

Operations Review

業務回顧

OVERVIEW

With the influence of the digital trend and the intensification of competition with other brands in the photographic industry, the operating environment remained harsh during the year under review. These challenges were intensified by technological advancement and the evolution of digital products among global electronic equipment manufacturers. Product life cycles have been difficult to keep up with and were gradually shortened in response to the rapidly changing consumer market, especially for digital cameras. The profit margin for digital products and equipment continued to narrow and the selling price also fell dramatically owing to keen competition. To minimize the adverse effects, the Group has made its utmost effort to stay on the pulse of consumer demand by communicating closely with trade partners and constantly developing new strategies to meet their specific needs.

TURNOVER

The Group's consolidated turnover for the year ended 31 March 2005 was HK\$1,233 million, down by 12% compared with 2004. A net profit attributable to shareholders of HK\$45 million was recorded, compared to a net loss of HK\$62 million last year. Profit per share was HK 3.9 cents.

概覽

受到數碼趨勢及攝影業內其他品牌的競爭趨向白熱化影響，回顧年度的經營環境仍然嚴峻。科技進步以及全球電子設備製造商對數碼產品所進行的相關改革令競爭加劇。消費市場瞬息萬變，產品市場週期逐漸縮短及難以掌握，其中以數碼相機的情況尤為顯著。數碼產品及設備的毛利持續收窄，競爭激烈導致售價大跌。為了將不利的影響減至最低，集團與貿易夥伴保持緊密聯繫，並定期制定新策略，以滿足市場特定要求，力求緊貼消費需求的潮流脈搏。

營業額

本集團截至2005年3月31日止年度的綜合營業額為港幣12.33億元，較2004年下跌12%。股東應佔淨溢利為港幣4,500萬元，去年則錄得虧損淨額港幣6,200萬元。每股溢利為港幣3.9仙。

WHOLESALE BUSINESS

Imaging Solutions

The imaging solutions segment includes businesses related to photographic products and equipment. It accounted for 56% of the Group's total turnover during the fiscal year under review.

Total segment turnover decreased slightly by 4% compared with last year. Aggregate sales of digital cameras were up by 39% and sales volume also recorded 8% growth as a result of effective marketing campaigns and trade promotions with business partners in the Hong Kong market. During the fiscal year, the SLR-like FinePix S5500/S7000 digital cameras were well received in the market and became the best sellers of the year. Moreover, FinePix S3Pro, a digital SLR camera incorporating the Super CCD SR II, was evaluated highly and was very popular.

Due to the positive effects of CEPA (Closer Economic Partnership Arrangement), which commenced last year, the film and advertising industry continued to prosper in China. As a result, sales of professional movie film saw 24% growth compared with last year. As the Chinese movie industry celebrates its 100th anniversary, more and more Chinese movies filmed in China are gaining recognition from the global market. It is anticipated that the standard of Chinese movies will improve even further to capture worldwide audiences and that we will see a leap in the demand for professional movie films.

批發業務

影像解決方案

影像解決方案分類包括與影像產品及設備相關的業務，於回顧財政年度佔本集團總營業額的56%。

該類業務的總營業額較去年輕微下跌4%。由於香港區之市場推廣及與貿易夥伴進行的產品推廣活動反應良好，數碼相機的總銷售額及銷售量分別錄得39%及8%的升幅。於本財政年度，富士FinePix S5500/S7000數碼相機大受市場歡迎，並成為年內最暢銷的半專業數碼相機。此外，揉合了超級CCD SR II的單鏡反光數碼相機FinePix S3Pro獲得一致好評，並大受用家青睞。

由於去年開始的「更緊密經貿關係安排」(CEPA)的利好因素，促使中國的電影業及廣告業持續蓬勃發展。因此，專業電影菲林的銷售較去年上升24%。適逢中國電影業踏入100週年，於中國大陸拍攝的中國電影日漸獲得世界市場的認同。預期中國電影的水平將進一步提升，以吸引更多世界各地的觀眾欣賞，我們預期市場對專業電影菲林的需求將會大大躍升。



Fujifilm FinePix S3 Pro
Digital Camera

富士 FinePix S3 Pro 數碼相機



Fujifilm FinePix E550 Digital
Camera

富士 FinePix F550 數碼相機



Frontier 570 digital minilab system
富士 Frontier 570 數碼激光沖印系統

The technology transfer and the over-supply of digital minilabs systems manufactured in China seriously affected the revenue from digital photo equipment, and sales of Fujifilm's Frontier digital minilab series dropped dramatically during the fiscal year under review. However, there has been a substantial rise in the volume of prints from digital cameras due to the high quality output and efficient processing capabilities from both film and digital media, along with the increasing popularity of digital cameras and phone cameras. As a result, total sales of paper grew by 6.4% during the year under review.

