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**CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED**

**中港照相器材集團有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1123)

## **PROFIT WARNING**

This announcement is made by China-Hongkong Photo Products Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on its preliminary assessment of the unaudited management accounts of the Group and information currently available to the Board, the Group expects to record a net loss attributable to the Shareholders of not more than HK\$3 million for the year ended 31 March 2025 (the "**Year**"), as compared to a net profit attributable to the Shareholders of approximately HK\$29.8 million for the corresponding year ended 31 March 2024 (the "**Previous Year**").

The Board believes that the decrease in profit for the Year, as compared to the Previous Year, is mainly attributable to:

- (i) a decrease in revenue and gross profit due to dampened consumer sentiment;
- (ii) the absence of an income tax credit in the Year, in contrast to the Previous Year, which included an income tax credit due to the recognition of a larger deferred tax asset arising from unutilized tax losses;
- (iii) a provision for impairment loss on financial assets due to uncertainty in recovering trade receivables from customers;
- (iv) an increase in the provision for impairment loss on property, plant and equipment, and right-of-use assets, due to the unsatisfactory performance of certain retail stores; and

- (v) an increase in the valuation loss on investment properties for the Year due to the sluggish real estate market.

Notably, items (iii), (iv), and (v) above are non-cash adjustments. Excluding these non-cash items, the Group is expected to record a net profit attributable to the Shareholders of not more than HK\$20 million for the Year.

Nevertheless, the Board considers that the overall financial position and operations of the Group remain solid.

The information contained in this announcement is only based on the preliminary assessment by the Board of the information currently available and the latest available unaudited management accounts of the Group, which have not been reviewed by the Company's audit committee or auditors and may be subject to adjustments as and when necessary. The Company is in the process of preparing and finalizing the annual results of the Group for the Year, which is to be announced in late June 2025.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**China-Hongkong Photo Products Holdings Limited**  
**SUN Tai Lun, Dennis**  
Chairman

Hong Kong, 6 June 2025

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Mr. SUN Tao Hung, Stanley (*Deputy Chairman and Chief Executive Officer*)

Mr. SUN Tao Hsi, Ryan

Ms. CHAN Wai Kwan, Rita

*Non-executive Directors:*

Dr. SUN Tai Lun, Dennis (*Chairman*)

Mr. FUNG Yue Chun, Stephen

*Independent Non-executive Directors:*

Mr. LAU William Wayne

Mr. LI Ka Fai, David

Mr. LIU Jian Hui, Allan

Dr. WONG Chi Yun, Allan