



CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED
中港照相器材集團有限公司
(於百慕達註冊成立之有限公司)
(股份代號：1123)

[Press Release]

24 May 2013

China-Hongkong Photo Acquires Business Assets from YCY Holdings Aims to Expand into High-End AV Equipment and Advisory Services for Commercial AV Facilities

24 May 2013, Hong Kong – China-Hongkong Photo Products Holdings Limited (“CHKP”, stock code: 1123) has reached an agreement with YCY Holdings Limited (“YCY”) to acquire certain YCY’s business assets related to high-end Audio-Visual (“AV”) equipment and advisory services for commercial AV facilities, including trademarks for its retail business and network. CHKP will also agreed to take on members of YCY’s staff, who bring with them in-depth knowledge and valuable expertise in high-end AV equipment. The acquisition is expected to be completed on or before 1 August 2013 for a total consideration of HK\$1,135 million.

Founded on 15 October 2001, YCY is principally engaged in AV equipment and the provision of commercial AV facility advisory services. YCY owns a number of well-known retail brands, namely “AV Life”, “Life Electric” and “Life Digital”. It also owns and operates “E-Max”, a provider of logistics, delivery and installation services in respect of commercial and residential AV equipment, and “Pro Audio”, which provides professional installation and AV advices to corporate clients, hotels and business centres that require quality AV equipment for meetings and conferences. A pioneer in high-end AV equipment and services, YCY has invested heavily in training, merchandising and technology to provide customers with a one-stop-shop for comprehensive premium services that meet their individual requirements and effortlessly integrate AV enjoyment into modern lifestyles. Currently, YCY has 13 retail shops in Hong Kong and its annual turnover for the year 2011/2012 is approximately HK\$422 million.

Dr. Dennis Sun, Chairman of CHKP said, “This year marks the 45th anniversary of FUJI Photo Products Co., Ltd. and CHKP remains very focused on innovation and service quality. This acquisition is a strategic investment for us. With increasing demand for high-end AV equipment and professional AV advisory services from the local commercial sector and retail consumers, the market potential is huge. In addition to a great choice of products, consumers are looking for professional advice, technological support and high-level capabilities, and this provides us with an excellent opportunity to develop our business and create synergies. Our aim is to diversify our business portfolio, by expanding into value-added services for commercial customers, and enhancing our retail service quality. We will integrate YCY’s operational platform by improving its service quality and sales network, raising operating efficiency and seeking out new opportunities. In the future, we look forward to closer collaboration with more businesses and to building synergies that will benefit our existing retail business.”

About China-Hongkong Photo Products Holdings Limited

China-Hongkong Photo Products Holdings Limited (stock code: 1123) has had a solid business partnership with Fujifilm Japan as the sole authorised distributor of FUJIFILM products in Hong Kong and Macau since 1968. In September 2010, the CHKP Group was appointed by Fujifilm Japan to be the exclusive agent in Hong Kong to launch and trade FUJIFILM skincare products via the brand name “FUJIFILM Beauty”. The CHKP Group currently operates an extensive photo-finishing network under the “Fotomax” name in Hong Kong.

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