

Operations Review

業務回顧

OVERVIEW

The rapidly changing imaging industry has seen a number of the Group's former competitors unable to adapt and respond to the new marketplace. While the Group has risen to this challenge by adopting innovative and responsive business strategies, the highly competitive market combined with a much-shortened product life cycle poses new challenges and places extra pressure on the profit margins of the imaging business. This has seen the contraction of the market with a number of businesses unable to adapt forced to close.

By contrast, the Group has embraced these challenges making several strategic adjustments in line with new distribution opportunities. Responding to the rising demand for diversified digital imaging products, the Fotomax network successfully developed two new brands that significantly boosted business during the year in review. The Fun2Print and FotoPress schemes do not simply value-add but also meet the new digital demands of the Group's retail customers and demonstrate our commitment to innovation.

REVENUE AND PROFIT

The Group's total revenue for the year ended 31 March 2007 was HK\$827 million, a drop of 33.9% compared with 2006. A net profit attributable to shareholders of HK\$219 million was recorded, a 81.6% increase over the previous year. Earnings per share were HK18.8 cents.

概覽

在影像業迅速轉變下，多位本集團過往競爭對手未能適應及回應新的市場環境。儘管本集團已藉採納創新而具針對性的業務策略有效回應這項挑戰，但競爭激烈的市場，加上產品的市場週期大幅縮短，為影像業務的邊際利潤帶來新挑戰並且倍添壓力。因此，多位同業未能適應而被逼結業，導致市場萎縮。

相對之下，集團積極面對該等挑戰，因應新的分銷商機作出多項戰略調整。鑒於市場對多元化的數碼影像產品需求日增，快圖美網絡成功發展兩個全新品牌，大大刺激回顧年度內的業務。Fun2Print及FotoPress計劃不單為服務增值，更加迎合了本集團零售客戶新的數碼服務需求，亦充份反映本集團對創新的堅持。

收益及溢利

集團截至2007年3月31日的收益總額為港幣8.27億元，較2006年下跌33.9%。股東應佔純利為港幣2.19億元，較去年增長81.6%。每股盈利為港幣18.8仙。



D&P Easter promotion
復活節沖印推廣活動



Fun2Print promotion
「快趣印」推廣活動

WHOLESALE

With the transformation of imaging from analogue to digital, total sales of film continued to fall, recording a decrease of 34.4% compared to the previous fiscal year. However, instant products recorded a strong growth of 28.2%. Aggregate sales of digital cameras were up by 9.1% due to the quality and superior functions of the Group's products, such as ultra-high sensitivity and quick-shooting response features.

The two most popular digital camera models during the year were FinePix F30 and FinePix Z5fd. FinePix F30 became the world's first pioneer digital compact camera with ISO 3200 sensitivity whilst the FinePix Z5fd was recognized as the "Best Compact Digital Camera 2006" and the "Best Ultra Compact Digital Camera 2007" by Europe's TIPA (Technical Image Press Association). With the outstanding performance of the world's fastest new feature "face detection" which optimizes focus and exposure, FinePix F31fd became the year's market winner.

In the professional market, the digital SLR camera FinePix S5Pro recorded strong popularity among professional users. Two additional models that have recorded increased sales performance during the fiscal year were the SLR-like FinePix S9600 and the FinePix S6500.

批發

隨著影像業從模擬技術轉向數碼化，攝影菲林的總銷售額繼續下滑，其較上一個財政年度下跌34.4%。然而，即影即有產品錄得28.2%的強勁增長。由於本集團所售產品具備如高感光度及極速快門等優良性能及卓越功能，使數碼相機的總銷售額上升9.1%。

年內，FinePix F30及FinePix Z5fd數碼相機為最受市場歡迎的兩種數碼相機型號。FinePix F30成為全球首部具備ISO 3200感光度的革命性輕便數碼相機，而FinePix Z5fd被歐洲TIPA（技術影像新聞媒體協會）評為「2006年最佳輕便數碼相機」及「2007年最佳超輕便數碼相機」。而Fine Pix F31fd則憑藉擁有全球最快速的臉部識別技術，可達致最適切焦距和曝光的出色表現，令它成為今年市場的贏家。

在專業市場，FinePix S5Pro單鏡反光數碼相機在專業用家中深受歡迎。另外兩種型號：Fine Pix S9600半專業數碼相機及Fine Pix S6500數碼相機，同樣在本財政年度內錄得銷售額增長。



Bus advertisement
巴士廣告



Fujifilm FinePix F31fd camera
print ad
富士 FinePix F31fd 數碼相機
平面廣告



Digital photographic exhibition
數碼攝影展覽

In the coming year, the Group envisages a continued upsurge in the economy which will result in increased consumer confidence and a rise in the propensity to buy, boding well for consumption of the digital market. The Group expects more people will be drawn to state-of-the-art, high quality digital products.