As a market leader in the digital photo printing business, Fujifilm's Frontier system enjoys a reputation for superior quality and true to life colour images. Aggressive expansion through both the Fuji Digital Imaging (FDi) service and Fotomax chain has enabled Frontier to successfully dominate the digital printing market in Hong Kong and Macau since the system was launched in December 1999. To boost the sales of the Frontier system and related products such as chemicals and photo paper, the Group will execute powerful promotion campaigns at both wholesale and retail level to support the increasing demand for digital photos.

由於技術轉移及中國製造的數碼沖印系統供過於求影響下，令數碼影像設備的收入下降，其中富士Frontier數碼激光沖印系統於回顧財政年度的銷售額更急劇下跌。然而，鑒於富士數碼激光沖印系統具備高水準的菲林及數碼媒體沖印質素，並兼具高效能的影像處理能力，加上數碼相機及相機電話日漸流行，數碼相片沖印數量錄得顯著增長。因此，於回顧年度的相紙總銷售額上升6.4%。

富士的數碼相片沖印業務在市場處於領導地位，旗下的富士Frontier數碼激光沖印系統更以品質卓越及色彩最具真實感見稱。自Frontier數碼激光沖印系統於1999年12月投入服務以來，透過實行雙軌式的擴充模式，由富士數碼激光沖印服務(FDi)網絡到快圖美沖印連鎖店平台，成功令Frontier數碼激光沖印系統雄據港、澳兩地的數碼沖印市場。為了提高全新Frontier數碼激光沖印系統及相關產品(如沖印藥液及相紙)的銷售量，集團將在批發及零售層面進行大型推廣活動，務求推動數碼相片的需求不斷上升。



9th Macao International Trade & Investment Fair 2004
第九屆澳門國際貿易投資展覽會
2004

Information Solutions

Activities in this segment include medical imaging systems, graphic art products and data storage media. This segment accounted for 28% of the Group's total turnover.

During the year under review, the overall turnover for the information solutions segment was slightly down by 2.5% because of intense competition and the technological advancement of medical products.

To capitalize on rising demand for imported medical equipment in China, the Group's wholly-owned subsidiary, Fuji Medical Company Ltd has continued to explore the most effective solutions for new business development. In February 2005, a joint venture company, Fujifilm Medical Systems (Shanghai) Co., Ltd. was established with Fujifilm Japan to promote the full line of medical products and services in China. In June 2004, a successful tender for the supply of radiographic films and processing chemicals to the Hospital Authority of Hong Kong further accelerated the sales of films for the fiscal year. Fuji Medical Company Ltd has pursued business expansion through strategic alliances and is well-positioned with dominant business partners in China, Hong Kong and Macau to stimulate the total sales of full line services.

資訊解決方案

資訊解決方案業務包括醫療影像系統、印刷器材及數據儲存媒體，此項業務佔集團總營業額28%。

於回顧年度，由於競爭激烈及醫療產品方面的技術提升，資訊解決方案業務的整體營業額輕微下跌2.5%。

為把握中國對進口醫療器材需求不斷上升的機遇，集團全資附屬公司 — 富士醫療產品有限公司不斷探索拓展新業務的最有效解決方案。於2005年2月與日本富士成立聯營公司 — 富士醫療器材(上海)有限公司，在中國推廣全線醫療產品及服務。於2004年6月，富士醫療產品有限公司成功投得為香港醫院管理局承包供應X光菲林及沖印藥液，令本財政年度的菲林銷售額進一步快速上升。富士醫療產品有限公司透過與中、港、澳三地的主要業界夥伴建立策略性聯盟而取得業務擴充，並處於市場有利位置，刺激該等地區全線服務的總銷售額。



Medical Products and
Equipments Exhibition in
China 2004
中國醫療產品及設備展覽 2004

In the graphic art products business, 1% growth was recorded in sales during the fiscal year. Owing to keen competition among local brands in the China market, sales of PS Plate, computer-to-plate (CTP) systems and chemicals declined substantially. Meanwhile, total sales of graphic arts film recorded 8% growth. During the fiscal year, a new recording film 'Benefi' was introduced specifically for the China market with a competitive price and was so popular that the sales of recording film increased considerably by 149%. Sales of Printed Circuit Board (PCB) film also rose dramatically by 138% due to strong demand from factories manufacturing electrical products with advanced technology. Fuji Graphic Arts Products Ltd is taking steps to boost its sales through effective promotional campaigns at the trade level.

