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**AV CONCEPT HOLDINGS LIMITED**

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

**(Stock Code: 595)**

## **CLARIFICATION ANNOUNCEMENT IN RELATION TO PREVIOUS INTERIM REPORTS AND ANNUAL REPORTS OF THE COMPANY**

References are made to the interim reports of AV Concept Holdings Limited (the “**Company**”) for each of the six months ended 30 September from 2010 to 2018 (the “**Interim Reports**”) and the annual reports of the Company for each of the financial years ended 31 March from 2011 to 2019 (the “**Annual Reports**”).

References are also made to the announcements of the Company dated 26 June 2017 and 19 September 2017 in relation to the proposed bonus issue of shares of the Company (the “**Share(s)**”) on the basis of one bonus Share for every five existing Shares held on the record date (the “**Bonus Issue**”) and completion of the Bonus Issue respectively.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company that certain shareholding figures in the Interim Reports and Annual Reports with respect to interests held in the Company by (i) Dr. So Yuk Kwan (“**Dr. So**”); (ii) B.K.S. Company Limited (“**BKS**”), a company wholly-owned by Dr. So; and (iii) Madam Yeung Kit Ling (“**Madam Yeung**”), being Dr. So’s spouse, were misstated. Such misstatements were due to the following three incidents, and the shareholdings in the Company owned by Dr. So, BKS and Madam Yeung should be adjusted as follows:

- (i) **The shareholdings in the Company owned by Dr. So, BKS and Madam Yeung should have increased by 418,000 Shares, 2,374,000 Shares and 2,874,000 Shares (or 3,448,800 Shares (after completion of the Bonus Issue)) since August 2010, December 2010 and November 2011 respectively**

Between August 2010 to November 2011, BKS made three purchases of the Shares as follows: (i) 418,000 Shares in August 2010; (ii) 1,956,000 Shares in December 2010; and (iii) 500,000 Shares in November 2011, aggregating to 2,874,000 Shares. However, BKS unintentionally failed to report such three purchases at the relevant time.

As such, the shareholdings in the Company owned by Dr. So, BKS and Madam Yeung as disclosed in (i) the Company's interim report for the six months ended 30 September 2010 should be adjusted by an increment of 418,000 Shares; (ii) the Company's annual report for the financial year ended 31 March 2011 and the Company's interim report for the six months ended 30 September 2011 should be adjusted by an increment of an aggregate of 2,374,000 Shares; and (iii) the Company's interim reports for each of the six months ended 30 September from 2012 to 2018 and the Company's annual reports for each of the financial years ended 31 March from 2012 to 2019 should be adjusted by an increment of an aggregate of 2,874,000 Shares or 3,448,800 Shares (after completion of the Bonus Issue in September 2017).

**(ii) The shareholdings in the Company owned by Dr. So, BKS and Madam Yeung should have decreased by 450,000 Shares (or 540,000 Shares (after completion of the Bonus Issue)) since September 2016**

In September 2016, BKS purchased a total of 50,000 Shares. Due to an inadvertent typographical error, a total of 500,000 Shares were mistakenly reported. The deviation of 450,000 Shares had increased to 540,000 Shares after completion of the Bonus Issue in September 2017.

As such, the shareholdings in the Company owned by Dr. So, BKS and Madam Yeung as disclosed in the interim reports for each of the six months ended 30 September from 2016 to 2018 and the Company's annual reports for each of the financial years ended 31 March from 2017 to 2019 should be adjusted by deducting 450,000 Shares or 540,000 Shares (after completion of the Bonus Issue in September 2017).

**(iii) The shareholdings in the Company owned by Dr. So and Madam Yeung should have increased by 25,000,000 Shares (or 30,000,000 Shares (after completion of the Bonus Issue)) since June 2017**

In June 2017, a total of 25,000,000 Shares were held by a friend of Dr. So on trust for Dr. So. Such 25,000,000 Shares were increased to 30,000,000 Shares as a result of completion of the Bonus Issue in September 2017.

As such, the shareholdings in the Company owned by Dr. So and Madam Yeung as disclosed in the Company's interim reports for each of the six months ended 30 September from 2017 to 2018 and the Company's annual reports for each of the financial years ended 31 March from 2018 to 2019 should be adjusted by an increment of 30,000,000 Shares.

The Board considers that it would be unduly burdensome to disclose the revised shareholdings in the Company owned by Dr. So, BKS and Madam Yeung as disclosed in each of the Interim Reports and each of the Annual Reports. As such, for illustration purposes and for the information of the shareholders of the Company, the revised shareholdings in the Company owned by Dr. So, BKS and Madam Yeung as disclosed in the Company's annual report for

the year ended 31 March 2019 (the “**2018/2019 Annual Report**”), being the latest published financial report as at the date of this announcement, should be amended as follows:

- A. In the section headed “DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SHARES AND UNDERLYING SHARES” on page 29 of the 2018/2019 Annual Report, Dr. So’s interest in the shares of the Company is amended as follows:

**Long position in the shares of the Company**

- (a) Interests in shares of the Company

<b>Name of Director and chief executive</b>	<b>Nature of interest and capacity</b>	<b>Number of ordinary shares of the Company</b>	<b>Approximate percentage of interest in the issued shares</b>
Dr. So	Corporate interest	317,599,826	
	Beneficial owner	52,058,400 <i>(Note 1)</i>	40.68%

The accompanying Note 1 is amended as follows:

- These shares include (i) 220,831,960 shares of the Company held by B.K.S. Company Limited (“**BKS**”); (ii) 96,767,866 shares of the Company held by Jade Concept Limited (“**Jade Concept**”); and (iii) 52,058,400 shares of the Company held by Dr. So as beneficial owner (including 30,000,000 shares of the Company held on trust by a friend of Dr. So for Dr. So). Dr. So is deemed to be interested in 317,599,826 shares of the Company by virtue of his interests in BKS and Jade Concept, the particulars are more fully described in the section headed “Interests of Substantial Shareholders” below.

- B. In the section headed “INTERESTS OF SUBSTANTIAL SHAREHOLDERS” on page 31 of the 2018/2019 Annual Report, the long position in the shares of the Company of BKS and Madam Yeung are amended as follows:

**Long position in the shares of the Company**

<b>Name of shareholder</b>	<b>Nature of capacity</b>	<b>Number of shares held</b>	<b>Approximate percentage of interest in the issued shares</b>
BKS	Beneficial owner	220,831,960 <i>(Note 1)</i>	24.30%
Madam Yeung Kit Ling <b>(“Madam Yeung”)</b>	Interest of spouse	369,658,226 <i>(Note 3)</i>	40.68%

The accompanying Notes 1 and 3 are amended as follows:

1. BKS is beneficially owned by Dr. So. By virtue of the SFO, Dr. So is deemed to be interested in 220,831,960 shares of the Company held by BKS.
3. As Madam Yeung is the spouse of Dr. So, by virtue of the SFO, she is deemed to be interested in the shares of the Company held by BKS and Jade Concept in which Dr. So has interest, and 52,058,400 shares held by Dr. So as beneficial owner.

Save as the amendment on the shareholdings owned by Dr. So, BKS and Madam Yeung in the Interim Reports and the Annual Reports, the remaining contents contained in the Interim Reports and Annual Reports remain unchanged.

The Securities and Futures Commission of Hong Kong is looking into the above matters and their implications under the Securities and Futures Ordinance and the Codes on Takeovers and Mergers and Share Buy-backs.

By order of the board  
**AV Concept Holdings Limited**  
**So Yuk Kwan**  
*Chairman*

Hong Kong, 30 December 2019

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

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*