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)

CHKP

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

HIGHLIGHTS

- Revenue decreased slightly by 0.3% to HK$998 million (FY2024/25: HK$1,001 million), with improved gross profit.
- Net profit attributable to the shareholders of the Company was HK$7.6 million (FY2024/25: net loss of HK$2.3 million).
- Adjusted net profit attributable to the shareholders of the Company was HK$25.6 million (FY2024/25: HK$16.4 million), excluding major one-off non-cash items – including changes in the fair value of investment properties, impairment losses on financial assets, property, plant and equipment, and right-of-use assets, as well as deferred tax adjustments arising from changes in the fair value of investment properties.
- Earnings per share amounted to 0.64 HK cents (FY2024/25: loss per share of 0.20 HK cents).
- The Board of Directors recommends the payment of a final dividend of 0.32 HK cents per ordinary share (FY2024/25: Nil).

The Board of Directors (the "Board") of China-Hongkong Photo Products Holdings Limited (the "Company") presents the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2026 ("FY2025/26" or the "Year") with comparative figures for the previous year ("FY2024/25" or the "Previous Year") as follows.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2026

	Note	**2026** ***HK$'000***	2025 *HK$'000*
Revenue	*2*	**998,091**	1,000,748
Cost of sales	*3*	**(738,868)**	(745,096)
Gross profit		**259,223**	255,652
Other income and gains, net	*2*	**18,059**	19,905
Changes in fair value of investment properties		**(13,940)**	(12,598)
Selling and distribution costs	*3*	**(135,709)**	(142,707)
Advertising and marketing expenses	*3*	**(19,133)**	(15,519)
Administrative expenses	*3*	**(85,465)**	(89,687)
Impairment loss on financial assets		**(291)**	(1,571)
Impairment loss on property, plant and equipment, and right-of-use assets		**(5,295)**	(6,336)
Operating profit		**17,449**	7,139
Interest expense on lease liabilities		**(2,857)**	(2,991)
Share of results of an associate		**–**	–
Profit before income tax		**14,592**	4,148
Income tax expense	*4*	**(7,272)**	(6,206)
Profit/(loss) for the year		**7,320**	(2,058)
Profit/(loss) attributable to:			
Owners of the Company		**7,576**	(2,316)
Non-controlling interests		**(256)**	258
		7,320	(2,058)
Earnings/(loss) per share attributable to owners of the Company for the year	*5*		
Basic		**0.64 HK cents**	(0.20) HK cents
Diluted		**0.64 HK cents**	(0.20) HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) for the year	**7,320**	(2,058)
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**1,758**	111
Other comprehensive income for the year	**1,758**	111
Total comprehensive income/(loss) for the year	**9,078**	(1,947)
Profit/(loss) attributable to:		
Owners of the Company	**9,334**	(2,205)
Non-controlling interests	**(256)**	258
	9,078	(1,947)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Note	2026 HK$'000	2025 HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**48,622**	41,131
Investment properties		**198,695**	230,427
Intangible assets		**5,301**	5,502
Right-of-use assets		**97,891**	97,953
Deposits		**10,256**	10,399
Deferred tax assets		**4,392**	4,189
Total non-current assets		**365,157**	389,601
Current assets			
Inventories		**196,220**	173,639
Contract assets		**12,292**	3,770
Trade receivables	7	**47,393**	44,760
Amount due from an associate		**–**	–
Prepayments, deposits and other receivables		**52,486**	41,747
Non-pledged time deposits with original maturity of over three months		**26,197**	28,771
Cash and cash equivalents		**189,324**	210,043
Total current assets		**523,912**	502,730
Total assets		**889,069**	892,331
Equity			
Equity attributable to owners of the Company			
Share capital		**118,532**	118,532
Reserves		**565,690**	556,356
		684,222	674,888
Non-controlling interests		**(428)**	(172)
Total equity		**683,794**	674,716

