

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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)

**Jade Concept Limited**

(Incorporated in the British Virgin Islands with limited liability)

**JOINT ANNOUNCEMENT**

**ACQUISITION OF SHARES IN AV CONCEPT HOLDINGS LIMITED  
BY JADE CONCEPT LIMITED**

**AND**

**CONDITIONAL MANDATORY CASH OFFER BY  
CENTURION CORPORATE FINANCE LIMITED  
ON BEHALF OF JADE CONCEPT LIMITED  
FOR ALL THE ISSUED ORDINARY SHARES IN  
AV CONCEPT HOLDINGS LIMITED**

**(OTHER THAN THOSE SHARES ALREADY OWNED BY JADE CONCEPT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**FINANCIAL ADVISER TO JADE CONCEPT LIMITED**



**CENTURION CORPORATE FINANCE LIMITED**

The Directors announce that they were informed that completion of the Sale and Purchase Agreements took place on 10 October 2006.

Upon Completion of the Sale and Purchase Agreements, the Offeror and parties acting in concert with it own in aggregate 171,994,300 Shares, representing approximately 42.46% of the issued share capital of the Company as at the date of this announcement. The Offeror is required under Rule 26.1 of the Code to make a conditional mandatory cash offer for all the issued Shares not already owned or agreed to be acquired by it or parties acting in concert with it.

**Shareholders should be aware that the Offer is subject to the condition set out in the paragraph headed "Condition of the Offer" in the announcement dated 9 October 2006. Shareholders should therefore exercise caution when dealing in the Shares.**

The Offeror reiterates its intention to continue to acquire Shares in the marketplace at prices no higher than the Offer price of HK\$0.53 per Share during the Offer. The Offeror's stated intention to acquire Shares in the marketplace is because the Offer will only become unconditional upon the Offeror having received acceptances of the Offer which, together with voting rights of the Shares acquired before or during the Offer, will result in the Offeror holding more than 50% of the Shares. Shareholders are advised to carefully review the composite offer document to be despatched to the Shareholders, which will set out, amongst other things, the terms and conditions of the Offer, the recommendation from the independent board committee and the letter of advice from the independent financial adviser.

Reference is made to the joint announcement of the Offeror and the Company dated 9 October 2006 ("Announcement") in respect of a possible conditional mandatory cash offer by the Offeror and the subsequent completion of the Sale and Purchase Agreements on 10 October 2006. Terms defined in the Announcement shall, unless the context requires otherwise, bear the same meanings used herein.

**COMPLETION OF THE SALE AND PURCHASE AGREEMENTS**

On 5 October 2006, the Offeror entered into a Sale and Purchase Agreement with each of the Vendors for the acquisition of the Sale Shares, details of which were set out in the Announcement.

Following Completion on 10 October 2006, the 31,180,000 Sale Shares, representing approximately 7.70% of the entire issued share capital of the Company as at the date of this announcement, have been acquired. Total consideration amounted to HK\$15,590,000 for all the Sale Shares (equivalent to HK\$0.50 per Sale Share).

**CONDITIONAL MANDATORY CASH OFFER**

Upon Completion, the Offeror and parties acting in concert with it own an aggregate of 171,994,300 Shares, representing approximately 42.46% of the entire issued share capital of the Company. Under Rule 26.1 of the Code, the Offeror is now required to make a conditional mandatory cash offer for all the Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Accordingly, Centurion, for and on behalf of the Offeror, is making the conditional mandatory cash offer for all the Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it on the detailed terms and conditions set out in the Announcement.

**GENERAL**

**Shareholders should be aware that the Offer is subject to the condition set out in the paragraph headed "Condition of the Offer" in the Announcement and the Offer may or may not become unconditional. Shareholders should therefore exercise caution when dealing in the Shares.**

An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders pursuant to the Code. A further announcement will be made when the independent financial adviser is appointed.

A composite offer document setting out, amongst other things, the terms and conditions of the Offer, the recommendation from the independent board committee and the letter of advice from the independent financial adviser together with the form of acceptance and transfer of the Shares, will be sent to the Shareholders within the period required by the Code or such later date as may be agreed by the Executive.

**OFFEROR'S INTENTION TO PURCHASE SHARES DURING OFFER PERIOD**

The Offeror intends to continue to acquire Shares in the marketplace at prices no higher than the Offer price of HK\$0.53 per Share during the Offer. Such intention to acquire Shares in the marketplace is because, as set out in the section headed "Condition of the Offer" in the Announcement, the Offer will only become unconditional upon the Offeror having received acceptances of the Offer by Shareholders in respect of the voting rights of the Shares which,

together with voting rights of the Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Shares. Consequently, if such 50% threshold could not be reached, all the Shares tendered in acceptance of the Offer could not be taken up and paid for by the Offeror and instead, those Shares would need to be returned to their respective Shareholders.

Shareholders are advised to carefully review the composite offer document to be despatched to the Shareholders, which will set out, amongst other things, the terms and conditions of the Offer, the recommendation from the independent board committee and the letter of advice from the independent financial adviser.

**UNUSUAL VOLUME MOVEMENTS**

The Directors have noted today's increase in volume of the Shares and wish to state that save as disclosed herein, in the Announcement, the fact that following Completion, 31,180,000 Sale Shares were transacted via CCASS and the acquisition of additional 11,528,000 Shares at HK\$0.53 per Share by the Offeror and its parties acting in concert in the marketplace today, the Directors are not aware of any reasons for such increase. The Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules, neither is the board of Directors aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of price-sensitive nature.

By Order of the Board  
**AV CONCEPT HOLDINGS LIMITED**  
Lee Jeong Kwan  
Director & CEO

By Order of the Board  
**Jade Concept Limited**  
So Yuk Kwan  
Director

Hong Kong, 10 October 2006

*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.*

*As at the date of this announcement, the sole director of the Offeror is: Mr. So Yuk Kwan.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information (except for the information relating to the Offeror) contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*The director of the Offeror accepts full responsibility for the accuracy of the information (except for the information relating to Company and its subsidiaries) contained in this announcement and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*