

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

B.K.S. Company Limited
(Incorporated in the British Virgin Islands
with limited liability)

 **AV CONCEPT HOLDINGS LIMITED**
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 595)

JOINT ANNOUNCEMENT

VOLUNTARY CONDITIONAL CASH OFFER BY AMASSE CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL OF THE ISSUED SHARES OF AV CONCEPT HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND ITS CONCERT PARTIES) AND RESUMPTION OF TRADING

Financial Adviser to the Offeror

AMASSE CAPITAL
寶 積 資 本

INTRODUCTION

Reference is made to the clarification announcement of the Company dated 30 December 2019, whereby it was disclosed that certain shareholding figures in the interim reports of the Company for each of the six months ended 30 September from 2010 to 2018 and the annual reports of the Company for each of the financial years ended 31 March from 2011 to 2019 with respect to interests held in the Company by (i) Dr. So; (ii) the Offeror; and (iii) Madam Yeung, being Dr. So's spouse, were misstated. Such misstatements were due to three incidents; (i) the Offeror unintentionally failed to report three purchases of 2,874,000 shares of the Company made during August 2010 to November 2011; (ii) due to an inadvertent typographical error, a purchase of 50,000 shares of the Company made by the Offeror in September 2016 was mistakenly reported; and (iii) a total of 25,000,000 shares of the Company held by a friend of Dr. So on trust for Dr. So in June 2017 were not reported. The SFC is looking into the above matters and their implications under the SFO and the Takeovers Code. Notwithstanding any possible conclusion from the SFC on the above matters, the Offer is made by Dr. So through the Offeror on a voluntary basis.

VOLUNTARY CONDITIONAL CASH OFFER

The Offeror and the Company hereby jointly announce that Amasse Capital, on behalf of the Offeror, will make a voluntary conditional cash offer to acquire all the Offer Shares.

The Offer will be made by Amasse Capital for and on behalf of the Offeror, on the following basis:

The Offer

For each Offer Share HK\$0.350 in cash

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

As at the date of this joint announcement, there are 908,663,302 Shares in issue. The Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

Value of the Offer

As at the date of this joint announcement, the Offeror and its Concert Parties collectively hold a total of 370,858,226 Shares, representing approximately 40.81% of the issued share capital of the Company. Save for the aforesaid, the Offeror and its Concert Parties do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

Assuming the Offer is accepted in full on the basis that there is no change in the issued share capital of the Company up to the close of the Offer, a total of 537,805,076 issued Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties) will be subject to the Offer, and the maximum cash consideration payable by the Offeror under the Offer would be approximately HK\$188,231,800.

Financial resources available to the Offeror

The Offeror intends to finance the consideration payable by the Offeror under the Offer from its and Dr. So's own financial resources.

Amasse Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Condition of the Offer

The Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4: 00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, would result in the Offeror and its Concert Parties holding more than 50% of the voting rights in the Company.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any Condition so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offer.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances or in all respects. The Offer must also remain open for acceptance for at least fourteen (14) days after the Offer becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

WARNING: Shareholders and potential investors of the Company should note that the Offer is subject to the satisfaction of the Condition. Accordingly, the Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. An Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in this regard. An announcement of such appointment will be made by the Company in due course.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document, which will contain amongst others, details of the Offer, accompanied by the relevant form of acceptance, and incorporating the recommendation from the Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offer.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document will be despatched to the Shareholders in accordance with the requirements of the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 December 2019 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 9 January 2020.

INTRODUCTION

Reference is made to the clarification announcement of the Company dated 30 December 2019, whereby it was disclosed that certain shareholding figures in the interim reports of the Company for each of the six months ended 30 September from 2010 to 2018 and the annual reports of the Company for each of the financial years ended 31 March from 2011 to 2019 with respect to interests held in the Company by (i) Dr. So; (ii) the Offeror; and (iii) Madam Yeung, being Dr. So's spouse, were misstated. Such misstatements were due to three incidents; (i) the Offeror unintentionally failed to report three purchases of 2,874,000 shares of the Company made during August 2010 to November 2011; (ii) due to an inadvertent typographical error, a purchase of 50,000 shares of the Company made by the Offeror in September 2016 was mistakenly reported; and (iii) a total of 25,000,000 shares of the Company held by a friend of Dr. So on trust for Dr. So in June 2017 were not reported. The SFC is looking into the above matters and their implications under the SFO and the Takeovers Code. Notwithstanding any possible conclusion from the SFC on the above matters, the Offer is made by Dr. So through the Offeror on a voluntary basis.

For more details, please refer to the above said clarification announcement.

VOLUNTARY CONDITIONAL CASH OFFER

The Offeror and the Company hereby jointly announce that Amasse Capital, on behalf of the Offeror, will make a voluntary conditional cash offer to acquire all the Offer Shares.