During the fiscal year, increased consumer demand for printing with photographic paper and digital minilabs contributed to a 5.4% growth in total sales of photofinishing products. Building on our commitment to quality and leveraging off the brand equity of the Group's photofinishing and equipment offerings, we foresee continued growth in this area.

The Group has adopted a strategic approach to growing the market for innovative imaging products and services. Measures include strengthening the FDI networks, upgrading imaging software, and extending our promotional network. Special attention has also been paid to upgrading the technological and photofinishing knowledge of frontline staff, critical in meeting the needs of well-informed consumers. Training of frontline staff will be boosted in terms of both resources and knowledge.

來年，集團預計經濟增長將會加強消費者的信心，令消費意慾增加，這對數碼產品消費市場實為佳兆。集團預期會有更多人購買高科技的優質數碼產品。

於本財政年度內，客戶對相紙沖印及數碼沖印之需求增加令沖印產品的總銷售額增長5.4%。本集團憑著提供優質產品並致力建構本集團沖印服務及器材供應的品牌價值，預期此業務範疇會繼續增長。

集團對增加創新影像產品及服務的市場採取的戰略方法，包括強化富士數碼激光沖印服務 (FDI) 網絡、更新影像軟件、擴大推廣層面等措施。集團特別集中提升前線員工於科技與相片沖印方面的知識，此對於知識豐富的客戶提供服務尤其重要。集團會在資源和知識兩方面增強對前線員工的培訓。



The Group promotes the photographic arts through seminar.

集團透過舉辦攝影分享會推廣攝影藝術。

快圖美 婚禮

Fotomax One-stop Wedding Services 一站式服務



FotoBook

快圖美完美精裝相冊



快圖美相片修補服務

Fotomax Photo Retouching Service

Fotomax provides user-friendly photofinishing services which are close to the hearts of our customers and strives to uphold its winning position in the market. 快圖美不斷為顧客提供各種關懷貼心的相片沖印服務，奮力保持市場的領導地位。

快圖美 FOTOMAX





Mother's Day promotion
母親節宣傳活動



Chinese New Year special
promotion
農曆新年特別推廣活動

RETAIL

In the past fiscal year, the Group added one outlet to the Fotomax shops network, bringing the total number of shops in Hong Kong to 91. Total sales of the retail segment decreased by 4.8%, reflecting the reduced demand for traditional film products.

As the market moves towards high-quality digital prints, the core business of Fotomax has undergone a transition from film to digital printing. Sales and quantity of digital output have overtaken that of film products. In the year under review, we saw a 10% total growth in the volume of digital printing. We expect to see continued growth of sales in digital printing over the next year, reflecting the overall market transition from film to digital printing.

The new Digital Kiosk, a compact and smart computer-assisted terminal, allows customers to order digital prints themselves with just a few touches on a touch-screen monitor. The kiosk installation plan was successfully implemented in the fiscal year of 2006 in response to the continued upsurge in demand for digital photo services. The Digital Kiosk is convenient for customers, offering greater capacity to customize, edit and order their prints and meets the demands of a technologically-savvy younger generation. During the past year, the Group installed 66 new Digital Kiosks, bringing the total number of kiosks to 180. Print orders received from Digital Kiosks increased by 50% and they have become the preferred method of photographic printing.

零售

在過去的財政年度，集團旗下快圖美門店網絡新增了一間分店，使快圖美在香港的分店總數達91間。零售業務的總銷售額下跌4.8%，反映傳統菲林產品的需求下降。

由於市場需求轉向優質數碼影像沖印，故快圖美的核心業務已經從菲林沖印轉向數碼影像沖印。數碼影像輸出在銷售額及沖印量均已超越菲林沖印。在回顧年內，數碼沖印的總沖印量增長10%。集團預計未來數碼影像沖印一年的銷售額持續增長，反映整體市場從菲林沖印轉向數碼影像沖印。

新式「數碼站」為一種小型智能電腦輔助終端機，顧客只需在其輕觸式螢幕上按數個鍵即可自行訂購數碼相片。數碼站安裝計劃在二零零六財政年度順利實行，以應付數碼相片服務持續激增的需求。此數碼站讓顧客沖印相片時更快捷，並增強功能讓客人規格化、編輯及訂購相片，迎合愛好新科技的年輕一代的需要。於過去一年，集團增添66台新的「數碼站」，使總數達180台。來自「數碼站」的沖印訂單增加50%，已成為顧客心目中優先選擇的沖印相片方式。

Following the introduction of the Octopus Card system in Fotomax shops in 2005, Fotomax launched the “Octopus Rewards Programme” in November 2006 to high acclaim from customers. This commitment to meeting and responding to the rapidly changing needs of customers who continue to want quality products combined with convenience and ease of use has ensured that the Group has kept abreast of the fast-changing marketplace.