	Note	2026 HK$'000	2025 HK$'000
Liabilities			
Non-current liabilities			
Accrued liabilities		**7,276**	11,746
Lease liabilities		**23,733**	27,736
Deferred tax liabilities		**24,288**	26,500
Total non-current liabilities		**55,297**	65,982
Current liabilities			
Trade and bills payables	*8*	**47,593**	46,556
Contract liabilities		**9,205**	11,641
Accrued liabilities and other payables		**45,100**	44,237
Lease liabilities		**35,875**	39,051
Tax payable		**12,205**	10,148
Total current liabilities		**149,978**	151,633
Total liabilities		**205,275**	217,615
Total equity and liabilities		**889,069**	892,331
Net current assets		**373,934**	351,097
Total assets less current liabilities		**739,091**	740,698

NOTE:

1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") Accounting Standards and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of investment properties, which are measured at fair value.

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

The Group has applied the following amendments and revised conceptual framework which are mandatory for the financial year beginning 1 April 2025 and are relevant to its operations.

Amendments to Hong Kong Accounting Standards ("HKAS") 21 and HKFRS 1	Lack of Exchangeability

The amendments and conceptual framework listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(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

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	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	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 "Presentation of Financial Statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the consolidated financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2028 will be restated in accordance with HKFRS 18.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other new accounting standards and amendments to accounting standards and interpretation on its current or future reporting periods and on foreseeable future transactions.

2 REVENUE, OTHER INCOME AND GAINS, NET

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 ("D&P") products, imaging solution, professional audio and visual ("AV") advisory and custom design and installation services.

An analysis of revenue, other income and gains, net is as follows:

	2026	2025
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**840,064**	825,817
Income from the rendering of services	**158,027**	174,931
	998,091	1,000,748
Other income and gains, net		
Interest income on bank deposits	**3,474**	5,158
Gross rental income from investment properties	**7,570**	8,328
Gross rental income from machineries	**234**	667
Marketing subsidies	**3,482**	3,150
Others	**3,299**	2,602
	18,059	19,905

3 EXPENSES BY NATURE

	2026 *HK$'000*	2025 *HK$'000*
Cost of inventories sold	**643,773**	645,228
Cost of services provided	**37,492**	42,750
Auditor's remuneration		
Audit and audit-related services	**1,720**	1,720
Non-audit services	**138**	120
Depreciation of property, plant and equipment	**12,371**	12,276
Depreciation of right-of-use assets	**45,486**	46,648
Amortisation of intangible assets	**1,200**	924
Advertising and marketing expenses (excluding employee benefit expense)	**17,512**	14,677
Short-term lease payments	**1,601**	2,996
Variable lease payments	**5,318**	6,228
(Gains)/losses on disposals of property, plant and equipment	**(8)**	275
Provision for inventories	**191**	290
Legal and professional fee	**1,320**	1,951
Employee benefit expense	**137,420**	142,554
Foreign exchange differences, net	**(581)**	364
Others	**74,222**	74,008
Total cost of sales, selling and distribution costs, advertising and marketing expenses and administrative expenses	**979,175**	993,009

4 INCOME TAX EXPENSE

For the year ended 31 March 2026, Hong Kong profits tax has been provided for at the rate of 16.5% (FY2024/25: 16.5%) on the estimated assessable profits arising in Hong Kong.

Under the two-tiered profits tax rates regime, the first HK2,000,000 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 year ended 31 March 2026, one (FY2024/25: 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 year in the People's Republic of China (the "PRC") has been calculated at the rates of tax prevailing in the location in which the Group operates.

