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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

The Board announces that on 12 November 2009, the Development Construction Agreement was entered into between Suzhou Hesheng and the Contractor in relation to the Project. The entering into of the Development Construction Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

INTRODUCTION

The Board announces that on 12 November 2009, the Development Construction Agreement was entered into between, Suzhou Hesheng and the Contractor in relation to the Project.

THE DEVELOPMENT CONSTRUCTION AGREEMENT

Parties

- (a) Suzhou Hesheng, which is principally engaged in manufacture and sales of parts for loudspeaker systems; and
- (b) the Contractor, which is principally engaged in provision of construction services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Contractor and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

Project

Pursuant to the Development Construction Agreement, the Contractor has agreed to provide construction services to Suzhou Hesheng for the construction of warehouse and three blocks of factory buildings (to be referred to as warehouse and factory buildings No. 4 to 6, Phase II). The construction works shall be carried out at Ling Feng Village, Bei Qiao Jie Road, Xiangcheng District, Suzhou, which is within the property where the production facilities of Suzhou Hesheng, the PRC is situated. The construction area is approximately 17,920m² and the Project is expected to be completed by 31 December 2009.

Consideration

The consideration to be paid in cash by Suzhou Hesheng to the Contractor for the construction works shall be RMB15,265,422.71 (equivalent to approximately HK\$17,347,626) which was negotiated between the parties on an arm's length basis and was determined with reference to the prevailing market rate of similar kind of projects.

REASONS FOR THE TRANSACTION

The Group is principally engaged in investment holding, manufacturing and sale of loudspeaker systems to customers in the PRC and overseas markets. The Group undertook the Project to implement its plan to expand its production facilities and operation size. The Directors believe that the expansion of production facilities and operation size will contribute positively to the future development and growth of the Group.

Having regard to the above factors, the Directors consider that the terms and conditions of the Development Construction Agreement are fair and reasonable and that the Project is on normal commercial terms and is in the interest of the Shareholders as a whole.

GENERAL

The entering into of the Development Construction Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Sonavox International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Contractor”	蘇州市蠡口建築安裝實業有限公司 (Suzhou City Likou Construction Installation Industrial Co., Ltd.), a party to the Development Construction Agreement
“Development Construction Agreement”	the development construction agreement dated 30 October 2009 and entered into between Suzhou Hesheng and the Contractor in relation to the Project
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM

“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Project”	the construction works to be conducted at 蘇州相城區北橋街道靈峰村 (Ling Feng Village, Bei Qiao Jie Road, Xiangcheng District, Suzhou) for the construction of warehouse and three blocks of factory buildings (to be referred to as warehouse and factory buildings No. 4 to 6, Phase II) pursuant to the Development Construction Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Hesheng”	蘇州和盛實業有限公司 (Suzhou Hesheng Industrial Co., Ltd.), a company established in the PRC and a non-wholly-owned subsidiary of the Company
“m ² ”	square metres
“%”	per cent.

By order of the Board
Sonavox International Holdings Limited
Yang Tsu Ying
Chairman

Hong Kong, 12 November 2009

As at the date of this announcement, the Board comprised two executive Directors, namely Mr. Yang Tsu Ying and Mr. Yang Ching Yau; and three independent non-executive Directors, namely Mr. Yiu Chi Wah, Mr. Fan Chi Fai, Paul, and Mr. Lee Fang Yu.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of RMB1.00 = HK\$1.1364.