於本財政年度，印刷器材的銷售額錄得1%的增長。由於中國市場當地品牌的競爭激烈，PS版、電腦直接製版(CTP)系統及沖印藥液的銷售額大幅下滑。同時，印刷器材菲林的總銷售額則錄得8%的增幅。於財政年度內，一款專為中國市場而設的嶄新記錄菲林「百利合」(Benefi)以具競爭力的價格推出，由於該款記錄菲林廣受歡迎，使記錄菲林銷售額大幅上升149%。製造先進電子產品的廠商對印刷電路板(PCB)菲林的需求強勁，使有關銷售額大幅上升138%。富士印刷器材有限公司正在貿易層面進行有效的推廣活動，以提高銷售額。



With Frontier's outstanding digital expertise and Fotomax's expanding network, our retail business is expected to grow by leaps and bounds.

憑藉富士出眾的數碼激光沖印專業技術及快圖美不斷擴展的網絡平台，我們的零售業務發展將更騰飛萬里。



RETAIL BUSINESSES

The retail businesses accounted for 16% of the Group's total turnover during the year under review.

In Hong Kong, total sales for the retail segment increased by 3.4% compared to last fiscal year. The Fotomax chain expanded strategically from 79 shops to 90 and its total store size has grown from 31,572 sq.ft to 36,893 sq.ft.

High-quality digital imaging D&P service has become the core business of Fotomax, with sales of D&P service up by 15% and print volume up by 20%. Sales volume for digital prints also increased significantly to 76%. This was driven by the increasing popularity and sophistication of digital cameras and phone cameras, as well as the success of the "Digital Kiosk" - a compact computer terminal which allows customers to order digital prints themselves in just one minute, at the touch of a screen. The Digital Kiosk installation plan was actively implemented during the year to support the continued surge in digital photo service. The total number of Kiosks increased from 18 to 93 units and sales orders from Kiosks rose by 610%. The revamping of the Fotomax website also accelerated the online printing business, which increased by 621%. The prevalence of digital imaging has also driven the sales of PC and digital related accessories up by 12% compared with last year.



High-quality digital imaging D&P service has become the core business of Fotomax
優質數碼影像沖印服務成為快圖美的核心業務

零售業務

於回顧年度，零售業務佔集團總營業額16%。

於香港，零售類別的總營業額較上個財政年度上升3.4%。快圖美連鎖店策略性地將店鋪數目由79間擴充至90間，而其店鋪總面積則由31,572平方呎增加至36,893平方呎。

優質數碼影像沖印服務成為快圖美的核心業務，沖印服務的銷售額及沖印量分別上升15%及20%。數碼相片的銷售量更激增76%。皆因數碼相機及相機電話日益流行，而且產品愈見先進，加上「數碼站」服務（一套容許顧客以輕觸螢幕方式自行訂購數碼相片的小型電腦終端機，訂購過程需時僅為一分鐘）反應理想所致。為此，數碼站的裝置計劃於年內積極進行，以配合數碼相片服務持續激增的需求。數碼站的總數由18部增加至93部，而來自數碼站之訂購數量也大幅飆升610%。快圖美網站的大革新，令網上沖印業務加速上升達621%。數碼影像的普及亦同時推高個人電腦及數碼相關配件的銷售額，較去年同期上升12%。



Specially designed image gift items
設計獨特之數碼影像禮品

Fotomax has responded to the growing demand for digital imaging products and personalized imaging services by proactively augmenting its tailor-made, innovative and one-stop digital imaging services. For example, it has developed a series of specially designed image gift items for different seasons, tailor-made mini websites for corporate and private events, comprehensive digital imaging service plans for specific business sectors and licensed imaging products with limited editions. In addition, to sustain the growth of total sales, a special project focusing on creative imaging products and services has been carried out to utilize both Fujifilm's digital expertise and retail network of Fotomax.

BRAND MANAGEMENT

For the year ended 31 March 2005, the Group has undertaken a more aggressive brand building strategy to support its business development. To enhance brand awareness, the Group has continued to sponsor and participate in various public activities, including photo contests, tournaments, nationwide seminars, professional talks, exhibitions, trade shows, product training, TV programs and different kinds of joint promotions to reach its target customers in China, Hong Kong and Macau.

