

1. 會計政策

中港照相器材集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至2006年9月30日止6個月期間之未經審核簡明綜合中期財務報表，乃根據香港會計準則(「香港會計準則」)第34號「中期財務報告」編製。編製本中期財務報表所採納之會計政策及編製基準與截至2006年3月31日止年度之年度財務報表所採納者相同，惟採納下文附註2披露之經修訂香港財務報告準則(「香港財務報告準則」，當中亦包括香港會計準則及詮釋)除外。

2. 會計政策變動

2.1 經修訂香港財務報告準則之影響

香港會計師公會頒佈多項新增及經修訂香港財務報告準則，該等準則一般於2006年4月1日或之後開始之會計期間生效。本集團已採納下列與其業務及該等未經審核簡明綜合中期財務報表有關之經修訂香港財務報告準則：

香港會計準則 第21號(經修訂)	境外業務投資淨額
香港會計準則 第39號及香港 財務報告準則 第4號(經修訂)	財務擔保合約

採納該等修訂對本集團之會計政策及本集團未經審核簡明綜合中期財務報表之計算方法並無重大影響。

2.2 已頒佈但尚未生效之香港財務報告準則之影響

本集團並無於該等未經審核簡明綜合中期財務報表採用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港會計準則 第1號(經修訂)	財務報表之呈列： 資本披露
香港財務報告 準則第7號	金融工具：披露
香港(國際財務報 告詮釋委員會) — 詮釋第8號	香港財務報告準則 第2號之範圍
香港(國際財務報 告詮釋委員會) — 詮釋第9號	再評估嵌入衍生工具

1. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements of China-Hongkong Photo Products Holdings Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) for the six months ended 30 September 2006 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2006, except for the adoption of the amendments to Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) as disclosed in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES

2.1 Impact of revised HKFRSs

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised HKFRSs, which are generally effective for accounting periods beginning on or after 1 April 2006. The Group has adopted the following revised HKFRSs which are pertinent to its operations and relevant to these unaudited condensed consolidated interim financial statements:

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts

The adoption of these amendments has had no material impact on the accounting policies of the Group and the methods of computation in the Group’s unaudited condensed consolidated interim financial statements.

2.2 Impact of issued but not yet effective HKFRSs

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in these unaudited condensed consolidated interim financial statements:

HKAS 1 Amendment	Presentation of Financial Statements: Capital Disclosure
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives

2. 會計政策變動 (續)

2.2 已頒佈但尚未生效之香港財務報告準則之影響 (續)

香港會計準則第1號(經修訂)須於2007年4月1日或之後開始之年度期間應用。該項經修訂準則將影響披露有關本集團管理資本之目標、政策及程式之質化資料，有關本集團認為資本之量化數據，及符合任何資本要求及不符合之後果。

香港財務報告準則第7號包含香港會計準則第32號有關金融工具之披露要求。該項香港財務報告準則須於2007年4月1日或之後開始之年度期間應用。

香港(國際財務報告詮釋委員會)－詮釋第8及9號須於2007年4月1日或之後開始之年度期間應用。

本集團並無於截至2006年9月30日止6個月之財務報表提早採納該等新增香港財務報告準則。本集團已著手評估該等新增香港財務報告準則之影響，惟尚無法斷定該等新增香港財務報告準則會否對其經營業績及財務狀況構成重大影響。

3. 分類資料

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務劃分架構及管理。本集團每項分類業務代表一策略性經營單位，其提供之產品及服務所承擔之風險及回報均有別於其他分類業務。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of issued but not yet effective HKFRSs

(Continued)

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 April 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Group regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 incorporates the disclosure requirements of HKAS 32 relating to financial instruments. This HKFRS shall be applied for annual periods beginning on or after 1 April 2007.

The HK(IFRIC) – Int 8 and 9 shall be applied for annual periods beginning on or after 1 April 2007.

The Group has not early adopted these new HKFRSs in the financial statements for the six months ended 30 September 2006. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

3. SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments.

3. 分類資料 (續)

下表呈報本集團截至2006年及2005年9月30日止6個月業務分類之收益及業績。

3. SEGMENT INFORMATION (Continued)

The following table presents revenue and results for the Group's business segment for the six months ended 30 September 2006 and 2005.

