



**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006**

INCOME STATEMENT HIGHLIGHTS

	Six Months Ended 30 September	
	2006 HK\$'million	2005 HK\$'million
Revenue	<u>1,446.8</u>	<u>1,222.2</u>
Earnings before interest, tax, depreciation, amortisation and non-cash items		
Corporate	10.4	2.0
Marketing and distribution	16.6	19.8
Design and manufacture	(9.2)	(11.3)
Gain on disposal of a subsidiary	-	39.7
Fair value gain on available-for-sale equity investments	-	37.5
	<u>17.8</u>	<u>87.7</u>
Profit for the period	<u>0.9</u>	<u>48.1</u>

BALANCE SHEET HIGHLIGHTS

	30 September 2006 HK\$'million	31 March 2006 HK\$'million
	Total assets	1,037.5
Total assets less current liabilities	427.4	432.7
Total equity	414.2	417.1
Bank debts	435.9	394.2
Cash and cash equivalents	151.5	164.9
Equity investments under current assets	189.6	138.3
Cash and cash equivalents and equity investments	341.1	303.2
Net debt	94.8	91.0
Net debt to total equity (%)	23%	22%
Current assets to Current liabilities (%)	144%	150%
Cash and cash equivalents and Equity investments per share (HK\$)	0.84	0.75
Total equity per share (HK\$)	1.02	1.03

UNAUDITED INTERIM RESULTS

The Board of Directors of AV Concept Holdings Limited (the "Company" or "AV Concept") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the "Group") for the six months ended 30 September 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 September	
		2006 (Unaudited) HK\$'000	2005 (Unaudited) (Restated) HK\$'000
REVENUE	3	<u>1,446,822</u>	1,222,230
Cost of sales		<u>(1,397,067)</u>	(1,154,642)
Gross profit		49,755	67,588
Other revenue	4	15,445	6,875
Selling and distribution costs		(13,095)	(37,474)
Administrative expenses		(34,130)	(42,116)
Gain on disposal of an available-for-sale equity investment		-	37,473
Gain on disposal of a subsidiary		-	39,693
Other operating expenses		(6,152)	(9,986)
PROFIT FROM OPERATING ACTIVITIES		<u>11,823</u>	62,053
Finance costs	5	<u>(10,956)</u>	(8,616)
PROFIT BEFORE TAX	6	<u>867</u>	53,437
Tax	7	-	(7,211)
PROFIT FOR THE PERIOD		<u>867</u>	46,226
ATTRIBUTABLE TO:			
Equity holders of the Company		867	48,113
Minority interests		-	(1,887)
		<u>867</u>	46,226
INTERIM DIVIDEND	8	<u>Nil</u>	Nil
EARNINGS PER SHARE	9		
Basic		<u>0.2 cent</u>	11.9 cents
Diluted		<u>N/A</u>	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 September 2006 (Unaudited) HK\$'000	31 March 2006 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		90,314	94,024
Intangible assets		1,840	1,817
Available-for-sale equity investments	10	68,484	68,484
Total non-current assets		<u>160,638</u>	164,325
CURRENT ASSETS			
Due from a jointly-controlled entity		2,746	3,660
Equity investments at fair value through profit or loss	11	189,595	138,294
Inventories	12	223,828	200,361
Trade receivables	13	268,956	269,316
Prepayments, deposits and other receivables		39,924	28,361
Tax recoverable		274	274
Cash and bank balances		140,757	135,328
Time deposits		10,700	29,541
		<u>876,780</u>	805,135
CURRENT LIABILITIES			
Trade payables and accrued expenses	14	144,651	115,495
Tax payable		41,121	41,121
Interest-bearing bank borrowings		422,449	378,881
Finance lease payables		1,879	1,215
		<u>610,100</u>	536,712
NET CURRENT ASSETS		<u>266,680</u>	268,423
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>427,318</u>	432,748
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		10,770	11,922
Finance lease payables		835	2,150
Deferred tax liabilities		1,560	1,560
		<u>13,165</u>	15,632
Net assets		<u>414,153</u>	417,116
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		40,508	40,508
Reserves		373,645	368,506
Proposed final dividend		-	8,102
Total equity		<u>414,153</u>	417,116

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements are prepared in accordance with the applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2006 except in relation to the following new and revised Hong Kong Financial Reportings ("HKFRS", which also include HKASs and interpretations) that affect the Group and are adopted the first time for the current period's financial statements.