快圖美積極加強自訂、創新及一站式的數碼影像服務，以應付數碼影像產品及個人化影像服務需求的增長。例如快圖美已發展一系列特別為不同季節而設計的影像禮品、為公司及私人聚會而設計的自訂網站、為特定行業而設的全面數碼影像服務計劃及發行限量版的特許影像產品。此外，為了使總銷售額可持續增長，快圖美已推行一項特別針對創意影像產品及服務的計劃，以充分發揮富士數碼影像科技及快圖美零售網絡的優勢。

品牌管理

截至2005年3月31日止年度，集團採取更積極之品牌建立策略，以配合業務發展。為提升品牌的知名度，集團繼續贊助及參與不同種類的公開活動，包括攝影比賽、球賽、全國性研討會、專業講座、展覽會、貿易展、產品培訓、電視節目及聯合推廣活動，藉此向中、港、澳三地的目標顧客作宣傳。



Fujifilm FinePix F440/F450 digital camera advertising campaign featuring Japanese actor Mr. Yutaka Takenouchi 以日本紅星竹野內豐為代言人的富士FinePix F440/F450 數碼相機廣告推廣計劃



Hello Kitty loyalty programs Hello Kitty 推廣計劃



FinePix S5500 digital camera advertisement in MRT stations
FinePix S5500 數碼相機的地鐵月台燈箱廣告



Fotomax TV commercial featuring the young and energetic star, Mr Ron Ng
快圖美之電視廣告由充滿朝氣的明星 — 吳卓義主演

For the wholesale business, a successful Lab-Show Campaign was launched to boost the sales of photofinishing products during the year under review. A 31% sales increase was recorded during the campaign period. A generation advertising campaign featuring Japanese actor, Yutaka Takenouchi, was conducted during the summer to promote FinePix F440/F450/F455 digital cameras. Outdoor advertisements such as MTR panels, bus and banners were placed in prime areas. The Group also launched an effective tactical alliance trade promotion campaign by means of joint promotion with several leading dealers in the retail market in Hong Kong.

In the retail business, the Group has allocated substantial resources to raising the brand awareness of Fotomax and encouraging greater demand for digital photo printing. A new TV commercial featuring the young and energetic Hong Kong actor, Mr. Ron Ng, was launched and was well received by young people in Hong Kong. The TV commercial campaign was run in conjunction with an extensive campaign of print and outdoor advertising and shop displays to boost the total sales of the chain. In addition, Fotomax demonstrated its expertise in loyalty programs through several popular cartoon character redemption services such as Hello Kitty, Moomin and McDull. Significant growth in the volume of digital photo prints was recorded during the promotion period, especially digital photos with character borders.

在批發業務方面，於回顧年度推出的「日本數碼沖印設備展覽活動」反應熱烈，帶動沖印產品的銷售額。推行該項活動期間，銷售額更錄得31%的升幅。其後又以日本藝人竹野內豐為代言人，推廣富士FinePix F440/F450/F455數碼相機。一系列的宣傳活動相繼於夏日推出，宣傳集中在戶外人流穿梭不息的地方進行，包括地鐵燈箱、巴士車身以及活動橫額方式進行。集團又與香港零售市場上多個主要分銷商聯合展開推廣活動，組成有效的策略性產品推廣聯盟。

零售業務方面，集團已投放大量資源，以提升快圖美的品牌知名度及刺激數碼相片沖印量需求。由充滿朝氣的香港電視藝員吳卓義先生參加演出之全新快圖美電視廣告經已全面推出，並廣受香港年輕人歡迎。為配合整個電視廣告推廣計劃，一系列的報章雜誌平面廣告、戶外廣告及店舖裝飾等宣傳活動也相繼展開，務求帶動連鎖店的總銷售額上升。此外，快圖美透過多個受歡迎的卡通人物如Hello Kitty、姆明及麥兜換購服務，突顯快圖美推動營銷宣傳計劃方面之優勢。於宣傳期內，數碼相片沖印的業務，特別是卡通人物作相框的數碼相片銷售量，錄得顯著增長。

