

Operation Review

業務回顧

OVERVIEW

The outbreak of SARS (Severe Acute Respiratory Syndrome) in Hong Kong in 2003 affected the Group badly. Most notably the sudden and dramatic drop in consumer demand led to excess stock and cut-throat price competition. The Group's revenue and profitability were seriously impacted as it dealt with subsidies to customers and obsolete inventories.

The Group recorded a decrease of approximately 20% in turnover and a net loss attributable to shareholders of HK\$62 million for the year ended 31 March 2004. The loss per share was HK5.3 cents.

The camera and D&P services businesses were directly affected by fierce competition resulting from price cuts by parallel imports and other brands, particularly during the SARS period. Steady sales growth in the third quarter was not enough to recover the loss that resulted from the impact of SARS.

Despite these difficult circumstances however, the Group remains confident about its long-term prospects given the enormous growth potential of the China market.

綜覽

二零零三年「沙士」疫症於香港爆發，嚴重影響本集團的業績。最顯著的影響是引致消費者需求突然急劇下降，導致存貨過剩及割喉式減價戰的出現。由於集團需要為客戶提供補貼撥備及處理滯銷存貨，故其收入及盈利均受到嚴重影響。

截至二零零四年三月三十一日止年度內，集團所錄得之營業額下降約百分之二十，股東應佔虧損淨額為港幣六千二百萬元，每股虧損為港幣五點三仙。

相機及沖印服務直接受到水貨進口及不同品牌割價戰所帶來的激烈競爭影響，於「沙士」疫症肆虐期間的影響尤為顯著。於第三季出現的平穩銷售增長仍未足以平衡「沙士」期間所導致的損失。

縱然面對重重困難，集團仍對中國大陸市場之龐大增長潛力及其長遠發展前景充滿信心。



FinePix F610 digital camera
富士 FinePix F610 數碼相機



FinePix F420 digital camera
富士 FinePix F420 數碼相機



FinePix S7000 digital camera
FinePix S7000 數碼相機



Digital Camera print ad in 2003
2003 年度數碼相機平面廣告

WHOLESALE BUSINESS

Imaging Systems

The imaging systems segment includes businesses related to photographic films, motion picture films, digital cameras, electronic imaging equipment and magnetic audiovisual media products. It accounted for 38% of the Group's total turnover during the year under review.

Total segment turnover decreased by 32%, largely as a result of the impact of SARS on consumer demand. Sales of photographic films decreased due to the growing popularity of digital imaging, although digital camera sales were also down due to the delayed launch of new digital camera models by Fujifilm Japan and severe price competition subsequent to the outbreak of SARS.

Profits generated by traditional and digital camera sales have been under pressure since the second half of the fiscal year, with the average market price of digital cameras falling 10% to 30% per year. Keen competition from different brands and price competition has had a negative impact on sales volumes. At the same time, a decline in selling prices has substantially reduced the profit margin, especially for the older models.

On the positive side, growth in sales of professional movie films in China grew by 24% during the period as a result of the commencement of CEPA (Closer Economic Partnership Arrangement) this year and a continuing boom in the film and advertising industry in China. The Group believes this steady growth in demand for movie films will continue.

批發業務

影像系統

影像系統業務類別包括攝影菲林、電影菲林、數碼相機、電子影像器材及磁性影音媒體產品，佔回顧期內本集團總營業額百分之三十八。

主要由於「沙士」疫情嚴重影響消費者需求，該類業務的總營業額下降百分之三十二。攝影菲林銷售量受到數碼相機熱潮影響而下跌。同時，數碼相機的銷售又因為日本富士延遲推出嶄新數碼相機型號，以及在「沙士」爆發後，受到不同品牌間的割喉式減價戰影響而導致銷量大跌。

由於在下半年財政年度期間，數碼相機的平均市場價格以每年百分之十至三十的幅度下跌，令由傳統相機及數碼相機銷售所帶來的溢利持續面對壓力。不同品牌間的激烈競爭及減價戰為銷售量帶來負面影響。同時，售價的下滑亦令邊際利潤大幅下跌，對較舊型號相機的影響尤其嚴重。

受惠於「更緊密經貿關係安排」(CEPA)於年內實施後所帶來的正面影響，以及大陸電影業及廣告業的持續蓬勃發展，令專業電影菲林於大陸之銷售額大幅上升達百分之二十四。集團相信，國內電影菲林需求的穩定增長將持續下去。

Photofinishing Systems

This segment includes products such as photographic paper, chemicals and photo-finishing equipment, and accounted for 22% of the Group's total turnover. Total sales of this segment decreased by 25% compared to the corresponding period last year.

