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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, entered into the Sale and Purchase Agreement dated 17 June 2022 with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to buy the Property at the Consideration of S\$4,250,000 (equivalent to approximately HK\$24,012,500) subject to and upon the terms of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

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 SALE AND PURCHASE AGREEMENT

A summary of the principal terms of the Sale and Purchase Agreement is as follows:

Date: 17 June 2022

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

(ii) Purchaser: Ms. Regina Lois Wan Mocellin.

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: A residential unit located at 37 Orange Grove Road, #04 – 11, Orange Grove Residences, Singapore, with a gross floor area of approximately 185 sq.m..

The Property is held as an investment property. It will be sold on an “as-is” basis free from other encumbrances with vacant possession.

Consideration: The Consideration of S\$4,250,000 (equivalent to approximately HK\$24,012,500) has been paid by the Purchaser to the Vendor upon signing of the Sale and Purchase Agreement.

The Consideration was determined after arm’s length negotiation between the Vendor and the Purchaser with reference to the valuation of the Property as at 31 March 2022 of S\$4,250,000 prepared by TEHO Property Consultants Pte. Ltd., an independent professionally qualified valuer in Singapore, based on comparable property prices in the vicinity of the Property under the market approach.

Completion: Completion of the Disposal shall take place on or before 21 June 2022.

INFORMATION ON THE PROPERTY

Rental incomes from leasing of the Property for the Group during the two financial years ended 31 March 2020 and 31 March 2021 were approximately S\$88,000 (equivalent to approximately HK\$497,200) and S\$85,000 (equivalent to approximately HK\$480,250), respectively. As at the date of this announcement, the Property is vacant.

The net profit before taxation attributable to the Property for the two financial years ended 31 March 2020 and 31 March 2021 were approximately S\$68,000 (equivalent to approximately HK\$384,200) and S\$59,000 (equivalent to approximately HK\$333,350), respectively.

As at 30 September 2021, the unaudited carrying value of the Property was approximately S\$3,800,000 (equivalent to approximately HK\$21,470,000).

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

The Disposal is expected to enable the Company to recognize a gain of approximately S\$450,000 (equivalent to approximately HK\$2,542,500) (before deducting any related expenses and tax charges), being the premium of the Consideration of S\$4,250,000 (equivalent to approximately HK\$24,012,500) over the carrying value of the Property of approximately S\$3,800,000 (equivalent to approximately HK\$21,470,000) as at 30 September 2021. The exact amount of the gain on the Disposal to be recorded in the consolidated financial statements of the Group is subject to review by the auditors of the Company.

It is estimated that the net proceeds of the Disposal (after deducting agency fees, legal fees, relevant tax charges and ancillary expenses) would be approximately S\$4,150,000 (equivalent to approximately HK\$23,447,500). The Company intends to use the net proceeds of the Disposal as general working capital of the Group.

REASONS FOR THE DISPOSAL

The Property is classified as an investment property of the Group. The Directors undertake strategic reviews of the Group's assets from time to time with a view to maximize returns to the Shareholders. Having regard to the prevailing market conditions, the Directors consider that the Disposal presents a good opportunity for the Company to realize the value of the Property. In addition, the Directors believe that the Disposal will enhance the working capital of the Group and enable the Company to reallocate capital into future suitable investment opportunities as they arise.

The Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE VENDOR

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.

INFORMATION ON THE PURCHASER

The Purchaser is Ms. Regina Lois Wan Mocellin, an individual.

LISTING RULES IMPLICATIONS

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.

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\$4,250,000 (equivalent to approximately HK\$24,012,500), 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 Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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”	a residential unit located at 37 Orange Grove Road, #04 – 11, Orange Grove Residences, Singapore
“Purchaser”	Ms. Regina Lois Wan Mocellin
“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 June 2022 and entered into between the Vendor and the Purchaser in respect of the Disposal

“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, 17 June 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, 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\$5.65. 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.