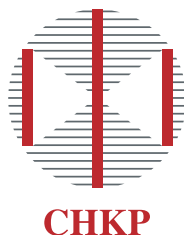


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CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED

中 港 照 相 器 材 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1123)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

HIGHLIGHTS

- Revenue decreased by 5.6% to HK\$506 million (Previous Period: HK\$536 million)
- Net profit attributable to the shareholders of the Company (the “Shareholders”) was HK\$8.7 million (Previous Period: HK\$7.1 million)
- Overall financial position and operations remain solid with cash and bank balances, and time deposits stood at HK\$230 million
- Basic earnings per share amounted to HK0.73 cents (Previous Period: HK0.60 cents)
- The Board does not recommend the payment of any interim dividend

UNAUDITED INTERIM RESULTS

The Board of Directors (the “Board”) of China-Hongkong Photo Products Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2025 (the “Period”) together with the comparative figures for the same period last year (the “Previous Period”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		For the six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	<i>Note</i>		
Revenue	2	505,648	535,526
Cost of sales		<u>(372,691)</u>	<u>(398,550)</u>
Gross profit		132,957	136,976
Other income and gains, net	3	9,166	10,816
Changes in fair value of investment properties		(4,606)	(6,001)
Selling and distribution costs		(68,798)	(74,906)
Advertising and marketing expenses		(8,603)	(5,585)
Administrative expenses		(42,986)	(45,773)
Impairment loss on financial assets		(278)	(1,505)
Impairment loss on property, plant and equipment, and right-of-use assets		<u>(2,223)</u>	<u>(2,313)</u>
Operating profit		14,629	11,709
Interest expense on lease liabilities		(1,492)	(1,056)
Share of results of an associate		<u>—</u>	<u>—</u>
Profit before income tax	4	13,137	10,653
Income tax expense	5	<u>(4,593)</u>	<u>(3,589)</u>
Profit for the period		<u>8,544</u>	<u>7,064</u>
Profit/(loss) attributable to:			
– Owners of the Company		8,692	7,135
– Non-controlling interests		<u>(148)</u>	<u>(71)</u>
		<u>8,544</u>	<u>7,064</u>
Earnings per share attributable to owners of the Company	7		
Basic		<u>HK0.73 cents</u>	<u>HK0.60 cents</u>
Diluted		<u>HK0.73 cents</u>	<u>HK0.60 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

	For the six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period	8,544	7,064
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	<u>594</u>	<u>1,284</u>
Total comprehensive income for the period	<u><u>9,138</u></u>	<u><u>8,348</u></u>
Total comprehensive income/(loss) attributable to:		
– Owners of the Company	9,286	8,419
– Non-controlling interests	<u>(148)</u>	<u>(71)</u>
	<u><u>9,138</u></u>	<u><u>8,348</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

		30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		53,007	41,131
Investment properties		207,679	230,427
Intangible assets		5,388	5,502
Right-of-use assets		105,734	97,953
Deposits		8,484	10,399
Deferred tax assets		4,517	4,189
Interest in an associate	9	<u>—</u>	<u>—</u>
Total non-current assets		<u>384,809</u>	<u>389,601</u>
Current assets			
Inventories		185,301	173,639
Contract assets		11,199	3,770
Trade receivables	8	51,458	44,760
Amount due from an associate	9	—	—
Prepayments, deposits and other receivables		61,417	41,747
Non-pledged time deposits with original maturity of over three months		25,231	28,771
Cash and bank balances		<u>204,687</u>	<u>210,043</u>
Total current assets		<u>539,293</u>	<u>502,730</u>
Total assets		<u>924,102</u>	<u>892,331</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		118,532	118,532
Reserves		<u>565,642</u>	<u>556,356</u>
		684,174	674,888
Non-controlling interests		<u>(320)</u>	<u>(172)</u>
Total equity		<u>683,854</u>	<u>674,716</u>