The sales from this segment were adversely affected by the outbreak of SARS and its impact on tourism and the overall drop in retail activity in Hong Kong and China during the SARS period.

In the longer term, however, sales of photographic paper and chemicals have been less affected by the growth of digital imaging than expected. Demand for digital output services has grown steadily as they become cheaper, more convenient and more efficient.

To facilitate the more dynamic expansion of the Fujifilm Digital Imaging (FDi) network throughout China, Hong Kong and Macau, the Group plans to launch two new Frontier 355/375 models in the coming fiscal year to meet the growing demand for digital output. The new models have enhanced image processing functions for red-eye correction and scratch removal as well as better operating capabilities. It is anticipated that the installation of Frontier will grow and replace the old models of traditional minilabs as digital cameras become ever more widely adopted and as China and Hong Kong continue to experience steady economic growth. Initial response to the new Frontier 355/375 models has been positive and several units will be installed in Hong Kong by the end of June 2004.

冲印系統

此分類包括相紙、冲印藥液及冲印器材產品等，佔集團總營業額百分之二十二。此類別業務的總銷售額較去年同期下跌百分之二十五。

「沙士」疫症爆發打擊香港及中國大陸的旅遊業，同時導致兩地整體零售活動在「沙士」肆虐期間大幅下跌，嚴重影響此類別之銷售額。

長遠而言，數碼影像的發展對相紙及冲印藥液銷售的影響較預期中輕微。由於數碼相片輸出服務較以往便宜、方便及快捷，故對此服務的需求正平穩上升。

為配合富士數碼激光冲印服務 (FDi) 於整個中港澳網絡作更積極的擴展，集團計劃於下個財政年度推出兩款全新富士數碼激光冲印系統Frontier 355/375，以迎合市場對數碼相片輸出服務不斷增加的需求。最新型號配備經改良的影像處理功能，可自動檢測及修正紅眼問題及消除底片花痕，同時又擁有更高的操作效能。在數碼相機越來越普及和中國大陸及香港經濟環境持續向好的形勢下，預計未來將有更多商戶安裝全新數碼激光冲印系統，以取代舊有傳統冲印系統。市場對Frontier 355/375的初步反應良好，截至二零零四年六月底止，多部Frontier 355/375已為客戶完成安裝並全面投入服務。



FDi print ad in 2003

2003年富士數碼激光冲印平面廣告



Fujifilm FCR reader XG5000
富士 XG5000 FCR 醫療影像閱讀器

Information Systems

Activities in this segment include medical imaging systems, graphic art products and data storage media. This segment accounted for 26% of the Group's total turnover.

During the year under review, turnover for the information systems segment increased by 19% compared to the previous year. This was driven largely by demand for medical imaging products as a result of the SARS outbreak in Hong Kong and China, as surging demand for X-ray films generated stronger sales. In addition, the digitization of medical systems saw sales increase by more than 56% compared to the previous year.

Fuji Medical Products Limited was established in April 2003 as a subsidiary of the Group. Its role is to develop strategic business expansion opportunities through providing value-added services such as health care facilities' use of digital diagnostic imaging technologies and information networks and solutions support with leading market players in China, Hong Kong and Macau.

資訊系統

此類別業務包括醫療影像系統、印刷器材及數據儲存媒體。此類別佔本集團總營業額百分之二十六。

於回顧期內，資訊系統類別營業額較去年同期上升百分之十九。此增長乃主要因為「沙士」疫症於香港及中國大陸爆發，導致對醫療影像產品的需求大增所致，其中尤以X光菲林需求劇增帶動銷售額強勁增長。此外，醫療系統設備的數碼化也令銷售額較去年增長逾百分之五十六。

集團附屬公司富士醫療產品有限公司於二零零三年四月成立，主要業務為與中港澳三地具領導地位的醫療產品供應商合作，提供備有數碼影像分析科技之醫療系統、資訊網絡及方案支援等增值服務，發展策略性商業科技支援合作計劃。



Luxel Vx-9600 CTP platesetter
富士 Luxel 系列 Vx-9600 紫激光 CTP 機

The introduction of Fujifilm's dry imaging technology as a replacement for the conventional X-ray function was a major breakthrough in terms of technology advancement during the year. This environmentally friendly and cost effective technology delivers superb image quality and stability with no chemical or solid waste. Having created an array of products that meets the diverse needs of customers ranging from large-volume users to small-volume users, we expect sales of digital x-ray diagnostic system products such as FCR series and dry laser imager such as the DRYPIX series to be robust.