- HKAS 21 Amendment Net Investment in a Foreign Operation
- HKAS 39 Amendment The Fair Value Option
- HKAS 39 & HKFRS 4 Amendments Financial Guarantee Contracts
- HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease

2. COMPARATIVE AMOUNTS

The unaudited condensed consolidated financial statements for the six months ended 30 September 2005 have been revised to bring it in line with the policies adopted in the annual financial statements for the year ended 31 March 2006. Accordingly, certain comparative amounts have been restated.

The effect of this restatement on the unaudited condensed consolidated income statement during the six months ended 30 September 2005 is set out below:

	HK\$'000
Increase in gain on disposal of available-for-sale equity investment	62,832

3. SEGMENT INFORMATION

The Group principally engages in the marketing and distribution of electronic components and the design, manufacture and sale of electronic products.

An analysis of the Group's turnover and contribution to profit from operating activities by principal activity is as follows:

	Segment revenue		Segment results	
	Six months ended		Six months ended	
	30 September	2005	30 September	2005
	2006	2005	2006	2005
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	(Restated) HK\$'000
By business segments:				
Marketing and distribution	1,420,975	1,046,293	14,820	17,735
Design and manufacture	25,847	175,937	(14,170)	(34,839)
	<u>1,446,822</u>	<u>1,222,230</u>	<u>650</u>	<u>(17,104)</u>
Interest income			1,256	1,776
Unallocated corporate expenses			(1,784)	(2,209)
Fair value gains on equity investments at fair value through profit or loss			11,701	2,424
Gain on disposal of available-for-sale equity investment			-	37,473
Gain on disposal of a subsidiary			-	39,693
Profit from operating activities			<u>11,823</u>	<u>62,053</u>

An analysis of the Group's turnover by geographical segment is as follows:

	Six months ended	
	30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	(Restated) HK\$'000
Geographical segment:		
Hong Kong	927,338	889,233
Mainland China	-	1,247
Singapore	498,398	204,535
Korea	8,786	33,599
Japan	-	79,991
Other locations	12,300	13,625
	<u>1,446,822</u>	<u>1,222,230</u>

4. OTHER REVENUE

	Six months ended	
	30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Fair value gains on equity investments at fair value through profit or loss	11,701	2,424
Dividend income	1,202	510
Interest income	1,256	1,776
Others	1,286	2,165
	<u>15,445</u>	<u>6,875</u>

5. FINANCE COSTS

	Six months ended	
	30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and mortgage loans	10,877	8,540
Interest on finance leases	79	76
	<u>10,956</u>	<u>8,616</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation	6,107	8,652
Amortisation of intangible assets	-	638
Impairment of fixed assets	-	1,114
(Gain)/loss on disposal of fixed assets	(121)	596
Exchange (gains)/losses, net	(55)	3,475
	<u>(55)</u>	<u>3,475</u>

7. TAX

No provision for Hong Kong profits tax and overseas income tax has been made in the unaudited condensed consolidated income statement for the six months ended 30 September 2006 as the Group either did not generate any assessable profits for the current period or had available tax losses brought forward from prior years to offset the assessable profits generated during the current period.

The Hong Kong profits tax is calculated at the rate of 17.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 September 2005. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing laws, interpretations and practices in respect thereof.

	Six months ended	
	30 September	
	2006	2005
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Provision for tax for the period:		
Hong Kong	-	2,233
Overseas	-	4,978
Tax charge for the period	<u>-</u>	<u>7,211</u>

8. INTERIM DIVIDEND

The Board of Directors has resolved not to declare any interim dividend for the six months period ended 30 September 2006 (2005: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the Company of HK\$867,000 (2005: HK\$48,113,000 as restated) and the weighted average of 405,082,419 (2005: 405,082,419) ordinary shares in issue during the period.

Diluted earnings per share for the periods ended 30 September 2006 and 2005 have not been disclosed, as the share options outstanding during both periods had an anti-dilutive effect on the basic earnings per share for these periods.