		30 September 2025 (Unaudited) <i>HK\$'000</i>	31 March 2025 (Audited) <i>HK\$'000</i>
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Accrued liabilities		10,764	11,746
Lease liabilities		29,854	27,736
Deferred tax liabilities		26,333	26,500
		<hr/>	<hr/>
Total non-current liabilities		66,951	65,982
		<hr/>	<hr/>
Current liabilities			
Trade and bills payables	10	64,623	46,556
Contract liabilities		10,713	11,641
Accrued liabilities and other payables		47,179	44,237
Lease liabilities		35,509	39,051
Tax payable		15,273	10,148
		<hr/>	<hr/>
Total current liabilities		173,297	151,633
		<hr/>	<hr/>
Total liabilities		240,248	217,615
		<hr/>	<hr/>
Total equity and liabilities		924,102	892,331
		<hr/>	<hr/>
Net current assets		365,996	351,097
		<hr/>	<hr/>
Total assets less current liabilities		750,805	740,698
		<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The condensed consolidated interim financial information does not include all the notes of the type normally included in the annual financial statements. Accordingly, this financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2025 and any public announcements made by the Company during the interim reporting period.

1.1 Accounting policies

The accounting policies applied are consistent with those as described in the annual financial statements for the year ended 31 March 2025, except for the adoption of new and amended standards as set out below.

(a) *Amended standards and revised conceptual framework adopted by the Group*

The Group has adopted and applied, for the first time, the following new standards that have been issued and effective for the accounting period beginning on 1 April 2025:

Amendments to HKAS 21 and Hong Kong Financial Reporting Standards (“HKFRS”) 1	Lack of Exchangeability
-------------------------------------------------------------------------------------	-------------------------

(b) *New standards and amendments to existing standards that have been issued but are not yet effective and have not been early adopted by the Group*

The following new standards and amendments to existing standards have been issued but are not effective for the financial year beginning 1 April 2025 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management of the Company anticipates that the application of the above new standards, and amendments to existing standards will have no material impact on the operations and financial position upon adoption, except that HKFRS 18 will have impact on the presentation and disclosure of the consolidated statements of profit and loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18 to the consolidated financial statements.

2 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable segments as follows:

- (i) the merchandise segment engages in the marketing and distribution of photographic developing and processing (“D&P”) and printing products and the sale of photographic merchandises, skincare products, consumer electronic products and household appliances, and commercial and professional audio and visual (“AV”) products;
- (ii) the service segment engages in the provision of technical services for photographic D&P products, imaging solution, professional AV advisory and custom design and installation services;
- (iii) the investment segment comprises the Group’s business in investment properties; and
- (iv) the corporate and others segment comprises the Group’s corporate income and expense items.

The chief operating decision-maker of the Group has been identified as the executive directors of the Company. The executive directors monitor the results of the Group’s operating segments separately for the purpose of resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is the adjusted profit/(loss) before income tax. The adjusted profit/(loss) before income tax is calculated consistently as the Group’s profit/(loss) before income tax excluding interest income, finance cost, and share of results of an associate.

The following table presents the Group's segment results for the six months ended 30 September 2025 and 2024.

	(Unaudited)											
	Merchandise		Service		Investment		Corporate and other		Eliminations		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Sales to external customers												
– At a point in time	417,887	442,650	17,712	10,683	–	–	–	–	–	–	435,599	453,333
– Overtime	–	–	70,049	82,193	–	–	–	–	–	–	70,049	82,193
Inter-segment sales	33,701	33,549	1,997	2,024	–	–	–	–	(35,698)	(35,573)	–	–
	451,588	476,199	89,758	94,900	–	–	–	–	(35,698)	(35,573)	505,648	535,526
Other income and gains, net, excluding interest income on bank deposits	3,055	5,787	4,516	871	3,028	3,409	27,385	28,367	(30,483)	(30,438)	7,501	7,996
Changes in fair value of investment properties	–	–	–	–	(4,606)	(6,001)	–	–	–	–	(4,606)	(6,001)
Impairment loss on property, plant and equipment, and right-of-use assets	(2,223)	(759)	–	(1,554)	–	–	–	–	–	–	(2,223)	(2,313)
Total	452,420	481,227	94,274	94,217	(1,578)	(2,592)	27,385	28,367	(66,181)	(66,011)	506,320	535,208
Segment results	40,459	34,830	4,377	6,791	(3,786)	(5,275)	(28,086)	(27,457)	–	–	12,964	8,889
Interest income											1,665	2,820
Interest expense											(1,492)	(1,056)
Profit before income tax											13,137	10,653
Income tax expense											(4,593)	(3,589)
Profit for the period											8,544	7,064

