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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 2016

### HIGHLIGHTS

- Economic downturn resulted in impairment of goodwill and trademarks, leading to profit shortfall
- Fotobook and online printing continued to enjoy growing sales despite the gloomy economic environment
- Board of Directors does not recommend any final dividend for the year

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 March 2016*

	<i>Note</i>	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
Revenue	2	<b>886,668</b>	966,658
Cost of sales		<u><b>(685,563)</b></u>	<u>(746,612)</u>
<b>Gross profit</b>		<b>201,105</b>	220,046
Other income and gains	2	<b>12,481</b>	12,177
Changes in fair value of investment properties		<b>13,966</b>	7,532
Selling and distribution costs		<b>(136,829)</b>	(136,170)
Advertising and marketing expenses		<b>(21,722)</b>	(29,853)
Administrative expenses		<b>(76,890)</b>	(68,676)
Impairment of goodwill and trademarks		<u><b>(57,810)</b></u>	<u>(35,878)</u>

	<i>Note</i>	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
<b>Operating loss</b>		<b>(65,699)</b>	(30,822)
Share of results of an associate		<u>(147)</u>	<u>(625)</u>
<b>Loss before income tax</b>	<i>3</i>	<b>(65,846)</b>	(31,447)
Income tax expense	<i>4</i>	<u>(3,018)</u>	<u>(2,377)</u>
Loss for the year		<u><b>(68,864)</b></u>	<u>(33,824)</u>
(Loss)/profit attributable to:			
Owners of the Company		<b>(70,480)</b>	(33,289)
Non-controlling interests		<u><b>1,616</b></u>	<u>(535)</u>
		<u><b>(68,864)</b></u>	<u>(33,824)</u>
Loss per share attributable to owners of the Company for the year	<i>6</i>		
Basic		<u><b>(HK5.95 cents)</b></u>	<u>(HK2.81 cents)</u>
Diluted		<u><b>(HK5.95 cents)</b></u>	<u>(HK2.81 cents)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Loss for the year</b>	<u>(68,864)</u>	<u>(33,824)</u>
<b>Other comprehensive loss:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>(918)</u>	<u>(200)</u>
<b>Other comprehensive loss for the year</b>	<u>(918)</u>	<u>(200)</u>
<b>Total comprehensive loss for the year</b>	<u>(69,782)</u>	<u>(34,024)</u>
Attributable to:		
Owners of the Company	<u>(71,398)</u>	<u>(33,489)</u>
Non-controlling interests	<u>1,616</u>	<u>(535)</u>
	<u>(69,782)</u>	<u>(34,024)</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<i>Note</i>	<b>2016</b> <b>HK\$'000</b>	2015 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>74,717</b>	83,189
Investment properties		<b>190,785</b>	177,185
Goodwill		–	44,207
Trademarks		–	14,388
Interest in an associate		–	–
Deposits		<b>12,687</b>	13,894
Deferred tax assets		<b>183</b>	293
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>278,372</b>	333,156
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current assets</b>			
Inventories		<b>158,002</b>	196,675
Trade receivables	7	<b>63,034</b>	37,073
Amount due from an associate		<b>10,169</b>	–
Prepayments, deposits and other receivables		<b>35,605</b>	35,668
Tax recoverable		<b>765</b>	21
Cash and bank balances		<b>260,701</b>	270,192
		<hr/>	<hr/>
<b>Total current assets</b>		<b>528,276</b>	539,629
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total assets</b>		<b>806,648</b>	872,785
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>118,532</b>	118,532
Reserves		<b>549,777</b>	621,175
		<hr/>	<hr/>
		<b>668,309</b>	739,707
Non-controlling interests		<b>1,064</b>	(552)
		<hr/>	<hr/>
<b>Total equity</b>		<b>669,373</b>	739,155
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

	<i>Note</i>	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Accrued liabilities		<b>4,685</b>	5,773
Deferred tax liabilities		<b>25,276</b>	23,721
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>29,961</b>	29,494
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Trade and bills payable	8	<b>45,774</b>	43,016
Accrued liabilities and other payables		<b>53,051</b>	52,161
Tax payable		<b>8,489</b>	8,959
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>107,314</b>	104,136
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total liabilities</b>		<b>137,275</b>	133,630
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total equity and liabilities</b>		<b>806,648</b>	872,785
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*NOTE:*

**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.

Annual Improvements Project	Annual Improvements 2010 – 2012 Cycle
Annual Improvements Project	Annual Improvements 2011 – 2013 Cycle
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions

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.

