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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)

CHKP

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

HIGHLIGHTS

- Revenue decreased by 1.6% to HK$497 million (Previous Period: HK$506 million)
- Net profit attributable to the shareholders of the Company (the "Shareholders") was HK$4.0 million (Previous Period: HK$8.7 million)
- Overall financial position and operations remain solid with cash and bank balances, and time deposits stood at HK$233 million
- Basic earnings per share amounted to HK0.34 cents (Previous Period: HK0.73 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 2026 (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 2026

	Note	For the six months ended 30 September	
		2026	2025
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
Revenue	*2*	**497,413**	505,648
Cost of sales		**(372,479)**	(372,691)
Gross profit		**124,934**	132,957
Other income and gains, net	*3*	**8,551**	9,169
Changes in fair value of investment properties		**(2,048)**	(4,606)
Selling and distribution costs		**(68,600)**	(68,798)
Advertising and marketing expenses		**(6,770)**	(8,603)
Administrative expenses		**(44,820)**	(42,989)
Impairment loss on financial assets		**–**	(278)
Impairment loss on property, plant and equipment, and right-of-use assets		**(2,468)**	(2,223)
Operating profit		**8,779**	14,629
Interest expense on lease liabilities		**(1,102)**	(1,492)
Share of results of an associate		**–**	–
Profit before income tax	*4*	**7,677**	13,137
Income tax expense	*5*	**(3,800)**	(4,593)
Profit for the period		**3,877**	8,544
Profit/(loss) attributable to:			
– Owners of the Company		**4,030**	8,692
– Non-controlling interests		**(153)**	(148)
		3,877	8,544
Earnings per share attributable to owners of the Company	*7*		
Basic		**HK0.34 cents**	HK0.73 cents
Diluted		**HK0.34 cents**	HK0.73 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**3,877**	8,544
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**1,010**	594
Total comprehensive income for the period	**4,887**	9,138
Total comprehensive income/(loss) attributable to:		
– Owners of the Company	**5,040**	9,286
– Non-controlling interests	**(153)**	(148)
	4,887	9,138

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2026

	Note	**30 September 2026 (Unaudited)** ***HK$'000***	31 March 2026 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**48,523**	48,622
Investment properties		**183,149**	198,695
Intangible assets		**5,249**	5,301
Right-of-use assets		**95,337**	97,891
Deposits		**9,119**	10,256
Deferred tax assets		**4,508**	4,392
Interest in an associate		**–**	–
Total non-current assets		**345,885**	365,157
Current assets			
Inventories		**203,260**	196,220
Contract assets		**23,779**	12,292
Trade receivables	*8*	**52,279**	47,393
Prepayments, deposits and other receivables		**51,549**	52,486
Non-pledged time deposits with original maturity of over three months		**12,936**	26,197
Cash and bank balances		**219,988**	189,324
Total current assets		**563,791**	523,912
Total assets		**909,676**	889,069
EQUITY			
Equity attributable to owners of the Company			
Share capital		**118,532**	118,532
Reserves		**566,937**	565,690
		685,469	684,222
Non-controlling interests		**(581)**	(428)
Total equity		**684,888**	683,794

	Note	30 September 2026 (Unaudited) HK$'000	31 March 2026 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Accrued liabilities		**7,375**	7,276
Lease liabilities		**16,136**	23,733
Deferred tax liabilities		**24,599**	24,288
Total non-current liabilities		**48,110**	55,297
Current liabilities			
Trade and bills payables	*9*	**77,171**	47,593
Contract liabilities		**14,019**	9,205
Accrued liabilities and other payables		**39,229**	45,100
Lease liabilities		**30,860**	35,875
Tax payable		**15,399**	12,205
Total current liabilities		**176,678**	149,978
Total liabilities		**224,788**	205,275
Total equity and liabilities		**909,676**	889,069
Net current assets		**387,113**	373,934
Total assets less current liabilities		**732,998**	739,091

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 2026 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 ("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 2026 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 2026, 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 2026:

Hong Kong Financial Reporting Standards ("HKFRS") 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements (amendments)

(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 2026 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 19	Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosure	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Hong Kong Interpretation 5	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 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 2026 and 2025.