3 OTHER INCOME AND GAINS, NET

	For the six months ended 30 September	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Rental income	3,916	4,081
Interest income on bank deposits	1,665	2,820
Marketing subsidies	2,218	2,107
Gain on lease modification	324	1,018
Others	1,043	790
	9,166	10,816

4 PROFIT BEFORE INCOME TAX

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

	For the six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold (<i>Note (a)</i>)	320,035	348,431
Cost of services provided (<i>Note (a), (b)</i>)	51,839	49,752
Provision for impairment of inventories (<i>Note (a)</i>)	817	367
(Gain)/loss on disposals of property, plant and equipment	(38)	171
Foreign exchange differences, net	(156)	(391)
Depreciation of property, plant and equipment (<i>Note (c)</i>)	4,951	5,556
Amortisation of intangible assets (<i>Note (d)</i>)	583	370
Depreciation of right-of-use assets (<i>Note (e)</i>)	23,859	22,922
	<u>23,859</u>	<u>22,922</u>

Note:

- (a) Included in "Cost of sales" on the face of the condensed consolidated income statement.
- (b) Included depreciation of property, plant and equipment of HK\$1,131,000 (2024: HK\$593,000).
- (c) Depreciation expenses of property, plant and equipment of HK\$1,890,000 (2024: HK\$2,426,000) and HK\$3,061,000 (2024: HK\$3,130,000) have been charged to "Selling and distribution costs" and "Administrative expenses" respectively.
- (d) Amortisation expenses of intangible assets of HK\$55,000 (2024: HK\$55,000) and HK\$528,000 (2024: HK\$315,000) have been charged to "Selling and distribution costs" and "Administrative expenses" respectively.
- (e) Depreciation expenses of right-of-use assets of HK\$22,500,000 (2024: HK\$21,822,000) and HK\$1,359,000 (2024: HK\$1,100,000) have been charged to "Selling and distribution costs" and "Administrative expenses" respectively.

5 INCOME TAX EXPENSE

	For the six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current income tax:		
– Hong Kong:		
Charge for the period	5,016	3,685
– The People's Republic of China (the "PRC"):		
Charge for the period	153	170
	<u>5,169</u>	<u>3,855</u>
Deferred tax	(576)	(266)
Total tax expense for the period	<u>4,593</u>	<u>3,589</u>

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. For the six months ended 30 September 2025, one (2024: one) subsidiary of the Group is entitled to this tax benefit. The profits of other Group entities incorporated in Hong Kong not qualifying for the two-tiered profit tax regime are continued to be taxed at the flat rate of 16.5%.

Taxation on profits assessable for the period in the PRC has been calculated at the rates of tax prevailing in the location in which the Group operates.

6 DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period (Previous Period: Nil).

7 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic earnings per share

The calculations of the basic earnings per share for the six months ended 30 September 2025 and 2024 are based on:

	For the six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Profit:		
Profit attributable to owners of the Company, used in the basic earnings per share calculation (HK\$'000)	<u>8,692</u>	<u>7,135</u>
Shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	<u>1,185,318,349</u>	<u>1,185,318,349</u>

(b) Diluted earnings per share

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2025 and 2024.

8 TRADE RECEIVABLES

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.

