

Chairman's Statement 2002/2003

主席報告

Our Group has had to weather more challenges during the year under review, with sales impacted by decreasing demand for traditional products in the wake of the digitization trend. The Hong Kong consumer market continues to struggle under an ongoing economic downturn, while opportunities in China have been restricted by the slow pace of reform following its admission to the WTO as well as fierce price competition and parallel imports.

Total turnover for the year was HK\$1,735 million, compared to HK\$1,531 million in the previous year and profit attributable to shareholders of HK\$19 million. At the same time, we have limited the impact of these challenges significantly through careful cost reductions and ongoing investment in and attention to greater efficiency. I remain confident about the long term potential of the China market. I believe that the high quality and innovation behind Fujifilm products, as well as our strong presence and experience on the ground in China, place the Group in a good position to exploit this potential. The strong growth in sales of digital products and services during the year supports this.

回顧去年，本集團面對多方面的挑戰，數碼潮流引致傳統產品的需求下降，香港消費市場在經濟持續不景氣下仍見疲弱，同時，基於國內於入世後改革步伐緩慢，加上價格競爭激烈及水貨進口猖獗，導致市況陷於困局。

本年度總營業額為港幣十七億三千五百萬元，去年則為港幣十五億三千一百萬元，股東應佔溢利為港幣一千九百萬元。與此同時，集團透過節省成本及開支、提高工作效率，大大紓緩上述種種挑戰所帶來之衝擊。本人對中國市場長遠發展潛力仍具信心，並深信科技創意與卓越品質兼備的富士產品，配合我們在中國大陸發展所累積的寶貴經驗及雄厚基礎，定能為集團未來發展爭取更多優勢。年內數碼產品及服務銷量的強勁升幅便是標誌着我們未來業務發展的最佳例證。



The digitization trend is now firmly established in advanced markets like Hong Kong and the major cities in China. Strong sales growth for digital products this year has nearly managed to offset the declining demand for traditional products and the resulting a drop in profitability for products such as film, compact cameras and chemicals and paper for printing. We believe the leading-edge technology that Fujifilm has invested in will enable the Group to not only replace, but to exceed its traditional revenues relatively quickly. Demand for high quality new digital products and services, such as consumer digital cameras and printers, commercial printers and medical equipment has grown significantly and is expected to continue. In the meantime, China's second tier and smaller cities remain untapped even in terms of traditional camera ownership and provide something of a buffer for this transition period.

The Fuji Graphic Arts business represents a significant accomplishment and opportunity for the Group. During the year under review, we formed Fuji Graphic Arts Products Ltd to handle the graphic arts products distributorship that the Group was awarded in March 2002, and which became effective in May 2002.

現時，數碼潮流在香港及國內主要城市等高檔市場早已穩固確立。數碼產品銷售在本年度錄得強勁增長，逐漸抵銷了需求轉弱的傳統產品及導致菲林、傳統相機、沖印藥液及相紙利潤下降之影響。我們相信，富士所投入的領先科技不但能協助集團讓數碼產品收益取締傳統產品，甚至有迅速超越之勢。市場對高質素及嶄新數碼產品及服務需求明顯增加，如數碼相機及打印機、商用打印機及醫療設備等，預期這趨勢也會延續下去。同時，中國二線及小型城市的業務拓展步伐與大城市未能接軌，尚待開發，以傳統相機普及率計算為例，此等區域將成為數碼與傳統影像產品交替期提供一個良好的緩衝區。

富士印刷器材業務標誌着集團邁向新領域的成功機遇。回顧往年，集團於二〇〇二年三月獲授富士印刷器材的經銷權，並於同年五月正式開展此項業務。



FinePix F700
富士 FinePix F700 數碼相機



FinePix F410
富士 FinePix F410 數碼相機

Super CCD

Fujifilm's new Fourth Generation Super CCD range marks tremendous advances in the quality of digital images

超級 CCD

富士全新的第四代超級 CCD 標誌著富士在數碼影像質量的大躍進。

In the year ahead our strategy is to ensure smooth and efficient distribution for our diverse product range, and to expand the network in China. At the same time we will invest in efficient marketing and promotional campaigns to support the products and services and combat tough competition.

