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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

SUPPLEMENTAL ANNOUNCEMENT TERMINATION OF ACQUISITION OF PROPERTY

References are made to the announcements of AV Concept Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 4 October 2019 and 13 January 2022 (collectively, the “**Announcements**”) in relation to the Property. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board would like to provide further information as follows:

- (a) the compensation of the amount of RMB3,600,000 (equivalent to approximately HK\$4,428,000) by the Vendor to the Purchaser was determined after arm’s length negotiation with reference to:
 - (i) the Valuation of the Property of approximately RMB24,000,000 (equivalent to approximately HK\$29,520,000) as at 31 December 2021;
 - (ii) the Consideration of RMB20,000,000 (equivalent to approximately HK\$24,600,000) paid by the Purchaser for the Acquisition under the Pre-Sale Contract;
 - (iii) the relevant tax payable of approximately RMB2,000,000 (equivalent to approximately HK\$2,460,000) if the Property is to be sold by the Company (the “**Relevant Tax Payable**”);
 - (iv) the expected net amount of approximately RMB22,000,000 (equivalent to approximately HK\$27,060,000) to be received by the Company if the Property is to be sold after having taken into account the Relevant Tax Payable (the “**Net Amount**”); and
 - (v) the Total Return Amount of RMB23,600,000 (equivalent to approximately HK\$29,028,000) is higher than the Net Amount of approximately RMB22,000,000 (equivalent to approximately HK\$27,060,000);
- (b) in accordance with the terms of the Settlement Agreement, the Total Return Amount shall be settled by the Vendor within 3 months from the date of the Settlement Agreement by depositing the Total Return Amount to the designated bank account of the Purchaser; and
- (c) there is no other condition under the Settlement Agreement.

Save as disclosed above, all other information and content set out in the Announcements remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcements.

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

Hong Kong, 21 January 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 RMB into HK\$ are based on the exchange rate of RMB 1.00 to HK\$1.23. 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.

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