	(Unaudited)											
	Merchandise		**Service**		**Investment**		**Corporate and other**		**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	**402,769**	417,887	**19,713**	17,712	**–**	–	**–**	–	**–**	–	**422,482**	435,599
– Over time	**–**	–	**74,931**	70,049	**–**	–	**–**	–	**–**	–	**74,931**	70,049
Inter-segment sales	**32,594**	33,701	**1,664**	1,997	**–**	–	**–**	–	**(34,258)**	(35,698)	**–**	–
	435,363	451,588	**96,308**	89,758	**–**	–	**–**	–	**(34,258)**	(35,698)	**497,413**	505,648
Other income and gains, net, excluding interest income on bank deposits	**3,464**	3,055	**4,779**	4,516	**3,358**	3,919	**27,226**	26,613	**(32,112)**	(30,599)	**6,715**	7,504
Changes in fair value of investment properties	**–**	–	**–**	–	**(2,048)**	(4,606)	**–**	–	**–**	–	**(2,048)**	(4,606)
Impairment loss on property, plant and equipment, and right-of-use assets	**(1,990)**	(2,223)	**(478)**	–	**–**	–	**–**	–	**–**	–	**(2,468)**	(2,223)
Impairment loss on financial assets	**–**	(278)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(278)
Total	**436,837**	452,142	**100,609**	94,274	**1,310**	(687)	**27,226**	26,613	**(66,370)**	(66,297)	**499,612**	506,045
Segment results	**37,833**	40,459	**126**	4,377	**239**	(1,831)	**(31,255)**	(30,041)	**–**	–	**6,943**	12,964
Interest income											**1,836**	1,665
Interest expense											**(1,102)**	(1,492)
Profit before income tax											**7,677**	13,137
Income tax expense											**(3,800)**	(4,593)
Profit for the period											**3,877**	8,544

3 OTHER INCOME AND GAINS, NET

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Rental income	**3,358**	3,919
Interest income on bank deposits	**1,836**	1,665
Marketing subsidies	**2,805**	2,508
Gain on lease modification	**–**	324
Others	**552**	753
	8,551	9,169

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	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold *(Note (a))*	**310,399**	320,035
Cost of services provided *(Note (a), (b))*	**60,802**	51,839
Provision for impairment of inventories *(Note (a))*	**1,278**	817
Gain on disposals of property, plant and equipment	**(251)**	(38)
Foreign exchange differences, net	**72**	(156)
Depreciation of property, plant and equipment *(Note (c))*	**5,035**	4,951
Amortisation of intangible assets *(Note (d))*	**661**	583
Depreciation of right-of-use assets *(Note (e))*	**19,386**	23,859

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$1,279,000 (2025: HK$1,131,000).

(c) Depreciation of property, plant and equipment of HK$2,819,000 (2025: HK$1,890,000) and HK$2,216,000 (2025: HK$3,061,000) have been charged to "Selling and distribution costs" and "Administrative expenses" respectively.

(d) Amortisation of intangible assets of HK$55,000 (2025: HK$55,000) and HK$606,000 (2025: HK$528,000) have been charged to "Selling and distribution costs" and "Administrative expenses" respectively.

(e) Depreciation of right-of-use assets of HK$17,932,000 (2025: HK$22,500,000) and HK$1,454,000 (2025: HK$1,359,000) have been charged to "Selling and distribution costs" and "Administrative expenses" respectively.

5 INCOME TAX EXPENSE

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current income tax:		
– Hong Kong:		
Charge for the period	**3,587**	5,016
– The People's Republic of China (the "PRC"):		
Charge for the period	**153**	153
	3,740	5,169
Deferred tax	**60**	(576)
Total tax expense for the period	**3,800**	4,593

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 2026, one (2025: 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 final dividend for the year ended 31 March 2026 amounting to an aggregate of approximately HK$3,793,000 was paid during the Period.