On the retail aspect, the Fotomax chain remained strong and sustained its position as the premier developing and printing chain in Hong Kong, even in the midst of the economic downturn. Its quality services, products, and wide network support its premium brand name. In China, the Fotomax retail business has only recently been launched and is still in its investment phase. The Group is also exploring other opportunities to develop the retail business for the China market tailored to meet consumer needs.

On June 29 2003, the Hong Kong and Beijing Governments signed a Closer Economic Partnership Arrangement (CEPA), which is intended to be a WTO-compliant agreement providing Hong Kong companies accelerated access to business opportunities on the Chinese Mainland. While the details have yet to be finalised, China-Hongkong Photo is very optimistic about its business development in China in light of the agreement.

在未來一年，集團的策略是確保旗下多元化之產品能迅速及有效率地分銷各地，從而進一步拓展整個中國網絡。與此同時，我們將斥資發動有效率之市場推廣及宣傳攻勢，支援產品和有關服務的推出，以抗衡激烈的市場競爭。

在零售方面，快圖美連鎖店在香港業務發展仍然理想，並成功保持其優質沖印連鎖店的領先地位。憑藉其優質服務、產品及龐大網絡支持，即使在經濟不景時也能保持良好口碑，令這品牌繼續屹立不倒。在中國，快圖美零售業務只是起步階段，仍處於投資期。本集團現正發掘其他機會開拓中國市場的零售業務，以迎合消費者需要。

於二〇〇三年六月二十九日，香港與北京政府簽署《內地與香港關於建立更緊密經貿關係的安排》，此乃配合世貿協議，並提早對外開放零售市場之舉，讓香港公司盡快掌握內地商機。安排之詳情仍有待敲定，而中港照相則相信有關協議可推動其國內之業務發展，前景十分樂觀。

I remain very confident in the long-term growth potential of the China market and the opportunities for the photographic imaging business there. Our track record and experience in the market has set China Hongkong Photo Products in good stead to rise above the fierce competition and slow process of market reform. Our other great strength stems from the quality and innovation of the Fujifilm products and services, which ensure that they capture maximum consumer demand. This is especially true with digital products and services.

The outbreak of the SARS (Severe Acute Respiratory Syndrome) and its disastrous effect on tourism and leisure businesses in Hong Kong and China this year is likely to impact our business in the year ahead. In the meantime, we will as always be keeping a close eye on costs and constantly looking for ways to operate even more efficiently.

We depend for a successful future on three very important partnerships: with Fujifilm Japan, with our all-important dealer network and with our hard-working team of employees. Our partnership with Fujifilm dates back over 35 years and our network of members is growing steadily, especially in China. I would like to extend my thanks to all of our partners for their dedication and hard work throughout another challenging year.

Dr Dennis Sun Tai Lun

Chairman and Managing Director

本人對中國市場長遠發展前景饒具信心，深信國內攝影業務商機處處。我們的超卓往績和豐富經驗，為中港照相器材打下了穩固根基，即使面對白熱化的競爭，或置身於緩慢的市場改革進程中，集團仍能從容以對，脫穎而出。我們的另一優勢源自富士優質及創新的產品及服務，憑藉此等優勢，富士取悅了廣大消費者的需求，尤其在數碼產品及服務方面可見一斑。

「沙士」(嚴重急性呼吸道綜合症)爆發及其災難性的效應，對中港兩地旅遊業務帶來沉重打擊，並將會影響集團來年業績表現。另一方面，我們會嚴密監控經營成本及尋求更有效的運作方式，以達致節省開支的目標。

本集團的光明未來，實有賴與以下三方面共同維繫非常重要的夥伴關係：日本富士、寶貴的經銷網絡，以及一班勤奮的員工。集團與日本富士的夥伴關係已維持超過三十五年，而我們的網絡成員數目，尤其在中國大陸，也保持穩定增長。對於這些夥伴能共同以專心致志，努力不懈的態度，克服又一個充滿挑戰的年頭，本人謹致衷心謝意。

孫大倫博士

主席兼董事總經理

FUJIFILM
digital
Tools for the imagination



Demand for high quality new digital products and services has grown significantly and is expected to continue.

從消費者對高質素嶄新數碼產品及服務的需求大幅躍升所見，增長預計將仍持續。