New media is touching daily life on an increasing basis and most customers are now familiar with internet services and online payment schemes. The Group has therefore upgraded the functionality and usability of Fotomax.com. A re-launch scheme in 2005 offered a one-stop platform for digital photos and gift items. Since then, the number of members’ registrations has continued to grow. In the year under review, online sales grew by 33%. We expect to see this trend continue in coming years as more and more customers adopt the online platform.

The Group actively looks for market expansion and has identified a number of new growth areas targeting specific customer segments such as schools, commercial corporations and associations. We actively promoted one-stop photography services to these new customer clusters, which resulted in a sales increase of 24% in the past fiscal year. Total sales of Fun2Print also increased by 153% compared with the previous year.

繼快圖美店舖於2005年安裝八達通系統後，快圖美於2006年11月推出「八達通日日賞」計劃，顧客反應相當熱烈。本集團致力滿足及回應講究產品質素並追求快捷易用的顧客需求，以確保本集團可緊貼日新月異的市場。

新興媒體與日常生活接觸日趨密切，大部分顧客都懂得網上服務和網上付款系統。因此，集團已革新Fotomax.com的功能和用途。網站於2005年以新面貌重新推出，提供數碼相片和禮品訂購一站式平台。自此，登記會員數目持續上升。於回顧年內，網上銷售額增加33%。集團預期使用網上平台的客戶將會不斷上升，此趨勢將於未來數年持續。

集團積極尋求擴大市場，並已確認數個增長範疇，已鎖定的特定顧客群為學校、公司及團體客戶。集團積極向這些新客戶群推廣一站式攝影服務，令銷售額於過去的財政年度增加24%。Fun2Print的總銷售額也較去年增加153%。



All Fotomax shops accept Octopus payment
全線快圖美店接受「八達通」付款



Hong Kong singer Ms Ella Koon helps to promote the on-line printing services.
香港歌手官恩娜協助推廣網上沖印服務。

Looking ahead, Fotomax will celebrate its 25th anniversary in 2007 and is about to launch a series of programmes as a tribute to the loyalty of our customers. These include a photographic competition, television advertising campaign and brand building promotions with the aim of promoting photographic printing in the digital era.

Sixty new Digital Kiosks will be added or replaced to facilitate print ordering. The online interface will also be revamped in Summer with a new shopping cart feature for image gift items. The development of new mini-websites is also underway to encourage personal or corporate clients to try one-stop image solutions for printing, archiving and sharing digital images. Moreover, new stand-alone Fotomax kiosks with Octopus payment will be installed at shopping malls, public transit areas and supermarkets as part of our business expansion strategy.

In response to the rising demand from the corporate business market, Fotomax will further enhance its quality services by upgrading imaging-related hardware and software to facilitate the needs of the growing event market.

展望未來，快圖美會於2007年慶祝25週年，並計劃推出連串活動向長期客戶致意，當中包括攝影比賽、電視廣告及品牌樹立推廣活動，目的是推廣數碼年代的攝影沖印。

我們將增設或替換60台新「數碼站」，以應付沖印訂購的需要。網上介面亦將在今個夏季翻新，新增設影像禮品購物籃功能。集團亦正著手開發新迷你網站，向個人或公司客戶推廣包辦沖印、存檔及分享數碼影像的一站式影像解決方案。另外，作為其擴展業務策略其中一步，本集團將於購物商場、公共交通設施範圍和超級市場，裝設以八達通付款的獨立快圖美「數碼站」。

為把握公司商業市場需求不斷上升的機遇，快圖美將繼續更新影像相關硬件及軟件的配套，以進一步提升服務質素，從而滿足不斷增長的盛事活動市場需求。



Fotomax Photo Tips Booklet
「快圖美攝影貼士」小冊子

Brand Management

Strong brand management drives continuous growth by building and reinforcing long-term customer loyalty. During the year under review, strategic campaigns through public relations, advertising and promotional activities were implemented which delivered high impact images and messages to our targeted audiences.

