
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in AV Concept Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

PROPOSED
(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at The Conference Room, 6th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong on Wednesday, 28 August 2019 at 11:00 a.m. is set out on pages AGM-1 to AGM-5 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at The Conference Room, 6th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong on Wednesday, 28 August 2019 at 11:00 a.m. or any adjournment thereof, the notice of which is set out on pages AGM-1 to AGM-5 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	AV Concept Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with Shares up to a maximum of 20% of the number of issued Shares as at the date of passing of the resolution for approving the issue mandate
“Latest Practicable Date”	19 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase fully paid Shares up to a maximum of 10% of the number of issued Shares as at the date of passing of the resolution for approving the repurchase mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars
“%”	per cent.

LETTER FROM THE BOARD



AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

Executive Directors:

Dr. So Yuk Kwan (*Chairman and Chief Executive Officer*)
Mr. So Kevin Chi Heng
Mr. So Chi Sun Sunny

Registered office:

P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Independent Non-executive Directors:

Dr. Lui Ming Wah, *SBS, JP*
Mr. Charles Edward Chapman
Mr. Wong Ka Kit

*Head office and principal place of
business in Hong Kong:*

6th Floor
Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Hong Kong

26 July 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSED
(1) GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting, including (i) the ordinary resolutions granting the Board the Issue Mandate, the Repurchase Mandate and the extension of Issue Mandate, and (ii) the ordinary resolution proposing the re-election of the retiring Director and to give you notice of the Annual General Meeting.

An explanatory statement containing all the information necessary to enable the Shareholders to make informed decisions on whether to vote for or against the Repurchase Mandate as required by the Listing Rules is set out in Appendix I to this circular.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on Monday, 27 August 2018, an ordinary resolution was passed by the Shareholders to grant the existing issue mandate to the Directors.

The existing issue mandate will expire at the conclusion of the Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a fresh Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with, otherwise by way of rights issue or any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares or any Shares issued as scrip dividends pursuant to the memorandum of association of the Company and the Articles of Association, of up to 20% of the total number of Shares in issue at the date of the passing of such resolution. Based on 908,663,302 Shares in issue as at the Latest Practicable Date and assuming that the total number of Shares in issue remains the same from the Latest Practicable Date and up to the date of passing such resolution, the Directors will be able to allot, issue and deal with for up to a total of 181,732,660 Shares if the fresh Issue Mandate is granted at the Annual General Meeting, which will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on Monday, 27 August 2018, an ordinary resolution was passed by the Shareholders to grant the existing repurchase mandate to the Directors.

The existing repurchase mandate will expire at the conclusion of the Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a fresh Repurchase Mandate, i.e. a general and unconditional mandate to repurchase Shares up to 10% of the total number of Shares in issue at the date of passing of such resolution. The fresh Repurchase Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

LETTER FROM THE BOARD

4. EXTEND GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the Annual General Meeting to extend the Issue Mandate by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the total number of Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution for approving the Issue Mandate.

5. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 112 of the Articles of Association, each of Dr. So Yuk Kwan, Mr. So Kevin Chi Heng, Mr. So Chi Sun Sunny and Mr. Charles Edward Chapman will retire from the office by rotation and, are being eligible to offer themselves for re-election at the Annual General Meeting.

The Board has assessed the independency of Mr. Charles Edward Chapman who has been an independent non-executive Director for more than 19 years and considered continues to be independent. The Company has received confirmation from Mr. Charles Edward Chapman as to his independence in compliance with the requirements of the Listing Rules.

Information on each of Dr. So Yuk Kwan, Mr. So Kevin Chi Heng, Mr. So Chi Sun Sunny and Mr. Charles Edward Chapman who are proposed to be re-elected at the Annual General Meeting, is set out in Appendix II to this circular.

6. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages AGM-1 to AGM-5 to this circular. A form of proxy for use the Annual General Meeting is sent to you with this circular. Whether or not you intend to attend the Annual General Meeting, you are advised to complete the form of proxy and return it to the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof, should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, the Directors confirm that no Shareholder is required to abstain from voting at the Annual General Meeting.

7. CLOSURE OF REGISTER OF MEMBERS

In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019 (both days inclusive) during which period no transfer of shares

LETTER FROM THE BOARD

will be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 22 August 2019.