The ageing analysis of the Group's trade receivables as at the end of the period, based on the invoice date and net of loss allowances, is as follows:

	30 September	31 March
	2025	2025
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Up to 30 days	39,893	33,406
31 to 60 days	9,458	6,115
61 to 90 days	1,204	4,526
91 to 120 days	2,313	89
Over 120 days	644	2,400
	53,512	46,536
Less: loss allowances	(2,054)	(1,776)
Trade receivables – net	51,458	44,760

The movement of the Group's trade receivables loss allowances as at the end of the period, is as follows:

	30 September	31 March
	2025	2025
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Opening balance	1,776	205
Provision for impairment of trade receivables	278	1,571
Closing balance	2,054	1,776

9 AMOUNT DUE FROM AN ASSOCIATE

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Unlisted shares, at cost	–	–
Amount due from an associate	32,720	32,720
Less: provision for impairment (<i>Note</i>)	<u>(32,720)</u>	<u>(32,720)</u>
	<u>–</u>	<u>–</u>

Note:

The directors of the Company are of the opinion that the credit risk of the amount due from an associate is considered to be high because the associate has been incurring losses and has net deficit as at 30 September 2025 (31 March 2025: same). Additionally, the associate has ceased operations and become dormant since August 2024. It has become uncertain that continuing financial support can be provided by the associate's holding company to enable the associate to settle this balance. Provision for impairment of HK\$32,720,000 was recognised as at 30 September 2025 and 31 March 2025.

The amount due from an associate is unsecured, non-interest bearing and repayable on demand.

The carrying amount of the amount due from an associate approximates to its fair value.

There are no contingent liabilities relating to the Group's interest in an associate.

10 TRADE AND BILLS PAYABLES

The ageing analysis of the Group's trade and bills payables as at the end of the period, based on the date of goods purchased and services rendered, is as follows:

	30 September	31 March
	2025	2025
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Within 3 months	62,490	45,068
Over 3 months	2,133	1,488
	64,623	46,556

11 RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in the condensed consolidated interim financial information, the Group has the following significant related party transactions carried out in the normal course of the Group's business during the period.

	For the six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Total compensation paid to key management personnel		
– Short term employee benefits	3,525	3,773
– Post-employment benefits	27	27
	3,552	3,800

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

REVENUE AND RESULTS

The Group recorded consolidated revenue of HK\$506 million for the Period, a decrease of 5.6% from HK\$536 million in the Previous Period, reflecting divergent trajectory across the Group's business segments which were adversely impacted by distinct market forces.

The decline was mainly driven by challenging conditions in the Consumer Electronic Products and Household Appliances segment and the B-to-B Commercial and Professional AV Products segment, which were impacted by post-pandemic demand saturation, intense competition, and reduced corporate budgets. Besides, the Photofinishing and Imaging Services segment also faced headwinds from severe weather disruptions and a normalized post-pandemic demand. However, these challenges were partially mitigated by outstanding performance from the FUJIFILM Photographic Products segment and the significant revenue contribution from the Professional AV Advisory and Custom Design and Installation Services segment.

Despite the top-line pressure, the Group maintained a steady gross profit margin of 26.3%, aided by a strategic focus on high-margin products which offset operational margin pressures elsewhere. Net profit attributable to the Shareholders was HK\$8.7 million (Previous Period: HK\$7.1 million). The increase was achieved despite the revenue decline due to the lowered selling and distribution costs and administrative expenses, and a lower valuation loss on investment properties of HK\$4.6 million (Previous Period: HK\$6.0 million).

Basic earnings per share for the Period were 0.73 HK cents (Previous Period: 0.60 HK cents). Considering the prevailing economic uncertainties, the Board does not recommend the payment of any interim dividend for the Period.

BUSINESS REVIEW

MERCHANDISING

FUJIFILM Photographic Products

The segment delivered an impressive performance, with overall sales surging 27.7% year-on-year. The growth was driven by robust demand for digital cameras which saw a remarkable 37.5% increase in sales. Instax products also contributed to sturdy growth of 22.1% due to the strong demand from local enthusiasts and tourists from Mainland China. However, lens sales declined by 21.7% during the Period due to intensified market competition from lower-priced compatible lenses from other manufacturers.

