

# Interim Financial Report 2006

## 2006 年中期財務報告

### 摘要

- 股東應佔純利為港幣6,937萬元及收益為港幣5.59億元
- 網上沖印業務表現強勁
- 宣派中期股息每股港幣3.8仙

### 管理層討論及分析

由於出現價格競爭，加上傳統影像產品的銷售額持續暴跌，本集團於截至2006年9月30日止期間的總收益較去年同期下跌20%至港幣5.59億元。在審慎的財務策劃及策略性分銷的帶動下，集團錄得股東應佔純利港幣6,937萬元，而去年同期的純利則為港幣4,475萬元。每股盈利為港幣5.96仙。

### 批發業務

傳統影像產品之總銷售額持續下降，較去年同期下跌28%。由於本地市場競爭激烈，加上日本富士延遲推出專業數碼相機型號，令數碼相機之總銷售額亦輕微下跌。於本財政期內，富士FinePix F30數碼相機深受市場歡迎。由於上一個型號富士FinePix F11具備卓越功能，FinePix F30繼續贏得客戶高度讚賞，並成為富士今個夏季最受歡迎之型號。同時，市場對具備全方位拍攝功能之富士FinePix S9600及FinePix S6500fd數碼相機（特別是該兩款型號具備超高解像度）之反應同樣理想。富士創新發明之RP（自然影像）處理器，內置抑制噪音有效裝置，令S9600數碼相機在無須借助三腳架或閃光燈之情況下，亦可拍攝出優質照片，保留景像的天然光線及情景。

### HIGHLIGHTS

- Net profit attributable to shareholders of HK\$69.37 million and revenue of HK\$559 million
- Strong performance from online printing business
- Interim dividend of HK3.8 cents per share declared

### MANAGEMENT DISCUSSIONS AND ANALYSIS

Due to price competition and a continued slump in the sales of traditional imaging products, the Group's total revenue for the period ended 30 September 2006 dropped 20% to HK\$559 million, compared with the corresponding period last year. Driven by a careful financial plan and tactical distribution strategy, a net profit attributable to shareholders of HK\$69.37 million was recorded, compared to a net profit of HK\$44.75 million for the same period last year. Earnings per share were HK 5.96 cents.

### WHOLESALE BUSINESS

Total sales of traditional imaging products continued to decline and dropped by 28% compared to the same period last year. Aggregate sales of digital cameras were also down slightly due to keen competition in the local market and the delayed launch of professional digital camera models by Fujifilm Japan. During the fiscal period, the FinePix F30 digital camera was well received in the market. Building on the outstanding performance of its predecessor, the Fujifilm FinePix F11, FinePix F30 continued to receive high acclaim from customers and became Fujifilm's most popular model during the summer season. Meanwhile, the SLR-like FinePix S9600 and FinePix S6500fd digital cameras also attracted a positive response from the market, especially for their ultra-high-resolution images. Thanks to effective noise suppression by Fujifilm's innovative RP Processor, the S9600 produces beautiful photos without tripod or flash, retaining the natural light and atmosphere of the scene.

隨著數碼產品日漸流行，數碼相片沖印數量持續飆升，帶動回顧期內香港市場的相紙銷售額上升2%，加上經濟增長強勁，旅遊業發展蓬勃，促使香港市場對高質素沖印服務需求大增。

於回顧期內，儘管數碼沖印系統之需求已接近飽和，安裝全新富士數碼激光沖印系統之需求亦趨放緩，但相紙之銷售量仍錄得強勁增長。憑藉頂尖科技和質素卓越之數碼影像服務，加上有效之分銷渠道，令富士數碼激光沖印服務(FDi)在掌握優質影像產品及服務之殷切需求方面佔盡先機。於過去六個月，集團已採取多項措施，致力加強富士數碼激光沖印服務(FDi)的網絡及擴大市場佔有率。有關措施包括更新影像軟件，緊貼市場變化，並為沖印業的前線從業員提供優質培訓。集團也繼續透過舉辦貿易推廣活動，以維持數碼沖印銷售量的增長勢頭。

### **零售業務**

於香港，由於傳統影像市場式微，加上價格競爭之影響，零售業務之總營業額較去年同期下跌4%。儘管租金不斷攀升，市場競爭日趨激烈，令盈利能力飽受沉重壓力，快圖美零售沖印網絡仍維持91家店鋪。

With the ongoing popularity of digital devices, the volume of prints from digital cameras continued to surge and drove sales of photographic paper up by 2% in Hong Kong during the period under review. This, coupled with the strong economic growth and a boom in tourism, accelerated the demand for our quality photofinishing service in Hong Kong.

