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## **AV CONCEPT HOLDINGS LIMITED**

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

**(Stock Code: 595)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

#### **THE PRE-SALE CONTRACT**

The Board is pleased to announce that on 4 October 2019 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Pre-Sale Contract pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property at the Consideration of RMB20,000,000 (equivalent to approximately HK\$22,000,000).

#### **LISTING RULES IMPLICATIONS**

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

#### **THE PRE-SALE CONTRACT**

The principal terms of the Pre-Sale Contract are as follows:

##### **Date**

4 October 2019 (after trading hours)

##### **Parties**

Vendor: 四川海洋置地發展有限公司 (Sichuan Ocean Land Development Company Limited\*)

Purchaser: 成都信達傑瑞投資管理有限公司 (Chengdu Xinda Jierui Investment Management Company Limited\*)

The Vendor is a company established under the laws of the PRC which is principally engaged in property development in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The Purchaser is a company established under the laws of the PRC. It is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

### **Subject matter**

Pursuant to the Pre-Sale Contract, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Property in accordance with the terms of the Pre-Sale Contract.

### **Information on the Property**

The Property, being the office on the 8th floor of a commercial building to be constructed by the Vendor on the Land. The gross floor area of the said office unit is expected to be approximately 1,698.75 square meter.

The Vendor has obtained the land use right in respect of the Land. The framework structure of the aforementioned commercial building has been approximately 50% completed as at the date of the Pre-Sale Contract.

### **Consideration and payment terms**

The Consideration for the Acquisition is RMB20,000,000 (equivalent to approximately HK\$22,000,000), and was determined after arm's length negotiations with reference to the valuation of the Property (the "Valuation") of approximately RMB22,750,000 (equivalent to approximately HK\$25,025,000) as at 30 September 2019 prepared by Roma Appraisals Limited, an independent valuer, based on comparable property prices in Chengdu City under the market approach.

The Consideration will be settled by the Purchaser in cash on or before 8 October 2019 and will be funded by internal resources of the Group.

### **Delivery of the Property**

The Vendor shall deliver the Property to the Purchaser on or before the Delivery Date, i.e. 31 December 2021.

## **Delay on delivery of the Property**

Pursuant to the Pre-Sale Contract, if the Vendor fails to deliver the Property at the Delivery Date, starting from the day immediately after the Delivery Date up to the date of actual delivery of the Property, the Vendor shall compensate the Purchaser by an amount equivalent to the daily interest rate (which shall be with reference to the loan benchmark interest rates promulgated by the banks at the relevant time) of the Consideration per day, for each day of late delivery of the Property.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the marketing and distribution of electronic components, the design, development and sale of electronic products and brand omni-channel business, venture capital investment, and internet social media business. The Group has been exploring investment opportunities from time to time with an aim to enhance the interests of the Company and the Shareholders as a whole.

The Group intends to hold the Property for investment purpose and will lease out the Property after completion of the Acquisition for rental income. Therefore, the Acquisition offers the Group an appealing property investment opportunity for capital appreciation and stable rental income in the future, at a discounted price as compared to the market value of the Property as stated in the Valuation.

The Board considers that the terms of the Acquisition are on normal commercial terms, fair and reasonable, and in the interests of the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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

## **DEFINITIONS**

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

“Acquisition”	acquisition of the Property by the Purchaser
“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
“Consideration”	RMB20,000,000 (equivalent to approximately HK\$22,000,000) being the total consideration payable by the Purchaser to the Vendor in respect of the Acquisition
“Delivery Date”	on or before 31 December 2021
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Land”	the piece of land known as the land unit no. 11, Shuang Tu Village, Gao Xin District, Chengdu City, Sichuan, the PRC* (中國四川省成都市高新區雙土村十一組地塊)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement,
“Pre-Sale Contract”	the pre-sale contract dated 4 October 2019 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Property”	the office on the 8th floor of a commercial building to be constructed by the Vendor on the Land

“Purchaser”	成都信達傑瑞投資管理有限公司 (Chengdu Xinda Jierui Investment Management Company Limited*), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“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”	四川海洋置地發展有限公司 (Sichuan Ocean Land Development Company Limited*), a company established under the laws of the PRC
“%”	per cent.

*Unless otherwise specified, the conversion of RMB into HK\$ are based on the exchange rate of RMB1.00 to HK\$1.10. No representation is made that any amounts in RMB and HK\$ have been or could be converted at the relevant dates at the above rate or other rates or at all.*

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

Hong Kong, 4 October 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 three independent non-executive Directors, Dr. Lui Ming Wah, SBS, JP, Mr. Charles E. Chapman and Mr. Wong Ka Kit.*

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

\* For identification purposes only