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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

HIGHLIGHTS

- Consolidated turnover decreased 1.7% from HK\$176 million to HK\$173 million. Net result went from a net loss during last period under review to a net profit of HK\$25.64 million this period due to high returns from fund investments
- Strong growth in overall sales of key products led to steady profit
- Interim dividend of HK1 cent and interim special dividend of HK1.5 cents per share declared

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2009

	Notes	For the six months ended 30 September	
		2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
REVENUE	3	173,433	176,367
Cost of sales		<u>(119,463)</u>	<u>(120,029)</u>
Gross profit		53,970	56,338
Other income and gains		10,091	11,217
Fair value gain/(loss) on financial assets at fair value through profit or loss		17,706	(21,426)
Selling and distribution costs		(27,158)	(28,787)
Advertising and marketing expenses		(5,445)	(5,540)
Administrative expenses		(22,783)	(23,238)
Other operating income, net		<u>34</u>	<u>796</u>
PROFIT/(LOSS) BEFORE TAX	4	26,415	(10,640)
Tax	5	<u>(778)</u>	<u>(2,186)</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>25,637</u>	<u>(12,826)</u>
Attributable to:			
Equity holders of the Company		25,772	(12,651)
Minority interests		<u>(135)</u>	<u>(175)</u>
		<u>25,637</u>	<u>(12,826)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		
Basic		<u>2.21 cents</u>	<u>(1.09 cents)</u>
Diluted		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	<u>25,637</u>	<u>(12,826)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>25,637</u>	<u>(12,826)</u>
ATTRIBUTABLE TO:		
Equity holders of the Company	25,772	(12,651)
Minority interests	<u>(135)</u>	<u>(175)</u>
	<u>25,637</u>	<u>(12,826)</u>

CONDENSED CONSOLIDATED BALANCE SHEET

30 September 2009

	<i>Notes</i>	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		31,428	36,020
Investment properties		130,315	130,315
Prepaid land lease payments		2,749	2,853
Goodwill		35,878	35,878
Rental deposits		5,209	4,414
Deferred tax assets		4,652	3,960
Total non-current assets		<u>210,231</u>	<u>213,440</u>
CURRENT ASSETS			
Inventories		36,127	39,637
Trade and bills receivables	8	13,410	12,077
Prepayments, deposits and other receivables		14,332	15,966
Financial assets at fair value through profit or loss		185,913	168,207
Tax recoverable		163	1,417
Cash and cash equivalents		599,561	610,197
Total current assets		<u>849,506</u>	<u>847,501</u>
CURRENT LIABILITIES			
Trade and bills payables	9	14,663	17,745
Accrued liabilities and other payables		60,351	63,935
Interim dividend payable	6	11,638	–
Interim special dividend payable	6	17,457	–
Total current liabilities		<u>104,109</u>	<u>81,680</u>
NET CURRENT ASSETS		<u>745,397</u>	<u>765,821</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>955,628</u>	<u>979,261</u>
NON-CURRENT LIABILITIES			
Accrued liabilities		21,807	18,662
Deferred tax liabilities		12,662	12,706
Total non-current liabilities		<u>34,469</u>	<u>31,368</u>
Net assets		<u>921,159</u>	<u>947,893</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		116,383	116,383
Reserves		789,319	792,642
Proposed final dividend		–	–
Proposed final special dividend		–	23,276
		<u>905,702</u>	<u>932,301</u>
Minority interests		15,457	15,592
Total equity		<u>921,159</u>	<u>947,893</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2009

1. ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements of China-Hongkong Photo Products Holdings Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) for the six months ended 30 September 2009 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2009, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations) as disclosed in note 2 to the interim condensed consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES

Impact of new and revised HKFRSs

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised HKFRSs which are generally effective for accounting periods beginning on or after 1 April 2009. Except for HKAS 1 (Revised) and its amendments giving rise to changes in presentation and disclosures of financial statements as detailed below, the adoption of these new and revised standards, interpretations and amendments has had no material impact on these interim condensed consolidated financial statements.

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Vesting Conditions and Cancellations
HKFRS 7 Amendments	Amendments to HKFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives and HKAS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation

Apart from the above, the HKICPA has issued Improvements to HKFRSs* which set out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording for annual periods beginning on or after 1 January 2009.

