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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 RESULTS FOR THE YEAR ENDED 31 MARCH 2015

HIGHLIGHTS

- Group achieves an increase of 12.2% in consolidated turnover
- Announces decline in profit due to unfavorable market conditions, impairment of goodwill from Fotomax photofinishing business
- Board of Directors does not recommend any final dividend for the year

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015

	<i>Note</i>	2015 HK\$'000	2014 HK\$'000
Revenue	2	966,658	861,669
Cost of sales		(746,612)	(657,296)
Gross profit		220,046	204,373
Other income and gains	2	12,177	14,260
Changes in fair value of investment properties		7,532	16,632
Selling and distribution costs		(136,170)	(109,016)
Advertising and marketing expenses		(29,853)	(34,404)
Administrative expenses		(68,676)	(69,791)
Impairment of goodwill		(35,878)	–
Other operating expense		–	(14)

	<i>Note</i>	2015 HK\$'000	2014 HK\$'000
Operating (loss)/profit		(30,822)	22,040
Share of results of an associate		<u>(625)</u>	<u>(875)</u>
(Loss)/profit before tax	<i>3</i>	(31,447)	21,165
Income tax expense	<i>4</i>	<u>(2,377)</u>	<u>(5,480)</u>
(Loss)/profit for the year		<u>(33,824)</u>	<u>15,685</u>
(Loss)/profit attributable to:			
Owners of the Company		(33,289)	15,469
Non-controlling interests		<u>(535)</u>	<u>216</u>
		<u>(33,824)</u>	<u>15,685</u>
(Loss)/earnings per share attributable to owners of the Company for the year	<i>6</i>		
Basic		<u>(HK2.81 cents)</u>	<u>HK1.31 cents</u>
Diluted		<u>(HK2.81 cents)</u>	<u>HK1.31 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss)/profit for the year	<u>(33,824)</u>	15,685
Other comprehensive loss:		
<i>Item that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>(200)</u>	<u>(48)</u>
Other comprehensive loss for the year	<u>(200)</u>	<u>(48)</u>
Total comprehensive (loss)/income for the year	<u><u>(34,024)</u></u>	<u><u>15,637</u></u>
Attributable to:		
Owners of the Company	<u>(33,489)</u>	15,421
Non-controlling interests	<u>(535)</u>	<u>216</u>
	<u><u>(34,024)</u></u>	<u><u>15,637</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		83,189	77,877
Investment properties		177,185	168,720
Goodwill		44,207	80,085
Trademarks		14,388	15,173
Interest in an associate		–	125
Deposits		13,894	14,164
Deferred tax assets		293	67
		<hr/>	<hr/>
Total non-current assets		333,156	356,211
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current assets			
Inventories		196,675	163,957
Trade receivables	7	37,073	52,212
Prepayments, deposits and other receivables		35,668	37,373
Tax recoverable		21	96
Cash and bank balances		270,192	360,070
		<hr/>	<hr/>
Total current assets		539,629	613,708
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Current liabilities			
Trade and bills payable	8	43,016	60,594
Accrued liabilities and other payables		52,161	56,955
Tax payable		8,959	9,485
		<hr/>	<hr/>
Total current liabilities		104,136	127,034
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
NET CURRENT ASSETS		435,493	486,674
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets less current liabilities		768,649	842,885
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Non-current liabilities			
Accrued liabilities		5,773	9,615
Deferred tax liabilities		23,721	24,287
		<hr/>	<hr/>
Total non-current liabilities		29,494	33,902
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net assets		739,155	808,983
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	<i>Note</i>	2015 HK\$'000	2014 HK\$'000
Equity			
Equity attributable to owners of the Company			
Share capital		118,532	118,532
Reserves		621,175	666,517
Proposed final dividend	5	–	11,853
Proposed final special dividend	5	–	11,853
		<hr/>	<hr/>
		739,707	808,755
Non-controlling interests		(552)	228
		<hr/>	<hr/>
Total equity		739,155	808,983
		<hr/> <hr/>	<hr/> <hr/>

NOTES:

1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

China-Hongkong Photo Products Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) have adopted the following new and revised Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current year’s consolidated financial statements.

HKAS 27 (2011), HKFRS 10 and HKFRS 12 (Amendment)	Consolidation for investment entities
HKAS 32 (Amendment)	Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
HKAS 39 (Amendment)	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – Int 21	Levies

The adoption of the above new and revised HKASs and HKFRSs does not have significant impact on the Group’s results and financial positions nor any substantial change in the Group’s accounting policies, and presentations of the consolidated financial statements, except for additional disclosures as required by HKAS 36 (Amendment) “Recoverable amount disclosures for non-financial assets”.

2. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents (i) the net invoiced value of goods sold, after allowances for returns and trade discounts; and (ii) income from the rendering of technical services for photographic developing and processing products, professional audio-visual advisory and custom design and installation services.

An analysis of revenue, other income and gains is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue		
Sale of goods	832,437	730,618
Income from the rendering of services	134,221	131,051
	<u>966,658</u>	<u>861,669</u>
Other income and gains		
Interest income on bank deposits	3,107	4,769
Gross rental income	7,228	6,989
Others	1,842	2,502
	<u>12,177</u>	<u>14,260</u>

3. PROFIT/(LOSS) BEFORE INCOME TAX

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Acquisition - related costs	-	4,898
Depreciation of property, plant and equipment	19,567	12,239
Impairment of goodwill	35,878	-
Impairment of property, plant and equipment	175	420
Amortisation of trademarks	785	527
Provision for inventories	682	3,762

4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxation on profits assessable for the year in the PRC has been calculated at the rates of tax prevailing in the location in which the Group operates.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax – Hong Kong		
Charge for the year	3,165	4,247
Over provision in prior years	(594)	(327)
Current tax – PRC	817	800
Over provision in prior years	(227)	–
	3,161	4,720
Deferred tax	(784)	760
Income tax expense	2,377	5,480

5. DIVIDENDS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim – HK1 cent (2014: Nil) per ordinary share	11,853	–
Interim special – Nil (2014: HK2 cent) per ordinary share	–	23,706
Proposed final – Nil (2014: HK1 cent) per ordinary share	–	11,853
Proposed final special – Nil (2014: HK1 cent) per ordinary share	–	11,853
	11,853	47,412

6. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings		
(Loss)/profit attributable to owners of the Company, used in the basic earnings per share calculation	<u>(33,289)</u>	<u>15,469</u>
	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>1,185,318,349</u>	<u>1,177,391,720</u>

(b) Diluted (loss)/earnings per share

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 March 2015 and 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

7. TRADE RECEIVABLES – GROUP

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	37,878	52,940
Less: Provision for impairment of trade receivables	<u>(805)</u>	<u>(728)</u>
	<u>37,073</u>	<u>52,212</u>

The Group's trading terms with its customers are either on a cash basis or on credit. For credit sales, the credit period is generally 15 to 30 days, except for certain well-established customers where the terms are extended to 120 days. Each customer has a maximum credit limit pre-approved by senior management. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An ageing analysis of the trade receivables as at the end of the year, based on the payment due date and net of impairment, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current	25,634	34,628
1 to 3 months	7,682	16,155
Over 3 months	3,757	1,429
	<u>37,073</u>	<u>52,212</u>

The movements in provision for impairment of trade receivables are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 April	728	727
Provision during the year	78	–
Exchange realignment	(1)	1
	<u>805</u>	<u>728</u>
At 31 March	805	728

The individually impaired trade receivables relate to customers that were in financial difficulties or in default or delinquency in payments. The Group does not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the trade receivables that are not considered to be impaired is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Neither past due nor impaired	25,634	34,628
Less than 1 month past due but not impaired	6,521	10,787
1 month and over 1 month past due but not impaired	4,918	6,797
	<u>37,073</u>	<u>52,212</u>

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for which there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The carrying amounts of the Group's trade receivables approximate their fair values and are denominated in HK\$.

The maximum credit risk at the reporting date is the carrying value of the trade receivables.

8. TRADE AND BILLS PAYABLE – GROUP

An ageing analysis of the trade and bills payables at the end of the year, based on the date of goods purchased and services rendered, is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 3 months	42,183	59,529
Over 3 months	833	1,065
	<u>43,016</u>	<u>60,594</u>

The Group's trade and bills payable are non-interest-bearing and are normally settled on 30-day terms. The carrying amounts of the Group's trade and bills payable approximate their fair values.

OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the merchandise segment engages in the marketing and distribution of photographic developing, processing and printing products and the sale of photographic merchandises, skincare products, consumer electronic products and household appliances;
- (b) the service segment engages in the provision of technical services for photographic developing and processing products, professional audio-visual advisory and custom design and installation services;
- (c) the investment segment comprises the Group's businesses in investment properties; and
- (d) the corporate and others segment comprises the Group's corporate income and expense items and other investment businesses.

The chief operating decision maker of the Group has been identified as the Board of Directors. The Board of Directors monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income and share of results of an associate are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, cash and bank balances, interest in an associate and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted at cost plus a mark-up of approximately 23.2% to 32.0% (2014: 23.5% to 30.8%).