During the period under review, demand for digital minilabs reached saturation point and installations of new Frontier minilabs slowed. Despite this, sales of photographic paper showed robust growth. With its the state-of-the-art technology, high quality digital imaging and effective distribution channels, the Fuji Digital Imaging (FDi) service is well placed to capitalise on the rising demand for quality imaging products and services. During the past six months we have undertaken various initiatives to strengthen the FDi networks and expand market share. These include upgrading imaging software, keeping track of changes in the market and providing better training for frontline staff in the photofinishing industry. We have also built on our ongoing trade promotions to sustain growth in the sales of digital prints.

### **RETAIL BUSINESS**

In Hong Kong the decline of the traditional imaging market coupled with price competition saw total sales for the retail segment decrease by 4%, compared to the same period last year. The network of Fotomax outlets remained stable at 91 shops, although higher rental costs and keen market competition put heavy pressure on profitability.

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快圖美現時的核心業務為優質數碼影像沖印服務。逾80%的沖印訂單來自數碼而非傳統菲林，數碼沖印在銷售額及沖印量兩方面已連續兩個期間超越菲林沖印。數碼沖印的總銷售額及沖印量持續錄得大幅增長，分別較去年同期上升13.9%及9.8%。此乃由於數碼相機日益流行，加上「數碼站」服務（一套容許顧客以輕觸螢幕方式訂購數碼相片的小型終端機，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期內順利進行，以應付數碼相片服務之需求。數碼站之總數已由34部增加至135部，而來自數碼站之訂購數量亦飆升83.6%。

為提供更方便快捷之客戶服務及縮短交易時間，快圖美於期內進行八達通自助收費系統推廣活動。在亞洲，快圖美是首個推出此項自助收費服務之零售沖印網絡，亦是唯一參與「八達通日日賞」計劃之零售沖印網絡，為顧客提供額外之八達通獎賞積分。

快圖美於過去三年一直透過數碼站及網上平台簡化數碼相片的訂購程序，以鞏固在數碼影像業的領導地位。快圖美網站登記的會員數目錄得22%的升幅，每月平均銷售額較去年同期大幅增長58.6%。網上數碼相片業務之總銷售量也顯著上升60.9%，反映網上訂購服務日漸普及。集團期望網上銷售額可抵銷菲林銷售之虧損，成為日後零售業務的支柱。

期內，集團積極向學校、公司及團體客戶推廣一站式之攝影服務，這些攝影相關服務錄得之銷售額較去年同期增長16%。為把握公司商業市場需求不斷上升之機遇，快圖美計劃更新影像相關軟件及硬件之配套，從而滿足市場在婚宴、校園攝影、公司宴會及國際盛事方面之攝影需求。

Fotomax's core business is now its high-quality digital output services. Over 80% of print orders received are from digital rather than film, and both sales and volume of digital output surpassed film output for the second consecutive period. Total sales and volumes of digital print continued to grow significantly, rising by 13.9% and 9.8% respectively compared with the same period last year. This growth has been accelerated by the popularity of digital cameras and the success of the "Digital Kiosk" – a compact self-service touch-screen terminal which allows customers to order digital prints in just one minute. The Digital Kiosk installation plan was successfully implemented during the period to support the demand for digital photo services. We increased the total number of Kiosks by 34 to 135 units and volume received from Kiosks rose by 83.6%.

To shorten transaction time and improve convenience to customers, Fotomax promoted the Octopus Card payment system during the period. Fotomax is the first photofinishing network to provide this payment service in Asia, and also the only photofinishing network to participate the Octopus Reward Scheme to issue extra Octopus Reward Dollars to customers.

Over the past three years Fotomax has been building its position in the digital imaging space by making ordering digital photos simpler through its Digital Kiosks and an online platform. Fotomax recorded encouraging growth of 22% in members' registrations and average monthly sales grew dramatically by 58.6% compared with the corresponding period last year. The total volume of the online digital photo business also saw a considerable increase of 60.9%, reflecting the popularity of the online ordering service. On-line sales are expected to offset the losses from film sales and become a pillar of our retail business in the future.

During the period we also actively promoted one-stop photography services for schools, corporations and associations. A sales increase of 16% was recorded in these photographic related service areas compared with the corresponding period last year. In response to the rising demand in the corporate business market, Fotomax plans to upgrade the imaging related hardware and software to serve the needs of events, such as wedding parties, school photographs, corporate and international events.