SPONSORSHIP AND CORPORATE GIVING

During the decades, the Group has continued with its initiatives to support the community in different aspects, particularly focused on environmental protection and youth development. It sponsored the Community Chest's "Greening for the Chest", which promotes the importance of Green life by encouraging individuals, schools, and organizations to create a greener and cleaner environment for the next generation. During the past four years, over 600 schools and more than 50,000 students have participated in this programme. The Group has also continued its sponsorship of Hong Kong Squash's "Fujifilm Mini-Squash Promotional Campaign" to promote a healthy life to Hong Kong's children and youth. Over the past six years, more than 100,000 kids, parents and teachers have participated in this programme and feedback has been very positive. The increasing number of participants has also proved the effectiveness of the whole campaign which aims to raise public awareness as well as to establish squash in the primary schools. In recognition of its long term effort and contributions to the community, the Hong Kong Council of Social Service awarded the Caring Company Logo for 2004/05 to the Group's subsidiary, Fuji Photo Products Co., Ltd..

贊助及公益活動

近十年來，集團一直於不同方面鼎力造福社會，特別是注重環境保護及青少年發展。集團贊助香港公益金「環保為公益」活動，透過鼓勵個人、學校及機構為下一代創造一個更綠化、更潔淨的環境，宣傳綠色生活的重要性。過去四年間，已有超過600間學校及50,000名學生參與此項活動。集團又長期贊助香港壁球總會主辦的「富士菲林小型壁球推廣活動」，向香港兒童及青少年推廣健康生活。過去六年，已有超過100,000名小朋友、父母及老師參與此項活動，且反應良好。參與人數不斷增長印證了整項活動能有效地引起公眾注意壁球運動，而且獲大眾一致認同於小學開始推行計劃的成效。為表揚我們長久以來對社會所付出的努力及貢獻，香港社會服務聯會向集團之附屬公司富士攝影器材有限公司頒發了2004/05年度商界展關懷標誌。



Fujifilm Mini-Squash
Promotional Campaign
富士菲林小型壁球推廣活動



Fuji Photo Products Co., Ltd
obtained the "Award of
Distinction" during The
Community Chest Annual
Presentation of Awards 2003/
2004
富士攝影器材有限公司於2003/
2004年度公益金周年頒獎典禮上
獲頒「公益優異獎」

STAFF DEVELOPMENT

Human resources are the key to our Group's success in cost control. During the fiscal year, the KPI (Key Performance Index) helped to improve work efficiency and effectiveness across all business units within the Group, especially among different vital operating areas. Most importantly, staff members have worked towards the same goals with the same belief; sharing corporate resources, using co-operation and good internal communications, so that different cost control measures could be implemented effectively and efficiently. In addition, the Group's restructuring was carried out smoothly to support the diversification of the business during the year under review.

員工發展

人力資源為集團節流措施之成功關鍵。於本財政年度，「關鍵績效衡量指標」系統(KPI：Key Performance Index)有助提高工作效率及改善集團旗下各業務單位的運作流程，尤其是各個主要營運部門的職能。最重要的是，員工透過企業的資源共享、互相合作及良好的內部溝通，配合其上下一心，為共同的目標及信念而努力，使各項節流措施能夠妥善及有效地執行。此外，集團在回顧年度內的重組經已順利進行，以配合業務的多元化發展。

PROSPECTS

Driven by the positive impact of the Mainland-Hong Kong Closer Economic Partnership Arrangement (CEPA) and the influx of visitors from China, continued growth of consumer spending and investment have already been seen during the year under review. The Group remains confident about business development prospects and will leverage the two certificates granted by CEPA to create another new business segment in the coming year.

Looking ahead, the Group will continue to take comprehensive measures to accelerate growth of both the wholesale and retail businesses through tight control over operating expenses and maintaining the profitability of its core business. The Group will reinforce its leadership position in the digital imaging arena with its imaging and information solutions technology, and further strengthen the brand awareness of Fotomax as the most unique and reliable photofinishing retail chain.

展望

在內地－香港更緊密經貿關係安排(CEPA)及大批國內旅客蜂擁而至的帶動下，持續消費及投資增長的情況已於回顧年度相繼出現。集團對業務發展前景充滿信心，並會利用CEPA賦予兩項認證的優勢，為來年開拓新的業務發展。

展望未來，集團將繼續奉行各項全方位措施，並透過加強控制經營開支及維持其核心業務利潤，以促進批發及零售業務增長。集團將憑藉其影像及資訊解決方案技術，鞏固集團在數碼影像範疇的領導位置，並且進一步提升快圖美的品牌知名度，成為沖印零售連鎖店中，最獨特、最可靠之選。



will accelerate



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Booming tourism in

China, Hong Kong and Macau

the sales of photographic products.

