/> <hr/>

## NOTES

### 1.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments at fair value through profit or loss, certain available-for-sale investments (including key management insurance contracts) and investment properties which have been measured at fair value. These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

## 1.1 BASIS OF PREPARATION *(Continued)*

### **Basis of consolidation** *(Continued)*

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
HKFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRSs

The adoption of the above new and revised HKFRS has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.



## 2. OPERATING SEGMENT INFORMATION

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

- (a) the semiconductor distribution segment engages in the sale and distribution of electronic components;
- (b) the consumer electronic product segment engages in the design, development and sale of electronic products;
- (c) the venture capital segment engages in the investments in listed/unlisted equity investments with an ultimate objective of obtaining capital gains on investee's equity listing or, in some circumstances, prior to listing. It also includes investments in real estate, managed funds or convertible bonds; and
- (d) the others segment mainly comprises the Group's mobile application development business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, dividend income from listed investments, rental income, share of profits and losses of associates and joint ventures, gain on disposal of items of property, plant and equipment, loss on disposal of an available-for-sale investment, impairment of available-for-sale investments, gain on deemed disposal of an associate, changes in fair value of investment properties, provision for amount due from an associate, impairment of other receivables, finance costs and unallocated expenses are excluded from such measurement.

Segment assets exclude investments in joint ventures and associates, tax recoverable, pledged time deposits, non-pledged time deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities, interest-bearing bank borrowings, finance lease payables, financial guarantee obligation and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

## 2. OPERATING SEGMENT INFORMATION (Continued)

	Semiconductor distribution <i>HK\$'000</i>	Consumer electronic product <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 March 2017</b>					
Segment revenue:					
Sales to external customers	1,304,911	36,755	–	733	1,342,399
Other revenue	–	–	18,106	–	18,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,304,911	36,755	18,106	733	1,360,505
<b>Reconciliation:</b>					
Less: Other revenue ( <i>note</i> )					<hr/> <u>(18,106)</u>
Revenue as presented in the consolidated statement of profit or loss					<hr/> <u><u>1,342,399</u></u>
<b>Segment results</b>	(3,147)	(7,395)	13,838	(6,442)	(3,146)
Reconciliation:					
Bank interest income					511
Dividend income from listed investments					188
Rental income					6,270
Share of profits of joint ventures					214,487
Share of profits of associates					3,118
Gain on disposal of items of property, plant and equipment					1,376
Gain on deemed disposal of an associate					90,735
Provision for amount due from an associate					(6,373)
Impairment of other receivables					(7,739)
Changes in fair value of investment properties					2,345
Unallocated expenses					(22,158)
Finance costs					<hr/> <u>(3,218)</u>
Profit before tax					<hr/> <u><u>276,396</u></u>

## 2. OPERATING SEGMENT INFORMATION (Continued)

	Semiconductor distribution <i>HK\$'000</i>	Consumer electronic product <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2016					
Segment revenue:					
Sales to external customers	992,466	41,682	–	2,875	1,037,023
Other revenue	–	–	(18,779)	–	(18,779)
Total	992,466	41,682	(18,779)	2,875	1,018,244
Reconciliation:					
<i>Add: Other revenue (note)</i>					18,779
Revenue as presented in the consolidated statement of profit or loss					<u>1,037,023</u>
<b>Segment results</b>	(38,150)	(3,865)	(23,809)	(16,228)	(82,052)
Reconciliation:					
Bank interest income					389
Dividend income from listed investments					46
Rental income					5,361
Share of profits of joint ventures					158,362
Share of profits and losses of associates					8,771
Gain on disposal of items of property, plant and equipment					155
Loss on disposal of available-for-sale investments					(7,338)
Impairment of other receivables					(311)
Impairment of an available-for-sale investment, at fair value					(29,888)
Impairment of an available-for-sale investment, at cost					(15,540)
Changes in fair value of investment properties					(5,477)
Unallocated expenses					(25,892)
Finance costs					(5,829)
Profit before tax					<u>757</u>

*Note:* Other revenue in segment revenue was classified as other income and gains, changes in fair value of investment properties, and fair value gain/(losses) of equity investments at fair value through profit or loss in the consolidated statement of profit or loss.