	2026 *HK$'000*	2025 *HK$'000*
Current tax – Hong Kong		
Charge for the year	**9,265**	7,315
Under/(over) provision in prior years	**318**	(283)
Current tax – the PRC		
Charge for the year	**342**	344
	9,925	7,376
Deferred tax	**(2,653)**	(1,170)
Income tax expense	**7,272**	6,206

5 EARNINGS/(LOSS) PER SHARE

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

	2026	2025
Profit/(loss) attributable to owners of the Company *(HK$'000)*	**7,576**	(2,316)
Weighted average number of ordinary shares in issue	**1,185,318,349**	1,185,318,349
Basic earnings/(loss) per share *(HK cents)*	**0.64**	(0.20)

No adjustment has been made to the basic earnings/loss per share amounts presented for the years ended 31 March 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

6 DIVIDENDS

The Board has recommended the payment of a final dividend of 0.32 HK cents per ordinary share for the Year (FY2024/25: Nil), amounting to an aggregate of approximately HK$3,793,000.

The proposed final dividend for the Year is subject to the approval by the shareholders of the Company in the forthcoming annual general meeting of the Company. These consolidated financial statements do not reflect this dividend payable.

7 TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables	**49,460**	46,536
Less: impairment loss on trade receivables	**(2,067)**	(1,776)
Trade receivables – net	**47,393**	44,760

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing.

The maximum exposure to credit risk is the carrying amounts of trade receivables that the Group does not hold any collateral as security.

As at 31 March 2026 and 2025, due to the short-term nature of the current receivables, their carrying amounts are considered to be the same as their fair values and are denominated in HK$.

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 and project sales 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 2026 and 2025, balances are relating to a large number of diversified customers.

The aging analysis of the trade receivables as at the end of the year, based on the invoice date and before loss allowances, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Up to 30 days	**34,032**	33,406
31 to 60 days	**10,277**	6,115
61 to 90 days	**2,000**	4,526
91 to 120 days	**218**	89
Over 120 days	**2,933**	2,400
	49,460	46,536

8 TRADE AND BILLS PAYABLES

The aging analysis of the trade and bills payables as at the end of the year, based on the date of goods purchased and services rendered, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 3 months	**43,406**	45,068
Over 3 months	**4,187**	1,488
	47,593	46,556

The Group's trade and bills payables are non-interest-bearing and are normally settled on 30-day terms. The carrying amounts of the Group's trade and bills payables approximate to their fair values.

9 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 D&P and printing products and the sale of photographic merchandises, skincare products, consumer electronic products and household appliances, and commercial and professional 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 businesses 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 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.

Segment assets exclude deferred tax assets, non-pledged time deposits with original maturity of over three months, 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.

(a) Operating segments

	Merchandise		Service		Investment		Corporate and Others		Eliminations		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	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	**840,064**	825,817	**22,871**	23,394	**–**	–	**–**	–	**–**	–	**862,935**	849,211
– Over time	**–**	–	**135,156**	151,537	**–**	–	**–**	–	**–**	–	**135,156**	151,537
Intersegment sales	**63,333**	64,415	**3,858**	4,093	**–**	–	**–**	–	**(67,191)**	(68,508)	**–**	–
	903,397	890,232	**161,885**	179,024	**–**	–	**–**	–	**(67,191)**	(68,508)	**998,091**	1,000,748
Other income and gains, net	**6,411**	10,102	**9,050**	4,131	**7,572**	8,558	**67,544**	52,258	**(75,992)**	(60,302)	**14,585**	14,747
Changes in fair value of investment properties	**–**	–	**–**	–	**(13,940)**	(12,598)	**–**	–	**–**	–	**(13,940)**	(12,598)
Total	**909,808**	900,334	**170,935**	183,155	**(6,368)**	(4,040)	**67,544**	52,258	**(143,183)**	(128,810)	**998,736**	1,002,897
Segment profit/(loss)	**82,450**	62,793	**(78)**	6,048	**(12,577)**	(10,836)	**(55,820)**	(56,024)	**–**	–	**13,975**	1,981
Interest income											**3,474**	5,158
Finance costs											**(2,857)**	(2,991)
Profit before income tax											**14,592**	4,148
Income tax expense											**(7,272)**	(6,206)
Profit/(loss) for the year											**7,320**	(2,058)