Fuji graphic art products recorded a 17% growth in sales during the year. Given the continued demand for quality graphic art products, the Group has plans to expand further in the China market.

During the year, the Group established a wholly-owned subsidiary called 中商中港(上海)國際貿易有限公司 in Shanghai to provide marketing, distribution and after-sales services of the graphic art products in China, Hong Kong and Macau, Showrooms and an after-sales service centre have also been set up in Shanghai, with more branches to be opened later in key cities such as Beijing and Guangzhou.

專為取代傳統具X光功能之醫療產品而引進的富士乾式打印技術是年內富士醫療科技提升之重大突破。此項技術既環保又具成本效益，影像品質超卓及穩定，且不含任何化學物質或固體廢料。新一系列產品推出後，能滿足大部份顧客的各種使用量及不同需要，我們預期數碼X光分析系統產品（如FCR系列及乾式激光影像器如DRYPIX系列）之銷售額將大幅上升。

富士印刷器材產品於年內錄得百分之十七的銷售增長。鑑於優質印刷器材的需求持續增加，集團將進一步擴展中國大陸市場。

本財政年內，集團於上海成立全資附屬公司中商中港（上海）國際貿易有限公司，為中港澳市場提供印刷器材的市場推廣、分銷及售後服務。本集團已於上海設立展銷廳及售後服務支援中心，並計劃陸續於各主要城市如北京及廣州開設更多分公司。



Fuji Medical Dry Laser Imager
DryPix 7000
富士醫療乾式激光打印機
DryPix 7000

快圖美 FOTOMAX Digital



Fotomax plans to capitalize on the popularity of digital printing by offering innovative promotions and services to boost digital output volumes.

快圖美計劃把握數碼相機日漸普及的優勢，提供多項創新推廣活動及服務，藉以提升數碼相片輸出量。



RETAIL OPERATIONS

The retail business includes the Group's wholly owned D&P chain, Fotomax and accounted for 14% of the Group's total turnover during the fiscal year.

Fotomax recorded 16% sales growth compared to the first half of the year, reflecting a quick recovery from the impact of SARS. Substantial growth was achieved in the second and third quarters as the Hong Kong economy gradually recovered.

The Fotomax chain benefits from a clear position as Hong Kong's premium, high-quality photo and digital imaging retail chain. Its quality services are well received and recognized by the Hong Kong market, and it has been awarded "The Superbrand (Hong Kong)" by Superbrands Council in 2004. During the year under review, Fotomax expanded strategically from 63 shops to 80 in Hong Kong. It launched a new digital photo kiosk service which allows customers to process their digital images in store and can handle digital imaging input from mobile phones as well as digital cameras. Meanwhile, online digital printing services were also introduced in July 2003 to enhance the convenience of digital output service for customer.

Fotomax has seen increased demand for FDI services with the growing popularity of digital cameras and plans to capitalize on this by offering innovative promotions, such as tailor-made special picture frames, limited edition photo albums, one-stop wedding photographic services and other initiatives to boost the digital output volumes.

零售業務

零售業務包括集團全資擁有的沖印連鎖店快圖美，共佔本財政年度集團總營業額百分之十四。

比較在「沙士」疫症影響下的上半年度，快圖美錄得上升達百分之十六之銷售額，反映零售業務復甦迅速，此外，由於香港經濟續漸復甦，具體增長在財政年度的第二及第三季尤為明顯。

快圖美連鎖店憑藉其優質相片及數碼影像零售連鎖店的清晰定位，在市場上享有卓越優勢。由於快圖美的優質服務深受香港市場愛戴及認可，獲得國際權威刊物「超級品牌」(SUPERBRANDS)機構評選為2004年度香港「超級品牌」之一。回顧期內，快圖美策略性地將香港的店鋪數目由六十三間擴展至八十間，並推出全新「快圖美數碼站」服務，此服務站容許顧客於店內自行操作及決定沖晒的數碼影像，又能處理由流動電話及數碼相機輸入的數碼影像。此外，快圖美於二零零三年七月更全面推出網上數碼沖晒服務以方便顧客享用數碼相片輸出服務。

隨著數碼相機的日漸普及，到快圖美選用富士數碼激光沖印服務(FDi)的需求也日益增加。為拓展上述業務，快圖美計劃提供多項創新推廣活動，如自訂數碼相框、限量版精美相簿、一站式婚禮攝影服務及其他具創意服務以提升數碼相片輸出量。



Fotomax's digital camera promotion print ad.

