



AV Concept and TC Interconnect Form Strategic Alliance

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Collaborate to Install LED Road Lights in Chengdu, Yangzhou and Tianjin and Jointly Capture Huge Demand in China LED Road Lighting Market

(Hong Kong, 27 July 2010) – Leading electronic components distributor **AV Concept Holdings Limited** (“AV Concept”) (stock code: 595) and LED business operator **TC Interconnect Holdings Limited** (“TC Interconnect”) (stock code: 515) have formed a strategic alliance today to jointly capture the fast-growing and profitable LED road lighting market in China. The first installation of LED road lamps will take place in Chengdu, Yangzhou and Tianjin.

According to the cooperation agreement with a term of 12 months, AV Concept and TC Interconnect will form strategic alliance for research and development of the LED packaging technologies for road lighting application. TC Interconnect will be primarily responsible for research and development of the specific LED packaging technology. As the sole distributor in Mainland China, Hong Kong, Macau and Taiwan of the products of Wavesquare Inc. (“Wavesquare”) that AV Concept holds approximately a 26.26% equity interest, AV Concept will be primarily responsible for the provision of Wavesquare chip(s) for testing, research and development applying the technology in accordance with the specification of TC Interconnect.

TC Interconnect will own the intellectual property rights of the LED technology and it will be responsible for production of relevant products and the packaging of LED and chip(s) applying the LED technology which will adopt Wavesquare’s LED chips. AV Concept will have the exclusive right to sell products applying the LED technology.

TC Interconnect has participated in the LED lighting business through two joint ventures. First one was formed with Oriental Opto-Semiconductors Corp in September 2009, which is engaged in the manufacturing of LED lighting and LED packaging applications, particularly high power LED road lamps. Until recently it has secured contracts for more than 70,000 LED road lamps with municipal governments in the PRC like Chengdu, Yangzhou and Tianjin etc. TC Interconnect estimates the road lamp orders will achieve a multiple of growth in 2011. Second one was formed in July 2010 with Feng Run Enterprise Limited and this joint venture focuses on obtaining LED lighting contracts and orders.

Wavesquare is a Korean-based company engaging in the research, development and manufacturing of super high brightness LED wafer. It develops vertical high brightness LEDs with high luminosity and other physical properties that are comparable with other worldwide leading producers but at a lower cost and with technology that does not involve using toxic substances such as mercury or lead that pollute the environment.

The LED technology thus developed will enable AV Concept and TC Interconnect to further develop the LED lighting market and their respective technologies will complement each other to create better LED products for end users. Furthermore, the strategic alliance will enhance the technological research and development in the LED technology and equip both companies with a technological edge over their competitors.

Mr So Chi On, Chief Executive Officer of AV Concept, said, "We believe that this strategic collaboration allows us to better capture the tremendous market demand created by the rapid construction of roads and expressways in China and the need to save energy. This can be done by perfectly combining Wavesquare's low-cost high quality LED wafers together with TC Interconnect's specialized packaging technologies and experience in cooperating with municipal governments. Chengdu, Yangzhou and Tianjin will be the first group of areas to benefit from our collaboration, and we expect more cities to replace their current lights with our LED lights in the years to come."

Mr Paul Yeung, Chairman of TC Interconnect, said, "TC Interconnect possesses the manufacturing technology of LED road lamps and the marketing capability of obtaining LED lighting contracts. The strategic alliance with AV Concept can enable us to enhance our technology level as well as to maintain the high growth rate of our LED business with a high profit margin. "

With the support and encouragement of the Chinese Government for energy saving applications in industry, China has become the largest LED road lamp consumer in the world, accounting for approximately 50% of the global market share. The Ministry of Science and Technology of the PRC has strongly promoted the "Ten Thousand LED lights in Ten Cities" and Guangdong's "Thousand Miles Ten Thousand" projects, as the demonstration and promotion models for installation of high-powered LED lights. With more active deployment by provinces and cities elsewhere, it is anticipated that there will be a market demand of 2.5 million LED street lamps involved in the replacement of older styles with LED lighting in the next three years.

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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 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

About TC Interconnect Holdings Limited (Stock Code: 515)

Listed in 2006, TC Interconnect is one of the Top 10 Printed Circuit Board ("PCB") manufacturers in Hong Kong and the PRC. It is a one-stop PCB manufacturer, which offers single-sided PCBs, double-sided PCBs, multi-layered PCBs and HDI PCBs. The Group's products are widely applied to consumer electronics, computer and computer peripherals, communication equipments and automotive electronics. Its clients mainly come from the PRC, the US, Europe, Japan, Korea, Hong Kong and Singapore. The Group has two manufacturing plants in Zhongshan, Guangdong of the PRC. In October 2009, the Group set up a subsidiary to manufacture, sale and install LED road lamps in the PRC, and manufacture and sale of domestic LED lights in the US, Europe, PRC and Hong Kong. Details please refer to www.tatchun.com

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