## 品牌管理

集團融合各領域的資源優勢及專業知識，務求在銷售推廣、廣告策略及企業贊助三方面產生協同效應。為維持品牌知名度，集團繼續加大向中國、香港及澳門三地進行廣告推廣及贊助的力度。

在批發業務方面，集團分別於復活節及暑假舉行了兩次大型沖印產品推廣活動，宣傳主題以「2006年德國世界盃™」及本地卡通人物「Panchi & Nana」為中心，目的是提高沖印產品之銷售額。由於推廣活動反應熱烈，香港市場之相紙銷售額增長2.14%。為刺激數碼相機之銷售額，集團舉辦了一次互動攝影研討會，以宣傳嶄新型號富士FinePix F30相機。富士FinePix F30之銷售額較上個一型號富士FinePix F10增加29%。同時，一系列奪目之戶外廣告相繼推出，在高人流的地方展示。集團展出了總面積達13,000平方呎之大型戶外廣告牌，力求提升旗下之數碼相機在香港的品牌知名度。集團亦透過與香港零售市場上多個主要分銷客戶展開之聯合推廣活動，持續進行有效之產品推廣聯盟。

零售業務方面，集團投放了大量資源，以提升快圖美之品牌知名度及刺激數碼相片沖印量之需求。快圖美透過多個以受歡迎的卡通人物為主題的推廣活動，如「企鵝家族(Pingu)」及「軍曹(Keroro)」，以突顯快圖美在銷售推廣策略方面之優勢。於復活節及暑假推廣期內，數碼相片沖印量分別錄得27%及13%之顯著增長。

為鞏固快圖美在數碼業務之領導地位，集團於2006年暑假進行了品牌宣傳活動為數碼相片沖印作推廣，其中包括舉辦攝影比賽，以及製作內容包括沖印相片的好處和分享捕捉寶貴時刻等與攝影有關之教育小冊子。

## BRAND MANAGEMENT

The Group has utilised its integrated resources and expertise in various fields to create synergies in sales promotions, advertising campaigns and corporate sponsorship. To sustain brand awareness, the Group has continued to step up advertising campaigns and sponsorship events in China, Hong Kong and Macau.

In the wholesale business, two powerful D&P sales promotions featuring 2006 FIFA World Cup Germany™ and the local cartoon characters “Panchi & Nana” were launched during the Easter and summer holidays to boost sales of photofinishing products. The promotions were well received and resulted in 2.14% increase in sales of photographic paper in Hong Kong. To boost sales of digital cameras, an interactive photographic seminar was held to promote the new model FinePix F30. Sales volume for the FinePix F30 increased by 29% compared to its predecessor, FinePix F10. Meanwhile, eye-catching outdoor advertisements were placed in high traffic areas. A total of 13,000 square feet of outdoor billboard advertisements have been placed to raise brand awareness of our digital cameras in Hong Kong. The Group also continued an effective trade promotion campaign by means of joint promotion with several leading dealers in the Hong Kong retail market.

In its retail business, the Group has allocated substantial resources to raising the brand awareness of Fotomax and encouraging greater demand for digital photo printing. Fotomax demonstrated its strength in sales promotion through several popular cartoon character promotions such as “Pingu” and “Keroro”. Significant growth of 27% and 13% in the volume of digital photo prints was recorded during the Easter and summer promotion periods.

To strengthen Fotomax’s leading position in the digital sector, we launched a brand building campaign in summer 2006 to encourage digital photo printing. A photo competition was organized and an educational booklet produced about photography and the benefits of printing photos and sharing the moments they capture.

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於 2005 年 11 月，集團推出「Fun2Print」及「FotoPress」兩個新品牌，以滿足市場對數碼影像產品及一站式數碼印刷服務不斷上升之需求。「Fun2Print」為個人影像產品及服務平台，提供度身訂造之數碼影像產品，如個人影像書籤、筆記本、明信片、記事簿、年曆卡、滑鼠墊、瓷杯及椅墊等。「FotoPress」則配合商業客戶之突發需要或按照其特定業務要求而提供數碼印刷服務。以集團向 Seiko 及 Swiss Privilege 等企業客戶所提供之服務，印證了以因應需求之方式生產優質市場推廣材料，是一種行既有效又合乎經濟原則之方式。集團預計，數碼影像產品及一站式數碼印刷服務將會不斷擴展，並為集團零售業務提供賺取收益的新途徑。

### 展望

在 CEPA 之利好因素及大批國內旅客蜂擁而至帶動下，本集團於回顧期內持續錄得盈利增長。本集團對業務發展前景保持樂觀態度，並會全面利用 CEPA 授予之優惠及把握香港旅遊業興旺之機會，為迅速發展的數碼業務締造更多商機。

由於科技演進之步伐不斷加快，本集團將憑藉著拓展相關業務網絡及探索新市場商機兩方面利用其數碼業務的協同效應並加以充分發揮。本集團銳意拓展現有數碼影像服務，以及嶄新數碼沖印服務等新興業務，藉以提升批發及零售業務的收益與盈利。本集團亦將積極物色適當之收購及投資新目標，從而不斷增強盈利能力和保持增長。

In November 2005, two new brands, “Fun2Print” and “FotoPress”, were established to meet the growing demand for digital imaging products and one-stop digital printing services. “Fun2Print” is a personalised imaging products and services channel that offers tailor-made digital imaging products such as personal bookmarks, notebooks, postcards, memo packs, calendar cards, mouse pads, mugs and cushions. “FotoPress” provides digital printing services for ad hoc company events or in response to special requests from businesses. The print-on-demand service has proved an effective and economical way to produce quality marketing materials for corporate customers such as Seiko and Swiss Privilege. We anticipate that the digital imaging products and one-stop digital printing service will expand and provide new and lucrative revenue streams within the retail business.