快圖美數碼相機推廣平面廣告



D&P service Easter Promotion
復活節沖印推廣活動



Fujifilm FinePix series digital
camera print ad 2004
2004 富士 FinePix 系列數碼相機
平面廣告

MARKETING

The Group has continued to invest in brand building to support its business development during the year under review. To sustain brand awareness, it has continued to sponsor and participate in different kinds of public activities, including photo contests, tournaments, exhibitions, trade shows, TV programs and joint promotions to reach target customers in China, Hong Kong and Macau.

A film promotion was launched in July and a TV commercial featuring Fujifilm's FinePix digital camera was introduced in the Hong Kong region to boost sales over the Christmas and Chinese New Year holidays. Over the China National Day holiday in October 2003, the Group introduced a digital camera promotional campaign which helped to increase turnover from both local Hong Kong customers and mainland tourists.

市場推廣

集團於回顧年內繼續投資建立品牌的工作，以配合業務發展。為保持品牌知名度，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、展覽會、貿易展、電視節目及聯合推廣，藉此向中港澳三地的目標客戶作品牌宣傳。

為刺激產品銷售量，集團於七月暑假期間為菲林進行推廣活動，又於聖誕節及農曆新年假期期間推出以富士FinePix系列數碼相機為主題的電視廣告。集團又於二零零三年十月的中國國慶日假期推出一系列數碼相機推廣活動，以提升來自內地旅客及本土顧客的營業額。

SPONSORSHIP AND CORPORATE GIVING

The Group has continued to lend its support to community initiatives, particularly focused on the environment and youth. It sponsored the Community Chest's "Greening for the Chest", which promotes the importance of environmental protection with young people. It also sponsored films and D&P services for the Community Chest for the 17th consecutive year. In recognition of the enduring efforts and contributions to the community, the Hong Kong Council of Social Service awarded the Caring Company logo for 2003/04 to the Group's two subsidiaries, Fuji Photo Products Co. Ltd and Fotomax.

The Group has continued its sponsorship of Hong Kong Squash's "Fujifilm Mini-Squash Promotional Campaign" to promote the sport to Hong Kong's children and youth. In addition, in December 2003 the Group also sponsored the 19th World Women's Squash Open, which was not only the most important event in the women professionals' calendar, but also part of the Hong Kong SAR Government's "Relaunch Hong Kong" campaign.

The Group continued to sponsor the Miss Hong Kong Pageant for the 17th consecutive year. Throughout the years, beauty queens have promoted Fujifilm's top quality photo imaging effectively in D&P shop displays and the sponsorship has become a recognized endorsement of the Fuji brand in Hong Kong since 1987.

贊助及公益活動

集團一直鼎力支持及參與社區活動，尤其專注以環境保護及培育青少年為主題的活動。集團繼續贊助香港公益金「環保為公益」活動，專門向青少年推廣環境保護的重要性。集團又連續十七年贊助公益金及為其指定使用之菲林及相片沖印服務。為肯定集團對社區活動的長期支持及貢獻，香港社會服務聯會向集團其下的富士攝影器材有限公司及快圖美頒贈二零零三／零四年度「商界展關懷」標誌。

集團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壁球運動。同時，集團於二零零三年十二月贊助第十九屆世界女子壁球錦標賽，是項比賽不單是職業女子球壇的盛事，也是香港特別行政區政府「香港品牌活動」其中一個項目。

集團連續第十七年贊助香港小姐競選。多年來，香港小姐得獎佳麗的相片都會被展示在富士旗下全線沖印店舖內，藉以協助推廣富士的卓越相片質素，而這贊助自一九八七年起已令富士品牌成為此項香港盛事的公認產品贊助商。



Greening for the Chest 2003/2004
環保為公益 2003/2004



Sponsorship for Miss Hong Kong
Pageant 2003
贊助 2003 年度香港小姐競選



Key Performance Index (KPI) will help to increase the efficiency and effectiveness of the Group

「關鍵績效衡量指標」系統將有助提升集團之工作效率及效能。

STAFF DEVELOPMENT

Enhanced efficiency and cost control are critical to the Group's success. In order to utilize human resources effectively, the KPI (Key Performance Index) has been implemented to improve efficiency and effectiveness across the board. The Group has also adjusted its structure to reflect the diversification of the business. Two new subsidiaries have been established with no increase in headcount and substantial savings on administration costs.

