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## **AV CONCEPT HOLDINGS LIMITED**

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

(Stock Code: 595)

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF NEW SHARES OF ACCUPIX CO., LTD. AND RESUMPTION OF TRADING**

The Directors announce that, on 15 March 2010, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Investment Agreement with ACCUPIX, ATREE and Mr. Ko, pursuant to which the Purchaser has agreed to subscribe for 730,000 new ACCUPIX Shares, representing 20% of the enlarged issued share capital of ACCUPIX at a consideration of US\$3,600,000 (equivalent to approximately HK\$27.9 million).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, ACCUPIX and the existing ACCUPIX Shareholders are not connected persons of the Company and are independent of and not connected with the Company and its connected persons or their associates.

Under the Listing Rules, the Investment constitutes a discloseable transaction for the Company as one of the size tests, calculated pursuant to Rule 14.07 of the Listing Rules, exceeds 5% and none of the size tests reaches 25%.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 16 March 2010 pending the release 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 9:30 a.m. on 17 March 2010.

#### **THE INVESTMENT AGREEMENT**

Date : 15 March 2010

Parties : (1) Purchaser;  
(2) ACCUPIX;  
(3) ATREE, a ACCUPIX Shareholder; and  
(4) Mr. Ko, a director and a shareholder of ACCUPIX

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, ACCUPIX and the existing ACCUPIX Shareholders are not connected persons of the Company and are independent of and not connected with the Company and its connected persons or their associates.

### **Assets to be acquired**

Pursuant to the Investment Agreement, the Purchaser has agreed to subscribe for 730,000 new ACCUPIX Shares. ACCUPIX had 2,920,000 ordinary shares in issue immediate prior to the Investment Agreement.

Upon completion of the Investment, the Purchaser will hold 730,000 new ACCUPIX Shares representing 20% of the enlarged issued share capital of ACCUPIX and ACCUPIX will be accounted for as an associated company in the Group's next financial statements following completion of the Investment.

### **Consideration**

The consideration of US\$3,600,000 (equivalent to approximately HK\$27.9 million) will be satisfied by the internal resources of the Company upon completion of the Investment.

The consideration was determined after arm's length negotiation between ACCUPIX, ATREE, Mr. Ko and the Purchaser. In arriving at the terms of the Investment, the Directors have considered the business prospects of ACCUPIX and potential synergies to the Group's existing business. The Directors are of the view that the Investment Agreement was entered into on normal commercial terms such that the terms thereof are fair and reasonable and in the interests of the Shareholders as a whole.

### **Conditions precedent**

The Investment Agreement will become effective upon the fulfillment of the following conditions:

1. the required government approvals has been completed and obtained;
2. the representations and warranties of ACCUPIX under the Investment Agreement being true and accurate in all material respects and the Purchaser has complied with all its obligations under the Investment Agreement in all material respects;
3. there not occurring, since the date of the Investment Agreement, any material adverse change in business, assets, liabilities, financial condition, property, prospects or results of the operations of ACCUPIX, or any impairment in the ability of ACCUPIX, ATREE or Mr. Ko to perform its/his obligations under the Investment Agreement;

4. the Investment Agreement and the transactions contemplated thereunder having been duly authorised by the board of directors of ACCUPIX, resolutions of ACCUPIX and by any other necessary action of ACCUPIX, and the Purchaser has received satisfactory documentation of such resolutions and other action;
5. the Investment Agreement and the transactions contemplated thereunder have been duly authorised by the Board;
6. appointment of a director nominated by the Purchaser to the board of ACCUPIX (if requested by the Purchaser prior to the completion of the Investment); and
7. amendment of the articles of incorporation of ACCUPIX in form and substance satisfactory to the Purchaser (if requested by the Purchaser).

### **Completion**

Subject to the fulfillment of the above conditions precedent, the Investment will be completed on such date as may be agreed by the Purchaser, ACCUPIX, ATREE and Mr. Ko.