The Offer

The Offer will be made by Amasse Capital for and on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

For each Offer ShareHK\$0.350 in cash

The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code.

As at the date of this joint announcement, there are 908,663,302 Shares in issue. The Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest.

Comparison of value

The Offer Price of HK\$0.350 per Offer Share represents:

- (a) a premium of approximately 12.90% over the closing price of HK\$0.310 per Share quoted on the Stock Exchange on 27 December 2019, being the Last Trading Day;
- (b) a premium of approximately 14.01% over the average closing price of approximately HK\$0.307 per Share quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 19.86% over to the average closing price of approximately HK\$0.292 per Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 27.27% over the average closing price of approximately HK\$0.275 per Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (e) a discount of approximately 71.93% to the unaudited consolidated net assets attributable to shareholders of the Company per Share of approximately HK\$1.247 as at 30 September 2019, calculated based on the unaudited consolidated net assets attributable to shareholders of the Company of HK\$1,133,177,000 as at 30 September 2019 and 908,663,302 Shares in issue as at the date of this joint announcement.

Highest and lowest Share price

During the six-month period immediately preceding the Last Trading Day:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.325 per Share on 2 July, 3 July, 4 July and 5 July 2019; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.248 per Share on 5 September and 19 September 2019.

Value of the Offer

Assuming the Offer is accepted in full on the basis that there is no change in the issued share capital of the Company up to the close of the Offer, a total of 537,805,076 issued Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties) will be subject to the Offer, and the maximum cash consideration payable by the Offeror under the Offer would be approximately HK\$188,231,800.

Financial resources available to the Offeror

The Offeror intends to finance the consideration payable by the Offeror under the Offer from its and Dr. So's own financial resources.

Amasse Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Condition of the Offer

The Offer is conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4: 00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, would result in the Offeror and its Concert Parties holding more than 50% of the voting rights in the Company.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any Condition so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offer.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances or in all respects. The Offer must also remain open for acceptance for at least fourteen (14) days after the Offer becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

WARNING: Shareholders and potential investors of the Company should note that the Offer is subject to the satisfaction of the Condition. Accordingly, the Offer may or may not become unconditional. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including, without limitation, the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid on or after the date of despatch of the Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Hong Kong stamp duty

Sellers' Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to the Independent Shareholders who accept the Offer. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong).

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, its Concert Parties, the Company, Amasse Capital and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the later of (i) the date of receipt of a completed and valid acceptance in respect of the Offer; or (ii) the date on which the Offer becomes or is declared unconditional in all respects.

Overseas Holders

The availability of the Offer to any Overseas Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Holders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Holders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Holders in respect of such jurisdictions).

Any acceptance by any Overseas Holders will be deemed to constitute a representation and warranty from such Overseas Holders to the Offeror that the local laws and requirements have been complied with. The Overseas Holders should consult their professional advisers if in doubt.

Dealing and interests in the Company's securities

As at the date of this joint announcement, the Offeror and its Concert Parties collectively hold a total of 370,858,226 Shares, representing approximately 40.81% of the issued share capital of the Company. Save for the aforesaid, the Offeror and its Concert Parties do not hold, own, control or have direction over any Shares or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The following table sets out the shareholding structure of the Company as at the date of this joint announcement:

Shareholders	As at the date of this joint announcement:	
	Number of Shares	Approximate shareholding
The Offeror and its Concert Parties		
The Offeror	220,831,960	24.30%
Jade Concept Limited (“ Jade Concept ”) (<i>Note 1</i>)	96,767,866	10.65%
Dr. So (<i>Note 2</i>)	52,058,400	5.73%
Mr. So Chi On (“ Mr. So ”) (<i>Note 3</i>)	1,200,000	0.13%
Sub-total	370,858,226	40.81%
Public Shareholders	537,805,076	59.19%
TOTAL	908,663,302	100.00%

Notes:

1. Jade Concept is wholly owned by Dr. So as at the date of this joint announcement.
2. These 52,058,400 Shares held by Dr. So includes 30,000,000 Shares held on trust by a friend of Dr. So for Dr. So as at the date of this joint announcement.
3. Mr. So, the son of Dr. So, is a party acting in concert and presumed to be acting in concert with the Offeror under the Takeovers Code.

The Offeror confirms that, as at the date of this joint announcement:

- (i) the Offeror or its Concert Parties have not received any irrevocable commitment to accept or reject the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror or its Concert Parties;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for a total of 370,858,226 Shares, none of the Offeror or its Concert Parties own or have control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) none of the Offeror and its Concert Parties have dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to the date of this joint announcement;
- (vi) there is no agreement or arrangement to which the Offeror or its Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or its Concert Parties have borrowed or lent; and
- (viii) there is no understanding, arrangement or special deal between any Shareholder and the Offeror and/or its Concert Parties.