The segment launched several new models, including GFX100RF in April 2025, X-HF1 in June 2025, X-E5 in July 2025 and instax mini 41™ and mini Evo™ Gentle Rose in April and September 2025 respectively, which earned extraordinary market popularity. Existing models like X100VI, X-M5, instax mini 12, Wide 400 and SQUARE SQ1 continued to deliver strong sales performance during the Period.

A milestone was achieved in August 2025 with the launch of the first authorized FUJIFILM House of Photography (the “FUJIFILM HOP”) in the Greater Bay Area. Operated by Fotomax, the experimental flagship store at The Mills, Tsuen Wan, occupies an area of over 3,000 sq ft and is designed to deepen community engagement. It features various dedicated product trial zones, professional and selfie studios, and an imaging gift area. The Grand Opening Ceremony and KOL Experience Day held in late August 2025 received enthusiastic feedback, with visitors impressed by the professional lighting setup and firsthand access to FUJIFILM’s latest technologies. The FUJIFILM HOP not only serves as a marketing platform but also aims to strengthen the Group’s relationship with FUJIFILM Japan. This is beneficial to ongoing efforts to secure greater product allocation to meet the strong demand in Hong Kong. Revenue generated from FUJIFILM photographic products at FUJIFILM HOP is reported under this segment, while sales of other imaging solutions and services are accounted for in the Photofinishing and Imaging Services segment.

During the Period, the Group organized targeted campaigns centered on the X-HF1 launch, including pop-up stores at Fashion Walk and Broadway and the X-HF1 x PhotoLandhk Andy Workshop, which enabled in-depth consumer engagement and reinforced FUJIFILM’s image as a vibrant and customer-centric brand.

Consumer Electronic Products and Household Appliances

The segment reported a sales decline of 25.9% year-on-year whereas slight growth was seen in the overall electrical goods market in Hong Kong. This divergence is primarily attributable to differing market dynamics. While the broader market benefited from the increased tourist spending, the Group’s historical strength lies in the local resident segment which delivered robust performance during the pandemic when locals invested in home electronics. However, Hong Kong is now in a post-pandemic market normalization phase, with locals experiencing saturated demand after having already upgraded their appliances. This cyclical downturn was exacerbated by a weakened local property market and sluggish consumer sentiment.

The television category was impacted by a challenging market environment with a decline of 34.8%. The segment faced price competition from Chinese-brand electronics which captured market share through aggressive pricing and marketing strategies. The situation was exacerbated by shifting consumer travel behaviors, where both northbound and outbound trips diverted spending away from the local market, thereby undermining the demand for consumer electronic products and household appliances.

In response to the market, the segment pivoted its focus to the premium AV segment, emphasizing high-fidelity systems, soundbars, and speakers, which are less vulnerable to price-based competition. This move successfully drove growth in AV sales of 4.5%.

To bolster this strategic shift, the segment enhanced its footprint by closing two stores in Prince's Building and opening a new 2,000 sq ft flagship store in Times Square. The relocation resulted in a net increase in its retail presence, with the total number of shops standing at 12 as at 30 September 2025 (30 September 2024: 11). Concurrently, the segment enhanced its marketing efforts by participating in industry exhibitions and hosting in-store workshops, which effectively engaged enthusiasts and supported sales growth in its targeted categories.

Marketing campaigns, including the "Cambridge Audio Made by Music" and "AV Life's 22nd Anniversary" promotions, were instrumental in driving engagement and sales, particularly in the premium AV category. AV Life also hosted a series of brand collaboration events like the "KEF XIO Experience" and the "McIntosh & Sonus Faber Experience", allowing customers to engage with high-end audio products.

B-to-B Commercial and Professional AV Products

The segment registered a sales decrease of 24.5% year-on-year. The decline was driven by reduced capital expenditure across various sectors in the market. Sales of hotel and commercial television products grew by 2.4%, supported by a hospital customer during the Period, although hospitality sector customers continued to cut budgets for room refurbishments. Moreover, sales of interactive digital boards plummeted by 68.3%, due to the intensified competition from low-priced domestic brands. Sales of professional monitors also declined by 52%, impacted by a high benchmark in the Previous Period. The broader market remained weak, with a high office vacancy rate and a stagnant property market.