In order to determine Shareholders who qualify for the proposed final dividend, the register of members of the Company will be closed from Wednesday, 4 September 2019 to Thursday, 5 September 2019 (both days inclusive) during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 3 September 2019.

8. VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at general meeting must be taken by poll. The Chairman will put each of the proposed resolutions to the vote by way of a poll in accordance with Article 76 of the Articles of Association at the Annual General Meeting. The results of the poll will be uploaded on the Company's and the Stock Exchange's websites on the day of the Annual General Meeting.

9. RESPONSIBILITY STATEMENT

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

10. RECOMMENDATION

The Directors consider that the proposed general mandates to issue and repurchase Shares and the re-election of retiring Directors are in the best interests of the Company and the Shareholders and recommend that the Shareholders vote in favour of the resolutions.

11. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I and Appendix II to this circular.

Yours faithfully,
For and on behalf of the Board
AV CONCEPT HOLDINGS LIMITED
So Yuk Kwan
Chairman

This appendix includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the Company had 908,663,302 Shares in issue.

Subject to the passing of the resolution for the granting of the Repurchase Mandate (resolution numbered 6 as set out in the notice convening the Annual General Meeting contained in this circular), and on the basis of 908,663,302 Shares in issue and assuming that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 90,866,330 Shares.

2. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Articles of Association and the applicable laws of the Cayman Islands. The Companies Law provide that repurchases by a company may only be made out of profits of the company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be purchased must be provided for out of profits of the company or out of the company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 March 2019, the date to which the last audited accounts of the Company were made up. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

In each of the previous 12 months and up to the Latest Practicable Date, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	0.410	0.390
August	0.400	0.350
September	0.380	0.340
October	0.355	0.310
November	0.375	0.310
December	0.360	0.325
2019		
January	0.350	0.320
February	0.415	0.330
March	0.390	0.360
April	0.365	0.340
May	0.355	0.300
June	0.320	0.290
July (up to the Latest Practicable Date)	0.325	0.305

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention, in the event that the repurchase proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

6. CODE ON TAKEOVERS AND MERGERS

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Dr. So Yuk Kwan, together with companies controlled by him, owned 336,749,426 Shares representing approximately 37.06% of the issued share capital of the Company. Based on such interest and assuming that no further Shares will be allotted and issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the aggregate interest of Dr. So Yuk Kwan and those companies controlled by him would increase to approximately 41.18% if the Company was to exercise the Repurchase Mandate in full.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in any Shareholder or group of Shareholder acting in concert being obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate. Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

In the six months immediately preceding the Latest Practicable Date, no repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise).

DR. SO YUK KWAN

The Founder, Chairman, Chief Executive Officer and Executive Director

Dr. So Yuk Kwan (“**Dr. So**”), aged 70, is the founder, Chairman, Chief Executive Officer and Executive Director of the Company. Dr. So is the father of Mr. So Kevin Chi Heng and Mr. So Chi Sun Sunny, all being Executive Directors of the Company. In the early 1980’s, he founded AV Concept Limited. Dr. So is primarily responsible for overall business strategies and business development to the Company. Dr. So has over 43 years of experience in the electronics industry. Under his leadership, the Group achieved remarkable results in the sales and marketing of semiconductors contributing to the appointment by Samsung Electronics as its distributor since 1982. In 1989, AV Concept Singapore Pte. Ltd. was established to develop its electronic business in Singapore, Southeast Asia countries and subsequently expanded to the market in PRC through vertical integration in early 90’s. In April 1996, the Company listed on the Main Board of the Stock Exchange. The Group continuously received numerous awards, including Samsung Electronics’s “Best Performance Award” in recognition of the excellent sales and marketing performance as well as contribution to cultivate strong customers relationship in the semiconductors market.

Dr. So holds an honorary degree, Doctor of Philosophy in Business Administration from the International American University and a Master Degree in Business Administration from the University of East Asia (now known as University of Macau) and he is also a Fellow Member of the British Institute of Management. Presently, he is the Vice Chairman of the Executive Committee of the Hong Kong Electronic Industries Association Limited (“**HKEIA**”) and the Chairman of Education Fund of HKEIA. Dr. So is also the Vice President of The Hong Kong Semiconductor Industry Council. Further, Dr. So is a Fellow Member of The Hong Kong Institute of Directors and the Honorary Chairman of Advisory Committee (Industry) of Cooperative Education Centre of City University of Hong Kong.

