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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)

PROPOSED CHANGE OF AUDITORS

The Board announces that Ernst & Young will retire as the auditors of the Group with effect from the conclusion of the AGM and the Board proposes to appoint PwC as the new auditors of the Group, subject to the approval of Shareholders of the Group at the AGM.

The board of directors (the “**Board**”) of China-Hongkong Photo Products Holdings Limited and its subsidiaries (collectively, the “**Group**”) announces that Messrs. Ernst & Young (“Ernst & Young”) will retire as auditors of the Group with effect from the conclusion of the forthcoming annual general meeting of the Group to be held on Friday, 10 August 2012 (the “**AGM**”) and will not seek re-appointment as auditors of the Group at the AGM.

The Board proposes to appoint Messrs. PricewaterhouseCoopers (“PwC”) as the new auditors of the Group to fill the vacancy following the retirement of Ernst & Young, subject to the approval of shareholders of the Group (the “**Shareholders**”) at the AGM.

The Board considers that it is in the interests of the Group and the Shareholders as a whole to appoint PwC as the new auditors of the Group taking into account factors including a more favourable fee proposal from PwC.

Ernst & Young has confirmed that there are no matters in connection with its retirement that need to be brought to the attention of the Shareholders. The Board also confirms that there are no circumstances in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders. The Board would like to take the opportunity to thank Ernst & Young for its professional services and support in the past years.

By Order of the Board
Sun Tai Lun Dennis
Chairman

Hong Kong, 6 July 2012

As at 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.