### OUTLOOK

The Group has achieved continued growth in profitability during the period under review, supported by the positive impact of CEPA and the influx of visitors from Mainland China to Hong Kong. We remain optimistic about business prospects and will continue to take advantage of the special privileges granted by CEPA and the boom in tourism in Hong Kong to develop more opportunities in our rapidly growing digital businesses.

As the pace of technological change continues to accelerate, the Group will look to the synergies within our digital business and maximize these by expanding related business networks and exploring new market opportunities. We intend to expand our established digital imaging services as well as foster emerging businesses, such as our new digital printing services, and to increase revenues and profits in both the wholesale and retail businesses. The Group will also continue to strengthen its profitability and growth by actively seeking out new targets suitable for acquisition and investment.

### **財務資源**

於回顧期內，本集團之財務狀況保持穩健。本集團於2006年9月30日之現金及銀行結餘約為港幣7.48億元，資產負債比率為零。期內錄得之貿易應收賬為港幣7,500萬元，存貨則為港幣7,600萬元。於2006年9月30日，本集團並無重大或然負債。

### **人力資源**

集團員工數目為435名(2005年：490名)，員工之酬金則多數按照行業運作(包括公積金、保險及醫療福利)而定。集團亦有採納一個每年按照集團及僱員表現而釐訂之非強制性花紅制度。

### **股息**

董事局建議向於2007年1月8日(星期一)辦公時間結束前已名列股東名冊的股東宣派截至2006年9月30日止期間中期股息每股普通股港幣3.8仙。股息將於2007年2月7日(星期三)或之前派發。該項宣派已載於財務報表內。

### **暫停辦理股份過戶登記**

本公司將於2007年1月9日(星期二)至2007年1月12日(星期五)(首尾兩天包括在內)暫停辦理股份過戶登記手續。為確保享有擬派之中期股息，所有股份過戶文件連同有關股票須於2007年1月8日(星期一)下午4時30分前送達本公司之香港股份過戶登記分處登捷時有限公司，地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

### **FINANCIAL RESOURCES**

The financial position of the Group remained sound and healthy during the period under review. The Group's cash and bank balances as at 30 September 2006 were approximately HK\$748 million with a zero gearing ratio. Trade receivables of HK\$75 million were recorded for the period, while inventory was HK\$76 million. As at 30 September 2006, the Group had no significant contingent liabilities.

### **HUMAN RESOURCES**

The Group had 435 employees (2005: 490), remunerated largely based on industry practice, including provident funds, insurance and medical benefits. The Group also adopted a discretionary bonus programme determined annually based upon the performance of the Group and the employee.

### **DIVIDENDS**

The directors recommend the payment of an interim dividend of HK3.8 cents per ordinary share in respect of the period ended 30 September 2006 to shareholders on the register of members at the close of office on 8 January 2007 (Monday). The dividend will be payable on or before 7 February 2007 (Wednesday). This recommendation has been incorporated in the financial statements.

### **CLOSURE OF SHARE REGISTER**

The register of members will be closed from 9 January 2007 (Tuesday) to 12 January 2007 (Friday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all transfers accompanied by the relevant share certificates must be lodged with Tengis Limited, the Hong Kong Branch Registrars of the Company, at 26th Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 8 January 2007 (Monday).

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### 董事於股份及相關股份之權益及淡倉

於2006年9月30日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股本及相關股份中持有，須按證券及期貨條例第352條規定載入該條所述之登記冊內，或須根據上市公司董事進行證券交易標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

#### (1) 本公司普通股好倉：

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2006, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

#### (1) Long positions in ordinary shares of the Company:

Number of shares held, capacity and nature of interest

持有股份數目、身份及權益性質

Name of director	Notes	Directly beneficially owned 直接 實益擁有	Founder of a trust 信託創辦人	Beneficiary of a trust 信託 受益人	Total 總計	Percentage of the Company's issued share capital 於本公司已發行 股本之持股百分比
Dr Sun Tai Lun Dennis 孫大倫博士	(i) & (ii)	1,000,000	700,034,214	11,242,000	712,276,214	61.20
Ms Ng Yuk Wah Eileen 吳玉華女士		250,000	-	-	250,000	0.02
Mr Tang Kwok Tong Simon 鄧國棠先生		400,000	-	-	400,000	0.03
Mr Sun Tao Hung Stanley 孫道弘先生	(iii) & (iv)	-	-	711,276,214	711,276,214	61.12