## 2. OPERATING SEGMENT INFORMATION (Continued)

	Semiconductor distribution <i>HK\$'000</i>	Consumer electronic product <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 March 2017</b>					
<b>Segment assets</b>	473,705	95,143	390,453	282	959,583
Reconciliation:					
Elimination of intersegment receivables					(291,882)
Investments in joint ventures					470,321
Investments in associates					1,546
Corporate and other unallocated assets					141,309
Total assets					<u>1,280,877</u>
<b>Segment liabilities</b>	63,660	146,329	120,068	29,235	359,292
Reconciliation:					
Elimination of intersegment payables					(291,882)
Corporate and other unallocated liabilities					135,173
Total liabilities					<u>202,583</u>
<b>Year ended 31 March 2016</b>					
<b>Segment assets</b>	491,086	91,121	78,969	859	662,035
Reconciliation:					
Elimination of intersegment receivables					(277,195)
Investments in joint ventures					370,153
Investments in associates					22,439
Corporate and other unallocated assets					107,082
Total assets					<u>884,514</u>
<b>Segment liabilities</b>	54,251	135,630	121,844	22,289	334,014
Reconciliation:					
Elimination of intersegment payables					(277,195)
Corporate and other unallocated liabilities					170,133
Total liabilities					<u>226,952</u>

## 2. OPERATING SEGMENT INFORMATION (Continued)

### Other segment information:

	Semiconductor distribution <i>HK\$'000</i>	Consumer electronic product <i>HK\$'000</i>	Venture capital <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 March 2017</b>					
Depreciation	2,027	38	426	–	2,491
Amortisation of other intangible assets	541	14	–	–	555
Provision for/(recovery of) impairment of inventories	(5,822)	2,208	–	–	(3,614)
Impairment of goodwill	10,483	–	–	–	10,483
Impairment/(recovery) of trade receivables	(558)	2,417	–	55	1,914
Impairment of other receivables					7,739
Provision for amount due from an associate					6,373
Impairment of investments in joint ventures					35,795
Capital expenditure*	<u>1,180</u>	<u>648</u>	<u>2,795</u>	<u>–</u>	<u>4,623</u>
<b>Year ended 31 March 2016</b>					
Depreciation	2,342	24	457	–	2,823
Amortisation of other intangible assets	2,080	17	–	1,880	3,977
Provision for impairment of inventories	1,535	431	–	–	1,966
Impairment of other intangible assets	–	–	–	4,700	4,700
Impairment of trade receivables, net	1,664	1,429	–	–	3,093
Recovery of bad debts	(542)	(15)	–	–	(557)
Impairment of an available-for-sale investment, at fair value					29,888
Impairment of an available-for-sale investment, at cost					15,540
Impairment of investments in joint ventures					28,799
Impairment of other receivables					311
Capital expenditure*	<u>58</u>	<u>–</u>	<u>1,308</u>	<u>–</u>	<u>1,366</u>

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

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

### Geographical information

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong	252,582	185,061
Singapore	937,351	704,787
Korea	152,466	147,175
	<u>1,342,399</u>	<u>1,037,023</u>

The revenue information above is based on the locations of the customers.

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong	513,394	411,249
Mainland China	91,043	91,754
Singapore	24,717	27,576
Korea	1,340	34,061
	<u>630,494</u>	<u>564,640</u>

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

### Information about a major customer

For year ended 31 March 2017, no revenue from the Group's sales to a single customer amounted to 10% or above of the Group's total revenue.

In the prior year, revenue of approximately HK\$139,121,000 was derived from sales by the semiconductor distribution segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

### 3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the year.

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>Revenue</b>		
Semiconductor distribution	1,304,911	992,466
Consumer electronic product sales	36,755	41,682
Others	733	2,875
	<u>1,342,399</u>	<u>1,037,023</u>
<b>Other income and gains</b>		
Bank interest income	511	389
Interest income on convertible bonds	1,147	–
Recovery of bad debts	–	557
Dividend income from listed investments	188	46
Gain on disposal of items of property, plant and equipment	1,376	155
Trademark licence income from an associate	389	389
Rental income	6,270	5,361
Net exchange gain	279	–
Others	1,618	885
	<u>11,778</u>	<u>7,782</u>