Dr. So had not held any directorship in public listed companies in the last three years or other major appointment. Apart from being an Executive Director, Dr. So is a director of various subsidiaries of the Company. Dr. So is also a director of each of B.K.S. Company Limited (“**BKS**”) and Jade Concept Limited (“**Jade Concept**”), each of which is a substantial shareholder of the Company.

Dr. So has entered into a service agreement with the Company which will continue until terminated by either party to the other no less than three months’ notice in writing. The director’s remuneration of Dr. So is determined by the Board with reference to his duties and responsibilities with the Company. Under the existing service agreement, Dr. So has been entitled to a monthly director’s remuneration of HK\$520,000 plus a monthly housing allowance of HK\$60,000. Dr. So is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, Dr. So was interested in a total of 314,691,026 Shares held by BKS and Jade Concept and he was directly interested in 22,058,400 Shares underlying Shares, representing approximately 37.06% of the issued share capital of the Company, within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters relating to the re-election of Dr. So that need to be brought to the attention of the Shareholders and there is no other information that is required to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

MR. SO KEVIN CHI HENG*Executive Director*

Mr. So Kevin Chi Heng (“**Mr. Kevin So**”), aged 33, is the Chief Operation Officer and Executive Director of the Company responsible for operation of the Group and E-GoGo Limited. Mr. Kevin So joined the Group in 2011 and was appointed as an Executive Director in November 2015. Mr. Kevin So obtained a Bachelor of Science degree (major in Management) from Bentley College in United States of America in May 2008 and a Master of Business Administration degree from Bentley University in United States of America in February 2010. Prior to joining the Group, Mr. Kevin So had pursued a career in corporate finance in an international financial institution. Mr. Kevin So is the son of Dr. So, Chairman, Chief Executive Director and an Executive Director of the Company and the brother of Mr. So Chi Sun Sunny, an Executive Director of the Company.

Mr. Kevin So had not held any directorship in public listed companies in the last three years or other major appointment.

Mr. Kevin So has entered into a service agreement with the Company which will continue until terminated by either party to the other no less than three months’ notice in writing. The director’s emolument of Mr. Kevin So is determined by the Board with reference to his duties and responsibilities with the Company. Mr. Kevin So is not entitled to any additional remuneration for holding his office as an Executive Director in addition to his current remuneration or salary payable under his existing employment contract with the Group. Under such existing employment contract, Mr. Kevin So is entitled to a monthly salary of HK\$170,000 plus a monthly housing allowance of HK\$30,000. With effect from 1 July 2019, the monthly salary has increased to HK\$190,000, which was determined with reference to his duties and responsibilities to the Group. Mr. Kevin So is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Kevin So did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Kevin So to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

MR. SO CHI SUN SUNNY*Executive Director*

Mr. So Chi Sun Sunny (“**Mr. Sunny So**”), aged 31, is an Executive Director of the Company, chief executive officer of 830 Lab Limited and Whizoo Media Limited, indirectly wholly-owned subsidiaries of the Company, which are principally engaged in internet social media business. Mr. Sunny So joined the Group in 2011 and was appointed as an Executive Director of the Company in November 2015. Mr. Sunny So obtained a Bachelor of Science degree (major in Graphic Design) from Northeastern University in United States of America in January 2011. Mr. Sunny So is the son of Dr. So, Chairman, Chief Executive Officer and an Executive Director of the Company and the brother of Mr. Kevin So, an Executive Director of the Company.

Mr. Sunny So had not held any directorship in public listed companies in the last three years or other major appointment. Apart from being an Executive Director, Sunny So is a director of certain subsidiaries of the Company.

