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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF PROPERTY

THE DISPOSAL

The Board is pleased to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, granted an Option To Purchase to the Purchaser dated 3 October 2022, pursuant to which the Vendor has agreed to sell the Property at the Consideration of S\$4,100,480 (equivalent to approximately HK\$22,348,000) to the Purchaser only, and the Purchaser has the right to exercise the Option To Purchase by 18 October 2022.

LISTING RULES IMPLICATIONS

Rule 14.73 of the Listing Rules states that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the percentage ratios. Rule 14.74 of the Listing Rules states that on the grant of the option (the exercise of which is not at the listed issuer's discretion), the transaction will be classified as if the option had been exercised.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are under 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE OPTION TO PURCHASE

The Board is pleased to announce that on 3 October 2022, the Vendor, an indirect wholly-owned subsidiary of the Company has granted an Option To Purchase to the Purchaser, pursuant to which the Vendor has agreed to sell, a Property owned by the Vendor, with its registered address at 219 Henderson Road, #10-01, Henderson Industrial Park, Singapore 159556, at a cash consideration of S\$4,100,480 (equivalent to approximately HK\$22,348,000) to the Purchaser only, and the Purchaser has the right to exercise the Option To Purchase by 18 October 2022.

A summary of the principal terms of the Option To Purchase is as follows:

Date: 3 October 2022

Parties: (i) Vendor: AV Concept Singapore Pte. Ltd., an indirect wholly-owned subsidiary of the Company; and
(ii) Purchaser: Yoo Tiang Chu.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Purchaser is an Independent Third Party.

Property: an office unit located at 219 Henderson Road, #10-01, Henderson Industrial Park, Singapore 159556. The Property has in aggregate a gross floor area of approximately 4,800 square feet.

Option Expiry Date: Shall be accepted by Purchaser until 4:00 p.m. on the 18 October 2022.

Consideration: S\$4,100,480 (equivalent to approximately HK\$22,348,000) in total. The Consideration was determined after arm's length negotiations based on normal commercial terms among the parties, including but not limited to comparable office premises in the nearby localities.

Payment terms: (i) S\$41,004.80 (equivalent to approximately HK\$223,000), represents 1% of the Consideration, being the option fee was paid on 3 October 2022;
(ii) S\$164,019.20 (equivalent to approximately HK\$894,000), represents 4% of the Consideration will be paid upon exercising of the option; and

(iii) the balance of S\$3,895,456.00 (equivalent to approximately HK\$21,231,000), subject to prevailing Goods & Services Tax which is to be paid by the Purchaser, will be disbursed upon completion date.

Completion: the sale and purchase shall be completed at the office of Vendor's solicitor, namely CK Tan Law Corporation or at such other place as the Vendor's solicitor may direct, on 6 March 2023.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The carrying value of the Property as shown in the audited consolidated financial statements of the Company as at 31 March 2022 was approximately HK\$1,884,000. Subject to review and confirmation by the auditor, the Group is expected to record a gain of approximately HK\$20,464,000 from the Disposal, which is calculated based on the Consideration to be received by the Group for the Disposal less the carrying value of the Property as at 31 March 2022 before any related expenses. The Company intends to use the net proceeds from the Disposal as general working capital of the Group.

REASONS FOR THE DISPOSAL

The principal activity of the Company is investment holding. The Group is principally engaged in the marketing and distribution of electronic components, the design, development and sale of consumer products and product sourcing services, venture capital investment, and internet social media business.

The Vendor is a company incorporated in Singapore with limited liability. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in trading of electronic components.

Taking into account of the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the Property at a reasonable price and the proceeds from the Disposal will improve the financial position and increase the general working capital of the Group.

The Board considers that the terms and conditions of the Disposal are on normal commercial terms, which are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	AV Concept Holdings Limited (stock code: 595), a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	S\$4,100,480 (equivalent to approximately HK\$22,348,000), being the total consideration payable by the Purchaser to the Vendor in respect of the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Option To Purchase
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	an office unit located at 219 Henderson Road, #10-01, Henderson Industrial Park, Singapore 159556
“Purchaser”	Yoo Tiang Chu
“Option To Purchase”	the option with terms set up and granted by the Vendor to the Purchaser dated 3 October 2022, pursuant to which the Purchaser has the right to acquire the Property by 18 October 2022
“S\$”	Singapore dollars, the lawful currency of Singapore
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company as at the date of this announcement
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	AV Concept Singapore Pte. Ltd., a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 3 October 2022

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 three independent non-executive Directors, Dr. Lui Ming Wah, PhD, SBS, JP, Mr. Charles Edward Chapman and Mr. Lai Yat Hung Edmund.

Unless otherwise specified, the conversion of S\$ into HK\$ are based on the exchange rate of S\$1.00 to HK\$5.45. No representation is made that any amounts in S\$ and HK\$ have been or could be converted at the relevant dates at the above rate or other rates or at all.

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