



AV CONCEPT HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

<For immediate release>

**AV CONCEPT REACHES COOPERATIVE AGREEMENT WITH
CANADIAN EMS GIANT BRECONRIDGE**

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TO BECOME A MAJOR PLAYER IN THE WORLD-CLASS EMS INDUSTRY

(Hong Kong, 10 May 2005) – Leading electronics distributor and manufacturer **AV Concept Holdings Limited** (“AV Concept” or the “Group”) (stock code: 595) announced that its wholly owned subsidiary AV Concept (China) Industrial Co., Limited (“AVCC”) has entered into an agreement to transfer equity interests in its wholly owned subsidiary AV Chaseway Limited (“AV Chaseway”) to BreconRidge Manufacturing Solutions Corporation (“BreconRidge”) in exchange for interest in shares of BreconRidge.

Under the agreement, 50% of the issued capital of AV Chaseway will be transferred to BreconRidge (the “Initial Closing”) in return for a warrant entitling AVCC to 7.5 million common shares of BreconRidge (the “Warrant”). AV Chaseway, currently the Group’s manufacturing arm, will then be managed and operated by both AVCC and BreconRidge as a joint venture. At the occurrence of a liquidity event (including the listing of the shares of BreconRidge on certain international stock exchanges), the Warrant will be deemed exercised and the remaining 50% of AV Chaseway will be further transferred to BreconRidge (the “Final Closing”) for another 7.5 million of its common shares.

If the liquidity event occurs within 2 years of the Initial Closing, the total consideration for AV Chaseway’s share sale will not be less than US\$20 million in the form of cash and/or securities. If the liquidity event occurs between 2 and 3 years of Initial Closing, the total consideration will not be less than US\$22 million. Based on the estimated net profit of AV Chaseway in the year ended 31 March 2005, these will represent price-to-earnings ratios of approximately 12 times and 13 times respectively.

Headquartered in Canada, BreconRidge, ranking in the top 50 global electronic manufacturing services (“EMS”) companies, provides a full range of EMS from design engineering and test development to supply chain management and after sales support. One of its largest shareholders and a director, Sir Terence Matthews is one of the most prominent figures in the global communications technology industry. Currently Chairman of March Networks Corporation, a developer of interactive broadband IP applications and delivery platforms, Sir Matthews was also the founder of leading data networking company Newbridge Networks Corporation and communication solutions provider Mitel Networks Corporation. Mr. Bruce Rodgers, founder and Chief Executive Officer of BreconRidge, is also an ex-Newbridge executive and has over 25 years of experience in the electronics, telecommunications and networking industries. Major clients of BreconRidge include General Electric, Nortel Networks Corporation, Mitel Networks Corporation and March Networks Corporation.

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Mr. So Yuk Kwan, Chairman of AV Concept, said, “We are delighted to announce the cooperative arrangement with our long term business partner BreconRidge. Leveraging BreconRidge’s world-class engineering expertise and prominent client base, we believe the cooperation will enable us to extend our manufacturing scope to a higher level. Furthermore, working together with such a professional and experienced team of industry specialists, we have confidence in both AV Concept and BreconRidge’s business development in the years ahead.”

Mr. Bruce Rodgers, President and Chief Executive Officer of BreconRidge, said, “Extending our footprint in the Asian market has always been one of our major business goals. We are very glad to have the opportunity to work with AV Concept and are optimistic about our enhanced business relationship. We believe that leveraging AV Concept’s PRC manufacturing experience and our design engineering expertise will enable us to achieve our objective of accelerating business expansion in Asia.”

Pursuant to a supply agreement, AV Chaseway will become the sole supplier to BreconRidge in the PRC, thus bringing in additional EMS business benefiting AV Chaseway and the Group throughout the period before the Final Closing. Furthermore, it is believed that being part of this world-class EMS solutions provider will result in more significant returns for AV Concept and its shareholders.

Mr. So concluded, “AV Concept aspires to become an innovator in digital consumer electronics. Looking ahead, we will on the one hand co-develop our world-class EMS business with BreconRidge, and on the other focus more on the research and development of state-of-the-art digital electronic products, especially those of our own brands. We believe our up-coming developments will enable us to improve our overall margin and deliver better returns to our shareholders.”

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About AV Concept Holdings Limited

AV Concept Holdings Limited is a dynamic and fast growing electronics group listed on Hong Kong Stock Exchange. The Group’s businesses include the sale and distribution of electronic components; the design and manufacture of MP3 players. It is also a leading electronic manufacturing services provider in China’s fast growing Pearl River Delta region. 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, Singapore, Malaysia, 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 BreconRidge Manufacturing Solutions Corporation

Headquartered in Ottawa, Canada, BreconRidge is a global provider of a full range of electronics manufacturing services (“EMS”) from facilities located in Canada, the United States, the United Kingdom and China. Ranking in the top 50 EMS companies globally, BreconRidge provides its customers with a complete operations model. Servicing the needs of established and emerging original equipment manufacturers in the communications, industrial and consumer market sectors, BreconRidge provides design, process and test engineering services, component sourcing, global procurement, supply chain management, manufacturing, order fulfillment, and distribution services, along with after sales support, including product repair, refurbishment, warranty tracking and complete logistics services. Visit BreconRidge at www.breconridge.com.