**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:

	<b>2016</b>	2015
	<i>HK\$’000</i>	<i>HK\$’000</i>
<b>Revenue</b>		
Sale of goods	<b>727,867</b>	832,437
Income from the rendering of services	<b>158,801</b>	134,221
	<b>886,668</b>	966,658
<b>Other income and gains</b>		
Interest income on bank deposits	<b>2,234</b>	3,107
Gross rental income	<b>7,388</b>	7,228
Others	<b>2,859</b>	1,842
	<b>12,481</b>	12,177

### 3. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Depreciation of property, plant and equipment	19,711	19,567
Impairment of goodwill and trademarks	57,810	35,878
Impairment of property, plant and equipment	–	175
Amortisation of trademarks	785	785
Provision for inventories	2,492	682
	<u>19,711</u>	<u>19,567</u>

### 4. INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 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.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax – Hong Kong		
Charge for the year	642	3,165
Over provision in prior years	(503)	(594)
Current tax – PRC	1,081	817
Over provision in prior years	–	(227)
	<u>1,220</u>	<u>3,161</u>
Deferred tax	1,798	(784)
	<u>1,798</u>	<u>(784)</u>
Income tax expense	<u>3,018</u>	<u>2,377</u>

### 5. DIVIDENDS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interim – HK\$Nil (2015: HK1 cent) per ordinary share	–	11,853
	<u>–</u>	<u>11,853</u>

## 6. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share is based on:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to owners of the Company, used in the basic loss per share calculation	<u>(70,480)</u>	<u>(33,289)</u>
	<b>Number of shares</b>	
	2016	2015
<b>Shares</b>		
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>1,185,318,349</u>

### (b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 March 2016 and 2015 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

## 7. TRADE RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	63,732	37,878
Less: Provision for impairment of trade receivables	<u>(698)</u>	<u>(805)</u>
	<u>63,034</u>	<u>37,073</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.

As at 31 March 2016, trade receivables of approximately HK\$19,574,000 (2015: HK\$Nil) are due from a single external customer. The remaining balances are relating to a large number of diversified customers.



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:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current	<b>50,856</b>	25,634
1 to 3 months	<b>10,799</b>	7,682
Over 3 months	<b>1,379</b>	3,757
	<u><b>63,034</b></u>	<u>37,073</u>

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At 1 April	<b>805</b>	728
Provision during the year	<b>(78)</b>	78
Exchange realignment	<b>(29)</b>	(1)
	<u><b>698</b></u>	<u>805</u>

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:

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Neither past due nor impaired	<b>50,856</b>	25,634
Less than 1 month past due but not impaired	<b>8,838</b>	6,521
1 month and over 1 month past due but not impaired	<b>3,340</b>	4,918
	<u><b>63,034</b></u>	<u>37,073</u>

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers, included a single external customer of HK\$19,574,000 (2015: HK\$Nil), 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

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:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Within 3 months	44,805	42,183
Over 3 months	<u>969</u>	<u>833</u>
	<u><u>45,774</u></u>	<u><u>43,016</u></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 income tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before income 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 14.65% to 28.95% (2015: 23.2% to 32.0%).

**(a) Operating segments**

	Merchandise		Service		Investment		Corporate and Others		Eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue:</b>												
Sales to external customers	727,867	832,437	158,801	134,221	-	-	-	-	-	-	886,668	966,658
Intersegment sales	29,126	32,065	3,240	3,285	-	-	-	-	(32,366)	(35,350)	-	-
Other income and gains	5,322	3,952	-	-	23,862	15,683	104	578	(5,075)	(3,611)	24,213	16,602
<b>Total</b>	<b>762,315</b>	<b>868,454</b>	<b>162,041</b>	<b>137,506</b>	<b>23,862</b>	<b>15,683</b>	<b>104</b>	<b>578</b>	<b>(37,441)</b>	<b>(38,961)</b>	<b>910,881</b>	<b>983,260</b>
<b>Segment profit/(loss)</b>	<b>(77,365)</b>	<b>(183)</b>	<b>2,919</b>	<b>(37,693)</b>	<b>15,310</b>	<b>10,777</b>	<b>(8,797)</b>	<b>(6,830)</b>	<b>-</b>	<b>-</b>	<b>(67,933)</b>	<b>(33,929)</b>
Interest income											2,234	3,107
Share of results of an associate											(147)	(625)
Loss before income tax											(65,846)	(31,447)
Income tax expense											(3,018)	(2,377)
Loss for the year											(68,864)	(33,824)