	Merchandise		Service		Investment		Corporate and Others		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities										
Segment assets	**297,419**	264,868	**87,524**	81,088	**201,290**	232,772	**82,923**	70,600	**669,156**	649,328
Unallocated assets									**219,913**	243,003
Total assets									**889,069**	892,331
Segment liabilities	**113,480**	117,623	**42,382**	50,164	**7,029**	9,921	**5,891**	3,259	**168,782**	180,967
Unallocated liabilities									**36,493**	36,648
Total liabilities									**205,275**	217,615
Other segment information:										
Cost of goods sold	**643,773**	645,228	**–**	–	**–**	–	**–**	–	**643,773**	645,228
Cost of services provided	**–**	–	**37,492**	42,750	**–**	–	**–**	–	**37,492**	42,750
Employee benefit	**30,756**	32,893	**55,020**	55,283	**–**	–	**51,644**	54,378	**137,420**	142,554
Depreciation of property, plant and equipment	**2,953**	3,204	**4,889**	4,272	**–**	98	**4,529**	4,702	**12,371**	12,276
Depreciation of right-of-use assets	**13,718**	13,501	**29,039**	30,898	**–**	–	**2,729**	2,249	**45,486**	46,648
Amortisation of intangible assets	**144**	135	**1,056**	789	**–**	–	**–**	–	**1,200**	924
Capital expenditure[1]	**2,466**	868	**10,605**	11,399	**–**	58	**802**	6,855	**13,873**	19,180
Changes in fair value of investment properties	**–**	–	**–**	–	**13,940**	12,598	**–**	–	**13,940**	12,598
Provision for inventories	**191**	290	**–**	–	**–**	–	**–**	–	**191**	290
Impairment loss on property, plant and equipment, and right-of-use assets	**3,939**	3,148	**1,356**	3,188	**–**	–	**–**	–	**5,295**	6,336
Impairment loss on financial assets	**291**	1,505	**–**	66	**–**	–	**–**	–	**291**	1,571

[1] Capital expenditure consists of additions to property, plant and equipment, and intangible assets.

(b) Geographical information

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

	2026	2025
	HK$'000	*HK$'000*
Revenue from external customers		
Hong Kong	**998,091**	1,000,748

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

	2026	2025
	HK$'000	*HK$'000*
Non-current assets		
Hong Kong	**253,752**	272,067
The PRC	**96,757**	102,947
	350,509	375,014

(c) Information about a major customer

Revenue of approximately HK$59,465,000 (FY2024/25: HK$44,109,000) was derived from sales by the merchandise segment to a single customer.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall

During the Year, the Group operated in a challenging business environment characterised by cautious retail sentiment, changing inbound tourism and local consumption patterns, and intensifying competition from Mainland China. Against this backdrop, the Group maintained disciplined cost control and stable core operations, while continuing to invest in brand building, enhance customer engagement and pursue higher-margin opportunities.

Revenue and Gross Profit Margin

For the Year, the Group's consolidated revenue decreased slightly by 0.3% to HK$998 million, as compared with HK$1,001 million in the Previous Year. The decrease mainly reflected weaker sales of consumer electronic products and household appliances, as well as softer performance in photofinishing and imaging services amid changing photo printing habits and intensified competition. The decline was partly offset by steady demand for FUJIFILM digital cameras and instax products.

Gross profit margin improved to 26.0% (Previous Year: 25.5%), mainly driven by a more favourable product mix, including increased sales of higher-margin FUJIFILM photographic products and a strategic shift towards premium audio products, which generally command higher margins. Pricing initiatives for consumer electronic products and household appliances also contributed positively. The improvement was partly offset by a decline in gross profit margin in photofinishing and imaging services, due to higher depreciation of machineries and equipment, and intensified market competition.

Operating Expenses

Advertising and marketing expenses increased by 23.3% to HK$19.1 million, with the expenses-to-sales ratio rising to 1.9% (Previous Year: 1.6%), mainly due to promotional spending on FUJIFILM products.