員工發展

提升效率及控制成本是集團之成功座右銘。為求能更有效地善用人力資源，董事會推行「關鍵績效衡量指標」系統 (KPI：Key Performance Index)，以提升工作效率及效能。集團又重組其架構以配合業務多元化發展，使到集團能夠在未有增加員工數目的情況下，成立兩間新附屬公司，大大節省行政開支。

PROSPECTS

With an average annual growth of 7%, China is the new engine for the world's economy. The Group remains confident and optimistic about the long-term growth potential of the China market and is focused on developing and refining its product and service offerings.

Strong tourism growth in China and the "Individual Visit Scheme" which allows individual mainland visitors to flock to Hong Kong are positive factors for the Group. Its businesses are expected to continue to ride this growth momentum, particularly the information systems, digital products and services and retail operations.

The recently signed CEPA between Hong Kong and China also provides tremendous opportunities. While focusing on its existing business strategy, the Group will continue to identify investment opportunities and strategic partnerships to accelerate its development in China.

展望

誠然，每年平均經濟增長率達百分之七的中國實是全球經濟的新動力。集團對中國市場的長遠發展潛力充滿信心，並保持樂觀態度，同時將專注發展及提升集團所提供的產品及服務質素。

中國旅遊業的迅速發展及容許內地旅客以「個人遊」身份訪港的政策實施後，訪港旅客數字不斷飆升，確實為本集團帶來正面影響。集團的業務，特別是資訊系統、數碼產品、服務及零售業務，將繼續配合此不斷增長的趨勢而發展。

最近香港與中國大陸簽訂的「更緊密經貿關係安排」(CEPA) 也為集團提供更多發展機遇。除集中推行現有業務發展策略之外，集團將繼續物色投資機會及策略性合作夥伴，以加快發展中國市場的步伐。

Highlights the year 2003/04 2003/04精彩剪影



▲ Asian Ikebana Exhibition in Hong Kong
亞州日本花藝展



▲ Fuji Photo Products' 35th Anniversary Cocktail Reception
富士攝影器材有限公司三十五周年紀念慶祝酒會

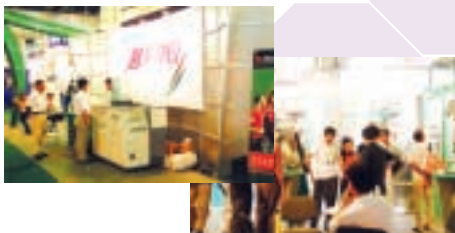


▲ P & D 2003
2003年度北京P & D展覽會

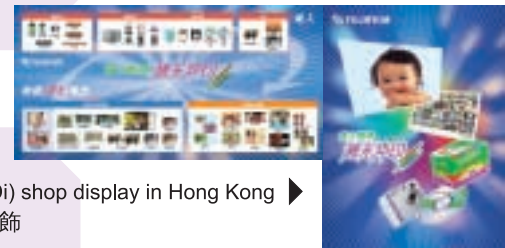


▲ Caring Company Recognition Ceremony
「商界展關懷」嘉許禮

Shanghai International Photographic Equipment
Exhibition 2003
上海國際攝影器材博覽會暨2003上海市攝影藝術展



Fujifilm Digital Imaging (FDi) shop display in Hong Kong ▶
富士數碼激光沖印店面裝飾



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



Fine

STD

WIDE



▲ Welcome Dinner for Mr. & Mrs Shigetaka Komori, President & CEO of Fuji Photo Film Co., Ltd. 富士膠片株式會社古森重隆社長歡迎晚宴



▲ Summer film promotional materials 富士菲林夏日推廣廣告宣傳品



Winner of TST East Festive Illuminations ▲ 2003 Photo Contest 金光燦爛耀尖東聖誕燈飾攝影比賽冠軍作品



▲ World Women's Open 2003 世界女子壁球錦標賽2003



▲ Sponsorship of Miss Hong Kong Beauty Pageant for the 17th consecutive year 連續十七年贊助香港小姐競選

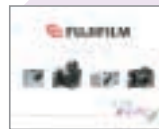


▲ Spring Dinner for Macau's dealers 澳門富士商戶春節聯歡會



▲ 澳門百萬行2003 Macau Walkathon 2003

▼ Fujifilm FinePix Digital Camera TV Commercial 富士FinePix系列數碼相機電視廣告



Pix