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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)

BUSINESS UPDATE AND PROFIT WARNING

This announcement is made by AV Promotions Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

BUSINESS UPDATE

During the first quarter of 2020, the Group has entered into a long term framework agreement with a major car manufacturer in the PRC pursuant to which the Group will provide visual, lighting and audio solutions services for its motor shows during the three years ending 31 December 2022. Up to the date of this announcement, the Group has also been invited by certain event organisers and luxury brands to place quotations for certain large-scale exhibitions and conferences (such as auctions, annual general meetings and a global gaming expo), and TV shows which were originally scheduled to be held in the first quarter of 2020 and rescheduled to the second quarter of 2020.

PROFIT WARNING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Company for the three months ended 31 March 2020 (the “**Period**”), the Group is expected to record a significant decrease in revenue for the Period not more than 60% as compared to the revenue for the corresponding period in 2019 with expected gross loss not more than HK\$2.8 million for the Period as compared with gross profit of approximately HK\$8.3 million for the corresponding period in 2019. The gross loss was caused mainly due to irrevocable cost incurred during the time for the postponement and rescheduling of events. Based on such information, the Board expects that the Group may record a loss attributable to the owners of the Company not more than HK\$10.0 million for the Period as compared to a profit attributable to owners of the Company of approximately HK\$0.04 million for the corresponding period in 2019.

The expected loss for the Period was primarily attributable to the decline in revenue caused by the decrease in number of events conducted on by the Group by approximately 63.7% for the Period due to the postponement and rescheduling of events by the organisers in Hong Kong, Macau and the PRC as a result of closure of venues across the infected regions of the Coronavirus Disease 2019 and emergency public health measures and various actions such as quarantine order, travel alert or travel restriction imposed by the local government to prevent the spread of the epidemic.

The information contained in this announcement is only based on a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group for the Period currently available, which is subject to finalisation and will not be required to be audited by the auditor of the Company. It is not based on any figures or information reviewed by the Company's auditor or audit committee of the Company. The Company is still in the process of finalising its unaudited results for the Period and such results are subject to the review by the audit committee of the Company. The Company expects to announce its unaudited results for the Period on or before the middle of May 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 April 2020

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (www.hkgem.com) for at least seven days from the date of its posting and on the Company's website (www.avpromotions.com).