Selling and distribution costs decreased by 4.9% to HK$135.7 million, while the cost-to-sales ratio fell to 13.6% (Previous Year: 14.3%), mainly due to rental savings from lease renewals and disciplined optimisation of frontline staff costs across the retail network, particularly in the consumer electronic products and household appliances segment.

Administrative expenses decreased by 4.7% to HK$85.5 million, mainly due to savings in staff costs.

Profitability, Impacts of Major Non-Cash Transactions, and Dividends

The Group recorded a net profit attributable to the shareholders of the Company of HK$7.6 million for the Year, compared with a net loss of HK$2.3 million in the Previous Year. Reported results included one-off non-cash items comprising valuation losses on investment properties of HK$13.9 million (Previous Year: HK$12.6 million), impairment losses on property, plant and equipment, and right-of-use assets of HK$5.3 million (Previous Year: HK$6.3 million), and impairment losses on financial assets of HK$0.2 million (Previous Year: HK$1.6 million) as well as deferred tax adjustment arising from changes in the fair value of investment properties of HK$1.4 million (Previous Year: HK$1.8 million). Excluding these items, adjusted net profit attributable to the shareholders of the Company was approximately HK$25.6 million, compared with HK$16.4 million in the Previous Year.

Earnings per share for the Year were approximately 0.64 HK cents, as compared with a loss per share of 0.20 HK cents in the Previous Year.

The Board has recommended the payment of a final dividend of 0.32 HK cents per ordinary share for the Year (Previous Year: Nil), subject to the approval of the shareholders of the Company at the Company's forthcoming annual general meeting which is scheduled to be held on Friday, 7 August 2026 ("AGM").

Business Review

Merchandising

FUJIFILM Photographic Products

FUJIFILM photographic products delivered strong performance during the Year, with overall sales increasing by 27.2% year-on-year. Digital camera sales grew by 19.2%, supported by demand for core models and new launches, particularly in the first half of the Year ("1H"), aided by healthy product allocation from FUJIFILM Japan and the brand's continued appeal. By contrast, lens sales declined by 36.5%, reflecting increased availability of lower-priced compatible lenses from competing manufacturers.

Sales of instax cameras, printers and films increased by 41.4%, supported by higher visitor spending and growing interest in instant photography among younger consumers. Growth was stronger in the second half of the Year ("2H"), driven by demand from visitors from Mainland China, particularly for the mini series, WIDE 400™ and SQUARE SQ1 models. In addition, a global shortage of instax films and certain camera models supported sales by curbing parallel import supply and contributing to pricing stability.

New digital cameras introduced during the Year included GFX100RF, X-E5, X half, X-T30 III and GFX ETERNA 55, several of which were sold out shortly after launch. New instax products launched during the Year included the instax mini 41™, instax mini LiPlay+™, instax mini Link+™ printer, instax mini Evo Cinema™, and instax mini 13™. These launches broadened the portfolio and supported demand across a wider customer base.

A key development in promoting FUJIFILM photographic products during the Year was the opening of the first authorised FUJIFILM House of Photography ("HOP") in the Greater Bay Area in August 2025. Operated by Fotomax at The Mills, Tsuen Wan, the FUJIFILM HOP serves as a flagship brand platform that strengthens collaboration with FUJIFILM Japan and supports product allocation and customer engagement in Hong Kong. Further details are set out in the section headed "Photofinishing and Imaging Services".

During the Year, the segment organised marketing campaigns and community events to engage photography enthusiasts and younger customers, including X half pop-up store activations at Fashion Walk and Broadway, the X half x PhotoLandhk Andy Workshop, the instax SELF:ME campaign and the Film Simulation Project Reels Series. The FUJIFILM membership base expanded by 18% year-on-year, reflecting continued customer engagement and loyalty. The segment also received the 16th Your Choice@Focus – Hong Kong White Collars' Favourite Brand Award 2025 for "Stylish Digital Camera" – FUJIFILM Camera, the PCM Best of IT Award for "I.T. Best Professional Camera Brand Award" – FUJIFILM GFX100S II and "I.T. Best Snapshot Camera Brand Award" – FUJIFILM X-M5.