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 2026 and 2025 are based on:

	For the six months ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
Profit:		
Profit attributable to owners of the Company, used in the basic earnings per share calculation (HK$'000)	**4,030**	8,692
Shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**1,185,318,349**	1,185,318,349

(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 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 September 2026 and 2025.

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 2026 (Unaudited) *HK$'000*	31 March 2026 (Audited) *HK$'000*
Up to 30 days	**41,233**	34,032
31 to 60 days	**8,159**	10,277
61 to 90 days	**1,608**	2,000
91 to 120 days	**479**	218
Over 120 days	**2,867**	2,933
	54,346	49,460
Less: loss allowances	**(2,067)**	(2,067)
Trade receivables – net	**52,279**	47,393

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

	30 September 2026 (Unaudited) *HK$'000*	31 March 2026 (Audited) *HK$'000*
Opening balance	**2,067**	1,776
Provision for impairment of trade receivables	**–**	291
Closing balance	**2,067**	2,067

9 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 2026 (Unaudited) *HK$'000*	31 March 2026 (Audited) *HK$'000*
Within 3 months	**71,212**	43,406
Over 3 months	**5,959**	4,187
	77,171	47,593

10 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	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
Total compensation paid to key management personnel		
– Short term employee benefits	**3,112**	3,525
– Post-employment benefits	**27**	27
	3,139	3,552

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

REVENUE AND RESULTS

The Group recorded consolidated revenue of HK$497 million for the Period, a slight decline of 1.6% from HK$506 million in the Previous Period, reflecting mixed performance across the Group's business segments.

The softer top line was mainly attributable to weaker sales of FUJIFILM photographic products, which were hampered by supply constraints and softer demand, as well as lower sales of photofinishing and imaging services. However, the decline was partly mitigated by growth in other business segments of the Group.

Gross profit margin decreased to 25.1% from 26.3% in the Previous Period, mainly reflecting lower margins in photofinishing and imaging services due to promotional offers and higher direct labour costs. A greater share of lower-margin consumer electronic products in Group sales also diluted the overall margin. These pressures were partly offset by improved margins of the consumer electronics business supported by a higher proportion of audio sales and a refined pricing strategy.

The Group recorded a net profit attributable to Shareholders of HK$4.0 million for the Period (Previous Period: HK$8.7 million). The decline was mainly due to the lower revenue and gross profit, which was partly offset by the reduced advertising and marketing expenses and a lower valuation loss on investment properties.

Basic earnings per share for the Period were approximately 0.34 HK cents (Previous Period: 0.73 HK cents). Given the factors mentioned above, the Board does not recommend the payment of any interim dividend for the Period.

BUSINESS REVIEW

MERCHANDISING

FUJIFILM Photographic Products

Overall sales of the segment decreased by 16.3% year-on-year during the Period, reflecting divergent performance between digital cameras and instax products. Sales of digital cameras and lenses fell by 38.9%, primarily due to supply shortages arising from semiconductor constraints as surging AI-sector demand tightened the availability of chips. These shortages also delayed new model launches, including the X-T6, rendering no new digital camera models introduced during the Period. The lack of semiconductors also brought about an increase in production costs for existing models, leading to rising suggested retail prices from 1 July 2026. This widened the price gap between parallel import products and softened the market demand, particularly from customers from Mainland China.

In contrast, sales of instax cameras, printers and films rose by 22.3% year-on-year, driven by Mainland Chinese visitors' strong demand, particularly for the instax mini series, instax WIDE 400 and instax SQUARE SQ1. Global shortages of instax films and selected camera models constrained parallel imports, thereby supporting sales through authorised-channel.

Product launches during the Period included instax mini 13 in April 2026 and instax Link WIDE 2, instax Pal2 and FUJINON XF400mmF4.5 R LM OIS WR in September 2026. Marketing and customer-engagement initiatives included the FUJIFILM instax SELF:ME campaign, Hong Kong Disneyland Magic RUN Fest promotion, Union for International Cancer Control (UICC) event for instax SPOT and Film Simulation projects covering various photography themes.

