

**AV Concept Acquires Korean Fairchild Semiconductor Distributor**

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***Further Strengthens Distribution Network in East Asia
Creates Synergy with LED Business***

(Hong Kong, 16 May 2011) – **AV Concept Holdings Limited** (“AV Concept” or the “Group”) (stock code: 595) announced today that its wholly-owned subsidiary, AV Electronics Group Limited, entered into a share transfer agreement to acquire a Korean semiconductor distributor, in order to further expand its distribution network.

Pursuant to the agreement, AV Concept will acquire 100% of the issued shares of P&S Semiconductor Co., Ltd. (“P&S”), a Korean company principally engaged in the distribution business of semiconductor products of Fairchild Semiconductor International Inc. (“Fairchild Semiconductor”) in Korea. The total consideration will be P&S’ net income for the year ended 31 December 2010 multiplied by 3.0 plus their net asset value as of the completion date. The consideration is not to exceed KRW6,800,000,000 (equivalent to approximately HK\$48,000,000). Upon completion of the acquisition which will take place on or before 30 June 2011, P&S will become a wholly-owned subsidiary of the Group.

Mr So Chi On, Chief Executive Officer of AV Concept, said, “We are delighted to further strengthen our semiconductor distribution network with this acquisition as P&S is one of the largest distributors of Fairchild Semiconductors in Korea. We believe the total consideration is reasonable and fair to our company and shareholders. The acquisition also helps us to expand and strengthen our market position in the East Asia market. P&S’ major customers include Hyundai Heavy Industries, Carrier, Daewoo Electronics, Orion TV, LG Industry, to name but a few. P&S also distributes Fairchild LED power drivers to LED lighting users. We expect its strong relationship with the related customers to create synergy with our High Brightness LED businesses, enabling us to fully capture the anticipated business growth especially in the general lighting market. We are continuing 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 Semiconductor. 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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