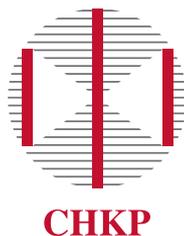


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**CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED**  
**中港照相器材集團有限公司**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 1123)

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

### HIGHLIGHTS

- The Group recorded HK\$930 million in consolidated turnover
- The Group's digital product sales soared 48.1% year on year on the back of enthusiastic reception from buyers
- Board of Directors does not recommend any final dividend for the year

### CONSOLIDATED INCOME STATEMENT

*For the year ended 31 March 2018*

	<i>Note</i>	<b>2018</b> <b>HK\$'000</b>	2017 HK\$'000
Revenue	2	<b>929,839</b>	852,510
Cost of sales		<b>(707,370)</b>	(652,582)
<b>Gross profit</b>		<b>222,469</b>	199,928
Other income and gains	2	<b>15,887</b>	15,479
Changes in fair value of investment properties		<b>37,403</b>	3,855
Selling and distribution costs		<b>(143,797)</b>	(143,049)
Advertising and marketing expenses		<b>(17,310)</b>	(22,681)
Administrative expenses		<b>(70,106)</b>	(72,627)

	<i>Note</i>	<b>2018</b> <b><i>HK\$'000</i></b>	2017 <i>HK\$'000</i>
<b>Operating profit/(loss)</b>		<b>44,546</b>	(19,095)
Share of results of an associate		<u>—</u>	<u>—</u>
<b>Profit/(loss) before income tax</b>	<b>3</b>	<b>44,546</b>	(19,095)
Income tax (expense)/credit	<b>4</b>	<u>(5,399)</u>	<u>448</u>
Profit/(loss) for the year		<u><b>39,147</b></u>	<u>(18,647)</u>
Profit/(loss) attributable to:			
Owners of the Company		<b>38,206</b>	(19,436)
Non-controlling interests		<u><b>941</b></u>	<u>789</u>
		<u><b>39,147</b></u>	<u>(18,647)</u>
Profit/(loss) per share attributable to owners of the Company for the year	<b>5</b>		
Basic		<u><b>HK\$3.22 cents</b></u>	<u>(HK\$1.64 cents)</u>
Diluted		<u><b>HK\$3.22 cents</b></u>	<u>(HK\$1.64 cents)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>Profit/(loss) for the year</b>	<b>39,147</b>	(18,647)
<b>Other comprehensive income/(loss):</b>		
<i>Item that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	<u>5,203</u>	<u>(1,973)</u>
<b>Other comprehensive income/(loss) for the year</b>	<b>5,203</b>	(1,973)
<b>Total comprehensive income/(loss) for the year</b>	<b><u>44,350</u></b>	<b><u>(20,620)</u></b>
Attributable to:		
Owners of the Company	<b>43,409</b>	(21,409)
Non-controlling interests	<u>941</u>	<u>789</u>
	<b><u>44,350</u></b>	<b><u>(20,620)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 HK\$'000	2017 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		81,712	68,325
Investment properties		227,235	194,240
Deposits		12,753	13,511
Deferred tax assets		114	234
<b>Total non-current assets</b>		<b>321,814</b>	<b>276,310</b>
<b>Current assets</b>			
Inventories		192,301	154,343
Trade receivables	6	47,669	40,770
Amount due from an associate		29,105	21,825
Prepayments, deposits and other receivables		31,972	39,740
Tax recoverable		10	618
Cash and bank balances		219,486	241,180
<b>Total current assets</b>		<b>520,543</b>	<b>498,476</b>
<b>Total assets</b>		<b>842,357</b>	<b>774,786</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		118,532	118,532
Reserves		571,777	528,368
		<b>690,309</b>	<b>646,900</b>
Non-controlling interests		1,136	1,853
<b>Total equity</b>		<b>691,445</b>	<b>648,753</b>

	<i>Note</i>	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Accrued liabilities		<b>1,021</b>	2,837
Deferred tax liabilities		<b>28,135</b>	23,571
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>29,156</b>	26,408
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Trade and bills payable	7	<b>60,133</b>	41,739
Accrued liabilities and other payables		<b>50,758</b>	49,624
Tax payable		<b>10,865</b>	8,262
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>121,756</b>	99,625
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total liabilities</b>		<b>150,912</b>	126,033
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total equity and liabilities</b>		<b>842,357</b>	774,786
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Net current assets</b>		<b>398,787</b>	398,851
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Total assets less current liabilities</b>		<b>720,601</b>	675,161
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

*NOTE:*

**1. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The Group has adopted the following new and amended HKASs and HKFRS for the first time for the current year's consolidated financial statements.