#### 4. PROFIT BEFORE TAX

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Cost of inventories sold***	1,300,465	989,979
Provision for/(recovery of) impairment of inventories***	(3,614)	1,966
Depreciation	2,491	2,823
Amortisation of other intangible assets**	555	3,977
Impairment of other intangible assets*	–	4,700
Impairment of trade receivables, net*	1,914	3,093
Impairment of other receivables*	7,739	311
Impairment of goodwill*	10,483	–
Fair value (gain)/losses, net:		
Equity investments at fair value through profit or loss		
– held for trading	4,093	18,113
– designated as such upon initial recognition	(20,485)	174
Loss on disposal of available-for-sale investments*	–	7,338
Impairment of an available-for-sale investment, at fair value*	–	29,888
Impairment of an available-for-sale investment, at cost	–	15,540
Gain on deemed disposal of an associate	(90,735)	–
Impairment of investments in joint ventures*	35,795	28,799
Provision for amount due from an associate*	6,373	–
Gain on derecognition of financial guarantee obligation*	(35,795)	(28,799)
	<u>1,300,465</u>	<u>989,979</u>

\* These balances are included in “Other expenses, net” on the face of the consolidated statement of profit or loss.

\*\* This balance is included in “Administrative expenses” on the face of the consolidated statement of profit or loss.

\*\*\* These balances are included in “Costs of sales” on the face of the consolidated statement of profit or loss.

#### 5. FINANCE COSTS

An analysis of finance costs is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on bank and other borrowings	2,977	5,585
Interest on mortgage loans	204	222
Interest on finance lease	37	22
	<u>3,218</u>	<u>5,829</u>



## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current – Elsewhere		
Charge for the year	514	95
Overprovision in prior years	(287)	(10)
Deferred	47	(1,474)
	<u>274</u>	<u>(1,389)</u>
Total tax charge/(credit) for the year	<u>274</u>	<u>(1,389)</u>

## 7. DIVIDEND

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Proposed final dividend		
– HK\$0.02 (2016: Nil) per ordinary share	<u>15,459</u>	<u>–</u>

At the Board meeting held on 26 June 2017, the Board resolved to recommend the payment of a final dividend of HK\$0.02 per share for the year ended 31 March 2017. The proposed final dividend is not reflected as dividend payable in the consolidated financial statements until it is approved by the shareholders at the forthcoming annual general meeting of the Company.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 772,944,419 (2016: 772,944,419) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2016 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (Continued)

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>Earnings</b>		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	<u>276,122</u>	<u>2,147</u>
	<b>Number of shares</b>	
	2017	2016
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	772,944,419	772,944,419
Effect of dilution – weighted average number of ordinary shares: Share options	<u>27,406</u>	<u>–</u>
	<u>772,971,825</u>	<u>772,944,419</u>

## 9. TRADE RECEIVABLES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade receivables	55,707	70,466
Impairment	<u>(6,348)</u>	<u>(6,472)</u>
	<u>49,359</u>	<u>63,994</u>

The Group's trading terms with customers vary with the type of products supplied. Invoices are normally payable within 30 days of issuance, except for well-established customers, where the terms are extended to over 60 days. For customer-specific and highly specialised items, deposits in advance or letters of credit may be required prior to the acceptance and delivery of the products. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. A credit committee consisting of senior management and the directors of the Company has been established to review and approve large customer credits. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

## 9. TRADE RECEIVABLES (Continued)

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current	22,678	52,288
1 to 30 days	20,148	3,896
31 to 60 days	2,149	432
Over 60 days	<u>10,732</u>	<u>13,850</u>
	<u><b>55,707</b></u>	<u><b>70,466</b></u>

The movements in provision for impairment of trade receivables are as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
At beginning of year	6,472	5,316
Impairment losses recognised	1,914	3,093
Amounts written off as uncollectible	(2,074)	(1,895)
Exchange realignment	<u>36</u>	<u>(42)</u>
At end of year	<u><b>6,348</b></u>	<u><b>6,472</b></u>

The above provision is for individually impaired trade receivables, with a carrying amount before provision of HK\$6,348,000 (2016: HK\$6,472,000), which related to customers that were in financial difficulties and the receivables are not expected to be recovered.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Neither past due nor impaired	22,678	52,288
Less than 1 month past due	20,148	3,896
1 to 3 months past due	2,149	278
Over 3 months past due	<u>4,384</u>	<u>7,532</u>
	<u><b>49,359</b></u>	<u><b>63,994</b></u>

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

## 9. TRADE RECEIVABLES (Continued)

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Investment in an associate ( <i>Note a</i> )	–	55,559
Investment in a joint venture ( <i>Note b</i> )	<b>30,000</b>	–
Investment in convertible bonds ( <i>Note c</i> )	<b>56,631</b>	–
Listed equity investments, at market value	<b>15,424</b>	12,427
Equity linked debt securities, at market value	–	5,008
	<u><b>102,055</b></u>	<u><b>72,994</b></u>

The above equity investments with a carrying amount of HK\$4,495,000 (2016: HK\$17,435,000) at 31 March 2017 were classified as held for trading.