(a) Operating segments

	Merchandise		Service		Investment		Corporate and Others		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	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	832,437	730,618	134,221	131,051	-	-	-	-	-	-	966,658	861,669
Intersegment sales	32,065	30,087	3,285	3,332	-	-	-	-	(35,350)	(33,419)	-	-
Other income and gains	3,952	3,495	-	-	15,683	24,065	578	456	(3,611)	(1,893)	16,602	26,123
Total	868,454	764,200	137,506	134,383	15,683	24,065	578	456	(38,961)	(35,312)	983,260	887,792
Segment profit/(loss)	(183)	3,488	(37,693)	2,404	10,777	20,062	(6,830)	(8,683)	-	-	(33,929)	17,271
Interest income											3,107	4,769
Share of results of an associate											(625)	(875)
(Loss)/profit before tax											(31,447)	21,165
Income tax expense											(2,377)	(5,480)
(Loss)/profit for the year											(33,824)	15,685

	Merchandise		Service		Investment		Corporate and Others		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities										
Segment assets	344,697	324,936	20,858	52,982	175,838	170,177	60,886	61,466	602,279	609,561
Unallocated assets									270,506	360,358
Total assets									872,785	969,919
Segment liabilities	72,556	95,711	9,564	7,970	10,547	8,835	8,283	14,648	100,950	127,164
Unallocated liabilities									32,680	33,772
Total liabilities									133,630	160,936
Other segment information:										
Depreciation	8,308	4,444	6,384	5,299	-	-	4,875	2,496	19,567	12,239
Capital expenditure ¹	21,757	9,770	2,863	1,580	-	-	640	2,009	25,260	13,359
Impairment of goodwill	-	-	35,878	-	-	-	-	-	35,878	-
Changes in fair value of investment properties	-	-	-	-	(7,532)	(16,632)	-	-	(7,532)	(16,632)
Provision for inventories	682	3,762	-	-	-	-	-	-	682	3,762

¹ Capital expenditure consists of additions to property, plant and equipment.

(b) Geographical information

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue from external customers		
Hong Kong	966,109	861,669
People's Republic of China ("PRC")	549	—
	<u>966,658</u>	<u>861,669</u>

The revenue information above is based on the location in which the Group operates.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets		
Hong Kong	215,044	235,475
People's Republic of China ("PRC")	117,819	120,669
	<u>332,863</u>	<u>356,144</u>

The non-current assets information above is based on the location of assets and excludes deferred tax assets.

(c) Information about a major customer

Revenue of approximately HK\$37,438,000 (2014: HK\$40,543,000) was derived from sales by the merchandise segment to a single customer.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue and Profit/Loss

The Group recorded consolidated turnover for the year ended 31 March 2015 of HK\$967 million, an increase of 12.2% over the HK\$862 million reported in the previous year. Loss attributable to owners of the Company amounted to HK\$33 million. Taking away a one-off loss from impairment of goodwill of HK\$36 million, profit attributable to owners of the Company amounted to HK\$3 million. The Board of Directors does not recommend any final dividend for the year.

Merchandising

Photographic Products

With the general contraction of consumer spending following the political unrest in Hong Kong, and the depreciation of the Japanese yen that encouraged local customers to purchase cameras in Japan in the second half of the year, sales of digital cameras and related products dropped by 25.4% compared to the previous year.

However, the Group's effective marketing efforts helped its instant camera and film products maintain unique positions in the market, resulting in encouraging sales growth of 8.6% year on year. In addition, the instax SHARE Smartphone Printer SP-1, which was launched in 2014, received widespread acclaim from consumers. Sales of the SP-1 contributed 5.7% of total sales for the segment this year.

Skincare Products

During the year, the Group made the strategic decision to close its bricks-and-mortar outlets for its skincare brands and concentrate instead on developing online sales. Although turnover for the segment dropped following the closures, savings in running costs improved overall earnings. The process of re-establishing the skincare operations as a successful online business will take time, but added that the Group has already contributed significant resources toward revamping its online sales platform to make it more attractive and easier to use.

Consumer Electronics Products & Household Appliances

In order to increase its market presence, the Group added four retail outlets during the first half of the year, bringing its total number of outlets to 17 as at 31 March 2015. This expansion plan resulted in noticeable results for the first six months of the year; however, following the unexpected disruption to retailing caused by the Hong Kong protests towards the end of 2014, the segment experienced a dramatic drop in turnover in the second half, leading to a decrease in sales of 4.8% as compared to the annualised sales of the segment last year.

Servicing

Photofinishing and Technical Services

The Group's volume of traditional photo prints experienced a year-on-year decrease of 11.2% to 29.8 million. However, the Group's successful imaging gift service continued to enjoy encouraging growth, with turnover increasing 13.8%. The new Fotobook "Year Album" that was launched in December 2014 saw sales of approximately 3,000 books in less than six months, contributing a 26.9% boost to the Fotobook category. With the continuous development of the Group's online platform, online business also increased satisfactorily.