HKAS 7 (Amendments)	Disclosure initiative
HKAS 12 (Amendments)	Recognition of deferred tax assets of unrealised losses
Annual Improvements Project (Amendments) – HKFRS 12	Annual improvements 2014-2016 cycle

The adoption of the above new and amended HKASs and HKFRS 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>2018</b>	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue</b>		
Sale of goods	<b>778,585</b>	703,490
Income from the rendering of services	<b>151,254</b>	149,020
	<b>929,839</b>	852,510
<b>Other income and gains</b>		
Interest income on bank deposits	<b>2,663</b>	2,635
Gross rental income	<b>7,680</b>	7,351
Others	<b>5,544</b>	5,493
	<b>15,887</b>	15,479

### 3. PROFIT/(LOSS) BEFORE INCOME TAX

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Depreciation of property, plant and equipment	19,167	20,494
Minimum lease payments under operating leases on land and buildings	60,493	62,319
Employee benefit expense	109,170	104,404
(Reversal of provision)/provision for inventories	<u>(6,684)</u>	<u>3,575</u>

### 4. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided for at the rate of 16.5% (2017: 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.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current tax – Hong Kong		
Charge for the year	610	463
Over provision in prior years	(344)	(298)
Current tax – PRC		
Charge for the year	843	960
Over provision in prior years	<u>(96)</u>	<u>(2)</u>
Deferred tax	<u>1,013</u>	1,123
	<u>4,386</u>	<u>(1,571)</u>
Income tax expense/(credit)	<u>5,399</u>	<u>(448)</u>

### 5. EARNINGS/(LOSS) PER SHARE

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

	2018	2017
Profit/(loss) attributable to owners of the Company ( <i>HK\$'000</i> )	<u>38,206</u>	<u>(19,436)</u>
Weighted average number of ordinary shares in issue	<u>1,185,318,349</u>	<u>1,185,318,349</u>
Basic earnings/(loss) per share ( <i>HK\$ cents</i> )	<u>3.22</u>	<u>(1.64)</u>

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2018 and 2017 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

## 6. TRADE RECEIVABLES

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	<b>48,396</b>	41,428
Less: Provision for impairment of trade receivables	<b>(727)</b>	(658)
	<b>47,669</b>	40,770

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 2018 and 2017, balances are relating to a large number of diversified customers.

The 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>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current	<b>30,617</b>	28,730
1 to 3 months	<b>16,071</b>	10,467
Over 3 months	<b>981</b>	1,573
	<b>47,669</b>	40,770

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

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
At 1 April	<b>658</b>	698
Exchange realignment	<b>69</b>	(40)
At 31 March	<b>727</b>	658

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>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Neither past due nor impaired	<b>30,618</b>	28,731
Less than 1 month past due but not impaired	<b>10,468</b>	9,591
1 month and over 1 month past due but not impaired	<b>6,583</b>	2,448
	<b>47,669</b>	40,770

As at 31 March 2018 and 2017, trade receivables that were neither past due nor impaired relate to a large number of diversified customers.

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.

## 7. 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:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Within 3 months	<b>27,240</b>	41,051
Over 3 months	<b>32,893</b>	688
	<b>60,133</b>	41,739

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:

- (i) 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;
- (ii) 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;
- (iii) the investment segment comprises the Group's businesses in investment properties; and
- (iv) 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 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 6.72% to 35.24% (2017: 6.29% to 29.91%).

**(a) Operating segments**

	Merchandise		Service		Investment		Corporate and Others		Eliminations		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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	<b>778,585</b>	703,490	<b>151,254</b>	149,020	-	-	-	-	-	-	<b>929,839</b>	852,510
Intersegment sales	<b>30,855</b>	31,043	<b>2,613</b>	2,984	-	-	-	-	<b>(33,468)</b>	(34,027)	-	-
Other income and gains	<b>8,930</b>	5,385	-	-	<b>52,495</b>	15,322	<b>99</b>	110	<b>(10,897)</b>	(4,118)	<b>50,627</b>	16,699
Total	<b>818,370</b>	739,918	<b>153,867</b>	152,004	<b>52,495</b>	15,322	<b>99</b>	110	<b>(44,365)</b>	(38,145)	<b>980,466</b>	869,209
<b>Segment profit/(loss)</b>	<b>822</b>	(24,762)	<b>3,062</b>	4,108	<b>43,167</b>	8,363	<b>(5,168)</b>	(9,439)	-	-	<b>41,883</b>	(21,730)
Interest income											<b>2,663</b>	2,635
Share of results of an associate											-	-
Profit/(loss) before income tax											<b>44,546</b>	(19,095)
Income tax (expense)/credit											<b>(5,399)</b>	448
Profit/(loss) for the year											<b>39,147</b>	(18,647)