### Notes:

- (a) At the end of the reporting period, the Group held a 2.71% (2016: 14.24%) equity interest in IEL Limited (“IEL”). The investment in IEL was previously classified as an investment in an associate as Mr. So Chi On, a director of the Company, was also the director, the chairman and co-representative of IEL. Due to significant decrease in equity interest in IEL from 14.24% to 2.71%, the Group lost significant influence over the financial and operating policies of IEL in the current year. Therefore, the listed equity investment in IEL of HK\$10,929,000 was reclassified as and included in listed equity investment at fair value as at 31 March 2017.
- (b) On 21 December 2016, a wholly-owned subsidiary of the Company entered into a sales and purchase agreement with an independent third party to acquire 50% equity interest in the shares of J-Tex Holdings Limited (“J-Tex”) at a consideration of HK\$30,000,000. The acquisition was completed in February 2017. The investment in J-Tex was classified as an investment in a joint venture as the Group exercises joint control over the financial and operating policies of J-Tex.

As this joint venture is held as part of venture capital organisation’s investment portfolio, it is carried in the consolidated statement of financial position at fair value. This treatment is permitted by HKAS 28 (2011) “*Investments in Associates and Joint Ventures*” which requires investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with HKAS 39, with changes in fair value recognised in the consolidated statement of profit or loss in the period of change.

## 10. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

- (c) On 8 June 2016 and 3 November 2016, the Group has subscribed the convertible bonds issued by IEL with aggregate principals of approximately HK\$19,425,000 and HK\$38,850,000, respectively. The bonds are interest-bearing at a fixed rate of 4% per annum and repayable within two years since their respective issuance dates, which can be convertible into common shares of IEL, at exercise prices of KRW500 and KRW819 per share, respectively, at any time after one year from their respective issuance dates.

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables	25,920	37,644
Deposits received	16,338	10,897
Accrued expenses	13,258	14,111
	<u>55,516</u>	<u>62,652</u>

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Trade payables:		
Current	22,581	29,110
1 to 30 days	707	6,381
31 to 60 days	255	–
Over 60 days	2,377	2,153
	<u>25,920</u>	<u>37,644</u>

The trade payables are non-interest-bearing and are normally settled between 30 and 90 days. The carrying amounts of the trade payables approximate to their fair values.

## BUSINESS REVIEW AND PROSPECTS

The following sets out the financial highlights for the year ended 31 March 2017, with the comparative figures for the corresponding financial year of 2016.

	<b>2017</b>	2016
	<i>HK\$'million</i>	<i>HK\$'million</i>
<i>Revenue by segment</i>		
Semiconductor distribution	<b>1,304.9</b>	992.4
Consumer electronic product sales	<b>36.8</b>	41.7
Venture capital	<b>18.1</b>	(18.8)
Others	<b>0.7</b>	2.9
	<b>1,360.5</b>	1,018.2
<i>Profit/(loss) before interest, tax, depreciation, amortisation and non-cash items</i>		
Corporate	<b>(22.2)</b>	(25.9)
Venture capital	<b>14.0</b>	(23.4)
Semiconductor distribution	<b>227.2</b>	118.0
Consumer electronic product sales	<b>(7.6)</b>	(3.9)
Others	<b>(6.4)</b>	(6.9)
	<b>205.0</b>	57.9
<i>Depreciation and amortisation</i>		
Corporate	<b>(0.0)</b>	(0.0)
Venture capital	<b>(0.4)</b>	(0.5)
Semiconductor distribution	<b>(2.5)</b>	(4.4)
Consumer electronic product sales	<b>(0.1)</b>	(0.0)
Others	<b>(0.0)</b>	(1.9)
Total depreciation and amortisation	<b>(3.0)</b>	(6.8)
Profit before interest and tax	<b>279.1</b>	6.1
Interest expenses	<b>(3.2)</b>	(5.8)
Bank interest income	<b>0.5</b>	0.4
Profit before tax	<b>276.4</b>	0.7
Income tax	<b>(0.3)</b>	1.4
Profit for the year	<b>276.1</b>	2.1
Profit for the year attributable to:		
Owners of the Company	<b>276.1</b>	2.1
Non-controlling interests	-	-
	<b>276.1</b>	2.1