The Board confirms that, as at the date of this joint announcement, there is no understanding, arrangement or special deal between any Shareholder and the Company, its subsidiaries or associated companies.

INFORMATION OF THE GROUP

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.

Set out below is the summary of financial information of the Group for the financial years ended 31 March 2018 and 2019 as extracted from the annual report of the Company for the year ended 31 March 2019 and for the six months ended 30 September 2019 as extracted from the interim report of the Company for six months ended 30 September 2019:

	For the year ended 31 March		For the six months ended 30 September
	2018	2019	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Revenue	1,662,878	1,698,796	725,723
Profit before taxation	163,690	55,607	50,731
Profit for the year	162,889	55,193	50,575

	As at 31 March		As at 30 September
	2018	2019	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Total assets	1,405,799	1,317,018	1,337,965
Total equity attributable to owners of the Company	1,074,119	1,101,481	1,133,177

Further financial information of the Group will be set out in the Composite Document to be despatched.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability. As at the date of this joint announcement, the Offeror is wholly-owned by Dr. So. Dr. So and Madam Yeung, the spouse of Dr. So, are the directors of the Offeror.

Dr. So, aged 70, is currently the chairman, chief executive officer and an executive director of the Company. Dr. So is primarily responsible for overall business strategies and business development to the Company.

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). Presently, he is the vice chairman of the Executive Committee of the Hong Kong Electronic Industries Association Limited.

INTENTION OF THE OFFEROR ON THE GROUP

Following the close of the Offer, it is the intention of the Offeror that the Group will continue with its existing principal activities after the close of the Offer. However, the Offeror will conduct a detailed review of the business activities and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group with the aim of growing and expanding its business and strengthening its financial position. Subject to the results of the review, the Offeror may explore other business opportunities for the Group and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Group. As at the date of this joint announcement, no such investment or business opportunities has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group.

As at the date of this joint announcement, the Offeror has no intention to (i) discontinue the employment of any employees of the Group or change the composition of the Board; (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. An Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee in this regard. An announcement of such appointment will be made by the Company in due course.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or**
- (b) there are insufficient Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The directors of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise or apply any right which may be available to it to acquire compulsorily any Shares outstanding after the close of the Offer.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document, which will contain amongst others, details of the Offer, accompanied by the relevant form of acceptance, and incorporating the recommendation from the Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offer.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document will be despatched to the Shareholders in accordance with the requirements of the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 30 December 2019 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9: 00 a.m. on 9 January 2020.

DEALING DISCLOSURE

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DEFINITIONS

In this joint announcement, the following terms shall have the meanings set out below, unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Amasse Capital”	Amasse Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in relation to the Offer and the agent making the Offer for and on behalf of the Offeror
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Closing Date”	the date to be stated in the Composite Document as the first closing date or any subsequent closing date as and may be announced by the Offeror and approved by the Executive
“Company”	AV Concept Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 595)
“Composite Document”	the composite offer document and offeree board circular in respect of the Offer to be despatched to the Independent Shareholders
“Concert Party(ies)”	in relation to the Offeror, party(ies) acting in concert and presumed to be acting in concert with the Offeror, as determined in accordance with the Takeovers Code
“Condition”	the condition of the Offer, as set out in the paragraph headed “Condition of the Offer” in this joint announcement
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“Dr. So”	Dr. So Yuk Kwan

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Dr. Lui Ming Wah, SBS, JP, Mr. Charles E. Chapman, Mr. Wong Ka Kit and Mr. Lai, Yat Hung Edmund, established for the purpose of advising and giving a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee in respect of the Offer
“Independent Shareholder(s)”	Shareholder(s) other than the Offeror or its Concert Parties
“Last Trading Day”	27 December 2019, being the last trading day of the Shares before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Yeung”	Madam Yeung Kit Ling, the spouse of Dr. So
“Offer”	the voluntary conditional cash offer to be made by Amasse Capital for and on behalf of the Offeror for all the Offer Shares in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.350 per Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror or its Concert Parties
“Offeror”	B.K.S. Company Limited, a company incorporated under the laws of BVI with limited liability

“Overseas Holder(s)”	Independent Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 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 Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the board of
B.K.S. Company Limited
So Yuk Kwan
Director

By order of the board of
AV Concept Holdings Limited
So Kevin Chi Heng
Executive Director

Hong Kong, 8 January 2020

As at the date of this joint 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. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror or any of its Concert Parties) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the directors of the Offeror or any of its Concert Parties in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Dr. So Yuk Kwan and Madam Yeung Kit Ling. The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group) and confirm, having made all reasonable inquiries,

that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.