	Merchandise		Service		Investment		Corporate and Others		Consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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>267,366</b>	231,104	<b>46,544</b>	38,686	<b>252,965</b>	211,132	<b>55,872</b>	51,832	<b>622,747</b>	532,754
Unallocated assets									<b>219,610</b>	242,032
Total assets									<b>842,357</b>	774,786
Segment liabilities	<b>83,759</b>	62,690	<b>9,977</b>	9,618	<b>10,707</b>	16,863	<b>6,631</b>	5,029	<b>111,074</b>	94,200
Unallocated liabilities									<b>39,838</b>	31,833
Total liabilities									<b>150,912</b>	126,033
<b>Other segment information:</b>										
Depreciation	<b>7,440</b>	9,031	<b>7,732</b>	7,002	-	-	<b>3,995</b>	4,461	<b>19,167</b>	20,494
Capital expenditure <sup>1</sup>	<b>22,287</b>	12,526	<b>2,822</b>	2,817	-	-	<b>983</b>	370	<b>26,092</b>	15,713
Changes in fair value of investment properties	-	-	-	-	<b>(37,403)</b>	(3,855)	-	-	<b>(37,403)</b>	(3,855)
(Reversal of provision)/ provision for inventories	<b>(6,684)</b>	3,575	-	-	-	-	-	-	<b>(6,684)</b>	3,575

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

**(b) Geographical information**

An analysis of the Group's revenue by location in which the transaction took place is as follows:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue from external customers		
Hong Kong	<b>929,627</b>	852,118
People's Republic of China ("PRC")	<b>212</b>	392
	<u><b>929,839</b></u>	<u>852,510</u>

An analysis of the Group's non-current assets (other than deferred income tax assets and deposits) by location of assets is as follows:

	<b>2018</b> <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Non-current assets		
Hong Kong	<b>177,070</b>	148,250
PRC	<b>131,877</b>	114,315
	<u><b>308,947</b></u>	<u>262,565</u>

**(c) Information about a major customer**

Revenue of approximately HK\$49,667,000 (2017: HK\$37,458,000) was derived from sales by the merchandise segment to a single customer.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Revenue and Profit/Loss**

The Group consolidated turnover for the year ended 31 March 2018 was HK\$930 million, an increase of 9.1% compared to the HK\$853 million reported for the previous year. Excluding the non-operating gain of HK\$37 million from increased investment property value, the Group also achieved a return to net profit before tax of HK\$7 million, representing an encouraging turnaround from the net loss reported last year. On a reporting basis, the Group's net profit increased to HK\$39 million. The Board of Directors does not recommend any final dividend for the year.

### **Merchandising**

#### *Photographic Products*

One of the Group's objectives is to leverage its strengths in providing high-quality photographic equipment to professional photographers, aspiring amateurs photographers and those for whom smartphone camera capabilities are inadequate. To implement this objective, the Group relies on the proven professional quality of the FUJIFILM range of cameras and accessories that it sells in Hong Kong.

Following the launches of the advanced new models in 2017/2018, the Group's digital product sales soared 48.1% year on year on the back of enthusiastic reception from buyers.

#### *Skincare Products*

Sales of the Group's skincare products grew 45.9% compared to last year. 46.7% of the sales came from its own online platform, [www.astalift.com.hk](http://www.astalift.com.hk). The remainder of sales was achieved through other popular regional online sales platforms, two pop-up counters operated at AEON department stores, and the Group's FUJIFILM Studio in Causeway Bay.

#### *Consumer Electronics Products and Household Appliances*

After years of depressed consumer sentiment for consumer electronic products and household appliances, 2017/2018 saw an improvement in this area of the Group's business. For the year, total sales in the segment increased by 2.9% despite a drop in the overall number of stores, with comparable store sales seeing an encouraging increase of 7%. These results were achieved following successful product launch strategies and effective marketing support.

## ***B-to-B Commercial and Professional Audio and Visual Products***

Demand for commercial and professional audio and visual products has remained strong over the years, and the Group has continuously developed new strategies for tapping into this market. During the year under review, the Group gained additional distribution rights for products like commercial TVs, frame TVs and hospitality TVs from several renowned brands, which led to strong sales growth of 35.6% in this segment compared to last year.