Consumer Electronic Products and Household Appliances

The segment recorded sales growth of 6.3% year-on-year during the Period, mainly driven by the successful refinement of online and in-store pricing to align more closely with prevailing market levels, thus supporting both sales and gross profit margin.

Television sales rose by 4.9% year-on-year, supported by competitive pricing and a broader range of television brands from China. Audio sales grew by 11.6%, supported by AV Life's unique position as Hong Kong's only audio and video specialty chain, a focus on soundbars and amplifiers and the expanded personal audio offerings in stores.

Local retail conditions remained challenging, with limited benefit from Mainland visitors and spending diverted by cross-border weekend trips and outbound travel. In response, the segment expanded its carry-away product range and Book A Demo service for audio products. It also enabled customers to access in-store offers online without visiting shops and introduced member discounts on avlife.com to attract sign-ups for the membership programme.

As at 30 September 2026, the segment operated a total of 11 stores (30 September 2025: 12), following the closure of the K11 store in late August 2026. Subsequent to the Period end, a new K11 store opened in November 2026, with a larger retail space and a broader product range. Key marketing campaigns during the Period included Cambridge Month, Football Fiesta, Samsung Month, Sony RGB Event, K11 store Removal Sale, Annual Hi-Fi Festival, LG Sound Suite Event, Audio Quest Month and ESOTERIC Press Event.

B-to-B Commercial and Professional AV Products

The segment recorded sales growth of 17.0% year-on-year, mainly driven by stronger hotel television sales. The addition of the TCL distributorship and cooperation with HIKVISION since late March 2026 also broadened its product portfolio and strengthened its competitiveness, with limited revenue contribution during this initial stage.

Supported by the replacement demand and new hotel project completions in Hong Kong and Macau, sales of hotel televisions grew by 11.0% year-on-year. On the other hand, sales of interactive digital boards and professional accessories increased by 9.0% and 40.4% respectively. In contrast, commercial television sales weakened amid inventory constraints on selected models due to planned product lifecycle transition. Sales of professional monitors and projectors declined by 24.1% and 10.5%, respectively, reflecting changes in distribution arrangements in Macau and cautious capital expenditure in the market.

Skincare Products

The segment recorded sales growth of 143.7% year-on-year during the Period, mainly driven by FUJIFILM Metabarrier, a series of wellness products launched in November 2025. Growth was also supported by higher sales of collagen drinks, another star product of the segment.

To broaden its customer reach, the segment worked with Matsumoto Kiyoshi to introduce a non-premium version of Metabarrier in May 2026. It also promoted collagen drinks with support from FUJIFILM Japan by offering free gifts with purchase and rolled out a targeted campaign featuring exclusive bundle offers to encourage repeat purchases.

Meanwhile, the depreciation of Japanese Yen intensified competition from parallel imports from Japan. In response, the segment worked closely with FUJIFILM Japan on pricing adjustments and timely promotions to maintain competitiveness.

Alongside these commercial initiatives, the segment's products received industry recognition during the Period, with D-UV Shield Tone-Up recognised by Rakuten and @Cosme, and White Jelly Aquarysta by Mimi Beauty.

SERVICING

Photofinishing and Imaging Services

Excluding imaging solution services at the Hong Kong Disneyland Resort (the "Park"), the segment's revenue declined by 3.0% year-on-year. Revenue from ID photo-taking services and sales of imaging gifts fell by 7.8% and 23.6% respectively amid intensified competition. ID photo-taking services were also affected by changing customer behaviours and self-service facilities for passport applications.

On a more positive side, revenue from D&P services increased by 1.8% year-on-year. Upward adjustments to minimum charges and targeted promotions encouraged purchases of larger, premium and higher-value prints, supporting sales and mitigating the impact of lower print volumes as customers increasingly stored photos digitally. The consolidated FOTOMAX App, launched in April 2026, brought photo and DocuXpress functions together to improve customer convenience and raise service awareness, supporting 4.1% growth in DocuXpress sales. Together with FOTOMAX.AI launched in June 2026, it further simplified customer journey and strengthened member engagement.