相聯法團股份及相關股份之好倉：

Long positions in shares and underlying shares of the associated corporations:

Name of director	Name of associated corporation	Relationship with the Company	Shares held	Numbers of shares held	Capacity and nature of interest at the associated corporation's issued share capital	Percentage of the associated corporation's issued share capital
董事	相關法團名稱	與本公司關係	持有股份	持有權益之股份數量	於相聯法團身份及性質	已發行股本之百分比
Dr Sun Tai Lun Dennis 孫大倫博士	Searich Group Limited	Company's intermediate holding company 本公司之中介控股公司	Ordinary shares (note (i))	25	Beneficiary of a trust 信託之受益人	25
	-ditto-	-ditto-	Ordinary shares (note (ii))	75	Founder of a trust	75
	同上	同上	普通股 (附註(iii))		信託創辦人	
				100		100
Dr Sun Tai Lun Dennis 孫大倫博士	Fine Products Limited	Company's ultimate holding company 本公司之最終控股公司	Ordinary shares (note (ii))	103,000,000	Founder of a trust 信託創辦人	100

附註：

- (i) 孫大倫博士被視作合共擁有本公司11,242,000股股份之權益。該等股份由Dago Corporation直接持有。Dago Corporation於英屬處女群島註冊成立，為Trident Corporate Services (B.V.I.) Limited (作為代表孫大倫博士若干家族成員利益而設立之酌情信託The Dennis Family Trust之受託人身份)所擁有。Dago Corporation亦持有Searich Group Limited已發行股本25%。

Notes:

- (i) Dr Sun Tai Lun Dennis was deemed to be interested in a total of 11,242,000 shares in the Company directly held by Dago Corporation, which was incorporated in the British Virgin Islands and was owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The Dennis Family Trust, a discretionary trust established for the benefit of Dr Sun Tai Lun Dennis and his family members. Dago Corporation also held 25% of the issued share capital of Searich Group Limited.



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- (ii) 由於孫大倫博士是The Sun Family Trust之創辦人，該信託持有Fine Products Limited之全部已發行股本，而Searich Group Limited之已發行股本75%由Fine Products Limited持有，故孫大倫博士被視為擁有Fine Products Limited持有本公司700,034,214股股份之權益。Fine Products Limited及Searich Group Limited所持本公司權益資料詳見下文「主要股東及其耐情信託他個人股份及相關股份之權益」部份。
- (iii) 孫道弘先生被視作合共擁有本公司11,242,000股股份之權益。該等股份由Dago Corporation直接持有。Dago Corporation於英屬處女群島註冊成立，為Trident Corporate Services (B.V.I.) Limited (作為代表孫大倫博士若干家族成員利益而設立之酌情信託The Dennis Family Trust之受託人身份) 所擁有。Dago Corporation亦持有Searich Group Limited已發行股本25%。
- (iv) 由於孫道弘先生是The Sun Family Trust之受益人，該信託持有Fine Products Limited之全部已發行股本，而Searich Group Limited之已發行股本75%由Fine Products Limited持有，故孫道弘先生被視為擁有Fine Products Limited持有本公司700,034,214股股份之權益。Fine Products Limited及Searich Group Limited所持本公司權益資料詳見下文「主要股東及其耐情信託他個人股份及相關股份之權益」部份。
- (ii) Dr Sun Tai Lun Dennis was deemed to be interested in 700,034,214 shares in the Company held by Fine Products Limited by virtue of him being the founder of The Sun Family Trust which held the entire issued share capital of Fine Products Limited. 75% of the issued share capital of Searich Group Limited was held by Fine Products Limited. Details of the interest of Fine Products Limited and Searich Group Limited in the Company can be found in the section “Substantial shareholders’ and other persons’ interests in shares and underlying shares” below.
- (iii) Mr Sun Tao Hung Stanley was deemed to be interested in a total of 11,242,000 shares in the Company directly held by Dago Corporation, which was incorporated in the British Virgin Islands and was owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The Dennis Family Trust, a discretionary trust established for the benefit of Dr Sun Tai Lun Dennis and his family members. Dago Corporation also held 25% of the issued share capital of Searich Group Limited.
- (iv) Mr Sun Tao Hung Stanley was deemed to be interested in 700,034,214 shares in the Company held by Fine Products Limited by virtue of him being the beneficiary of The Sun Family Trust which held the entire issued share capital of Fine Products Limited. 75% of the issued share capital of Searich Group Limited was held by Fine Products Limited. Details of the interest of Fine Products Limited and Searich Group Limited in the Company can be found in the section “Substantial shareholders’ and other persons’ interests in shares and underlying shares” below.

