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AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 595)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

On 18 January 2007, AV Singapore and Pacific Rover entered into a provisional agreement pursuant to which AV Singapore was granted an option to purchase the Property for a consideration of SGD4,023,000 (equivalent to approximately HK\$20,400,000).

The proposed Purchase constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing the details of the Purchase will be despatched to the shareholders of the Company as soon as practicable.

THE PURCHASE

On 18 January 2007, AV Singapore, a wholly owned subsidiary of the Company, entered into a provisional agreement with Pacific Rover in relation to the purchase of the Property, the details of which are set out below.

Vendor: Pacific Rover.
To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Pacific Rover and its ultimate beneficial owner are third parties independent of the Company and not connected persons of the Company as defined under the Listing Rules.

Purchaser: AV Singapore.

Consideration: The total cash consideration payable to Pacific Rover shall be SGD4,023,000 (equivalent to approximately HK\$20,400,000).

A booking fee of SGD201,150 (approximately HK\$1,020,000) (being 5% of the total Purchase price) was paid to Pacific Rover on 18 January 2007 in exchange for an Option to purchase the Property at the total Purchase price of SGD4,023,000 (equivalent to approximately HK\$20,400,000).

AV Singapore intends to exercise the Option and both parties will enter into a formal Sale and Purchase Agreement on or about 13 February 2007 and a further deposit of SGD603,450 (equivalent to approximately HK\$3,060,000) shall be payable to the Seller no later than 14 March 2007. The remaining balance of SGD3,218,400 (equivalent to approximately HK\$16,320,000), being 80% of the total Purchase price, will be payable on or before the Completion Date which shall be no later than 1 July 2013.

The Purchase will be funded by internal resources of the Company.

REASONS FOR THE PURCHASE

Currently, the Property is still under construction and recently launched by Pacific Rover for pre-sale. The Purchase price is set by the Seller and is offered to all potential subscribers at pre-determined prices. The Directors, having made reference to the market value of similar properties in similar location, consider that the Purchase price and the terms of the Purchase are fair and reasonable and in the best interest of the Company and the shareholders as a whole. According to the provisional agreement, the expected date of delivery of vacant possession of the Property shall be no later than 1 July 2010 and the expected Completion Date of the sale and purchase of the Property shall be no later than 1 July 2013 as a result of the relevant statutory requirements in Singapore. The Group intends to hold the Property as short-term investment. The Group has been retaining surplus funds in excess of its then working capital and other purposes including future business growth. In order to better manage such surplus funds, the Directors are of the view that the Property investment will generate a better return for the Group.

GENERAL

The Company and its subsidiaries are principally engaged in the marketing and distribution of electronic components, and the design, manufacture and sale of electronic products.

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DEFINITIONS

"AV Singapore"	AV Concept Singapore Pte Ltd, a wholly owned subsidiary of the Company
"Board"	the board of Directors
"Company"	AV Concept Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"Completion Date"	the date on which completion of the Sale and Purchase Agreement takes place
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Option"	an option exercisable by AV Singapore to purchase the Property at a cash consideration of SGD4,023,000
"Pacific Rover" or "Seller"	Pacific Rover Pte Ltd, a limited liability company incorporated in The Republic of Singapore and principally engaged in the business of property development in Singapore
"Property"	means the flat situated at 37 Orange Grove Road #04-11, Singapore on the 4th storey of the building (with a gross area about 185 square metres) to be erected on Government Resurvey Lot Nos. 850A, 856M, 857W, 858V (pt) and 1146W (pt) of Town Subdivision 25, The Republic of Singapore. The property is mainly for residential purpose
"Purchase"	the purchase of the Property by AV Singapore
"Sale and Purchase Agreement"	the sale and purchase agreement to be entered into between AV Singapore and Pacific Rover
"SGD"	Singapore dollars, the lawful currency of The Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 1 February 2007

For illustrative purposes only, exchange rate of SGD1 = HK\$5.072 has been used in this announcement.

As at the date of this announcement, the Board comprises three executive directors, Mr. So Yuk Kwan (Chairman), Mr. Lee Jeong Kwan 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.