In order to optimise the store network, the segment operated 55 stores as at 30 September 2026 (30 September 2025: 54), following three openings at Landmark North, The Wai and Eslite The One and two closures at Choi Hung and Man Yee Arcade during the Period.

Customer-engagement initiatives during the Period included the FOTOMAX x Octopus App offer, FOTOMAX x UNICO "The King of Fighters '98" Gaming Competition, Landmark North Pet Shooting Experience, Life Album "One City, One Book" campaign, FUJIFILM House of Photography ("HOP") first anniversary offer and FOTOMETA 10th shop opening offer.

At the Park, imaging solution sales rose by 0.7% during the Period despite lower attendance and cautious visitor spending. The service mix was also strengthened by PhotoPass+, offerings for the Park's 20th Anniversary and Frozen-themed products.

Professional AV Advisory and Custom Design and Installation Services

The segment recorded sales growth of 41.9% year-on-year during the Period, mainly driven by its success in securing several major projects with high contract values. One-off residential and commercial projects, one-off non-commercial projects and maintenance service contracts accounted for 46.0%, 50.6% and 3.4% of segment sales respectively.

By leveraging strong market presence from its existing client base, the segment commanded better pricing from suppliers, thereby maximizing procurement efficiency during the Period. Small-pixel LED walls remained a strategic focus in response to the demand for advanced display solutions. In addition, by sourcing materials on a project-by-project basis, the segment maintained a back-to-back ordering model to minimise stockholding and align procurement with project schedules.

OUTLOOK

The operating environment is expected to remain uncertain amid cross-border spending, price-sensitive consumer behaviours and competition from e-commerce and parallel imports. Nevertheless, the Group remains cautiously optimistic about the second half of the Year, supported by its debt-free balance sheet, upcoming product launches and projects, and promising momentum across multiple segments.

Supply constraints of photographic products are expected to ease in the second half of the Year and the next financial year, thereby supporting the launch of new digital cameras, including the flagship models, and upcoming instax models. The Group will work closely with FUJIFILM Japan to secure product allocation and maintain competitive pricing. In addition, AV Life will focus on premium audio products and strengthen the integration of its online-offline channels through avlife.com and its customer relationship management programme. The K11 flagship store, which was opened in November 2026, is expected to contribute positively to sales.

The B-to-B business sees growing opportunities from the HIKVISION alliance as adoption becomes more popular and hotel projects progress. Moreover, the professional AV advisory and custom design and installation business will focus on secured public-sector and corporate office projects and premium LED wall solutions. These projects provide a buffer against the slow recovery in commercial and property-related sectors, which the Group will monitor closely.

In imaging services, the Group will expand its offerings through collaborating with other renowned brands and leveraging their intellectual properties, such as the collaborations with Disney, MTR and FUJIFILM HOP during the Period. The Group will also expand its higher-margin merchandise offerings and develop school and corporate sales. The Park business will refresh its album range and bundles, and the segment will also optimize its shop network and seek more favourable lease terms.

To conclude, the Group will maintain a mechanism featuring disciplined cost and inventory management to maintain its agility and strengthen its business resilience.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial resources remained strong. As at 30 September 2026, the Group had cash and bank balances, and time deposits of HK$233 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 2026, the Group's trade receivables stood at HK$52 million while its inventories were worth HK$203 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 (including sale of treasury shares out of treasury) during the Period.

As at 30 September 2026, the Company did not hold treasury shares.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Company has an Audit Committee which was established in accordance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), 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. The Group's financial statements for the Period, approved by the Board on 26 November 2026, 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.

EVENT AFTER THE PERIOD END

Save as disclosed in this announcement, after the Period end and up to the date of this announcement, there are no other significant events occurred that may affect the Group.

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 to the Listing Rules.

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 FY2025/26 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 FY2026/27 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. CHOW Shiu Hay, Antonio
Mr. LAU William Wayne
Mr. LI Ka Fai, David
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 2026