In response to these headwinds, the segment adapted to the evolving demand from its hotel clients by offering a tiered product portfolio featuring affordable alternatives to uphold its market presence. Concurrently, the segment intensified efforts to diversify its clientele, targeting corporate, education, and government projects to capitalize on new demand for professional AV solutions. Additionally, the segment secured distribution rights for HIKVISION, a leading Chinese CCTV provider. This partnership leverages HIKVISION's extensive market reach to address the broader digital signage and collaborative technology needs of its customers across different sectors.

Skincare Products

The segment reported a sales decline of 5.2% year-on-year, with revenue generated evenly from its proprietary online store and authorized cosmetic chain partners, including AEON and Tokyo Lifestyle. The performance was affected by the strong headwind of parallel imports, which was exacerbated by the depreciation of Japanese Yen that made it attractive for consumers to source products directly from Japan.

With the challenging conditions, the segment upgraded its services to retain its customer base, which was particularly effective for products with inherent logistical advantages. Heavy items like collagen drinks and whitening drinks demonstrated relative resilience, as consumers find them costly to transport personally from Japan. To capitalize on this, the segment provided customers with complimentary delivery services and bulk purchase discounts, which addressed the consumer's desire for convenience and cost-effectiveness, thus encouraging larger orders and reinforcing the habit of consistent repurchase.

The marketing strategy highlighted the launch of the D-UV Shield and White Advanced series, which was supported by trials with KOLs and KOCs to boost social media engagement. A key initiative was the opening of Tokyo Lifestyle in Airside in August 2025, where complimentary trial-sized products were offered to encourage first-time use and online-to-offline repurchases. The D-UV SHIELD TONE-UP received multiple accolades, including No.2 in BITEKI's Best Cosmetics Award (First half of 2025) and No.3 in both the 2025 First Half Wiseman Best Cosmetics Award and Cosme's UV-Based Makeup and Best New Makeup Product categories.

SERVICING

Photofinishing and Imaging Services

Excluding imaging solution services at the Hong Kong Disneyland Resort (the "Park"), the segment reported a drop in sales of 13.5% year-on-year, which was driven by a contraction of photo D&P of 9.3%, as well as ID photo-taking services of 16.2%. The decline was attributable to severe weather conditions under which a number of Typhoon Signal No.8 warnings or above and Black Rainstorm Warnings were hoisted. Outdoor activities were affected, which in turn reduced the number of photographs taken for subsequent processing. The drop in ID photo-taking services stemmed from a normalization of demand following a post-pandemic surge in passport renewals and intensified price competition. Furthermore, sales from DocuXpress one-stop document solution service for printing, scanning, and binding experienced a decline of 6.2%.

Despite market headwinds, the segment has diversified its services by introducing proactive initiatives, such as selfie booths, selfie cubes, and pet photo-taking services. The opening of FUJIFILM HOP in August 2025 is a catalyst for future growth. To further enhance brand engagement and create new revenue streams, FUJIFILM HOP also launched exclusive FUJIFILM-branded products, including t-shirts and pins. While FUJIFILM HOP's contribution is not yet reflected in the results for the Period, it is expected to drive future growth by strengthening brand loyalty and offering new and attractive photo-taking packages. Including FUJIFILM HOP, the segment's store network remained stable with 54 locations as of 30 September 2025.

Sales from the provision of imaging solution services at the Park decreased by 13.9% during the Period, despite higher Park attendance. This decline was due to extreme weather and a shift in the visitor profile toward more budget-conscious visitors.

Marketing initiatives included the launch of FOTOMAX PLUS membership and DocuXpress app in April 2025, the Baby ID photo promotion from April to June 2025 and the “New Season, New Memories, New Me!” campaign from August to September 2025. Furthermore, the segment strengthened its B-to-B focus with on-site photo booth activations from July to September 2025 and offered special discounts on video conversion services starting in July 2025. The segment was recognized with the 2025 Hong Kong Service Awards by East Week in April 2025 for “Professional One-Stop Imaging Services”.