### (2) 於普通股份及相關股份之淡倉

除上文所披露者外，於2006年9月30日，本公司董事及彼等之聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份及相關股份中概無註冊擁有權益或淡倉，而須根據證券及期貨條例第352條須載入該條所述之登記冊內；或根據標準守則須知會本公司及聯交所。

### (2) Short positions in ordinary shares and underlying shares

Save as disclosed above, as at 30 September 2006, none of the directors of the Company and their associates had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## 董事收購股份或債權之權利

除上文「董事於股份及相關股份之權益及淡倉」一段所披露者外，年內並無本公司董事或其各自之配偶或兒女獲授可藉購入本公司之股份或債權證而獲益之權利。本公司、其任何控股公司或其附屬公司亦無訂立任何安排致使董事可收購任何其他法人團體之該等權利。

## 購股權計劃

本公司為獎勵及酬報曾對本集團業務成功作出貢獻之合資格參與者而設立購股權計劃。

在公司於2002年8月30舉行之股東週年大會上，本公司股東通過一項普通決議案，以採納遵循經修訂之上市規則第17章規定之新購股權計劃（「新計劃」），以及終止本公司於1994年8月31日採納之舊購股權計劃（「舊計劃」）。舊計劃終止後，本公司不得再據此授出任何購股權，惟於舊計劃終止前授出之所有購股權繼續有效，並可根據舊計劃條文予以行使。

新計劃之合資格參與者，包括本公司之董事（包括獨立非執行董事）、本集團其他僱員、本集團貨品及服務供應商、本集團客戶、本集團持有股權之公司、任何向本集團提供研究、開發或其他技術支持的代理商、諮詢人、顧問、策略員、承包商、分包商、專家，或由本集團任何成員公司所發行之證券之持有人。

年內及過往年度，並無根據新計劃授出購股權。新計劃於2002年8月30生效，而除非被註銷或經修改，否則自該日起10年內仍然有效。

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding company or subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## SHARE OPTION SCHEMES

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

In the Company's annual general meeting held on 30 August 2002, an ordinary resolution was passed by the Company's shareholders for the adoption of a new share option scheme (the "New Scheme") in compliance with the amended Chapter 17 of the Listing Rules and the termination of the Company's old share option scheme (the "Old Scheme") adopted on 31 August 1994. Upon termination of the Old Scheme, no further options can be granted thereunder but all options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

Eligible participants of the New Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods and services to the Group, customers of the Group, any entity in which the Group holds any equity interest, any agent, advisors, consultant, strategist, contractor, subcontractor, expert that provides research, development or other technological support to the Group or any holder of any securities issued by any member of the Group.

In the current and prior years, no share options were granted under the New Scheme. The New Scheme became effective on 30 August 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

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根據購股權計劃，現時容許授出而尚未行使之最高數目購股權乃指於2002年8月30日行使時佔本公司不時已發行股份10%。於2006年9月30日，並無尚未行使之購股權。於任何12個月期間，根據授予新計劃各合資格參與者之購股權可發行股份之最高數目均限於本公司當時已發行股份之1%。在此限制之外授出購股權須在股東大會上獲得股東批准。

向本公司各董事、行政總裁或主要股東或彼等之任何聯繫人士授予購股權，須事先獲得獨立非執行董事批准。此外，倘於任何12個月授予本公司主要股東或獨立非執行董事或彼等之任何聯繫人士之購股權超逾本公司不時已發行股份之0.1%或總值（根據授出購股權當日本公司股份價格計算）超逾港幣5,000,000元，則須事先在股東大會上獲得股東批准。

授出購股權之要約可於要約日期起計28日內授納。接納購股權要約時須支付代價港幣1元。已授出購股權之行使期由董事釐定，於若干歸屬期後開始並於購股權要約日期起計不多於10年之某個日子後終止。

購股權之行使價由董事釐定，惟不得少於以下三者之最高者：(i)本公司股份於要約授出日期（必須為交易日）在香港聯合交易所有限公司（「聯交所」）之收市價；(ii)緊接要約授出日期前5個交易日本公司股份於聯交所之平均收市價；及(iii)本公司股份面值。

購股權並不授予持有人享有股息或於股東大會上投票之權力。

The maximum number of unexercised share options currently permitted to be granted under the share option schemes is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at 30 August 2002. As at 30 September 2006, there were no outstanding share options. The maximum number of shares issuable under share options to each eligible participant in the New Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in advance in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of offer. A consideration of HK\$1 is payable on acceptance of the offer of a grant of an option. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) The Stock Exchange of Hong Kong Limited (the "Stock Exchange") closing price of the Company's shares on the date of offer of the share options, which must be a trading date; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 主要股東及其他個人股份及相關股份之權益