## **BUSINESS REVIEW**

After a lackluster outturn in 2016, economic activity slowly picked up pace in the first quarter in 2017, especially in emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given uncertainty surrounding the policy stance of the incoming United States of America (“U.S.”) administration and its global ramifications. However, China’s economy grew 6.9 percent in the first quarter of 2017, beating expectations in the latest sign of stabilization in the world’s second-largest economy. Positive changes kept emerging and major indicators performed better than expected.

During the year under review, the Group’s revenue by segment was HK\$1,360.5 million (2016: HK\$1,018.2 million), increased by 33.6%. Among which semiconductor distribution business recorded a revenue of HK\$1,304.9 million (2016: HK\$992.4 million), consumer electronic product business recorded a revenue of HK\$36.8 million (2016: HK\$41.7 million), venture capital business recorded a revenue of HK\$18.1 million (2016: HK\$(18.8) million) and mobile application business recorded a revenue of HK\$0.7 million (2016: HK\$2.9 million).

### **SEMICONDUCTOR DISTRIBUTION BUSINESS**

Worldwide semiconductor revenue is forecast to total \$386 billion in 2017, an increase of 12.3% from 2016, according to Gartner, Inc., the world’s leading research and advisory company. Favourable market conditions that gained momentum in the second half of 2016, have accelerated and raised the outlook for the market in 2017 and 2018.

During the year under review, semiconductor distribution business recorded a turnover of HK\$1,304.9 million (2016: HK\$992.4 million). Among which Singapore remains the Group’s major market contributing approximately HK\$937.4 million, followed by Hong Kong and Korea with turnover of approximately HK\$215.0 million and HK\$152.5 million respectively. Key products selling to Singapore market include memory chips and thin-film transistor liquid-crystal display. Going forward Singapore will be the core hub covering businesses in Singapore, India and other Asia Pacific regions.

During the year under review, the joint venture of the Group, AVP Electronics Limited and its subsidiaries (“AVPEL Group”), continued to record satisfactory results. Its turnover, though not being consolidated into the Group’s consolidated financial statements, recorded a 30.5% surge to HK\$20,039 million (2016: HK\$15,357 million). The revenue growth is mainly contributed by Samsung electronics products under distribution, including multi-chip packages and CMOS images sensors. With the increase in share of profits from AVPEL Group during the year, profit attributable to owners of the Company of HK\$276.1 million (2016: HK\$2.1 million) was recorded in the year.

According to International Data Corporation, approximately 347 million smartphones were shipped worldwide in the first quarter of 2017, a 4.3% jump from the previous year. As the smartphone market gradually matures, most of the future growth will come from more affordable models in a variety of markets, which provides growth momentum for the Group's semiconductor distribution business. Further, despite the stabilizing demand for liquid-crystal display televisions and intensified competition within tablet sector, the Group is hoping that new technologies and changes in consumption habits may continue bringing new opportunities to market players. In view of the satisfactory segment results, in particular the decent contribution from AVPEL, the Group will focus more resources on the semiconductor distribution business in the mid-long run.

## **CONSUMER ELECTRONIC PRODUCT BUSINESS**

During the year under review, consumer electronic product business recorded a turnover of HK\$36.8 million (2016: HK\$41.7 million). With the mission to improve the quality of life of our customers, the Group is focusing on fine-tuning the product mix to include a broader spectrum of goods that accommodate all aspects of life. The Group is currently carrying a wide range of products from durable traditional household white goods, to personal gadgets, high-tech products and lifestyle goods. Among which Akai, Nakamichi and Crazybaby are the most popular and reputable brands. For getting more timely information and updated trends in the world's electronic products, the Group actively involves in e-Expo and product fairs every year to bring the trendiest products to Asian consumers. In view of the satisfactory development of the Group's consumer electronics business, the Group will focus on increasing the introduction of high-tech products to capture the growing market.