For the wholesale business, the Group successfully leveraged Fujifilm's sponsorship of the 2006 FIFA World Cup Germany™, which provided unparalleled exposure of our brand globally through the world's most-watched sports event of the year. In Hong Kong, wholesale promotions featuring premiums with the FIFA World Cup logo proved to be highly popular. To stimulate the sales of photographic paper, locally-created cartoon characters "Panchi and Nana" were featured in the summer promotion.

In addition, a HK\$1 redemption promotion was also conducted to boost the sales of photofinishing products during the Christmas season. To create synergies for the Group's digital cameras and services, developing and photofinishing service lucky draw promotions were launched during Chinese New Year offering consumers the chance to win the popular FinePix digital camera. To increase market share and draw attention to our digital cameras, eye-catching advertisements were placed in various formats including print advertisements, outdoor billboards and MTR panels. Outdoor media panels, each over 23,000 square feet, were displayed in prime areas across Hong Kong to raise brand awareness of our digital cameras. Effective trade promotions in collaboration with several leading dealers in the Hong Kong retail market were also undertaken.

品牌管理

良好品牌管理可以建立及加強長期顧客的忠誠度，從而推動業務增長。於回顧年內，透過推行公關、廣告和宣傳活動等計劃，集團成功向目標客戶傳達了深入人心的形象和訊息。

在批發業務方面，集團憑藉富士贊助「2006年德國世界盃™」的機會，使本集團品牌可透過該年度全球最矚目的體育盛事獲得無可比擬的世界性曝光率。香港方面，提供印有世界盃標誌禮品的批發推廣活動證明深受歡迎。為促銷相紙，本集團以本地創作卡通人物「Panchi and Nana」作為其夏季推廣活動的主角。

此外，本集團於聖誕節期間推出港幣1元回贈推廣計劃，藉此提高沖印產品銷售。為實現集團數碼相機與服務之間的協同效益，本集團在農曆新年期間推出沖印服務幸運抽獎活動，讓顧客有機會贏取FinePix人氣數碼相機。為提升集團旗下數碼相機的市場佔有率及吸引公眾注目，本集團以多種模式投放醒目廣告，包括印刷廣告、大型戶外廣告牌及地鐵月台燈箱。集團在香港多個黃金地點展示的戶外廣告牌總面積超過23,000平方呎，以提高數碼相機的品牌知名度。本集團亦與多家香港零售市場主要分銷企業進行有效的聯合推廣活動。



Lucky draw promotion
幸運大抽獎推廣活動



Billboard advertisement
巨型廣告板

As a leader of photofinishing retail chain stores, Fotomax plays a major role in helping customers capture and preserve their most memorable moments, positioning itself as a caring and sensitive photo services provider. Several popular cartoon characters including Pingu, Keroro, Hello Kitty and Hanadeka were adopted during the year under review to stimulate the sales of digital photographic printing. A thematic promotional campaign featuring a photographic competition was launched to further strengthen its leading position in the digital business. More than 20,000 pieces of the *Fotomax Photo Tips* booklets were distributed to customers during the campaign.



Photographic competition was held to promote the digital printing.

快圖美舉辦攝影比賽活動
推廣沖印。

作為相片沖印連鎖店的翹楚，快圖美在協助顧客捕捉和保存珍貴時刻方面擔當著重要角色，並以一家關懷細心的照相服務供應商為本位。於回顧年內，為刺激數碼相片沖印的銷售額，本集團在其產品及服務加入了多個人氣卡通角色為主題，包括企鵝家族(Pingu)、軍曹(Keroro)、吉蒂貓(Hello Kitty)和Hanadeka。為進一步鞏固在數碼業務的領導地位，集團展開一項設有攝影比賽的主題推廣活動，期間向客戶分發了逾20,000份「快圖美攝影貼士」小冊子。

Social Responsibility

Consistent with the Group's long-standing business philosophy to put back into the community, a number of activities focusing on environmental protection and youth education were undertaken. During the year, the Group sponsored the Community Chest's "Greening for the Chest" programme, meeting its environmental protection principles.

Another significant community function sponsored by the group was the "Fujifilm Mini-Squash Promotional Campaign" organized by Hong Kong Squash which aims to promote a healthy lifestyle and a positive attitude among the younger generation. The scale of this campaign has grown so significantly during the years that the Hong Kong Government's Leisure and Cultural Department has incorporated the programme into its "Easy Sports Programme". To date, this remains the only official sports programme that has granted sponsorship status to a commercial brand. The number of beneficiaries of this programme including children, adults and educators has increased each year and the programme has received very positive feedback. With the Government's continued support, we expect this programme will grow to new heights with an increasing number of participants into the future.