Consumer Electronic Products and Household Appliances

The segment's revenue declined by 15.5% year-on-year, reflecting subdued consumer sentiment, a weak property market, a shift in spending towards outbound travel and cross-border e-commerce, and intensified competition from Chinese-branded electronics. The decline was more pronounced in 1H, when revenue fell by 25.9% against the corresponding period of the Previous Year. Revenue trends improved in 2H following the implementation of strategic initiatives.

Televisions remained the segment's largest product category, although revenue declined by 22.3% year-on-year due to sustained competition from Chinese-branded products. In response to this trend, the segment introduced TCL products during the Year and established branded booths in three retail locations. Revenue from household appliances decreased by 20.7%, as Chinese e-commerce platforms continued to divert consumer spending from traditional retail channels in Hong Kong by offering small appliances at highly competitive prices. By contrast, supported by the segment's focus on premium audio systems, soundbars and speakers, audio products recorded growth of 2.8% and increased their share of the overall sales mix.

To address the competitive environment, the segment adopted a more proactive close-to-market pricing strategy across both retail and online channels during the Year. The initiative helped revive customer traffic across physical and digital channels and contributed to improved sales momentum and gross profit margin in 2H. The retail network expanded to 12 stores as at 31 March 2026 (31 March 2025: 11) following the opening of the store in Times Square during the Year.

Customer engagement was further strengthened through the segment's customer relationship management ("CRM") programme, which enabled more targeted and personalised communications to support repeat visits and customer loyalty. AV Life membership increased by 41.4% during the Year. Marketing campaigns during the Year included the Samsung Month Promotion, 6.18 and 11.11 Sales Promotions, the Annual Hi-Fi Festival, the LG Month Promotion, the Chinese New Year sales campaign, and brand collaboration events such as the KEF XIO Soundbar and McIntosh & Sonus faber CRM events.

B-to-B Commercial and Professional AV Products

The segment recorded a sales decline of 7.1% as compared with the Previous Year, reflecting mixed performance across product categories. Sales of hotel and commercial televisions increased by 24.7%, supported by the completion of hospitality renovation projects in Hong Kong and Macau. The increase was partly offset by a decline of 41.7% in professional monitors, affected by changes in the distribution arrangement in the Macau market, and a decline of 59.1% in interactive digital boards amid intensified pricing competition from brands from Mainland China.

In response, the segment strengthened its product offering by securing distribution rights for HIKVISION in late March 2026. HIKVISION is a provider of professional display and collaborative technology solutions, and the new distributorship broadened the segment's product portfolio. A dedicated HIKVISION Product Experience Center was also established at the Tsuen Wan office to provide trade partners and end-users with a professional hands-on demonstration environment.

Skincare Products

The segment recorded sales growth of 30.3% during the Year, supported by distribution expansion and new product launches. The segment expanded its retail footprint by introducing its products at Tokyo Lifestyle in AIRSIDE in August 2025 and entering into partnerships with cosmetic retailers @Cosme and Matsumoto Kiyoshi, thereby enhancing brand visibility and accessibility across prime retail locations in Hong Kong.

In November 2025, the segment launched the FUJIFILM Metabarrier series, expanding into the wellness and beauty convergence category. The new line gained traction through authorised retail channels, where consumers generally prefer trusted sources over parallel imports. The segment also enriched its skincare portfolio with the launch of D-UV Shield Tone-Up in May 2025 and White Advanced Lotion and White Advanced Cream in June 2025.