## **MOBILE APPLICATION BUSINESS**

During the year under review, the turnover for mobile application business was HK\$0.7 million (2016: HK\$2.9 million) with contributions from the steadily developing Koocell Limited ("Koocell"). After the rearrangement of business into two separate lines and entities in the prior year, namely online advertising and game development, Koocell continued to grow healthily. For game development, the Group is now focusing the resources to develop the casual games that require shorter period of time to develop than the traditional game. Also, the Group considers casual game will be a trend in game industry in the future. The Group has published the casual game, namely "Blocky Run", in the market during the year under review. For online advertising, the Group is still trying to increase the market share by finding more customers who are interested in digital advertising.



## **VENTURE CAPITAL BUSINESS**

During the year under review, the turnover for venture capital business was HK\$18.1 million (2016: HK\$(18.8) million) that is mainly for the fair value gain/(losses) on equity investments in the current period. As of 31 March 2017, various funds, investments in an associate and a joint venture, convertible bonds, equity investments and debt securities were held at fair market value of HK\$102.1 million (31 March 2016: HK\$73.0 million) in the Group. During the year under review, as compared to same period in last year, the venture capital business of the Group recorded a fair value gain on equity investments of HK\$16.4 million (2016: fair value loss of HK\$18.3 million). In view of the rapid development of hi-tech industry during recent years, the Group has made relevant investments including investment in Korean-listed companies, IE Limited and Me2On Co., Ltd. (“Me2On”). IE Limited mainly engages in game development and influencer marketing platform. IE Limited is the mobile game developer which currently owned Korea’s most popular webtoon licenses, and acquired Korea’s number one influence marketing platform, SmartPosting, in 2016. Me2On is a mobile game developer and publisher with headquarter in Korea.

Venture capital business has always been a good income source for the Group. The Group’s recent investment in Korea’s innovative technology sector also achieved satisfactory results. Korea ranked the first in the year 2015 to 2017 out of 200 economies in Bloomberg Innovation Index, their research and development intensity, industrial added-value and the number of patents granted also topped the charts. The Group is targeting this world’s innovation powerhouse, investing in its network services, mobile game development and distribution business, hoping to catch up with unprecedented opportunities for broader income source.

## **PROSPECTS**

The continued recovery in global semiconductors demand helped pull in the segment’s strong performance as demand in key end markets like smartphone and other home applications remained healthy. Electronics cluster continued to drive growth momentum in the semiconductor sector, the growth is expected to sustain for the rest of the year. And yet, in view of the considerable downside risks and certain headwinds in the macro-environment, the Group is cautiously optimistic about the business and industry outlook.

The fast-paced development of the global electronic information industry created a promising prospect for the upstream electronic component industry. The takeoff and the rapid growth of automobile electronics, smart phones, laptops and set-top boxes enabled the development of the electronic component industry. Among telecommunications products, mobile telecommunications require largest quantities of components. In addition, strong demand also arises from computer-related products as well as consumer electronic products. Further, as China embarks on the “Made in China 2025” plan with electronics and semiconductor technology as one of the Top 10 focus areas, China’s semiconductor industry has an unprecedented growth opportunity. The Group is therefore confident in maintaining healthy growth in semiconductor distribution business segment.

After the business realignment of Koocell in the prior year, the Group has been focusing resources on game development and digital advertising to seize the unprecedented opportunities. From the latest report issued by Bloomberg, the 600 million gamers in China generated \$24.6 billion of the industry’s \$101.1 billion global market value over 2016, just ahead of the U.S.’s \$24.1 billion. Moreover, China accounted for 31 percent of the total \$18 billion generated by mobile games, compared with just 3 percent of the \$2.4 billion total in 2012. With mobile devices staking an increasingly significant claim on the overall digital market in China for several years, mobile gaming and digital advertising will be the Group’s two core focus. The Group is working on further enriching games content, enhancing gamers’ experience, promoting engagement as well as scaling up its targeted mobile advertising for making mobile applications business a good revenue driver in the future.

For consumer electronic products, the growing convergence of information, communication and entertainment is bringing a new era of the global consumer electronics industry. With increasing household income, more active launching of innovative technological products and rising awareness of quality living, the prospect of global consumer electronic products market remains positive. The Group is continuously working on broadening the product category with focus on lifestyle products and high-tech gadgets to capture the latest market trend.

Given the continued success of the Group’s business as a comprehensive distributor for semiconductors, consumer electronic products and mobile applications, the Group will, by leveraging its leading position, goodwill and competitive advantage, continue adopting prudent development strategies for achieving sustainable growth and bringing satisfactory returns to shareholders.