社會責任

集團秉承其一貫的營商理念積極回饋社會，展開了多項以推廣保護環境及青少年教育為主的活動。年內，集團贊助了香港公益金「環保為公益」活動，正符合其重視環保的原則。

另一個由本集團贊助的主要社區活動是香港壁球總會主辦的「富士菲林小型壁球推廣活動」，向年輕一代推廣健康生活和灌輸積極人生觀。由於活動規模逐年擴大，香港政府康樂及文化事務署已把這項活動納入其「簡易運動計劃」，成為迄今為止唯一由商業品牌擔任贊助人的官方體育活動。這個活動的受惠者（包括兒童、成人及教育工作者）人數每年增加，並獲得很好的評價。借助政府的持續支持，集團預期未來該活動的參加人數更多，將活動推向新高峰。



The Group has sponsored the Community Chest consecutively for 20 years. 集團已連續贊助公益金達二十年。



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



Staff training
員工培訓



Staff training
員工培訓

Staff Development

Consistent with sound business practice in the service sector, our staff and our human resources function remain critical to the success of the company. The Group is keenly aware of the importance of having effective corporate resources management schemes. Aided by the Enterprise Resource Planning (ERP) system, the Group has performed well in streamlining priorities, increasing work efficiency and has kept operating costs at a low level. The ERP system also offers management detailed information regarding performance, enabling the Group to react to the market in a timely and effective manner.

The ERP system enables the Group to manage the inventory and distribution network, ensuring success in the rapidly changing global marketplace. This integrated system also allows our staff members to streamline order processing, simplify work flow and carry out financial reporting in accordance with accounting needs.

As technology continues to grow and the Group continues to focus on innovation, it is crucial for staff to be aligned with the company's philosophy and to be prepared to meet new challenges. Our focus on professional development and training is therefore being increased across the board. In the past fiscal year, a series of training courses were offered to all staff, offering a wide range of skills development opportunities. Among the most popular subjects were computer software applications, product knowledge, marketing strategies and leadership skills. In addition to on-the-job training and internal programmes, staff are also encouraged to identify and participate in appropriate external programmes.

員工發展

本集團在服務業方面實行有效的經營實務守則，相應之下，本集團的員工和人力資源職能對公司的成功有舉足輕重的作用。本集團深明有效的企業資源管理計劃的重要性。借助企業資源規劃(ERP)系統，本集團成功簡化優先次序排列、提升工作效率，並將經營成本保持在較低水平。ERP系統也為管理層提供有關績效的詳細資料，讓集團可以迅速有效地回應市場。

ERP系統讓本集團能有效管理存貨及分銷網絡，確保集團在瞬息萬變的環球市場成功拓展業務。這綜合系統亦有助員工加快處理訂單，簡化工作流程，並根據會計需要進行財務分析報告。

在科技不斷發展及集團努力不懈追求創新下，員工認同公司理念並且接受裝備迎接挑戰，對本集團十分重要。因此，本集團已全面加强專業發展及培訓工作。在過去的財政年度，集團為所有員工提供了一系列訓練課程，讓員工得到發展廣泛技能的機會，當中最受歡迎的培訓主題包括電腦軟件應用、產品知識、市場推廣策略及領導技能。除在職培訓及內部培訓課程外，集團也鼓勵員工報讀外間課程。

Outlook

Positive signals of economic growth in China and the continual influx of tourists from Mainland China have been very encouraging signs for the photo imaging business. In view of the 2008 Olympic Games in China which will bring worldwide attention to the region and draw significant numbers of additional visitors, we remain optimistic about continued business prospects. The Group will continue to leverage the opportunities created by the boom in tourism to Hong Kong.

The Group will take advantage of advancing technology and will continue to explore new territories that will maximize the company's profits.

In addition, the Group is exploring possible acquisitions of young and energetic retailers in the digital and technology business and will continue to foster expansion of its established digital imaging services.

展望

中國經濟增長的利好訊息，及大批國內旅客繼續湧入香港的情況，對於照相影像業務均為令人鼓舞的信息。展望二零零八年奧運會在中國舉行，勢必使中國受到全球注目，並吸引大批新增遊客，因此，本集團對業務的前景依然樂觀。集團會把握香港旅遊業興旺帶來的商機，持續擴展業務。

本集團會利用先進科技並繼續開拓新業務領域以盡量提升公司盈利。

再者，集團正研究對數碼科技業內較有潛力而進取的零售業務進行收購的可能性，並會繼續積極擴展其已確立基礎的數碼影像服務。

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