10. AVAILABLE-FOR-SALE EQUITY INVESTMENTS

	30 September	31 March
	2006	2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Unlisted equity investments, at cost	70,434	70,434
Provision for impairment	(1,950)	(1,950)
	<u>68,484</u>	<u>68,484</u>

The balances as at 30 September 2006 and 31 March 2006 included the warrant of HK\$60,684,000 and the unlisted equity investment in the Republic of Korea of HK\$7,800,000 which is engaged in the manufacture and sale of organic light-emitting diodes. As at 30 September 2006, the balances were measured at cost less impairment losses because the range of reasonable fair value estimates is so significant and the directors of the Company are of opinion that their fair values cannot be measured reliably. Further details were set out in the Company's annual financial statements for the year ended 31 March 2006.

11. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September	31 March
	2006	2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Managed funds, outside Hong Kong	102,452	99,260
Listed equity investments:		
Hong Kong	85,231	29,384
Other locations	1,912	9,650
	<u>189,595</u>	<u>138,294</u>

All the above investments as at 30 September 2006 were classified as held for trading.

12. INVENTORIES

	30 September	31 March
	2006	2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Raw materials	21,822	21,920
Work in progress	3,006	4,108
Finished goods	199,000	174,333
	<u>223,828</u>	<u>200,361</u>

13. TRADE RECEIVABLES

Trading terms with customers vary with the type of products supplied. Invoices are normally payable within 30 days of issuance, except for well-established customers, where the terms are extended to 60 days. For customer-specific and highly specialised items, deposits in advance or letters of credit may be required prior to the acceptance and delivery of the products. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise credit risk. A credit committee consisting of senior management and the directors of the Group has been established to review and approve large customer credits. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at 30 September 2006, based on invoice due date and net of provisions is as follows:

	30 September	31 March
	2006	2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Current	137,537	158,078
1 - 30 days	76,736	63,512
31 - 60 days	22,536	18,694
Over 60 days	32,147	29,032
	<u>268,956</u>	<u>269,316</u>

14. TRADE PAYABLES AND ACCRUED EXPENSES

An aged analysis of the trade payables as at 30 September 2006, based on invoice due date, is as follows:

	30 September	31 March
	2006	2006
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Current	90,291	47,159
1 - 30 days	24,183	37,947
31 - 60 days	433	346
Over 60 days	115	2,350
	<u>115,022</u>	<u>87,802</u>
Accrued expenses	29,629	27,693
	<u>144,651</u>	<u>115,495</u>

The trade payables and accrued expenses are non-interest-bearing and are normally settled on 90-day terms.

BUSINESS REVIEW AND PROSPECTS

The following sets out the financial highlights for the six months ended 30 September 2006, with the comparative figures for the corresponding six months period of 2005.

	Six months ended	
	30 September	
	2006	2005
	HK\$'million	HK\$'million
Revenue		
Marketing and distribution	1,421.0	1,046.3
Design and manufacture	25.8	175.9
	<u>1,446.8</u>	<u>1,222.2</u>
Earnings before interest, tax, depreciation, amortisation and non-cash items		
Corporate	10.4	2.0
Marketing and distribution	16.6	19.8
Design and manufacture	(9.2)	(11.3)
Gain on disposal of a subsidiary	-	39.7
Gain on disposal of equity investments	-	37.5
	<u>17.8</u>	<u>87.7</u>
Depreciation, amortisation and non-cash items		
Marketing and distribution	(1.3)	(2.1)
Design and manufacture	(4.7)	(21.7)
	<u>(6.0)</u>	<u>(23.8)</u>
Earnings before interest and tax	11.8	63.9
Interest expenses	(10.9)	(8.6)
Profit before tax	0.9	55.3
Tax	-	(7.2)
Profit for the period	<u>0.9</u>	<u>48.1</u>

BUSINESS REVIEW

The Group's turnover for the six months ended 30 September 2006 increased 18% to HK\$1,446.8 million (2005: HK\$1,222.2 million), mainly attributable to the stable growth of the marketing and distribution business. Profit for the period was HK\$0.9 million (2005 restated: HK\$48.1 million). Earnings per share was HK0.2 cent. The change in the Group's profit from the same period last year was mainly attributable to:

- during the six months ended 30 September 2005, the Group disposed of all the remaining investment in Reigncom Limited, resulting in a net pre-tax gain of HK\$37.5 million on disposal of equity investment; and
- another disposal gain of HK\$39.7 million was recorded in the same period from the disposal of the Group's 50% equity interests in AV BreconRidge Limited to the long-term business partner BreconRidge Manufacturing Solutions Corporation, a Canadian EMS manufacturer.