## LIQUIDITY AND FINANCIAL RESOURCES

The total debt position as at 31 March 2017 and the corresponding gearing ratio are shown as follows:

	<b>2017</b> <i>HK\$'million</i>	2016 <i>HK\$'million</i>
Cash and cash equivalents	<b>111.6</b>	69.6
Equity investments at fair value through profit or loss	<b>102.1</b>	73.0
	<hr/>	<hr/>
Cash and cash equivalents and equity investments	<b>213.7</b>	142.6
	<hr/>	<hr/>
Borrowings and finance lease payables	<b>118.4</b>	137.2
	<hr/>	<hr/>
Total equity	<b>1,078.3</b>	657.6
	<hr/>	<hr/>
Total debt to total equity	<b>11%</b>	21%
	<hr/>	<hr/>

As at 31 March 2017, the Group had cash and cash equivalents (i.e., cash and bank balances and deposits with other financial institutions) of HK\$111.6 million (2016: HK\$69.6 million), while the Group's equity investments at fair value through profit or loss amounted to HK\$102.1 million (2016: HK\$73.0 million). The equity investments included a balanced mix of fixed income, equity and alternative investments and such amount represented the cash reserves held for the Group's medium to long term business development and would form an integral part of the Group's treasury.

The total debt to total equity ratio as at 31 March 2017 was 11% (2016: 21%), while the Group's total equity as at 31 March 2017 was HK\$1,078.3 million (2016: HK\$657.6 million), with the total balances of cash and cash equivalents and equity investments as at 31 March 2017 of HK\$213.7 million (2016: HK\$142.6 million).

The working capital position of the Group remains healthy. As at 31 March 2017, the liquidity ratio was 335% (2016: 147%).

	<b>2017</b>	2016
	<b><i>HK\$'million</i></b>	<i>HK\$'million</i>
Current assets	<b>625.5</b>	298.2
Current liabilities	<b>(186.8)</b>	(203.5)
Net current assets	<b>438.7</b>	94.7
Current assets to current liabilities	<b>335%</b>	147%

Management is confident that the Group follows a prudent policy in managing its treasury position, and maintains a high level of liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business.

## **EMPLOYEES**

As at 31 March 2017, the Group employed a total of approximately 194 (31 March 2016: approximately 192) full-time employees. The Group recruits and promotes individuals based on merit and their development potentials for the positions offered. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. In addition, the Group operates share option schemes for eligible employees to provide incentive to the participants for their contribution and continuing efforts to promote the interests of the Group. Share options and discretionary bonuses are granted based on the Group's and individual's performances.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions set out in the Code on Corporate Governance and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2017.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2017.

## **AUDIT COMMITTEE**

The Company has an Audit Committee, which was established in accordance with the requirements of the Listing Rules, for the purposes of reviewing and providing supervision over the Group’s financial reporting processes and internal controls. The Audit Committee, comprising three Independent Non-executive Directors, namely Dr. Lui Ming Wah, *SBS, JP*, Mr. Charles E. Chapman and Mr. Wong Ka Kit, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the consolidated financial statements for the year ended 31 March 2017.

## **REVIEW OF PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Company’s auditors, Ernst & Young, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The Annual General Meeting of the Company is scheduled on Monday, 28 August 2017. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 23 August 2017 to Monday, 28 August 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 August 2017.

## **PROPOSED FINAL DIVIDEND**

The Board has recommended the payment of a final dividend of HK\$0.02 (2016: Nil) per share for the year ended 31 March 2017 which is subjected to the shareholders' approval at the forthcoming annual general meeting of the Company.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This annual results announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and at the website of the Company at [www.avconcept.com](http://www.avconcept.com). An annual report for the year ended 31 March 2017 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board  
**AV CONCEPT HOLDINGS LIMITED**  
**So Yuk Kwan**  
*Chairman*

Hong Kong, 26 June 2017

*As at the date of this announcement, the Board comprises four executive Directors, Dr. So Yuk Kwan (Chairman), Mr. So Chi On, Mr. So Kevin Chi Heng and Mr. So Chi Sun Sunny and three independent non-executive Directors, Dr. Lui Ming Wah, SBS, JP, Mr. Charles E. Chapman and Mr. Wong Ka Kit.*