

## Risk Management

### 風險管理

由於傳統影像產品需求迅速減少及數碼業務環境經營困難，集團正致力控制毛利率及達致盈利目標。然而，集團預計，一些影響業務表現之潛在風險不能完全避免。以下風險均被視為對未來業務表現具有潛在的不良影響。

#### a. 銷售成本增加

儘管過去幾年集團為適應數碼潮流而進行業務重整，銷售成本持續上升的壓力已影響集團之純利。影響所及，滯銷存貨的問題有機會再次重現，並因應會計政策所需而作出撥備。為改善盈利能力，集團已採取幾項措施提高收益，例如以優惠價格推出套裝產品，提供更多增值服務及業務多元化等，去平衡高毛利率及低毛利率產品的銷售情況。

#### b. 價格競爭

近年，影像行業的競爭日益劇烈，尤其是配備強勁拍照及影片攝錄功能的流動電話日趨普及，對攝影行業造成潛在威脅。平均售價下跌、產品潛在問題（包括數碼相機之CCD出現故障，引發產品回收危機或免費維修跟進）以及產品市場週期縮短都同時影響產品的盈利能力，某些業界競爭者也基於錄得持續虧損而終止有關業務。為提高競爭力，集團已實施簡單直接的管理架構，有助馳騁於瞬息萬變的數碼影像市場與時並進。

#### c. 惡劣天氣及嚴重空氣污染

於本財政年度，惡劣天氣及嚴重空氣污染對沖印行業的銷售表現（尤其在零售層面上）構成直接威脅。根據香港天文台資料顯示，2005年的香港天氣既潮濕又常被煙霞籠罩，且為有紀錄以來第三最多雨水的年份。同時，由於珠三角區域都市急速發展，導致空氣污染嚴重，能見度持續下降，煙霧積厚，均有礙人們進行攝影。雖然香港及廣東政府已承諾改善空氣質素及減少污染，但潮濕多霧、連綿大雨的天氣，預期繼續對集團不久將來的收益造成不利影響。

In view of the rapid shrinking of demand for traditional imaging products and the tough digital business environment, the Group is making every effort to control its profit margin and achieve its profit target. However, the Group foresees that some potential risks which may affect the business performance cannot be entirely avoided. The following risks are considered as having potential adverse impacts on future business performance.

#### a. Increased cost of sales

The pressure of a continuous rise in cost of sales has affected the Group's net profit. Despite major relocations of business operations during in the past few years as the Group has adapted to the digital world, the problem of slow-moving inventories may recur and provision need to be made in accordance with accounting policies. To arrest the decline of profitability, the Group has introduced several measures to bolster its revenue by balancing its high-margin and low-margin products, such as by bundling products at competitive prices, offering more value-added services and diversification of business.

#### b. Price Competition

In recent years, competition within the imaging industry has become increasingly fierce. The spread of mobile phones equipped with powerful cameras and movie recording functions is a potential threat to the camera industry. Falling average selling prices, defective products, including CCD problems in digital cameras which led products recall or unlimited free repairs, and shortening product life cycles have also affected profitability, with continuous losses gradually forcing competitors to cease business. To raise its competitiveness, the Group has implemented a simple and straight-forward management structure that will help it keep abreast of the still-evolving digital imaging market.

#### c. Bad weather and serious air pollution

Bad weather and serious air pollution have posed a direct threat to the sales performance in the photofinishing industry during the fiscal year, particularly at the retail level. According to the Hong Kong Observatory, 2005 was hazy and the third wettest year on record. Coupled with severe air pollution due to rapid urban development in the Pearl River Delta region, visibility continued to diminish and the appearance of thicker smog has discouraged people from taking and developing photos. Although both the Hong Kong and Guangdong governments have stated their commitment to improve air quality and reduce pollution, hazy weather associated with heavy rain is anticipated to continue to have an adverse impact on Group revenue in the immediate future.

**d. 傳染病爆發的威脅**

儘管香港特別行政區政府已採取措施，防止嚴重急性呼吸系統綜合症（「SARS」）及其他傳染病捲土重來，但過去兩年內，禽流感爆發的威脅一直籠罩香港。此外，全球一體化、全球變暖、人口增長、人口在國際間的流動性增加及食物鏈相互感染程度加深，都增加了傳染病四處蔓延的威脅。一旦爆發嚴重的傳染病，集團將蒙受慘重的經濟虧損，且不可緩解。

**d. Threat of infectious disease outbreaks**

Notwithstanding measures taken by the Hong Kong SAR Government to prevent the resurgence of Severe Acute Respiratory Syndrome (SARS) and other infectious diseases, the threat of an avian influenza outbreak has been present in Hong Kong during the past two years. Besides, globalisation, global warming, population growth and increased international movement of people and extensive and interrelated food chains have increased the risk of infectious diseases spreading. If a serious epidemic were to occur, the economic loss to the Group could be severe and could not be mitigated by the Group.