### **Servicing**

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

After closing two unprofitable stores during the year, the Group's number of photofinishing outlets under the Fotomax brand dropped to 64 compared to 66 at end-2016/2017. Despite the decrease in the number of stores, total sales remained stable, and comparable store sales showed a promising increase of 6.9%.

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

This segment targets both commercial and public sector organisations and individuals who want to pursue the enjoyment made possible by smart homes and advanced AV technology. After expanding its new product portfolio to include state-of-the-art, high-tech AV systems, and gaining valuable experience by taking part in certain high-profile projects in recent years, the Group is now well able to compete at the high end of the market, winning several sought-after jobs including theme park hotel projects and the refurbishment of the Old Murray Building in Admiralty. This segment has now recorded two consecutive years of sales growth, including an encouraging 16.8% increase for 2017/2018 compared to last year.

## **BRAND MANAGEMENT**

The Group's strong digital camera sales were driven by a series of new advanced FUJIFILM cameras including the FUJIFILM X-E3, FUJIFILM X-A5 and FUJIFILM X-H1 models, all launched in 2017/2018. The Group promoted these new camera models extensively through creative media marketing promotions, advertising in traditional spaces such as bus stops, MTR stations, and cinema and TV commercials as well as major online platforms such as Facebook and YouTube.

During the year under review, a number of FUJIFILM digital cameras won prestigious awards, gaining them wider public exposure and boosting digital camera sales.

In November 2017, the Group launched the new FUJIFILM Instax SHARE SP-3, an instant photo printer available in black or white finishes that can print medium-sized square instant photos.

In skincare, the Group supplemented its line with the launch of new and improved ASTALIFT beauty products. It also ran a number of promotional offers to capture consumer interest and sales.

The Group's AV Life store in IFC Mall opened its doors once again in September 2017 following an extensive makeover. The refreshed store brings together all the Group's flagship large TVs and is designed to provide customers with total excellence in audio and visual quality. In November 2017, the Group opened its new AV Life store in Tuen Mun Town Plaza, supporting the opening with promotional discounts and special gifts.

In photofinishing services, Fotomax once again promoted its popular Year Album heavily through print and online media advertorials where several prominent parent KOLs shared their experiences using Year Album to organise and store photos of their children.

In mid-August the Group launched its brand-new personalised image gift service, Gift Plus. It also produced special designs for Christmas and Valentine's Day to leverage these traditionally strong sales seasons.

## **FINANCIAL RESOURCES**

The financial position of the Group remained sound and healthy during the year under review. As at 31 March 2018, the Group's cash and bank balances were approximately HK\$219 million with a zero gearing ratio. Trade receivables of HK\$48 million were recorded at the end of the year, while inventories were HK\$192 million.

## **OUTLOOK**

Last year, the Group responded to the challenges it faced in Hong Kong by putting together a comprehensive three-year business development plan. This plan first identified the essential cost controls needed to bolster its overall business performance, but it also went much further than that.

The Group systematically examined the full range of the Group's fairly diverse business activities, identifying both positive and negative long-term consumer trends as well as areas with potential for significant future growth. The Group then developed plans to shift its focus into products and services with such potential while effectively maintaining its core operations.

In the year ahead, the Group will continue to streamline its operations and implement additional facets of the plan to boost sales and support some of its most promising business segments. The Group will also continue to explore and rationalise the brands and products that the Group carries in its various businesses. With an excellent set of results in 2017/2018, the Group is entering 2018/2019 with much confidence.

## **CLOSURE OF SHARE REGISTER**

The Annual General Meeting of the Company is scheduled on Thursday, 16 August 2018. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 13 August 2018 to Thursday, 16 August 2018, 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 Friday, 10 August 2018.

References to time and dates mentioned above are to Hong Kong time and dates.

## **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 Rule 3.21 of the Main Board 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 2018 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 preliminary announcement of the Group's results for the year ended 31 March 2018 have been agreed by the Group's auditor, PricewaterhouseCoopers Hong Kong, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers Hong Kong 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 Hong Kong on this 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 throughout the year ended 31 March 2018.

Full details on the subject of corporate governance are set out in the Company's 2017/18 Annual Report.

## **MEMBERS OF THE BOARD**

As of the date of this announcement, Dr Sun Tai Lun, Dennis is the chairman of the Board and an executive director, Mr Sun Tao Hung, Stanley is the deputy chairman of the Board, the chief executive officer and an executive director, Ms Ng Yuk Wah, Eileen and Mr Sun Tao Hsi, Ryan 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, 21 June 2018

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