Custom Design and Installation Services

Revenue from the Group's custom design and installation service declined due to the fact that a number of major tenders for non-commercial organisation projects were suspended when the protests began. However, the Group used the opportunity to rethink its brand focus and consider ways of enhancing the relationships between products being offered by this segment.

BRAND MANAGEMENT

The Group maintained a high level of awareness of its FUJIFILM brand by conducting a wide array of events, sponsorships and advertising campaigns. The Group also launched a number of new FUJIFILM digital camera models and accessories that helped propel digital camera sales. Highlights included the new FUJIFILM X30 digital camera and the FUJIFILM X-A2 interchangeable lens camera. The FUJIFILM range won several local and international awards during the year, reinforcing its competitiveness in the market.

The Group also introduced a number of initiatives to promote Fotomax as a market-leading developing and printing provider. In December 2014, the Group introduced the new imaging service "Year Album", a brand-new Fotobook service developed by FUJIFILM Japan that incorporates easy-to-use Fotobook software with unique functions. A special product launch for Year Album was held in December, at which famous child actress Celine Yeung was announced as the official spokesperson. Miss Yeung also starred in a TV commercial promoting Year Album.

The year under review saw the roll-outs of several developing and processing promotions leveraging popular lines such as Hello Kitty and "Frozen". This was supplemented by Fotomax's participation in a special "Frozen" event run by Disney at Maritime Square at the end of 2014, where the Group provided an on-site shooting service for event visitors.

The Group's consumer electronics and household appliances segment accomplished a significant amount of valuable promotional and brand management work during the year, helping this relatively new business establish a firm presence in the public consciousness.

After moving the skincare business online (astalift.com.hk), the Group also continued to be proactive in developing and promoting its brands.

FINANCIAL RESOURCES

The financial position of the Group remained sound and healthy during the year under review. As at 31 March 2015, the Group's cash and bank balances were approximately HK\$270 million with a zero gearing ratio. Trade receivables of HK\$37 million were recorded at the end of the year, while inventories were HK\$197 million.

OUTLOOK

The Group will continue to strengthen its online businesses for all segments through regular upgrades of our websites and online payment gateways, and the Group will look to maintain our brands' market profiles by exploring other cost-effective sales channels.

The Group anticipates that because of the rising stock market and the Government's continuous efforts to increase the supply of flats, the Hong Kong economy will recover at a faster-than-expected pace. This means the consumer electronics products and household appliances segment still has high potential. Business from this area should continue to grow stronger in the year ahead and contribute strongly to the Group's bottom line. The Group will also continue to strengthen its brand image and seek price-competitive product offerings to extend its market share and customer base.

For the custom design and installation segment, the Group believes that brand-building through quality service will generate sales opportunities once the economy reverts to normal – especially since there is an increase in demand, both in the private and public sectors, for high-tech AV-IT communication systems that combine audio and visual technology with information technology. Furthermore, the Group has compiled a new customer base of owners of luxury houses, which the Group plans to use to target potential new customers.

To enhance its competitive edge, the Group will also continue to identify appropriate product offerings that meet the market's expectations. This is especially the case for the Fotomax business, where quick response to the fast-changing market is crucial. The Fotomax product design team and its business development team are working closely to develop progressive personalised imaging gifts. Throughout the ups and downs of the Hong Kong economy, the Group will be able to drive sustained satisfactory results.

CLOSURE OF SHARE REGISTER

The Annual General Meeting of the Company is scheduled on Friday, 21 August 2015. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Wednesday, 19 August 2015 to Friday, 21 August 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 18 August 2015.

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 year.

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 year ended 31 March 2015 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.

REVIEW OF ANNUAL RESULTS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company has complied with the code provisions as set out in Appendix 14 of the Main Board Listing Rules (the “CG Code”) throughout the year ended 31 March 2015.

Full details on the subject of corporate governance are set out in the Company’s 2015 Annual Report.

MEMBERS OF THE BOARD

As of the date of this announcement, Dr Sun Tai Lun, Dennis is the chairman of the Board, Mr Sun Tao Hung, Stanley is the deputy chairman of the Board, Mr Tang Kwok Tong, Simon and Ms Ng Yuk Wah, Eileen are the executive directors. Mr Au Man Chung, Malcolm, Mr Li Ka Fai, David, Mr Liu Hui, Allan and Dr Wong Chi Yun, Allan are the independent non-executive directors. Mr Fung Yue Chun, Stephen is the non-executive director.

On behalf of the Board
Sun Tai Lun
Chairman

HKSAR, 25 June 2015

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