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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)

## **POSITIVE PROFIT ALERT**

This announcement is made by China-Hongkong Photo Products Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under 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 its preliminary assessment of the unaudited management accounts of the Group and information currently available to the Board, the Group is expected to achieve a profit attributable to the owners of the Company between HK\$31 million and HK\$36 million for the year ended 31 March 2021 (the "**Year**") as compared to a loss of approximately HK\$29 million for the corresponding year ended 31 March 2020 (the "**Previous Year**").

The Board believes such turnaround from loss to profit was mainly attributable to:

- (i) the receipt of government subsidies under the Anti-epidemic Fund set up by the Government of the Hong Kong Special Administrative Region;
- (ii) the decrease in provision for impairment loss of property, plant and equipment and right-of-use assets as compared to the Previous Year due to the improving performance of the Group's segment of consumer electronic products and household appliances;
- (iii) the recognition of the fair value gain on investment properties for the Year against the fair value loss for the Previous Year;
- (iv) the recognition of the net exchange gain for the Year against the net exchange loss for the Previous Year;

- (v) the reversal of provision for inventories for the Year against the provision for inventories for the Previous Year; and
- (vi) the effective cost control measures implemented by the Group during the Year which resulted in a decrease in operating expenses.

The information contained in this announcement is only based on the preliminary assessment by the Board of the information currently available and the latest available unaudited management accounts of the Group, which have not been reviewed by the Company's audit committee or auditors and may be subject to adjustments as and when necessary. The Company is in the process of preparing and finalizing the annual results of the Group for the Year which is to be announced in late June 2021.

**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, 4 June 2021

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

*Executive Directors:*

Mr. SUN Tao Hung, Stanley (*Deputy Chairman and Chief Executive Director*)

Mr. SUN Tao Hsi, Ryan

Ms. CHAN Wai Kwan, Rita

*Non-executive Directors:*

Dr. SUN Tai Lun, Dennis (*Chairman*)

Mr. FUNG Yue Chun, Stephen

*Independent Non-executive Directors:*

Mr. LI Ka Fai, David

Mr. LIU Hui, Allan

Dr. WONG Chi Yun, Allan