Sunny So has entered into a service agreement with the Company which will continue until terminated by either party to the other no less than three months’ notice in writing. The director’s emolument of Mr. Sunny So is determined by the Board with reference to his duties and responsibilities with the Company. Mr. Sunny So is not entitled to any additional remuneration for holding his office as an Executive Director in addition to his current remuneration or salary payable under his existing employment contract with the Group. Under such existing employment contract, Mr. Sunny So is entitled to a monthly salary of HK\$145,000 plus a monthly housing allowance of HK\$30,000. With effect from 1 July 2019, the monthly salary has increased to HK\$165,000, which was determined with reference to his duties and responsibilities to the Group. Mr. Sunny So is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

As at the Latest Practicable Date, (i) Mr. Sunny So held share options entitling him to subscribe for 220,000 shares of 830 Lab Limited, an associated corporation of the Company within the meaning of Part XV of the SFO; and (ii) Mr. Sunny So did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Sunny So to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

MR. CHARLES EDWARD CHAPMAN

Independent Non-executive Director

Mr. Charles Edward Chapman (“**Mr. Chapman**”), aged 70, has been an Independent Non-executive Director of the Company since January 2000. He was Executive Director of the HKEIA and Managing Director of the HKEIA’s subsidiary publishing company, the Hong Kong Electronics Promotions Ltd. from May 1988 to June 2007 when he retired. Currently, Mr. Chapman is an Independent Non-executive Director of Mobicon Group Limited and he is also a Senior Industry Consultant for a number of overseas-based trade fair organisers. Prior to joining the HKEIA, Mr. Chapman worked for 12 years as Economics Editor at the Hong Kong Trade Development Council and for 8 years as Business Editor in a local English-language newspaper.

Mr. Chapman is a member of the audit committee, the remuneration committee, the nomination committee and the corporate governance committee of the Board.

Mr. Chapman has met the independence guidelines set out in Rule 3.13 of the Listing Rules. He has given an annual confirmation concerning his independence to the Company. The Board, therefore, consider him to be independent.

Mr. Chapman has entered into a service agreement with the Company for a term of one year, which shall continue thereafter unless and until terminated by either party giving the other no less than three months’ notice in writing. Mr. Chapman is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. Chapman is entitled to a director’s fee of HK\$100,000 per annum. With effect from 1 April 2019, the director’s fee has increased to HK\$150,000 per annum, which was determined having regard to his duties and responsibilities to the Company.

As at the Latest Practicable Date, Mr. Chapman did not have any interests in the Shares within the meaning of Part XV of the SFO. Mr. Chapman did not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Chapman that need to be brought to the attention of the Shareholders and there is no other information that is required to disclose pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

NOTICE IS HEREBY GIVEN that an annual general meeting of AV Concept Holdings Limited (“**Company**”) will be held at The Conference Room, 6th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong on Wednesday, 28 August 2019 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and the auditor of the Group for the year ended 31 March 2019;
2. to declare a final dividend of HK2.00 cents per share for the year ended 31 March 2019;
3. to re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration, each as a separate resolution; and
4. to re-appoint Ernst & Young as the auditor of the Company and to authorise the board of directors to fix their remuneration;

and, as special businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. **“THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable law, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (e) below) of all the powers of the Company to allot, issue and deal with the unissued shares (“**Shares**”) in the capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as hereinafter defined in paragraph (e) below);
- (ii) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company from time to time;
- (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (“**Articles of Association**”) and other relevant regulations in force from time to time;
- (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed the aggregate of:

- (aa) 20% of the number of issued Shares as at the date of the passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of Shares purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of issued Shares as at the date of the passing of this resolution),

and the said approval shall be limited accordingly;

(d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and

(e) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of the Cayman Islands to be held; or
- (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expenses or delay which may be involved in determining the existence or extent of any restrictions or obligation under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to purchase the shares (“**Shares**”) in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws as amended from time to time in this regard, be and the same is hereby generally and unconditionally approved;
- (b) total number of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly;

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- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares at the time immediately before and after such consolidation or subdivision shall be the same; and
 - (d) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law or any other applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional on the passing of resolutions numbered 5 and 6 above, the general mandate granted to the directors of the Company pursuant to resolution numbered 5 above be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the directors of the Company pursuant to or in accordance with such mandate of an amount representing the aggregate number of shares of the Company repurchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 6 above.”

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

Hong Kong, 26 July 2019

NOTICE OF ANNUAL GENERAL MEETING

Head office and principal place of business in Hong Kong:

6th Floor
Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, at the office of the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the annual general meeting or any adjournment.
4. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019 (both days inclusive) during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 22 August 2019.
5. In order to determine Shareholders who qualify for the proposed final dividend, the register of members of the Company will be closed from Wednesday, 4 September 2019 to Thursday, 5 September 2019 (both days inclusive) during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 3 September 2019.