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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 595)

SUPPLEMENTAL ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION: ACQUISITION OF PROPERTIES

CANCELLATION AGREEMENT AND NEW SALE AND PURCHASE AGREEMENT FOR CARPARKS

Reference is made to the Announcement dated 28 November 2011 whereby the Company announced that on 25 November 2011, (1) New Concept, a wholly-owned subsidiary of the Company, and the WH Vendor entered into the WH Provisional Agreement for acquisition of the Warehouses; and (2) AV Concept, a wholly-owned subsidiary of the Company, and the CP Vendor entered into the CP Provisional Agreement for acquisition of the Carparks.

On 20 December 2011, New Concept and the WH Vendor entered into the WH Formal Agreement for acquisition of the Warehouses and on the same date, AV Concept and the CP Vendor entered into the CP Formal Agreement for acquisition of the Carparks.

In order to comply with the restriction under the Conditions of Sale as mentioned below, on 19 January 2012, AV Concept and the CP Vendor entered into the Cancellation Agreement for cancelling the CP Formal Agreement and on the same date, New Concept and the CP Vendor entered into the New CP Formal Agreement for acquisition of the Carparks. The terms and conditions of the New CP Formal Agreement are substantially the same as those of the CP Formal Agreement except (i) the purchaser shall be New Concept instead of AV Concept; and (ii) the mentioning of the initial deposit of HK\$250,000 and the further deposit of HK\$130,000 shall be substituted by the deposit of HK\$380,000 payable by New Concept upon signing of the New CP Formal Agreement.

All sums paid by AV Concept under the CP Provisional Agreement and the CP Formal Agreement (i.e., HK\$380,000) have been returned to AV Concept upon the signing of the Cancellation Agreement.

CANCELLATION AGREEMENT AND NEW SALE AND PURCHASE AGREEMENT FOR CARPARKS

Reference is made to the announcement of AV Concept Holdings Limited (“**Company**”) dated 28 November 2011 (“**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context other requires.

It was announced in the Announcement that on 25 November 2011, (1) New Concept, a wholly-owned subsidiary of the Company, and the WH Vendor entered into the WH Provisional Agreement for acquisition of the Warehouses; and (2) AV Concept, a wholly-owned subsidiary of the Company, and the CP Vendor entered into the CP Provisional Agreement for acquisition of the Carparks.

On 20 December 2011, New Concept and the WH Vendor entered into a formal sale and purchase agreement for the acquisition of the Warehouses (“**WH Formal Agreement**”) and on the same date, AV Concept and the CP Vendor entered into a formal sale and purchase agreement for the acquisition of the Carparks (“**CP Formal Agreement**”).

During the inspection of title deeds of the Carparks, it had been discovered that there was a restriction on alienation of car parking spaces stipulated in the conditions of sale contained in the invitation for tender issued by the Government of Hong Kong to invite tender for the sale and purchase of the piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 5854 and of and in the messuages erections and buildings thereon known as Hope Sea Industrial Centre and registered in the Land Registry as Conditions of Sale No. 11590 (“**Conditions of Sale**”) that the Carparks shall not be assigned to an assignee who was not an owner of a unit of Hope Sea Industrial Centre unless the Carparks were assigned together with the assignment of a unit of Hope Sea Industrial Centre to the same assignee.

In order to comply with the abovementioned restriction under the Conditions of Sale, on 19 January 2012, AV Concept and the CP Vendor entered into an agreement for cancellation of the CP Formal Agreement (“**Cancellation Agreement**”) so that the CP Formal Agreement was cancelled and shall have no further effect and the aggregate sum of HK\$380,000 which had been paid by AV Concept to the CP Vendor pursuant to the CP Provisional Agreement and the CP Formal Agreement as deposit and in part payment of the purchase price for the acquisition of the Carparks shall be returned to AV Concept upon signing of the Cancellation Agreement.

On the same date of the Cancellation Agreement and after it was entered into, New Concept and the CP Vendor entered into a formal sale and purchase agreement for acquisition of the Carparks (“**New CP Formal Agreement**”). The major terms and conditions of the New CP Formal Agreement are substantially the same as those of the CP Formal Agreement except the followings:

- (i) the purchaser of Carparks shall be New Concept instead of AV Concept; and
- (ii) the mentioning of the sum of HK\$250,000 being the initial deposit which had been paid by AV Concept upon signing of the CP Provisional Agreement and the sum of HK\$130,000 being the further deposit payable by AV Concept upon signing of the CP Formal Agreement shall be substituted by the said sum of HK\$380,000 being the deposit and in part payment of the purchase price of the Carparks payable by New Concept to the CP Vendor upon signing of the New CP Formal Agreement.

The Directors confirm that, save for the additional expenses which may be incurred in relation to the preparation of the documents and this announcement, the entering into of the Cancellation Agreement and the New CP Formal Agreement do not have any adverse effect on the Company.

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

Hong Kong, 19 January 2012

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