

**AV CONCEPT ANNOUNCES 2007 INTERIM RESULTS  
TURNOVER INCREASED 13% TO HK\$1,640.4 MILLION**

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***DEVELOP ON HIGHER MARGIN NEW BUSINESSES***

(Hong Kong, 21 November 2007) – Leading electronics distributor and manufacturer **AV Concept Holdings Limited** (“AV Concept” or the “Group”) (stock code: 595) announced its interim results for the six months ended 30 September 2007.

The Group’s turnover for the period increased 13% to HK\$1,640.4 million from HK\$1,446.8 million for the last corresponding period. Profit for the period surged almost 19 times to HK\$16.8 million (2006: HK\$0.9 million). EBITDA (i.e. earnings before interest, tax, depreciation, amortisation and non-cash items) improved to HK\$42.5 million (2006: HK\$17.8 million), up by 139%. The improvement in Group’s profit was mainly due to better performance in all segments especially the distribution business and the healthy growth in sales of special care products in the period under review. Basic earnings per share is HK4.1 cents. The Board of Directors has declared an interim dividend of HK2 cents per share for the period ended 30 September 2007.

**Marketing and Distribution Business**

Since many small to medium size companies were ousted during the period as a result of the competitive market, the Group took advantage of the market consolidation to capture more market share. The marketing and distribution business continued to perform well as the Group’s core revenue contributor, accounting for 99% of the Group’s total turnover. Its turnover rose to HK\$1,617.4 million, representing an increase of 14% from that of last year, and the segmental profit for the period was HK\$25.0 million. (2006: HK\$14.8 million).

Apart from achieving stable growth in existing business in the segment during the period under review, it launched a new semiconductor product line for Samsung Electronics which further boosted sales growth of the segment. The new product line mainly comprises passive components for LED and PCB semiconductors for the use in mobile phones.

**Design and Manufacturing Business**

The design and manufacturing segment has restructured to focus on products with higher margin and longer life cycles, such as niche market electronics and special care products for the aged and disabled, and received encouraging result during the period under review. Its turnover was maintained at HK\$23 million (2006: HK\$25.8 million).

Due to the growing population of elderly and people with special needs worldwide, higher margin special care products such as low-vision-aid products continued to develop well and the Group continued to be the world’s largest supplier of low-vision-aid electronics products. Backed by its extensive distribution network in Asia, the Group also diversified its business to cover distribution of niche medical equipment. During the period, the Group filed applications for distribution approval and license and started pre-marketing of its medical equipment products and building a distribution network for them in the PRC. The Group expects to obtain distribution approval in the PRC and see the segment starting to contribute profit in FY2008/2009.

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Looking ahead, the Group will further strengthening its long established core marketing and distribution business and exploring business opportunity with higher margin. In view of the high brightness LED (Light Emitting-diode) sector which is expected to experience significant growth in the coming 2-3 years, and achieve high profit margins, the Group acquired 21% equity interest in Wavesquare Inc. ("Wavesquare") at a total consideration of US\$2 million (equivalent to HK\$15.6 million) expanding into LED wafer industry. Wavesquare is a Korea-based company engaged in research, development and manufacture of super high brightness LED wafers. LEDs have many advantages over traditional incandescent lighting or fluorescent lighting including higher energy efficiency, longer life span, greater safety, being more environmentally friendly and allowing for digital control; LED wafer is the most crucial component of them. The Group will be the exclusive distributor of all Wavesquare's products in certain specified territories, inter alia, the Greater China region via its well-established and extensive distribution network.

**Mr. So Yuk Kwan, Chairman of AV Concept**, said, "With the global lighting product market growing, bolstered by booming economies around the world, we believe that this product will be able to capture the potential of this high growth market in near future and an increasing share of the traditional lighting market. Production of Wavesquare's product will start as early as the second half of 2008 with distribution taking place either in the fourth quarter of 2008 or the first quarter of 2009. With efforts to develop the higher margin new businesses backed by existing solid businesses, we are full of confident to bringing satisfactory 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 marketing and distribution of electronic components; and the design, manufacture as well as sale of electronic products and niche medical products. 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](http://www.avconcept.com)

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