The segment's products continued to receive industry recognition during the Year. D-UV Shield Tone-Up received awards from BITEKI, @Cosme and MAQUIA, while The Serum Wrinkle Repair Night Essence was recognised in @Cosme's 2025 Best Cosmetics and Skin Care Products Awards. Marketing efforts focused on key opinion leader and key opinion consumer collaborations to enhance social media engagement, targeted promotional campaigns at new retail touchpoints, and CRM initiatives to support brand loyalty.

Servicing

Photofinishing and Imaging Services

Excluding imaging solution services at the Hong Kong Disneyland Resort (the "Park"), the segment recorded a sales decline of 9.7% during the Year. Within its core services, photographic D&P services decreased by 6.2%, mainly attributable to structural shifts in consumer behaviour away from physical photo printing, heightened price sensitivity among local residents and inbound visitors, and the adverse impact of multiple Typhoon Signal No. 8 and Black Rainstorm Warnings during the summer, which reduced outdoor activities and print volumes. Continued growth in outbound travel also weighed on local retail foot traffic.

ID photo-taking services declined by 13.3%, reflecting normalisation of demand following the post-pandemic surge in travel document renewals, intensified price competition, and the introduction of self-service selfie booths for passport applications by the Immigration Department. DocuXpress, the segment's one-stop document solution for printing, scanning and binding, recorded a slight decline of 2.9%, reflecting subdued demand from the commercial sector.

Separately, sales from imaging solution services at the Park decreased by 8.7% during the Year, despite higher visitor traffic following the Hong Kong Disneyland's 20th Anniversary celebrations throughout the Year. The segment was unable to fully convert the increase in visitors into revenue, as lower per-capita spending by both local and visiting customers continued to weigh on sales. Performance was further affected by extreme weather conditions and visitors' growing preference for digital photo storage over printed photo products.

To broaden the segment's service offerings, enhance customer engagement and promote the FUJIFILM brand, the Group continued to develop experiential retail platforms during the Year. In August 2025, Fotomax commenced operation of the FUJIFILM HOP at The Mills, Tsuen Wan, a 3,000 sq. ft. experiential store featuring product trial zones, photography studio, selfie studio and imaging gift offerings. The FUJIFILM HOP also serves as an additional retail touchpoint for the segment's merchandise and imaging-related services, including photo-taking and printing services.

For clarity, sales of FUJIFILM photographic products made through the FUJIFILM HOP are recognised under the FUJIFILM Photographic Products segment. This segment includes sales of other merchandise and service income generated through the FUJIFILM HOP. Following the addition of the HOP and other adjustments to the store portfolio, the segment ended the Year with a total of 54 stores (31 March 2025: same).

Building on the above initiatives, the segment strengthened new customer acquisition and repeat patronage through enhanced CRM initiatives and improved benefits for free members, resulting in a 69% expansion of the membership base as compared with the Previous Year. Customer engagement was further supported by the CRM automation programme and an expanded Xiaohongshu presence targeting visitors from Mainland China and younger local consumers. Seasonal and festive campaigns, including the "New Season, New Memories, New Me!", Back-to-school campaign, Double 11, Christmas and Chinese New Year promotions with celebrity endorsement, were implemented to support engagement. The segment also received the 2025 Hong Kong Service Awards by East Week for "Professional One-Stop Imaging Services".

Professional AV Advisory and Custom Design and Installation Services

The segment recorded a sales decline of 9.5% year-on-year, reflecting divergent performance across its customer base. While engagements in government and hospital projects increased significantly during the Year, demand from the commercial sector contracted as corporate clients scaled back renovation and upgrading plans amid broader market uncertainty and subdued business sentiment.

In response to changing technological demands, the segment repositioned its portfolio to focus on artificial intelligence-powered audio and conferencing systems, networked infrastructure management and advanced high-resolution display technologies.

