

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **AV CONCEPT HOLDINGS LIMITED**

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

(Stock Code: 595)

### **DISCLOSEABLE TRANSACTION: ACQUISITION OF PROPERTIES**

#### **ACQUISITION OF THE PROPERTIES**

The Board is pleased to announce that on 25 November 2011, (1) New Concept and the WH Vendor entered into the WH Provisional Agreement, pursuant to which New Concept has agreed to purchase, and the WH Vendor has agreed to sell, the Warehouses at an aggregate consideration of HK\$53,480,000; and (2) AV Concept and the CP Vendor entered into the CP Provisional Agreement, pursuant to which AV Concept has agreed to purchase, and the CP Vendor has agreed to sell, the Carparks at an aggregate consideration of HK\$3,800,000.

#### **IMPLICATIONS UNDER THE LISTING RULES**

The Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 14 of the Listing Rules.

#### **ACQUISITION OF THE PROPERTIES**

The Board wishes to announce 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; and (2) AV Concept, a wholly-owned subsidiary of the Company, and the CP Vendor entered into the CP Provisional Agreement. Major terms of the WH Provisional Agreement and the CP Provisional Agreement are set out below.

## **The WH Provisional Agreement**

### ***Date:***

25 November 2011

### ***Parties:***

**Purchaser:** New Concept, a wholly-owned subsidiary of the Company. New Concept is principally engaged in investment holding.

**Vendor:** Glory Moon Greeting Cards Company Limited, a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the WH Vendor and its ultimate beneficial owners is a third party independent of the Company and its connected persons and the WH Vendor is principally engaged in the printing services.

### ***Assets to be acquired under the WH Provisional Agreement:***

New Concept has agreed to purchase, and the WH Vendor has agreed to sell, the Warehouses at an aggregate consideration of HK\$53,480,000.

The Warehouses shall be sold to New Concept free from encumbrances (other than a building order registered against the Warehouses, which requires certain remedial works to be effected). New Concept has acknowledged that the WH Vendor shall not be responsible for such remedial work and has agreed to comply with the requirements as stated in the building order at its own costs and expenses. The Warehouses are for non-residential use.

The information of the net profits (both before and after taxation and extraordinary items) attributable to the Warehouses for the past two financial years was not made available to the Group.

### ***Consideration:***

The aggregate consideration payable by New Concept to the WH Vendor for the Warehouses (which is also the value of the Warehouses as taken by the Group) is HK\$53,480,000 and the payment schedule is as follows:

- (1) HK\$2,500,000 being the initial deposit, was paid by New Concept to the WH Vendor at the time of the signing of the WH Provisional Agreement;
- (2) HK\$2,848,000, being the further deposit, is payable by New Concept to the WH Vendor on or before 2 December 2011 upon the signing of the formal sale and purchase agreement; and

(3) the balance of the consideration of HK\$48,132,000 is payable upon completion on or before 28 February 2012.

The consideration of the Warehouses was determined after arms length negotiations between the parties to the WH Provisional Agreement on normal commercial terms with reference to the market value of similar properties in similar locations, taking into account of the impact of the building order as described above. No formal valuation has been conducted in respect of the Warehouses.

It is intended the consideration will be funded by way of internal resources and/or mortgage loan.

***Completion:***

Formal agreement for the acquisition of the Warehouses is scheduled to be signed on or before 2 December 2011 and completion is scheduled to take place on or before 28 February 2012.

It is a term of each of the WH Provisional Agreement and the CP Provisional Agreement that completion of the sale and purchase of the Warehouses and the Carparks shall take place simultaneously.

**The CP Provisional Agreement**

***Date:***

25 November 2011

***Parties:***

Purchaser: AV Concept, a wholly-owned subsidiary of the Company. AV Concept is an operating company.

Vendor: Chapbase Investment Limited, a company incorporated in Hong Kong with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the CP Vendor and its ultimate beneficial owners is a third party independent of the Company and its connected persons and the CP Vendor is principally engaged in property holding.

***Assets to be acquired under the CP Provisional Agreement:***

AV Concept has agreed to purchase, and the CP Vendor has agreed to sell, the Carparks at an aggregate consideration of HK\$3,800,000.

The Carparks shall be sold to AV Concept free from encumbrances. The Carparks are for non-residential use.

The information of the net profits (both before and after taxation and extraordinary items) attributable to the Carparks for the past two financial years was not made available to the Group.

***Consideration:***

The aggregate consideration payable by AV Concept to the CP Vendor for the Carparks (which is also the value of the Carparks as taken by the Group) is HK\$3,800,000 and the payment schedule is as follows:

- (1) HK\$250,000 being the initial deposit, was paid by AV Concept to the CP Vendor at the time of the signing of the CP Provisional Agreement;
- (2) HK\$130,000, being the further deposit, is payable by AV Concept to the CP Vendor on or before 2 December 2011 upon the signing of the formal sale and purchase agreement; and
- (3) the balance of the consideration of HK\$3,420,000 is payable upon completion on or before 28 February 2012.

The consideration of the Carparks was determined after arms length negotiations between the parties to the CP Provisional Agreement on normal commercial terms with reference to the market value of similar properties in similar location. No formal valuation has been conducted in respect of the Carparks.

It is intended the consideration will be funded by way of internal resources and/or mortgage loan.

***Completion:***

Formal agreement for the acquisition of the Carparks is scheduled to be signed on or before 2 December 2011 and completion is scheduled to take place on or before 28 February 2012.

It is a term of each of the WH Provisional Agreement and the CP Provisional Agreement that completion of the sale and purchase of the Warehouses and the Carparks shall take place simultaneously.

**REASONS FOR AND BENEFITS OF THE ACQUISITION**

The principal activities of the Group consist of the marketing and distribution of electronic components, and the design, development and sale of electronic products.

It is the current intention of the Group that the Properties will be used by it as its warehouses and carparks. The Directors consider that the terms of the WH Provisional Agreement and the CP Provisional Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors are of the view that the Acquisition is in the interests of the Company and the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements of Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Warehouses by New Concept and the acquisition of the Carparks by AV Concept
“AV Concept”	AV Concept Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Carparks”	two carparks located at Car Parking Spaces L13 & L14 on Basement, Hope Sea Industrial Centre, No.26 Lam Hing Street, Kowloon, Hong Kong
“Company”	AV Concept Holdings Limited, a company incorporated in the Cayman Island with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CP Provisional Agreement”	the provisional agreement for sale and purchase dated 25 November 2011 entered into between New Concept and the CP Vendor in relation to the acquisition of the Carparks
“CP Vendor”	Chapbase Investment Limited, a company incorporated in Hong Kong with limited liability
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Concept”	New Concept Capital Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Properties”	the Warehouses and the Carparks
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warehouses”	the warehouses located at Units 1-20, 8th Floor, Hope Sea Industrial Centre, No.26 Lam Hing Street, Kowloon, Hong Kong
“WH Provisional Agreement”	the provisional agreement for sale and purchase dated 25 November 2011 entered into between New Concept and the WH Vendor in relation to the acquisition of the Warehouses
“WH Vendor”	Glory Moon Greeting Cards Company Limited, a company incorporated in Hong Kong with limited liability

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

Hong Kong, 28 November 2011

*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.*