### **INFORMATION OF ACCUPIX**

ACCUPIX is a limited liability company incorporated in Korea in 2000. ACCUPIX is principally engaged in the design and provision of solution in relation to 3-dimensional (“3D”) TV LCD shutter glasses. ACCUPIX has co-worked and developed 3D glasses with the leading industry players and ACCUPIX has many 3D projects in development. The Board considers that the Investment will strengthen the Group’s capability to capture the business opportunities arising from the future demand for 3D technology.

Based on the financial statements of ACCUPIX, it had unaudited net assets of approximately KRW 64.8 million (equivalent to approximately HK\$444,000) as at 31 December 2009. The table below sets out the revenue, profit before and after taxation of ACCUPIX for the two years ended 31 December 2008 and 2009.

	<b>For the year ended 31 December 2008</b>		<b>For the year ended 31 December 2009</b>	
	Unaudited		Unaudited	
	<i>approximately</i>		<i>approximately</i>	
	<i>KRW</i>	<i>HK\$</i>	<i>KRW</i>	<i>HK\$</i>
Revenue	910,511,901	6,243,225	99,828,911	684,510
Profit before taxation	342,586,061	2,349,054	(86,653,510)	(594,168)
Profit after taxation	342,586,061	2,349,054	(86,653,510)	(594,168)

## **REASONS FOR THE INVESTMENT**

The Group is principally engaged in the marketing and distribution of electronic components, and the design, development and sale of electronic products.

The Company considers that there is a strong market potential on the 3D TV LCD shutter glasses technology which ACCUPIX has developed and in development. The Company believes that a nexus with ACCUPIX will facilitate the Group to develop its sales and marketing business and provides the Group with an advantage over its competitors.

The Directors are of the view that the Investment Agreement was entered into on normal commercial terms and that the terms thereof are fair and reasonable and in the interests of the Shareholders as a whole.

## **GENERAL**

Under the Listing Rules, the Investment constitutes a discloseable transaction for the Company as one of the size tests, calculated pursuant to Rule 14.07 of the Listing Rules, exceeds 5% and none of the size tests reaches 25%.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 16 March 2010 pending the release 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 9:30 a.m. on 17 March 2010.

## **DEFINITIONS**

“ACCUPIX”	Accupix Co., Ltd., a limited liability company incorporated in Korea
“ACCUPIX Share(s)”	common share(s) of KRW500 each in the issued share capital of ACCUPIX
“ACCUPIX Shareholder(s)”	holder(s) of the issued share(s) of ACCUPIX
“ATREE”	Atree Co., Ltd., a limited liability company incorporated in Korea, which owns 37.5% of the issued share capital of ACCUPIX immediately prior to the Investment Agreement

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Investment”	the subscription of the 730,000 new ACCUPIX Shares by the Purchaser pursuant to the Investment Agreement
“Investment Agreement”	the investment agreement entered into between the Purchaser, ACCUPIX, ATREE and Mr. Ko dated 15 March 2010
“KRW”	Korean Won, the lawful currency of Korea
“LCD”	liquid crystal display
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange Hong Kong Ltd.
“Mr. Ko”	Mr. Hanil Ko, a director of ACCUPIX and owns 33% of the issued share capital of ACCUPIX immediately prior to the Investment Agreement
“Purchaser”	New Concept Capital Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company,
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company

“Shareholder(s)” holder(s) of Shares

“Stock Exchange” The Stock Exchange of Hong Kong Limited

*For illustration purposes, US\$ is converted to HK\$ at a rate of US\$1 = HK\$7.7587 and KRW is converted to HK\$ at a rate of HK\$1 = KRW145.84 in this announcement. No representation is made that any amount in HK\$ or KRW would have been or can be converted at the above rate.*

By Order of the Board  
**AV Concept Holdings Limited**  
**So Yuk Kwan**  
*Chairman*

16 March 2010, Hong Kong

*As at the date of this announcement, the Board comprises two executive Directors, Dr. Hon. So Yuk Kwan (Chairman) and Mr. So Chi On, and three independent non-executive Directors, Dr. Hon. Lui Ming Wah, SBS, JP, Mr. Charles E. Chapman and Mr. Wong Ka Kit.*