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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

**If you have sold or transferred** all your shares in AV Concept Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**AV CONCEPT HOLDINGS LIMITED**

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

(Stock Code: 595)

**PROPOSED GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at The Conference Room, 6th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong on Monday, 31 August 2009 at 11:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

31 July 2009

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at The Conference Room, 6th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong on Monday, 31 August 2009 at 11:00 a.m. or any adjournment thereof, the notice of which is set out on pages 12 to 15 of this circular
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning 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
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution for approving the issue mandate
“Latest Practicable Date”	24 July 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase fully paid Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution for approving the repurchase mandate

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 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) for the time being of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases approved by the Securities and Futures Commission as amended from time to time
“HK\$”	Hong Kong dollars
“%”	per cent.

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## LETTER FROM THE BOARD

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# AV CONCEPT HOLDINGS LIMITED

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

(Stock Code: 595)

*Directors:*

So Yuk Kwan (*Chairman*)

So Chi On

Dr. Hon. Lui Ming Wah, *SBS, JP*\*

Charles Edward Chapman\*

Wong Ka Kit\*

\* *Independent Non-executive Directors*

*Registered office:*

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal place of  
business in Hong Kong:*

6th Floor

Enterprise Square Three

39 Wang Chiu Road

Kowloon Bay

Hong Kong

31 July 2009

*To the Shareholders and, for information only,  
holders of options*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### **INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting, including (i) the ordinary resolutions granting the Board the Issue Mandate, the Repurchase Mandate and the extension of Issue Mandate, and (ii) the ordinary resolution proposing the re-election of the retiring Directors; and to give you notice of the Annual General Meeting.

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## LETTER FROM THE BOARD

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An explanatory statement containing all the information necessary to enable the Shareholders to make informed decisions on whether to vote for or against the Repurchase Mandate as required by the Listing Rules is set out in Appendix I to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company held on 25 August 2008, an ordinary resolution was passed by the Shareholders to grant the existing issue mandate to the Directors.

The existing issue mandate will expire at the conclusion of the Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a fresh Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with, otherwise by way of rights issue or any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company or any shares of the Company issued as scrip dividends pursuant to the Memorandum and Articles of Association of the Company, additional Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of such resolution. Based on 412,524,419 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be able to allot, issue and deal with for up to a total of 82,504,883 Shares if the fresh Issue Mandate is granted at the Annual General Meeting, which will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 25 August 2008, an ordinary resolution was passed by the Shareholders to grant the existing repurchase mandate to the Directors.

The existing repurchase mandate will expire at the conclusion of the Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a fresh Repurchase Mandate, i.e. a general and unconditional mandate to repurchase Shares subject to the maximum number of Shares of up to 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of such resolution. The fresh Repurchase Mandate, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

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## LETTER FROM THE BOARD

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### EXTEND GENERAL MANDATE TO ISSUE SHARES

Subject to the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the Annual General Meeting to extend the Issue Mandate by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company in issue on the date of passing the resolution for approving the Issue Mandate.

### RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 112 of the Articles of Association, each of Mr. So Chi On and Dr. Hon. Lui Ming Wah, *SBS, JP* will retire from the office by rotation and, both are being eligible to offer themselves for re-election at the Annual General Meeting.

Information on each of Mr. So Chi On and Dr. Hon. Lui Ming Wah, *SBS, JP* is set out in Appendix II to this circular.

The Board has assessed the independency of Dr. Hon Lui Ming Wah, *SBS, JP* who has been Independent Non-executive Director for over nine years and considered Dr. Lui continues to be independent. The Company has received confirmation from Dr. Lui as to his independence in compliance with the requirements of the Listing Rules.

### ANNUAL GENERAL MEETING

Set out on pages 12 to 15 of this circular is a notice convening the Annual General Meeting at which, ordinary resolutions will be proposed to approve, among other matters, the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, and the re-election of the retiring Directors.

You will find enclosed a form of proxy for use at the Annual General Meeting. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

### LISTING RULES REQUIREMENT

According to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll. No Shareholders are required to abstain from voting at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, and the re-election of retiring Directors are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the Annual General Meeting on pages 12 to 15.

### RESPONSIBILITY STATEMENT

This circular contains particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in respect thereof misleading.

Yours faithfully,  
For and on behalf of the Board of  
**AV CONCEPT HOLDINGS LIMITED**  
**So Yuk Kwan**  
*Chairman*

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the forthcoming Annual General Meeting authorizing the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the Company had 412,524,419 Shares in issue.

Subject to the passing of the resolution for the granting of the Repurchase Mandate (resolution numbered 5 as set out in the notice convening the Annual General Meeting contained in this circular), and on the basis of 412,524,419 Shares in issue and assuming that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 41,252,441 Shares, which represent approximately 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution.

### **2. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands. The Companies Laws of the Cayman Islands provide that repurchases by a company may only be made out of profits of the company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Laws of the Cayman Islands, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be purchased must be provided for out of profits of the company or out of the company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Laws of the Cayman Islands, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 March 2009, the date to which the last audited accounts of the Company were made up. However, the Directors do not intend to make any repurchases to such an extent as would, in circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**4. SHARE PRICES****Share prices**

In each of the previous 12 months and up to the Latest Practicable Date, the highest and lowest prices at which the Shares have been traded on the Stock Exchange were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2008</b>		
July	0.460	0.370
August	0.400	0.280
September	0.325	0.280
October	0.305	0.110
November	0.200	0.150
December	0.200	0.150
<b>2009</b>		
January	0.220	0.190
February	0.200	0.170
March	0.300	0.200
April	0.300	0.250
May	0.300	0.206
June	0.330	0.285
July (up to the Latest Practicable Date)	0.320	0.275

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention, in the event that the repurchase proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

**6. CODE ON TAKEOVERS AND MERGERS**

If on exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. So Yuk Kwan, together with companies controlled by him, owned 249,324,189 Shares, representing approximately 60.44% of the issued share capital of the Company. Based on such interest and assuming that no further Shares will be allotted and issued or repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the aggregate holding of voting right of Mr. So and those companies controlled by him would increase to approximately 67.15% if the Company was to exercise the Repurchase Mandate in full.

