



AV Concept Announces Disposal of Dragon Favour

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Better Utilize Resources and Focus on Growth Potential Business

(Hong Kong, 31 May 2011) – **AV Concept Holdings Limited** (“AV Concept” or the “Group”) (stock code: 595) announced today that its wholly-owned subsidiary, New Concept Capital Limited, entered into a share transfer agreement to sell the entire issued share capital of Dragon Favour Technology Limited (“Dragon Favour”).

The total consideration of the disposal is RMB40,800,000 (equivalent to approximately HK\$48,797,000). The Group expects to recognize an unaudited accounting gain of approximately HK\$18,445,000 upon the completion of the disposal. The gross proceeds from the disposal will be used as general working capital as well as potential business opportunities of the Group.

The principal business activity of Dragon Favour is investment holding and indirectly owns 50% interest of a piece of land in Guilin, Guangxi, the PRC (“Land”).

In addition to the disposal of Dragon Favour, the Group intends to dispose of its remaining 15% indirect interest in the Land currently held by Ditec Company Limited (“Ditec”), subject to the completion of the asset restructuring of Ditec. The Group will cease to have any interest in the Land upon completion of the disposal and the possible disposal.

Mr So Chi On, Chief Executive Officer of AV Concept, said, “We believe the disposal represents an opportunity for the Group to realize its investment in Dragon Favour at a reasonable premium. It can enhance our cash flow and can better utilize our resources to focus on the business with more growth potential. We will continue to look for suitable opportunities for business expansion and create maximum shareholders’ value.

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About AV Concept Holdings Limited (Stock Code: 595)

AV Concept Holdings Limited is a dynamic and fast growing electronics group listed on Hong Kong Stock Exchange. The Group’s businesses include marketing and distribution of electronic components; design and development as well as sale of electronic products. Its wholly owned subsidiary – AV Concept Limited – is one of Asia’s leading electronic component distributors for Samsung Electronics and Fairchild Semiconductors. It is also engaged in LED business through holding 31.84% issued share capital of Wavesquare Inc. which is a Korean-based company engaging in the research, development and manufacturing of blue high brightness LED chips. It is also a “One-stop Service Provider” with strong ability and intelligence in sourcing all kinds of application software designs and electronic components that match customer needs. Headquartered in Hong Kong with major sales offices in Shenzhen, Shanghai, Beijing, Singapore, the Philippines, Indonesia and India, AV Concept Limited boasts a comprehensive distribution network and strong sales expertise in China and the South East Asia region.

Visit AV Concept at www.avconcept.com

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