	Merchandise		Service		Investment		Corporate and Others		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Assets and liabilities</b>										
Segment assets	<b>263,325</b>	344,697	<b>38,356</b>	20,858	<b>187,828</b>	175,838	<b>55,490</b>	60,886	<b>544,999</b>	602,279
Unallocated assets									<b>261,649</b>	270,506
Total assets									<b>806,648</b>	872,785
Segment liabilities	<b>76,425</b>	72,556	<b>10,350</b>	9,564	<b>10,652</b>	10,547	<b>6,083</b>	8,283	<b>103,510</b>	100,950
Unallocated liabilities									<b>33,765</b>	32,680
Total liabilities									<b>137,275</b>	133,630
<b>Other segment information:</b>										
Depreciation	<b>8,500</b>	8,308	<b>6,483</b>	6,384	-	-	<b>4,728</b>	4,875	<b>19,711</b>	19,567
Capital expenditure <sup>1</sup>	<b>9,214</b>	21,757	<b>2,776</b>	2,863	-	-	<b>170</b>	640	<b>12,160</b>	25,260
Impairment of goodwill and trademarks	<b>57,810</b>	-	-	35,878	-	-	-	-	<b>57,810</b>	35,878
Changes in fair value of investment properties	-	-	-	-	<b>(13,966)</b>	(7,532)	-	-	<b>(13,966)</b>	(7,532)
Provision for inventories	<b>2,492</b>	682	-	-	-	-	-	-	<b>2,492</b>	682

<sup>1</sup> Capital expenditure consists of additions to property, plant and equipment.

**(b) Geographical information**

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue from external customers		
Hong Kong	<b>883,476</b>	966,109
People's Republic of China ("PRC")	<b>3,192</b>	549
	<u><b>886,668</b></u>	<u>966,658</u>

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

	<b>2016</b> <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets		
Hong Kong	<b>157,777</b>	215,044
PRC	<b>120,412</b>	117,819
	<u><b>278,189</b></u>	<u>332,863</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\$30,897,000 (2015: HK\$37,438,000) was derived from sales by the merchandise segment to a single customer.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue and Results

The Group recorded consolidated turnover for the year ended 31 March 2016 of HK\$887 million. Excluding a one-off loss from impairment of goodwill and trademarks of HK\$58 million, net loss attributable to owners of the Company amounted to HK\$13 million. The Board of Directors does not recommend any final dividend for the year.

### Merchandising

#### *Photographic Products*

This segment saw a 9.6% sales decrease in digital photographic products and an 18.6% decrease in sales of instant products during the year under review. This was due to macroeconomic factors and lower spending on non-essentials across many sectors. The Group continued to promote its advanced new FUJIFILM cameras and accessories to boost sales.

#### *Skincare Products*

Results for the Group's skincare business were within Management's expectations. During the year the segment continued to make progress establishing its online sales platform after closing its original network of brick-and-mortar outlets in 2014. The Group also introduced a number of new and upgraded products.

#### *Consumer Electronics Products & Household Appliances*

Weak consumer sentiment had a strong impact on sales of consumer electronic products and household appliances. Televisions continued to be the segment's highest-selling products, contributing 54.4% of total turnover of this segment. The Group is also now selling iPhones and iPads in two shops, further expanding the range of prestigious, high-demand products in its portfolio.

#### *Premium Stationery*

In August 2015, the Group acquired a 49% stake in the Hong Kong operations of kikki.K, an international retail chain that sells premium Scandinavian-designed stationery, gifts and homeware products. As at 31 March 2016, there were two kikki.K stores operating in Hong Kong. Two more stores opened in May 2016 after the end of the Group's financial year.

## **Servicing**

### ***Photofinishing and Technical Services***

The volume of prints developed from digital files amounted to 26.77 million during the year, a 9.4% decrease from the previous year's total. By contrast, the number of prints developed by customers from the internet totalled 4.63 million, representing a 13.7% year-on-year increase.