		Wholesale		Retail		Corporate and other		Eliminations		Consolidated	
		批發		零售		企業及其他		註銷		綜合	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
分類收益:	Segment revenue:										
外界客戶之銷售	Sales to external customers	475,556	612,084	83,193	87,184	-	-	-	-	558,749	699,268
部門間之銷售額	Intersegment sales	55,722	35,712	-	-	-	-	(55,722)	(35,712)	-	-
其他收入及收益	Other income and gains	1,325	758	868	666	991	1,153	-	-	3,184	2,577
總計	Total	532,603	648,554	84,061	87,850	991	1,153	(55,722)	(35,712)	561,933	701,845
分類業績	Segment results	61,408	47,096	(1,192)	(3,523)	(1,751)	(1,259)	-	-	58,465	42,314
未分配收入	Unallocated income									19,544	5,553
聯營公司所佔溢利	Share of profit of an associate	-	348							-	348
稅項	Tax									(8,685)	(3,405)
期內溢利	Profit for the period									69,324	44,810

4. 其他收入及收益

4. OTHER INCOME AND GAINS

For the six months ended 30 September 截至9月30日止6個月

		2006	2005
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		港幣千元	港幣千元
利息收入	Interest income	12,771	5,553
租金收入總額	Gross rental income	982	1,153
供應商之津貼	Subsidies received from a supplier	458	949
出售聯營公司收益	Gain on disposal of an associate	6,773	-
其他	Others	1,744	475
		22,728	8,130

5. 除稅前溢利

本集團之除稅前溢利經扣除／(計入)以下各項而釐定：

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		For the six months ended 30 September 截至9月30日止6個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
折舊	Depreciation	10,148	13,519
確認預付土地租賃開支	Recognition of prepaid land lease payments	345	345
可變現存貨撥備淨值 ／(撥回可變現存貨撥備 淨值)	Net realisable value provision/(write-back of net realisable value provision) for inventories	(18,163)	6,743

6. 稅項

6. TAX

		For the six months ended 30 September 截至9月30日止6個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
即期－香港	Current – Hong Kong	8,111	4,041
即期－中國	Current – PRC	487	–
遞延	Deferred	87	(636)
期內稅項支出總額	Total tax charge for the period	8,685	3,405

香港利得稅根據期內在香港賺取之估計應課稅溢利，經抵銷本集團若干附屬公司承前結轉之稅務虧損後，按稅率17.5% (截至2005年9月30日止6個月：17.5%) 提撥準備。

Hong Kong profits tax has been provided at the rate of 17.5% (six months ended 30 September 2005: 17.5%) on the estimated assessable profits arising in Hong Kong during the period, after offsetting certain amounts of the tax losses carried forward by certain subsidiaries of the Group.

本期間內並無應佔聯營公司稅項。於截至2005年9月30日止6個月內，應佔聯營公司稅項港幣171,000元乃計入簡明綜合損益表之「應佔聯營公司溢利」。

No tax was shared from an associate during the current period. During the six months ended 30 September 2005, share of tax attributable to an associate amounting to HK\$171,000 was included in "Share of profit of an associate" on the face of the condensed consolidated income statement.

7. 股息

7. DIVIDEND

		For the six months ended 30 September 截至9月30日止6個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
中期股息－每股普通股港幣 3.8仙(2005年：港幣2.2仙)	Interim – HK3.8 cents (2005: HK2.2 cents) per ordinary share	44,225	25,604

董事會於2006年12月7日召開之會議上，董事決議向股東派付中期股息每股普通股港幣3.8仙(2005年：港幣2.2仙)。

At a meeting of the board of directors held on 7 December 2006, the directors resolved to pay an interim dividend of HK3.8 cent (2005: HK2.2 cent) per ordinary share to shareholders.

8. 本公司普通股股權持有人應佔每股盈利

截至2005年及2006年9月30日止6個月之每股基本及攤薄盈利是根據以下項目計算：

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculations of the basic and diluted earnings per share for the six months ended 30 September 2005 and 2006 are based on:

		For the six months ended 30 September 截至9月30日止6個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
盈利： 用於計算每股基本盈利之 本公司權益持有人 應佔溢利	Earnings: Profit attributable to equity holders of the Company for the purpose of basic earnings per share calculation	69,371	44,750

		For the six months ended 30 September 截至9月30日止6個月	
		2006 (Unaudited) (未經審核)	2005 (Unaudited) (未經審核)
股份數目： 用於計算每股基本盈利之 期內已發行 普通股數目	Number of shares: Number of ordinary shares in issue during the period used in calculation of basic earnings per share	1,163,828,377	1,163,828,377

由於本期間及過往期間概無存在具攤薄影響之事件，故並無披露截至2006年及2005年9月30日止6個月之每股攤薄盈利金額。

Diluted earnings per share amounts for the six months ended 30 September 2006 and 2005 have not been disclosed as there were no diluting events existed during the current and prior periods.