* *Improvements to HKFRSs contain amendments to HKFRS 5[#], HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.*

Effective for annual periods beginning on or after 1 July 2009

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) *HKAS 1 (Revised) “Presentation of Financial Statements”*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group adopted HKAS 1 (Revised) from 1 January 2009. The adoption of the revised standard has no effect on the financial position or results of operations of the Group. It does, however, result in certain presentational changes in the presentation and disclosures of financial statements.

(b) *HKFRS 8 “Operating Segments”*

HKFRS 8, which replaces HKAS 14 “Segment Reporting”, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group’s major customers. The Group adopted HKFRS 8 from 1 April 2009. The adoption of the revised standard has no effect on the financial position or results of operations of the Group.

3. SEGMENT INFORMATION

Segment information is presented on a primary segment reporting basis, by business segment.

The Group’s operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group’s business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) the merchandise segment engages in the marketing and distribution of photographic developing, processing and printing products and sale of photographic merchandises;
- (b) the service segment engages in the provision of film processing, photofinishing services and technical services for photographic developing and processing products; and
- (c) the corporate and others segment comprises the Group’s investment property business together with corporate income and expense items.

The following table presents revenue and profit/(loss) of the Group's business segments for the six months ended 30 September 2009 and 2008.

	Merchandise		Service		Corporate and others		Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to external customers	116,533	114,491	56,900	61,876	-	-	-	-	173,433	176,367
Intersegment sales	13,170	15,370	2,491	2,397	-	-	(15,661)	(17,767)	-	-
Other income and gains	-	-	-	-	24,609	(17,995)	-	-	24,609	(17,995)
Total	<u>129,703</u>	<u>129,861</u>	<u>59,391</u>	<u>64,273</u>	<u>24,609</u>	<u>(17,995)</u>	<u>(15,661)</u>	<u>(17,767)</u>	<u>198,042</u>	<u>158,372</u>
Segment results	<u>2,524</u>	<u>2,541</u>	<u>3,491</u>	<u>2,920</u>	<u>17,212</u>	<u>(23,887)</u>	<u>-</u>	<u>-</u>	<u>23,227</u>	<u>(18,426)</u>
Interest income									3,188	7,786
Profit/(loss) before tax									26,415	(10,640)
Tax									(778)	(2,186)
Profit/(loss) for the period									<u>25,637</u>	<u>(12,826)</u>

4. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Interest income	(3,188)	(7,786)
Loss/(gain) on disposal of items of property, plant and equipment [^]	17	(765)
Cost of inventories sold*	93,398	91,918
Cost of services provided*	26,065	29,690
Depreciation	6,155	7,672
Recognition of prepaid land lease payments	104	104
Write-back of provision against inventories*	-	(1,579)
Write-back of impairment of trade and bills receivables [^]	<u>(51)</u>	<u>-</u>

* Included in "Cost of sales" on the face of the condensed consolidated income statement.

[^] Included in "Other operating income, net" on the face of the condensed consolidated income statement.

5. TAX

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current – Hong Kong	1,192	824
Current – Mainland China	322	186
Deferred	(736)	1,176
	<hr/>	<hr/>
Total tax charge for the period	778	2,186
	<hr/> <hr/>	<hr/> <hr/>

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, after offsetting certain amounts of the tax losses carried forward by certain subsidiaries of the Group. Taxes on profits assessable in the Mainland China have been calculated at the rates of tax prevailing in the location in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

6. DIVIDENDS

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim – HK1 cent (six months ended 30 September 2008: HK1 cent) per ordinary share	11,638	11,638
Interim special – HK1.5 cents (six months ended 30 September 2008: HK1 cent) per ordinary share	17,457	11,638
	<hr/>	<hr/>
	29,095	23,276
	<hr/> <hr/>	<hr/> <hr/>

At a meeting of the board of directors held on 3 December 2009, the directors resolved to pay on 28 January 2010 an interim dividend of HK1 cent (six months ended 30 September 2008: HK1 cent) and an interim special dividend of HK1.5 cents (six months ended 30 September 2008: HK1 cent) per ordinary share to shareholders whose names appear on the register of members of the Company on 15 January 2010 (Friday).

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted earnings/(loss) per share for the six months ended 30 September 2009 and 2008 are based on:

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings/(loss):		
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	<u><u>25,772</u></u>	<u><u>(12,651)</u></u>

	For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
Shares:		
Weighted average number of ordinary shares in issue during the period used in basic earnings/(loss) per share calculation	<u><u>1,163,828,377</u></u>	<u><u>1,163,828,377</u></u>

Diluted earnings/(loss) per share amounts for the six months ended 30 September 2009 and 2008 have not been disclosed as no diluting events existed during the six months ended 30 September 2009 and 2008.

8. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 days, except for certain well-established customers where the terms are extended to 120 days.

An aged analysis of the Group's trade and bills receivables as at the balance sheet date, based on the payment due date and net of impairment, is as follows:

	30 September 2009	31 March 2009
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Current to 3 months	13,410	12,071
4 to 6 months	-	5
7 to 9 months	-	1
	<u><u>13,410</u></u>	<u><u>12,077</u></u>

9. TRADE AND BILLS PAYABLES

An aged analysis of the Group's trade and bills payables as at the balance sheet date, based on the date of goods purchased and services rendered, is as follows:

	30 September 2009 (Unaudited) HK\$'000	31 March 2009 (Audited) HK\$'000
Current to 3 months	13,200	16,111
Over 3 months	1,463	1,634
	<u>14,663</u>	<u>17,745</u>

10. RELATED PARTY TRANSACTIONS

- (a) Included in prepayments, deposits and other receivables is an amount due from a minority shareholder of a subsidiary totaling HK\$5,996,000 (31 March 2009: HK\$5,996,000) which is unsecured, non-interest-bearing and has no specific terms of repayment.
- (b) The Group's compensation of key management personnel are as follows:

	For the six months ended 30 September	
	2009 (Unaudited) HK\$'000	2008 (Unaudited) HK\$'000
Short term employee benefits	2,689	2,812
Post-employment benefits	24	24
Total compensation paid to key management personnel	<u>2,713</u>	<u>2,836</u>

11. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 3 December 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's turnover declined slightly from HK\$176 million to HK\$173 million, down by 1.7%. Net result went from a net loss during last period under review to a net profit of HK\$25.64 million this period due to high returns from fund investments. In the period under review, earnings per share were HK2.21 cents.

BUSINESS REVIEW

Merchandising

During the period under review, the Group's performance in the sales of instant, digital and professional products remained sound. The sales of instant products shot up by 31.9% compared to the same period last year. Professional products registered even stronger sales, increasing by 46.9%, while the sales volume of digital products increased by a respectable 17%.

The Group is confident that market demand for digital imaging products will remain strong and that customers will continue supporting the latest FinePix products because of their high performance. On the other hand, the market for traditional imaging products continued to decrease, causing the sales of colour film to drop by 35.8% compared with the same period last year.

The Group is further boosting the Fuji Digital Imaging (FDi) service to maintain its position in the digital imaging market. The Group intends to provide more photofinishing-related products such as FotoBook and Fun2Print, as well as introduce online printing to FDi dealers.

Photofinishing and Technical Services

The overall performance of the photofinishing business was clearly affected by the global economic crisis, decreasing 7.5% when compared with the same period last year. The recorded 28 million prints represented a decrease of 10.1% year-on-year, and it was attributable to the continued slow demand for the developing of digital files.

To enhance cost efficiency, the Group reviewed the profitability of its shops and streamlined its total number of outlets from 84 to 80. At the same time, the Group continued to increase the number of its popular digital kiosks, from 230 to 235 during the period under review.

A strong Fotomax income-earner was the Fun2Print service. Total sales for Fun2Print personalized imaging gifts rose 51.4% compared with the same period last year.

As the general public become more accustomed to shopping online, the Group will be well-positioned to leverage the trend as one of the leading photo-imaging operators in Hong Kong. The Group expects income from online sales to offset losses from film sales and be a driving force in its future retail business. The Group continues to follow global trends in e-business and has elected to maintain Fotomax's successful membership website.

The Group also ran popular joint promotions with Octopus in the period under review. Over 71,000 pieces of 6R photos and 34,000 pieces of 8F photos were redeemed during the “R\$1 redeem one 6R photo” and “R\$2 redeem one 8F photo” promotion periods.

BRAND MANAGEMENT

The Group has long understood that practical brand management is a principal factor in boosting sales and sustaining brand image. In addition to building public awareness of the brand through extensive media exposure, various promotional and strategic advertising activities have also played important roles.

In addition to various seasonal promotions launched to capture festive spirit, the Group reached a licencing agreement with Disney to use its cartoon characters in photo developing and processing (D&P), Fun2Print imaging gift items and FotoBook to attract more customers.

The “free-fun-border” photo frame along with photo albums, some featuring Disney cartoon characters, were distributed during D&P promotions and received enthusiastic receptions from customers.

