



<For immediate release>

**AV CONCEPT DISPOSES OF ALL EQUITY INTERESTS IN AV
BRECONRIDGE**

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FOCUSES RESOURCES ON OTHER BUSINESS OPERATIONS

(Hong Kong, 3 January 2008) – AV Concept (China) Industrial Co., Limited (“AVCC”), a wholly-owned subsidiary of leading electronics distributor and manufacturer **AV Concept Holdings Limited** (“AV Concept” or the “Group”) (stock code: 595), has entered into a sale and purchase agreement (“SP agreement”) with BreconRidge Manufacturing Solutions (Asia) Limited (“BMSAL”), a wholly-owned subsidiary of BreconRidge Corporation (“BC”), on 18 December 2007.

Pursuant to the SP agreement, AVCC will sell all its remaining 50% of the issued share capital of AV BreconRidge Limited (“AVB”) to BMSAL (“AVB Disposal”). BMSAL will issue a guarantee bond (“the Bond”) in a principal amount of US\$3 million (equivalent to HK\$23.4 million) with an interest rate of 8% per annum to AVCC as the consideration for the AVB Disposal. The Bond is exchangeable into up to 5 million BC Shares at the initial Exchange Price of US\$0.6 per BC Share at any time from the date of issue to the Maturity Date of 31 August 2009. The outstanding principal amount of the Bond with accrued interest shall be payable on the Maturity Date. When the AVB Disposal is completed, AV Concept will cease to have any equity interests in AVB.

Prior to the SP agreement, AVCC signed an agreement in 2005 (“the 2005 Agreement”) with BC in which it stated the intention to dispose of its entire equity interests in AVB to BC in two stages. The Initial Closing took place in August 2005. A warrant was issued entitling AVCC to subscribe for 7.5 million BC Shares on the terms and conditions specified in the 2005 Agreement. The Final Closing under the 2005 Agreement was conditional upon, inter alia, a Liquidity Event comprises “the listing of BreconRidge” which was originally expected to occur within two to three years from the Initial Closing. The Group understood from BC that it has not applied for the listing of BC’s shares on any stock exchange and BC has no plans which would result in the occurrence of a Liquidity Event prior to the third anniversary of Initial Closing in August 2008.

When the AVB Disposal is completed, BC shall repurchase the warrant from AVCC at a cash consideration of US\$2 million (equivalent to HK\$15.6 million) subject to the agreeable deductions ("Warrant Disposal"). The Group expects to record a gain of approximately HK\$15.5 million from the disposal on the AVB Disposal and Warrant Disposal.

Mr So Chi On, Chief Executive Officer of AV Concept, said, "After the disposal of AVB, we will not be involved in manufacturing business anymore and will realign our resources and direct them into the more promising new business operations and our long established core revenue distributor -- marketing and distribution business. Our latest pursuit -- high brightness LED (Light Emitting-diode) wafer product is expected to be well received by the market in coming years, these businesses with manifested strong potential will benefit to the overall performance and margin of the Group"

Seeing significant growth potential in high brightness LED (Light Emitting-diode) products in the coming 2 to 3 years, the Group announced on 29 October 2007 its decision to expand into the LED wafer industry. The Group plans for the new business, which will be champion by Wavesquare, to cover research, development and manufacture of super high brightness LED wafers. The Group will be the exclusive distributor of all its wafer products in certain specified territories in the Greater China region with the support of its extensive and well-established distribution network.

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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

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