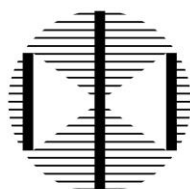


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CHKP

**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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and 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 the preliminary review of the information currently available to the Board, the Group is expected to record a net loss attributable to the Shareholders of not less than HK\$15.9 million for the year ended 31 March 2020 (the "Year"). The net loss attributable to the Shareholders for the Year is expected to increase by not less than HK\$1.9 million as compared to the net loss attributable to the Shareholders of HK\$14.0 million (excluding an one-off and non-cash impairment loss on amount due from an associate of HK\$32.7 million) last year.

The expected increase in net loss attributable to the Shareholders as mentioned above was mainly attributable to the decrease in revenue and gross profit following the social instability started from the 2<sup>nd</sup> half of the Year and the outbreak of the novel coronavirus epidemic ("COVID-19") started from the 4<sup>th</sup> quarter of the Year which strongly reduced inbound tourist traffic and dampened local consumer sentiment. The Group's retail operations and its sales of photographic related products were particularly affected when global travel restriction and social distancing were in place under COVID-19. In addition, the weakened economy reduced the net revaluation gain of the Group's investment properties which further enlarged the net loss of the Year as compared to that of last year.

In response to the difficult business environment, the Group has executed series of cost control measures during the Year, including but not limited to, reducing advertising and marketing expenses substantially, actively negotiating with landlords for rental concession and seeking for more favorable terms with suppliers and business partners. In addition, following the sharp fall of revenue due to the outbreak of COVID-19, all executive directors of the Company have taken the lead in reducing their monthly salaries by 20% temporarily from March 2020. At the same time, staff were also asked to take unpaid leave of 2-4 days per month until further notice. The management of the Group will continue to monitor the market condition closely and adjust its corresponding strategies in a timely manner.

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

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available and the latest available unaudited management accounts of the Group, which have not been reviewed or audited by the Company's audit committee or auditors and are subject to adjustments. The Company is in the process of preparing and finalizing the final results of the Group for the Year which is to be announced in late June 2020.

**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, 15 May 2020

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 and Chief Executive Director*)

Mr. SUN Tao Hsi, Ryan

Ms. CHAN Wai Kwan, Rita

*Non-Executive Director:*

Mr. FUNG Yue Chun, Stephen

*Independent Non-executive Directors:*

Mr. LI Ka Fai, David

Mr. LIU Hui, Allan

Dr. WONG Chi Yun, Allan