The Group achieved good results from its Imaging Gift Service, which saw sales increase by 19.4% compared with the previous year. A major driver of this success was the popular online DIY gift service, which grew by 107.5%. Within this category, the Year Album service performed exceptionally well, seeing sales rise by 187.8%. The Group intends to focus on these areas as growth drivers in the future. Overall, total sales for the online business increased by 51.3%. This was due to the success of the online DIY gift service as well as a 28.3% sales increase for the online photo output service.

### ***Professional Audio-Visual Advisory and Custom Design and Installation Service***

The Group's professional audio-visual advisory and custom design and installation service business continued to build on the experience gained from recent ventures, presenting its audio-visual project design and installation services to other large-scale clients. During the year, the Group engaged in active discussions with a number of hotels, schools, hospitals and Government departments for pending projects.

## **BRAND MANAGEMENT**

As in the past, the Group actively promoted its FUJIFILM brand and the latest FUJIFILM cameras and accessories. In January 2016, it released two advanced new digital cameras, the FUJIFILM X70 and the FUJIFILM X-Pro2, both changeable lens models that are anticipated to continue the FUJIFILM X-series' established reputation for quality.

As an incentive for customers to upgrade their cameras to new FUJIFILM products, the Group introduced a camera-swap service at its FUJIFILM Studio in January 2016. Customers were invited to bring in their old single lens reflex cameras and lenses and exchange them for new FUJIFILM products by paying the difference in price. The Group then refurbished the older cameras and donated them to charity organisations.

Once again, items in the FUJIFILM range received a number of prestigious international awards over the year, which the Group leveraged to promote sales.

Fotomax participated in several imaging and photography events during the year, expanding brand awareness among various customer segments. Also, the Fotomax Facebook fan page was widely used over the course of the year to promote activities and special offers to fans.

The Group also strengthened awareness of its ID photo service by running advertorials targeted at those who may be unfamiliar with the offering. The Group had particular success with its special package prices that attracted customers to purchase extra prints.

The ASTALIFT skincare brand, now operating as an online business, continued to forge a niche for itself in Hong Kong's competitive skincare market. A number of new products enjoyed successful launches during the year that helped consolidate the brand's appeal. In February 2016, ASTALIFT launched a newly redesigned website that makes shopping for ASTALIFT products easier and more convenient.

The consumer electronics and household appliances segment continued to organise several events and promotions to attract customers and build brand popularity, including roadshows and trade-in programmes.

## **FINANCIAL RESOURCES**

The financial position of the Group remained sound and healthy during the year under review. As at 31 March 2016, the Group's cash and bank balances were approximately HK\$261 million with a zero gearing ratio. Trade receivables of HK\$63 million were recorded at the end of the year, while inventories were HK\$158 million.

## **OUTLOOK**

With prudent management of its diverse businesses, careful analysis of trends and developments in consumer spending habits, and a continued commitment to innovation and enhancement, the Group is confident that it will be able to successfully ride out these tough times and firmly establish the Group as a robust market player over the medium and long terms.

For example, since May 2016 Fotomax has collaborated with BannerSHOP to offer a range of banner- and display-related services and products include tailor-made foam boards, vinyl banners, pull-up banners, stickers and posters. Under the partnership, Fotomax is acting as a new distribution channel for this growing business, increasing both its product range and sales volume in the process.

Within the electronics and household products retail business, the Group will continue to emphasize the high-end professionalism of its various brands to differentiate it from other players in the market. In particular, the Group will make the most of its new strategic outlet in SOGO to draw attention to its product range and technical expertise, and continue using innovative promotions and special offers to attract new customers.

In summary, the Group is moving ahead on multiple fronts to turn today's weak economic environment to its best future advantage. The Group has identified the key success and growth drivers in each of its businesses, and the group is looking at new ways to use these to create additional growth in a challenging market.



## **CLOSURE OF SHARE REGISTER**

The Annual General Meeting of the Company is scheduled on Thursday, 18 August 2016. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 16 August 2016 to Thursday, 18 August 2016, 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 Monday, 15 August 2016.

## **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 and one non-executive director of the Company. The Group's financial statements for the year ended 31 March 2016 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 2016 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 2016.

Full details on the subject of corporate governance are set out in the Company’s 2016 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, 23 June 2016

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