Marketing and Distribution Business

During the period under review, market conditions were tough for the marketing and distribution business with prices especially for flash memory products plunging. Despite the challenging market, the Group managed to maintain its edge with the marketing and distribution business as its core revenue contributor, accounting for 98% of its total turnover. The segment's turnover increased 36% to HK\$1,421.0 million, however, affected by the tough market, the segment's EBITDA (i.e. earnings before interest, tax, depreciation, amortisation and non-cash items) amounted to HK\$16.6 million, which was 16% lower than that of the same period last year.

The segmental profit for the period was HK\$14.8 million (2005: HK\$17.7 million).

The Group's semiconductor products continued to record stable growth in sales. Backed by an extensive distribution network and experienced sales and marketing team, the Group enjoys stable and long term relationships with its internationally renowned customers, as well as suppliers, including Samsung Electronics and Fairchild. The Group aims at becoming a one-stop service provider for semiconductor customers in the People's Republic of China ("PRC").

The market for flash memory products was fiercely competitive during the period under review. The prices of low-capacity flash memory declined sharply. However, demand for the Group's flash memory products continued to increase and sales remained satisfactory. This encouraging performance was attributable to the value added technical design and engineering support the Group provided to customers, which distinguished it from its competitors.

Design and Manufacturing Business

After AV Concept discontinued its MP3 business in the previous financial year, the Group has been shifting the focus of its design and manufacturing business to high margin products with longer product life cycles. During the period under review, the Group stepped up development of special care products, including niche market electronics and medical equipments for the aged and disabled. However, due to severe market competition and the exit of MP3 business, the turnover of the design and manufacturing segment decreased to HK\$25.8 million. The segment's EBITDA was a loss of HK\$9.2 million (2005: EBITDA loss of HK\$11.3 million), while the segmental loss was HK\$14.2 million (2005: segmental loss of HK\$34.8 million).

Medical Equipment Distribution Business

To capture opportunities arising from a growing elderly and special-needs population worldwide, the Group established AVC Medical Technology Limited ("AVC Medical") to tap these niche markets. The Group's strategy is to focus on the development, manufacture and distribution of premium and intellectual right protected medical equipment.

Determined to build a portfolio of innovative products, the Group started cooperation with US-based Fall Prevention Technologies LLC ("Fall Prevention") in 2005 to jointly develop state-of-the-art balanceback™ equipments for treating balance disorders. AVC Medical is the exclusive manufacturer and sole distributor of balanceback™ equipments in Asia. During the period under review, the Group also reached an agreement with a Korean medical equipment manufacturer to be the exclusive distributor for quality medical equipment targeting hospitals and clinics in the PRC. The Group is in the process of getting distribution approvals, and in the meantime, it has started pre-marketing efforts and building a distribution network in the PRC.

Joint Venture with BreconRidge

In 2005, the Group entered into a cooperative arrangement with its long-term business partner and Canadian EMS giant BreconRidge Manufacturing Solutions Corporation ("BreconRidge"). The management believes the cooperation will not only allow the Group to streamline its manufacturing business, but will also give it access to BreconRidge's world-class engineering expertise and prominent client base. In the long term, the Group expects this partnership with the world-class EMS solutions provider to help it generate more significant returns for shareholders.

Conditional Mandatory Cash Offer

On 9 October 2006, Jade Concept Limited ("Jade Concept"), a company wholly-owned by the Group's Chairman Mr. So Yuk Kwan, agreed to acquire an aggregate of 31.18 million shares of the Company from two independent parties for a total consideration of HK\$15.59 million, boosting its stake in the Group from 34.76% to 42.26%. Jade Concept is required under Rule 26.1 of the Takeovers Code to make a conditional mandatory cash offer for all the issued shares in the Company (other than those shares already owned by it and parties acting in concert with it) at prices no higher than the offer price of HK\$0.53 per share ("Cash Offer"). By increasing his controlling stake in the Group, Mr. So Yuk Kwan demonstrated his confidence in the long term prospects of the Group.

On 21 November 2006, the Cash Offer was successfully closed and Mr. So Yuk Kwan's controlling stake in the Group was increased to approximately 52.79%.

PROSPECTS

Going forward, the Group will continue to consolidate its existing business that promises steady growth, and at the same time nurture and strengthen newly developed businesses. In particular, the Group expects the newly developed medical equipment distribution business to start contributing profit as early as the second half of FY2007/2008.