OUTLOOK

Looking ahead, the Group remains cautious and pragmatic. Consumer sentiment in Hong Kong is expected to remain sensitive to macroeconomic conditions and developments in the property market, while cross-border spending and competition from e-commerce platforms may continue to affect certain discretionary product categories. Global trade and geopolitical uncertainties, together with foreign exchange fluctuations, may also affect lead times, procurement costs and product availability. The Group will therefore continue to adopt a prudent approach to purchasing and inventory management, while maintaining disciplined control over pricing, working capital and cash flow, and strengthening collaboration with key suppliers and business partners to safeguard supply continuity and service standards.

Across its businesses, the Group will continue to focus on initiatives that enhance customer engagement, strengthen execution and improve earnings quality. In imaging products and services, the Group will continue to work closely with FUJIFILM Japan to support product allocation and broaden its portfolio of digital cameras and instax products, while further developing the FUJIFILM HOP as a destination to deepen community engagement and support higher-value portrait and corporate packages. In consumer electronics, the Group will continue to rebalance its product mix towards premium AV products, strengthen its close-to-market pricing strategy and CRM-driven customer engagement, and selectively expand offerings of Chinese-branded products where appropriate to meet customer demand.

For commercial and professional AV products, the Group will build on its collaboration with HIKVISION to enhance its commercial display and professional AV offerings, including artificial intelligence-enabled products and Audio-visual over Internet Protocol solutions, and pursue opportunities arising from mega events, conventions and hospitality-related upgrades in Hong Kong and Macau. In addition, the Group will continue to strengthen membership propositions and digital outreach to drive repeat patronage across its businesses.

The Group will continue to uphold stringent cost control, with particular emphasis on occupancy and staff costs, supported by process improvement, CRM and digital tools to enhance productivity. The Group will also continue to optimise its retail network through active review of store performance, selective openings and rationalisation, and deeper integration of offline and online channels to maximise the efficiency and reach of its retail footprint. The Group will remain disciplined in lease negotiations and capital allocation to ensure that resources are deployed to opportunities with the highest returns.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial resources remained strong. As at 31 March 2026, the Group was debt-free and had cash and bank balances and non-pledged time deposits with original maturity of over three months of an aggregate of HK$216 million. The Group has adequate liquidity to meet its current and future working capital requirements.

OTHER WORKING CAPITAL

As at 31 March 2026, the Group's trade receivables stood at HK$47 million while its inventories were worth HK$196 million. The Group continued to put every effort to manage credit control and debt collection and to adopt a prudent inventory management strategy.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of 0.32 HK cents per ordinary share for the Year (FY2024/25: Nil), payable on 9 September 2026, to the shareholders of the Company whose names appear on the members of the Company as at close of business on 14 August 2026, subject to the approval of the shareholders of the Company at the AGM.

REVIEW OF ANNUAL RESULTS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

The Company has an audit committee (the "Committee") which was established in accordance with the Rules 3.21 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management 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 2026, approved by the Board on 23 June 2026, 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.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement will be published on the websites of Hong Kong Exchanges and Clearing Limited (https://www.hkexnews.hk) and the Company (https://www.chinahkphoto.com.hk) and the Company's 2025/26 Annual Report will be dispatched to the shareholders of the Company and published on the above-mentioned websites in due course.

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 (including any sale or transfer of treasury shares out of treasury) during the year ended 31 March 2026. As at 31 March 2026, the Company did not hold treasury shares.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules throughout the year ended 31 March 2026.

Full details on the subject of corporate governance are set out in the Company's 2025/26 Annual Report.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM is scheduled to be held on Friday, 7 August 2026. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 4 August 2026 to Friday, 7 August 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for determining the eligibility to attend and vote at the AGM will be Friday, 7 August 2026. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 3 August 2026.

For determining the entitlement to the proposed final dividend (subject to the approval by the shareholders of the Company at the AGM), the register of members of the Company will be closed on both days of Thursday, 13 August 2026 and Friday, 14 August 2026, during which period no transfer of shares will be registered. The record date for entitlement to the proposed final dividend is Friday, 14 August 2026. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4.30 p.m. on Wednesday, 12 August 2026.

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, 23 June 2026