9. 應收賬項及票據

本集團與其顧客之交易主要以賒賬方式進行，惟新客戶一般需要預先付款。除賬期一般為30日之期間，但部份長期顧客的賬期可延長至120日。

按付款到期日計算，以下為扣除撥備後本集團應收賬項及票據於各結算日之賬齡分析：

		30 September 9月30日 2006 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 3月31日 2006 (Audited) (經審核) HK\$'000 港幣千元
即期至3個月	Current to 3 months	73,103	80,311
4至6個月	4 to 6 months	704	4,128
7至9個月	7 to 9 months	-	357
9個月以上	Over 9 months	1,138	1,901
		74,945	86,697

10. 應付賬項及票據

根據購買貨品及獲得服務之日期計算，本集團應付賬項及票據於各結算日之賬齡分析如下：

9. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of 30 days, except for certain well-established customers where the terms are extended to 120 days.

An aging analysis of the Group's trade and bills receivables as at the respective balance sheet date, based on payment due date and net of provision, is as follows:

10. TRADE AND BILLS PAYABLES

An aging analysis of the Group's trade and bills payables as at the respective balance sheet date, based on the date of goods purchased and services rendered, is as follows:

		30 September 9月30日 2006 (Unaudited) (未經審核) HK\$'000 港幣千元	31 March 3月31日 2006 (Audited) (經審核) HK\$'000 港幣千元
即期至3個月	Current to 3 months	18,014	45,401
3個月以上	Over 3 months	2,732	4,435
		20,746	49,836

11. 關連人士交易

本集團給予主要管理人員之酬金如下：

		For the six months ended 30 September 截至9月30日止6個月	
		2006 (Unaudited) (未經審核) HK\$'000 港幣千元	2005 (Unaudited) (未經審核) HK\$'000 港幣千元
短期僱員福利	Short term employee benefits	3,892	3,038
離職後福利	Post-employment benefits	24	18
給予主要管理人員 之酬金總額	Total compensation paid to key management personnel	3,916	3,056

11. RELATED PARTY TRANSACTIONS

The Group's compensation of key management personnel are as follows:

12. 結算日後事件

於2006年9月30日後，根據本集團與一間於日本的主要供應商Fuji Photo Film Co. Ltd. (「FPF」) 於2006年6月30日所訂立的協議，終止本集團旗下部分附屬公司的若干分銷協議(「終止協議」)，本集團將終止作為印刷器材及醫療影像產品等部分FPF產品的分銷商，由2006年10月20日起生效。本集團將繼續為FPF影像產品的獨家分銷商。

於2006年11月20日，本集團就提早終止分銷協議收取FPF賠償收入總額1,800萬美元(約港幣1.4億元)。儘管如此，於本報告日期，董事會仍在評估終止協議之淨財務影響，包括但不限於與提早終止分銷協議有關之開支、撥備及稅項(如有)，而董事會認為終止協議將不會對本集團截至2007年3月31日止年度之財務表現有重大不利影響。

13. 中期財務報表之批准

該等簡明綜合中期財務報表已於2006年12月7日獲董事會批准及授權刊發。

12. POST BALANCE SHEET EVENT

Subsequent to 30 September 2006, the Group ceased to be the distributor of certain products of Fuji Photo Film Co. Ltd. ("FPF") in Japan, a major supplier of the Group, including graphic arts and medical imaging products, with effect from 20 October 2006 pursuant to an agreement entered into between the Group and FPF on 30 June 2006 to terminate certain distributorship agreements with certain subsidiaries of the Group (the "Termination Agreement"). The Group will remain as a sole distributor of photographic developing and processing products of FPF.

On 20 November 2006, the Group received gross compensation income of US\$18 million (approximately HK\$140 million) from FPF in respect of the early termination of distributorship agreements. Notwithstanding this, as of the date of this report, the board of directors (the "Board") is still in the process of assessing the net financial impact of the Termination Agreement, including but not limited to expenditures, provisions and tax, if any, incidental to the early termination of distributorship agreements, and the Board is of the view that the Termination Agreement will not have a material adverse impact on the financial performance of the Group for the year ending 31 March 2007.

13. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 7 December 2006.