For its well-established marketing and distribution business, the Group expects the market to remain tough in the second half of the year. In combat, the Group will strengthen its cost control measures, such as inventory control, and at the same time continue to grow its market share and maintain its position as a leading semiconductor distributor in Asia for Samsung Electronics. To boost this business, the Group plans to continue to expand its distribution network in the PRC and open new offices in major cities. In November 2006, the Group established its representative office in Beijing.

The Group sees strong potential in the market for special care products as governments worldwide increase financial aid to the needy for purchasing such products. Hence, the Group expects more growth for the design and manufacturing of special care products segment. It will put more efforts into developing this business and focus on high margin products with longer product life cycles.

In addition to manufacturing special care products, the Group is diversifying into distribution of niche medical equipment in Asia. With extensive experience in electronics distribution in the Greater China region and in dealing with Korean suppliers, the Group sees abundant potential for these niche medical products from Korea and the PRC. However, as the business is still in the investment stage, the Group's strategy continues to be to focus on distributing high quality medical products that are in demand and yield high returns and growth potential.

In the long term, the management is committed to exploring business opportunities with high growth potential with the aim of enhancing shareholders' value.

LIQUIDITY AND FINANCIAL RESOURCES

The net debt position as at 30 September 2006 and 31 March 2006 and the corresponding gearing ratio are shown as follows:

	30 September 2006	31 March 2006
	HK\$'million	HK\$'million
Bank debts	435.9	394.2
Cash and cash equivalents	151.5	164.9
Equity investments under current assets	189.6	138.3
Cash and cash equivalents and Equity Investments	341.1	303.2
Net debt	94.8	91.0
Total equity	414.2	417.1
Net debt to total equity	23%	22%

As at 30 September 2006, the Group had a balance of cash and cash equivalents (i.e. cash and bank balances and time deposits) of HK\$151.5 million (31 March 2006: HK\$164.9 million), while the Group's equity investments at fair value through profit or loss amounted to HK\$189.6 million (31 March 2006: HK\$138.3 million). The equity investments included a balanced mix of fixed income, equity and alternative investments and such amount represented the cash reserves held for the Group's medium to long term business development and would form an integral part of the Group's treasury.

The net debt to total equity ratio as at 30 September 2006 was 23% (31 March 2006: 22%), while the Group's total equity was HK\$414.2 million (2005: HK\$417.1 million).

The working capital position of the Group remains healthy. As at 30 September 2006, the liquidity ratio (as determined with reference to the ratio of current assets to current liabilities) was 144% (31 March 2006: 150%).

	30 September 2006	31 March 2006
	HK\$'million	HK\$'million
Current assets	876.8	805.1
Current liabilities	(610.1)	(536.7)
Net current assets	266.7	268.4
Current assets to current liabilities (%)	144%	150%

The management is confident that the Group follows a policy of prudence in managing its treasury position, and maintains a high level of liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business.

CONTINGENT LIABILITIES

On 31 October 2005, a writ of summons was filed by a former customer (the "Plaintiff") against AVC Technology Limited ("AVCT"), a wholly-owned subsidiary of the Company in respect of a dispute on goods sold and delivered by AVCT to the Plaintiff. The total claim filed against AVCT was approximately HK\$28.1 million.

AVCT has sought legal advice from the Company's legal counsel on the claim. Based on the advice of the Company's legal counsel, the Company's directors believe that AVCT has merit in its defence to the claim. The Company's directors therefore are of the opinion that the claim is unlikely to succeed and consider that the claim will not cause any significant impact on the operations and financial position on the Group as a whole. The proceeding is still outstanding before the High Court of Hong Kong as at the date of this announcement.

EMPLOYEES

As at 30 September 2006, the Group employed a total of approximately 800 (31 March 2006: approximately 1,500) full time employees. The Group recruits and promotes individuals based on merit and their development potentials for the positions offered. Remuneration package is determined with reference to their performance and the prevailing salary levels in the market. In addition, the Group operates a share option scheme for eligible employees to provide incentive to the participants for their contribution, and continuing efforts to promote the interests of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board of Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the six months ended 30 September 2006.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiry with all the directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code throughout the accounting period for the six months ended 30 September 2006.

REVIEW OF UNAUDITED INTERIM FINANCIAL STATEMENTS

The Group's unaudited consolidated results for the six months ended 30 September 2006 have been reviewed by the Audit Committee of the Company.

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

Hong Kong, 8 December 2006

As at the date of this announcement, the Board of Directors of the Company 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.