Professional AV Advisory and Custom Design and Installation Services

The segment achieved a significant year-on-year sales increase of 30.8%, driven by the recognition of revenue from a major hospital project secured in the Previous Period. The project boosted the segment’s performance and offset broader market softness, including reduced demand and constrained spending across commercial and non-commercial markets, particularly in the hospitality and private corporate sectors.

The segment responded to the evolving market conditions, especially the impact of e-commerce platforms from Mainland China that reshaped client expectations around cost efficiency, delivery timeliness, and digital integration. In response, the segment adjusted its product and solution positioning to emphasize the integration of AI-based conference systems, which enhances its competitiveness by offering cost-effective tools that align with modern workplace demands. These measures are designed to ensure that the segment remains responsive to technological shifts and client needs in the ever changing AV landscape.

OUTLOOK

The global and local economic landscape remains uncertain, characterized by persistent inflationary pressures, high interest rates and geopolitical tensions, which are expected to continue dampening consumer and corporate sentiment in Hong Kong. Against this backdrop, the Group focuses on agile and dedicated execution, leveraging its strengths to navigate headwinds and capitalize on growth opportunities.

The Group’s priority is the expansion of its high-performing portfolio and experiential offerings. Building on the success of recent launches, the Group anticipates a strong reception for the new digital and instax cameras in the second half of the Year. It will continue to work with FUJIFILM Japan to secure a steady supply of products for meeting the demand from Hong Kong. FUJIFILM and Fotomax will introduce a wider range of exclusive FUJIFILM HOP merchandise and roll out structured photo-taking packages and workshops within FUJIFILM HOP, transforming it into a dynamic hub for the photographic community.

The Group’s strategy for the skincare segment includes diversifying into wellness categories. The launch of the MetabARRIER series in November 2025 will enable the Group to tap into the burgeoning demand for health supplements and attract more consumers.

To foster loyalty and weather competition from parallel imports, the Group will enhance its customer relationship management by launching targeted programs for its premium audio and camera customers and offering early access to new products and personalized services. While remaining cautious about the pace of recovery in the commercial AV and property-related sectors, the Group will further develop high-margin services and secure maintenance contracts to generate more stable revenue.

The Group will also implement stringent cost control measures by focusing on securing favorable lease terms upon renewal and streamlining internal processes to improve operational efficiency.

Through this multi-faceted approach, the Group is well-positioned to weather the volatile market conditions and build a resilient business model for future development.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial resources remained strong. As at 30 September 2025, the Group had cash and bank balances, and time deposits of HK\$230 million and was debt-free. The Group has adequate liquidity to meet its current and future working capital requirements.

OTHER WORKING CAPITAL

As at 30 September 2025, the Group's trade receivables stood at HK\$51 million while its inventories were worth HK\$185 million. The Group continued to put every effort to manage credit control and debt collection and to adopt a prudent inventory management strategy.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has an Audit Committee (the "Audit Committee") which was established in accordance with Rule 3.21 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit 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 Period, approved by the Board on 26 November 2025, have been reviewed by the Audit Committee, which is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made. In addition, the Company's external auditors PricewaterhouseCoopers, have also reviewed the aforesaid unaudited condensed consolidated financial information in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to achieving high corporate governance standards.

During the Period, the Company has applied the principles set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the Listing Rules on the Stock Exchange.

The Board is of the view that the Company has complied with the code provisions as set out in the CG Code throughout the Period.

Details of the Company’s corporate governance can be found in the Company’s FY2024/25 annual report.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be published on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.chinahkphoto.com.hk) and the FY2025/26 interim report will be dispatched to the shareholders and published on the above-mentioned websites in due course.

MEMBERS OF THE BOARD

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 Officer*)

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. LAU William Wayne

Mr. LI Ka Fai, David

Mr. LIU Jian Hui, Allan

Dr. WONG Chi Yun, Allan

By Order of the Board
China-Hongkong Photo Products Holdings Limited
SUN Tai Lun, Dennis
Chairman

Hong Kong, 26 November 2025