於2006年9月30日，根據證券及期貨條例第336條規定備存之權益登記冊所載，下列人士持有本公司股份及相關股份之權益或淡倉：

- (1) 有權行使或控制行使本公司任何股東大會上10%或以上之投票權之主要股東之好倉：

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2006, the following interests and short positions in the shares and the underlying shares of the Company, which as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

- (1) Long positions of substantial shareholders who were entitled to exercise or control the exercise of 10% or more of the voting power at any general meeting of the Company:

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Notes	Percentage of the Company's issued share capital 持有本公司已發行股本百分比
股東	身份及權益性質	持有普通股數目	附註	百分比
Sun Tai Lun Dennis 孫大倫	Beneficial owner 實益擁有人	1,000,000		
	Beneficiary of a trust 信託受益人	11,242,000		
	Founder of a trust 信託創辦人	700,034,214		
		712,276,214		61.20
Fine Products Limited	Beneficial owner & interest of a controlled corporation 實益擁有人及控股公司權益	700,034,214	(i) & (ii)	60.15
Searich Group Limited	Beneficial owner 實益擁有人	600,034,214	(i) & (ii)	51.56
Trident Corporate Services (B.V.I.) Limited	Trustee 信託持有人	711,276,214	(i) & (ii)	61.12
Tang Sau Ying Betty 鄧秀英	Interest of spouse 配偶權益	712,276,214	(ii) & (iii)	61.20
Sun Tao Hung Stanley 孫道弘	Beneficiary of a trust 信託受益人	711,276,214	(iv)	61.12

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### 主要股東及其他個人股份及相關股份之權益 (續)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

(Continued)

(2) 其他主要股東之好倉：

(2) Long positions of other substantial shareholders:

Name of shareholder	Capacity and nature of interest	Number of ordinary shares held	Notes	Percentage of the Company's issued share capital 持有本公司已發行股本百分比
股東	身份及權益性質	持有普通股數目	附註	百分比
Allianz Aktiengesellschaft	Interest of a controlled corporation 受控法團權益	111,784,000		9.60
Allianz Finanzbeteiligungs GmbH	Interest of a controlled corporation 受控法團權益	111,784,000		9.60
Dresdner Bank Aktiengesellschaft	Interest of a controlled corporation 受控法團權益	111,784,000		9.60
Dresdner Bank Luxembourg S.A.	Interest of a controlled corporation 受控法團權益	111,784,000	(v)	9.60
Veer Palthe Voute NV	Interest of an investment manager 投資經理權益	111,784,000	(v)	9.60
Fung Kwok Lun William 馮國綸	Interest of a controlled corporation 受控法團權益	70,000,000	(vi) & (viii)	6.01
Li & Fung (Retailing) Limited 利豐(零售)有限公司	Beneficial owner 實益擁有人	70,000,000		6.01
Li & Fung (1937) Limited 利豐(1937)有限公司	Interest of a controlled corporation 受控法團權益	70,000,000		6.01
King Lun Holdings Limited	Interest of a controlled corporation 受控法團權益	70,000,000		6.01
J.P. Morgan Trust Company (Jersey) Limited	Trustee 信託持有人	70,000,000	(vii) & (viii)	6.01

附註：

- (i) 本公司已發行股份的100,000,000股股份即8.59%由Fine Products Limited直接擁有，其餘600,034,214股股份由Searich Group Limited擁有，而Fine Products Limited則擁有該公司已發行股本75%。Fine Products Limited於英屬處女群島註冊成立，為Trident Corporate Services (B.V.I.) Limited以The Sun Family Trust信託人身份所擁有。
- (ii) 該等權益已包括在孫大倫博士之權益之內。
- (iii) 鄧秀英女士被視為透過配偶孫大倫博士之權益而擁有712,276,214股公司股份權益。
- (iv) 由於孫道弘先生是The Sun Family Trust及Dennis Family Trust之受益人，故彼被視為擁有本公司合共711,276,214股股份之權益。
- (v) Allianz Aktiengesellschaft之權益乃透過一系列受控法團而持有，即Allianz Finanzbeteiligungs GmbH、Dresdner Bank Aktiengesellschaft、Dresdner Bank Luxembourg S.A.及Veer Palthe Voute NV。
- (vi) 馮國綸先生之權益乃透過一系列受控法團而持有，即利豐(零售)有限公司、利豐(1937)有限公司及King Lun Holdings Limited(由馮國綸先生擁有50%之權益)。
- (vii) J.P. Morgan Trust Company (Jersey) Limited之權益乃透過一系列受控法團而持有，即利豐(零售)有限公司、利豐(1937)有限公司及King Lun Holdings Limited(由J.P. Morgan Trust Company (Jersey) Limited擁有50%之權益)。
- (viii) 上述附註(vi)及(vii)所述馮國綸先生及J.P. Morgan Trust Company (Jersey) Limited之權益指本公司之同一批股份。