The Directors confirm to the best knowledge having made all reasonable enquires that, if the Repurchase Mandate were exercised in full at any time during the proposed repurchase period, it would not cause Mr. So and those companies controlled by him to make a mandatory offer under the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

**7. SHARE REPURCHASE MADE BY THE COMPANY**

During the six months immediately preceding the Latest Practicable Date, no repurchases of Shares have been made by the Company (whether on the exchange or otherwise).

**Mr. So Chi On**, aged 32, is the Chief Executive Officer responsible for strategic corporate development as well as business development of the Group's medical equipment, special-care electronics products and LED products. Mr. So joined the Group in 1999 and he was appointed as an Executive Director of the Company in March 2001. Mr. So holds a Bachelor Degree of Business Administration from the University of Wisconsin Madison. Mr. So Chi On is the son of Mr. So Yuk Kwan.

Save as disclosed above, Mr. So has not held any position in any other listed public company within the past three years and does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, apart from holding 3,500,000 share options in the Company, Mr. So does not have any other interests in the Shares within the meaning of Part XV of the SFO.

Mr. So has entered into a service agreement with the Company for a term of one year, which shall continue thereafter unless and until terminated by either party giving the other not less than three months' notice in writing. Mr. So is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Mr. So is entitled to a director's fee and housing allowance, which were determined having regard to his duties in the Group, of HK\$1,780,000 and HK\$480,000 per annum for the year ended 31 March 2009. Mr. So is also eligible for an annual discretionary bonus based on his performance.

**Dr. Hon. Lui Ming Wah**, *SBS, JP*, aged 71, has been an independent non-executive director of the Company since 1996. Dr. Lui is an established industrialist and was a member of the Legislative Council of the HKSAR between 1998 - 2008. Dr. Lui is also a member of the Chinese People's Political Consultative Conference, an Honorary Chairman of The Hong Kong Electronic Industries Association and the Hon. Chairman of Hong Kong Shandong Chamber of Commerce. In addition, he is also an Advisor of Hong Kong International Arbitration Centre, and a council member of The Hong Kong Polytechnic University. Dr. Lui obtained a Master Degree in Applied Science from the University of New South Wales in Australia and a Doctorate in Engineering from the University of Saskatchewan in Canada. He is currently the Managing Director of Keystone Electronics Co. Ltd.

As at the Latest Practicable Date, Dr. Lui does not have any interests in Shares of the Company within the meaning of Part XV of the SFO. Dr. Lui does not have any relationships with any Directors, senior management, substantial or controlling shareholders of the Company.

Dr. Lui has entered into a service agreement with the Company for a term of one year, which shall continue thereafter unless and until terminated by either party giving the other not less than three months' notice in writing. Dr. Lui is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. Dr. Lui is entitled to a director's fee, which was determined having regard to his duties in the Company, of HK\$100,000 per annum for the year ended 31 March 2009. Dr. Lui is the chairman and member of the Audit Committee and Remuneration Committee of the Company.

Dr. Lui is currently a director of S.A.S. Dragon Holdings Limited (Stock Code: 1184), Glory Mark Hi-Tech (Holdings) Limited (Stock Code: 8159), Gold Peak Industries (Holdings) Limited (Stock Code: 40), and L.K. Technology Holdings Limited (Stock Code: 558), which all these companies are listed on The Stock Exchange of Hong Kong Limited. Dr. Lui is also a director of Asian Citrus Holdings Limited, a company listed on AIM of The London Stock Exchange. Save as disclosed above, Dr. Lui has not held any position in any other listed public company within the past three years.

Save as disclosed above, there are no other matters concerning the re-election of Mr. So and Dr. Lui that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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## AV CONCEPT HOLDINGS LIMITED

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

(Stock Code: 595)

**NOTICE IS HEREBY GIVEN** that an annual general meeting of AV Concept Holdings Limited (“**Company**”) will be held at The Conference Room, 6th Floor, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong on Monday, 31 August 2009 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and the auditors of the Group for the year ended 31 March 2009;
2. to re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration, each as a separate resolution;
3. to re-appoint Ernst & Young as auditors of the Company and to authorise the board of directors to fix their remuneration;

and, as special businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

4. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the unissued shares (each a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiry of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:

(aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or

(iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings;

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. “**THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (each a “**Share**”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) (“**Companies Law**”) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
  - (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “**THAT** conditional on the passing of resolution numbered 4 above, the general mandate granted to the directors of the Company pursuant to resolution numbered 4 above be and is hereby extended by the addition to the aggregate nominal amount of the shares of HK\$0.10 each in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under resolution numbered 5 above.”

By order of the Board of  
**AV CONCEPT HOLDINGS LIMITED**  
**So Yuk Kwan**  
*Chairman*

Hong Kong, 31 July 2009

*Head office and principal place of business in Hong Kong:*

6th Floor  
Enterprise Square Three  
39 Wang Chiu Road  
Kowloon Bay  
Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, at the office of the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Completion and return of the form of proxy will not preclude members from attending and voting in person at the annual general meeting or any adjournment.
4. In order to determine the identity of members who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 25 August 2009 to Monday, 31 August 2009 (both days inclusive) during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 24 August 2009.