

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.



SONAVOX INTERNATIONAL HOLDINGS LIMITED

上聲國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8226)

DISCLOSEABLE TRANSACTION SUPPLEMENTAL AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF SHARES

On 28 January 2011, the Company, the Vendor and the Guarantor entered into the Supplemental Agreement to the Agreement to amend certain terms and conditions as set out in the Agreement.

Save for the terms varied and amended by the Supplemental Agreement, all other terms and conditions of the Agreement remain in full force and effect. The long stop date (i.e. 30 June 2011) for the fulfillment of the conditions precedent under the Agreement remains unchanged. Furthermore, the amendments were determined after arm's length negotiations between the parties to the Agreement.

Reference is made to the announcements of the Company dated 5 January 2011 and 7 January 2011 (the "Announcements") in relation to the acquisition of the 51% of the entire issued share capital of the Target Company under the Agreement. Unless the context otherwise required, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

SUPPLEMENTAL AGREEMENT

On 28 January 2011, the Company, the Vendor and the Guarantor entered into a supplemental agreement (the "Supplemental Agreement") to the Agreement to amend certain terms and conditions as set out in the Agreement.

Pursuant to the Supplemental Agreement, the Consideration of HK\$15,000,000 payable by the Company to the Vendor was amended and the consideration of HK\$25,000,000 (subject to adjustment) (the "New Consideration") shall be paid by the Company in the following manner:

- (a) as to HK\$6,000,000 payable by the Company in cash upon the signing of the Agreement which was a deposit paid by the Company to the Vendor and shall be regarded as part of the New Consideration payable by the Company to the Vendor upon completion of the Agreement;

- (b) as to HK\$3,500,000 payable by the Company in cash upon the signing of the Supplemental Agreement which shall be a further deposit paid by the Company to the Vendor and shall be regarded as part of the New Consideration payable by the Company to the Vendor upon completion of the Agreement; and
- (c) as to HK\$15,500,000 payable by the Company in cash on or before 30 June 2012 subject to the Adjustment (as defined below) and shall be regarded as part of the New Consideration payable by the Company to the Vendor.

Basis of the New Consideration

The New Consideration was determined among the Company and the Vendor after arm's length negotiations and on normal commercial terms, taking into account the audited net asset value of the PRC Company as at 31 December 2009, the unaudited net asset value of the Shaanxi Company (as defined below) as at 31 December 2009 and the targeted audited net profit after taxation and extraordinary items of the Target Group to be audited by the auditors of the Company and prepared in accordance with the Hong Kong Generally Accepted Accounting Principles (the "HK GAAP") for the year ending 31 December 2011.

Adjustment

In the case that the audited consolidated net profits after taxation and extraordinary items of the Target Group for the year ending 31 December 2011 to be audited by the auditors of the Company and prepared in accordance with the HK GAAP is equal or less than RMB10,000,000, the New Consideration of HK\$25,000,000 will be adjusted and the Company is not obliged to pay the Vendor the remaining amount of HK\$15,500,000 of the New Consideration (the "Adjustment"). For avoidance of doubt, in the case that the audited consolidated net profits after taxation and extraordinary items of the Target Group for the year ending 31 December 2011 to be audited by the auditors of the Company and prepared in accordance with the HK GAAP is more than RMB10,000,000, the Company shall pay HK\$15,500,000 to the Vendor in cash on or before 30 June 2012.

Moreover, it is warranted and undertaken by the Vendor and the Guarantor that the Vendor and the Guarantor will procure and assist the Target Group to prepare the audited consolidated accounts of the Target Group for the year ending 31 December 2011 in accordance with the HK GAAP. If the Vendor and the Guarantor do not assist the Target Group to prepare the audited consolidated accounts of the Target Group for the year ending 31 December 2011, the Vendor and the Guarantor would be regarded as in breach of this warranty and undertaking.

FURTHER INFORMATION OF THE TARGET GROUP

Subsequent to the signing of the Agreement, it is disclosed by the Vendor that the PRC Company is beneficially interested in 80% equity interest in a limited liability company (the "Shaanxi Company") which is incorporated in Shaanxi, the PRC. The Shaanxi Company became a subsidiary of the PRC Company in May 2010. Another 20% equity interest of the Shaanxi Company is held by an individual shareholder who is a third party independent of the Company and connected persons of the Company. It is agreed by the Company, the Vendor and the Guarantor that the meaning of the Target Group in the Agreement shall include the Shaanxi Company.

The Shaanxi Company is a company engaged in the business of environmental technology engineering. However, the Shaanxi Company does not carry on any business currently.

As at 31 December 2009, the unaudited net asset value of the Shaanxi Company as prepared in accordance with the PRC GAAP was approximately HK\$938,000. The unaudited net losses before and after taxation and extraordinary items of the Shaanxi Company as prepared in accordance with the PRC GAAP was approximately HK\$199,000 and HK\$199,000 respectively for the year ended 31 December 2009.

As at 31 December 2009, the audited net asset value of the PRC Company as prepared in accordance with the PRC GAAP was approximately HK\$21 million. The audited net profits before and after taxation and extraordinary items of the PRC Company as prepared in accordance with the PRC GAAP were approximately HK\$320,000 and HK\$252,000 respectively for the year ended 31 December 2008 while the audited net profits before and after taxation and extraordinary items of the PRC Company as prepared in accordance with the PRC GAAP were approximately HK\$2.9 million and HK\$2.8 million respectively for the year ended 31 December 2009.

Save for the terms varied and amended by the Supplemental Agreement, all other terms and conditions of the Agreement remain in full force and effect. The long stop date (i.e. 30 June 2011) for the fulfillment of the conditions precedent under the Agreement remains unchanged. Furthermore, the amendments were determined after arm's length negotiations between the parties to the Agreement.

By Order of the Board
Sonavox International Holdings Limited
Shan Xiaochang
Chairman

Hong Kong, 28 January 2011

As at the date of this announcement, the Board comprises seven Directors namely Mr. Shan Xiaochang, Ms. Shan Zhuojun, Mr. Ma Arthur On-hing and Mr. Yang Ching Yau, being the executive Directors, and Mr. Lee Kam Fan, Andrew, Mr. Wang Jialian and Mr. Wang Zhihua, being the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.sonavox.com.hk.