除上文所披露者外，於2006年9月30日，除本公司董事外(其權益載於「董事於股份及相關股份之權益及淡倉」)，概無其他人士於本公司股份或相關股份中擁有權益而須根據證券及期貨條例第336條須予備存之登記冊內。

Notes:

- (i) 100,000,000 shares representing 8.59% of the Company's shares in issue were directly owned by Fine Products Limited. The remaining 600,034,214 shares were owned by Searich Group Limited, in which Fine Products Limited held 75% of its issued share capital. Fine Products Limited was incorporated in the British Virgin Islands and was owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The Sun Family Trust.
- (ii) Such interests have been included as the interests of Dr Sun Tai Lun Dennis.
- (iii) Ms Tang Sau Ying Betty was deemed to be interested in 712,276,214 shares of the Company through the interests of her spouse, Dr Sun Tai Lun Dennis.
- (iv) Mr Sun Tao Hung Stanley was deemed to be interested in a total of 711,276,214 shares of the Company by virtue of him being a beneficiary of The Sun Family Trust and the Dennis Family Trust.
- (v) The interests of Allianz Aktiengesellschaft are held via a chain of controlled corporations namely Allianz Finanzbeteiligungs GmbH, Dresdner Bank Aktiengesellschaft, Dresdner Bank Luxembourg S.A. and Veer Palthe Voute NV.
- (vi) The interests of Mr Fung Kwok Lun William are held via a chain of controlled corporations, namely Li & Fung (Retailing) Limited, Li & Fung (1937) Limited and King Lun Holdings Limited (which is 50% owned by Mr Fung Kwok Lun William).
- (vii) The interests of J.P. Morgan Trust Company (Jersey) Limited are held via a chain of controlled corporations, namely Li Fung (Retailing) Limited, Li Fung (1937) Limited and King Lun Holdings Limited (which is 50% owned by J.P. Morgan Trust Company (Jersey) Limited).
- (viii) The interests of Mr Fung Kwok Lun William and J.P. Morgan Trust Company (Jersey) Limited as mentioned in the above notes (vi) and (vii) refer to the same block of shares in the Company.

Save as disclosed above, as at 30 September 2006, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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### 買賣證券之標準守則

本公司已就董事買賣本公司證券採納條款不寬鬆於上市規則附錄10所載上市公司董事進行證券交易之標準守則(「標準守則」)所載規定準則之本身操守準則(「本身守則」)。

經向全體董事作出具體查詢後，各董事確認，彼等於中期業績報告之整個會計期間一直遵守本身守則及標準守則。

### 購買、出售或贖回上市證券

本公司及其任何附屬公司並無於期內購買、出售或贖回本公司任何上市證券。

### 審核委員會

依據上市規則第3.21條，本公司已正式成立審核委員會(「委員會」)，以審閱及監督本集團之財務申報程序及內部監控。委員會包括本公司之兩名非執行董事及三名獨立非執行董事。本集團截至2006年9月30日止期間之中期財務報表已由委員會審核，並認為上述財務報表乃遵照適用之會計準則編製及作出妥善披露。

### 企業管治

董事認為，本公司於2006年9月30日止整個期間內，已遵照香港聯合交易所有限公司證券上市規則附錄14所載之企業管治常規守則，惟：

- (1) 主席與行政總裁之角色並無區分。孫大倫博士為本公司主席／行政總裁。本公司相信讓同一人士擔任主席及行政總裁可為本公司帶來強而貫徹的領導及更有效及有效率地策劃及執行商業決定及策略。
- (2) 非執行董事並無與本公司訂立任何服務協議且無特定任期，惟須於本公司股東週年大會上輪值告退；及
- (3) 並無就員工買賣本公司證券成立書面指引，原因為僅董事有可能持有本公司未刊發之股價敏感資料。

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding director's dealings in the Company's securities (the "Own Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Own Code and the Model Code throughout the accounting period covered by the interim report.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

### AUDIT COMMITTEE

The Company has an audit committee (the "Committee") which was established in accordance with the Rules 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Committee comprises two non-executive directors and three independent non-executive directors of the Company. The Group's interim financial statements for the period ended 30 September 2006 have been reviewed by the Committee, who are of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

### CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the period ended 30 September 2006 except that:-

- (1) The roles of Chairman and Chief Executive Officer have not been separated. Dr Sun Tai Lun, Dennis is the Chairman/ Chief Executive Officer of the Company. The Board believes that vesting the role of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.
- (2) The non-executive directors have not entered into any service contract with the Company and are not appointed for a specific term but are subject to retirement by rotation at the Company's annual general meeting; and
- (3) No written guidelines have been established for employees in respect of their dealings in the securities of the Company as only the directors are likely to be in possession of unpublished price-sensitive information of the Company.