Fun2Print imaging gift items continue to be a focus of the Group for future development. The launch of Disney cartoon “Back to School” promotion proved to be an overwhelming success. The Group also introduced other new Disney cartoon character gift items. Furthermore, Hello Kitty and Cinnamoroll gift items continue to grow and new items were gradually brought to the market which were welcomed by customers.

Another key focus has been FotoBook. The Group introduced new cover materials imported from Europe, including new binding, to widen the product range. Customers can now also download the Fotomax FotoBook software in regular or cartoon character versions, enabling them to design their own personalized FotoBook at home. Results of the launch were encouraging.

The Group’s promotional and marketing efforts have been augmented by a number of global awards. The FinePix F200EXR won the DIMA 2009 Innovative Digital Product Award, and it was named the Best Compact D-Camera for 2009 by TIPA (Technical Image Press Association). Also, the Super CCD EXR won TIPA’s Best Imaging Innovation Award and EISA’s (European Imaging and Sound Association) Best Product 2009-2010 for Digital Imaging Innovation.

During the period under review, the Group launched other effective joint promotion schemes with Nestle, Watson’s The Chemist, Club Med, GP Battery, Sanrio Fans Club, mtrshops and The Community Chest.

FINANCIAL RESOURCES

The financial position of the Group remained sound and healthy during the period under review. As at 30 September 2009, the Group’s cash and bank balances were approximately HK\$600 million with a zero gearing ratio. Trade receivables of HK\$13 million were recorded for the period, while inventory was HK\$36 million. The Group had no significant contingent liabilities as at 30 September 2009.

OUTLOOK

Despite a very tough half-year, the Group performed reasonably well. The Group believes the market situation will continue to be challenging, but the Group is optimistic about the imaging industry.

The Group's top priority is developing Fotomax as the preferred chain of its kind in Hong Kong through customized imaging gifts. It is the Group's intention to promote photo personalization, allowing consumers to customize their own photos as memorable gifts in an easy and affordable way. The Group intends to introduce exclusive licensed characters for photo gifts, enhance DIY software and provide on-site production service at selected outlets to shorten gift order turnaround time. This will ultimately establish Fotomax as the leading digital imaging operator in Hong Kong, with the widest range of image gift items and the largest range of FotoBook selections.

CLOSURE OF SHARE REGISTER

The register of members will be closed from 12 January 2010 (Tuesday) to 15 January 2010 (Friday), both days inclusive, during which period no transfer of shares will be registered for the purpose of ascertaining who is entitled to the interim dividend and the interim special dividend. In order to qualify for the proposed interim dividend and the interim special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 11 January 2010 (Monday).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

AUDIT COMMITTEE

The Company has an audit committee (the "Committee") which was established in accordance with the Rules 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Committee comprises a total of four independent non-executive directors of the Company. The Group's financial statements for the period ended 30 September 2009 have been reviewed by the Committee, which is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company had complied with the code provisions as set out in Appendix 14 of the Main Board Listing Rules (the “CG Code”) throughout the period ended 30 September 2009, except that:

- (1) The roles of Chairman and Chief Executive Officer have not been separated. Dr Sun Tai Lun, Dennis is the Chairman/Chief Executive Officer of the Company. The Board believes that vesting the role of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies; and
- (2) The non-executive directors have not entered into any service contract with the Company and are not appointed for a specific term but are subject to retirement by rotation at the Company’s annual general meeting.

Full details on the subject of corporate governance are set out in the Company’s 2009 Annual Report.

In compliance with the code provisions of the CG Code which came into force on 1 January 2005, the Company had set up a Remuneration Committee with terms of reference which are in line with the CG Code. The Remuneration Committee comprises one executive director, Dr Sun Tai Lun, Dennis and two independent non-executive directors, Mr Au Man Chung, Malcolm and Dr Wong Chi Yun, Allan. Mr Au Man Chung, Malcolm is the chairman of the Remuneration Committee.

MEMBERS OF THE BOARD

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

Executive Directors:

Dr SUN Tai Lun, Dennis (*Chairman*)

Mr SUN Tao Hung, Stanley (*Deputy Chairman*)

Ms NG Yuk Wah, Eileen

Mr TANG Kwok Tong, Simon

Independent Non-executive Directors:

Mr AU Man Chung, Malcolm

Mr LI Ka Fai, David

Mr LIU Hui, Allan

Dr WONG Chi Yun, Allan

On behalf of the Board

Sun Tai Lun

Chairman

HKSAR, 3 December 2009

<http://www.chinahkphoto.com.hk>