



主席報告

CHAIRMAN'S STATEMENT

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Chairman's Statement

二零零二年，環球經濟持續低迷，中東局勢長期緊張，不單對於香港之營商環境甚至全球而言均是富有挑戰性之一年。然而，本集團透過集中於清晰之策略目標，保持對品質、創新及生產效率之高要求，所以仍能取得豐碩之成果。



Year 2002 has been a challenging year not only for businesses in Hong Kong, but throughout the world due to the continuing sluggishness of the global economy and the prolonged tension in the Middle East. However, we achieved a fruitful year through focusing on our clear strategic mission and maintaining our high levels of commitment to quality, innovation and production efficiency.

許經振先生
Mr. Hui King Chun, Andrew
主席
Chairman

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本人謹代表僑威集團有限公司連同其附屬公司（「本集團」）之董事會（「董事會」）欣然公佈本集團截至二零零二年十二月三十一日止年度之經營業績及呈上有關年度之年報。

理想之經營業績

本集團於二零零二年取得重大進步。截至二零零二年十二月三十一日止年度之營業額及股東應佔溢利均成功達到雙位數字之增長。總營業額達879,006,000港元，較二零零一年之營業額641,230,000港元增長37.1%，其中約46.7%來自包裝印刷業務。

二零零二年之除稅後但未計少數股東權益之純利為65,029,000港元，較二零零一年之55,361,000港元增加17.5%。股東應佔溢利由二零零一年之31,452,000港元上升11.0%至二零零二年之34,925,000港元。財務業績驕人，反映了本集團之明確增長方向。市場環境樂觀，加上本集團於年內採用之成本控制措施奏效，亦為財務業績理想之原因。

On behalf of the Board of Directors of Kith Holdings Limited (the "Directors"), together with its subsidiaries (the "Group"), I am pleased to announce the operating results of the Group and present the annual report for the year ended 31st December, 2002.

SATISFACTORY OPERATING RESULTS

Significant progress has been achieved in 2002 and the Group has successfully achieved double-digit growth in both turnover and profit attributable to shareholders for the year ended 31st December, 2002. Total turnover was recorded at HK\$879,006,000, representing an increase of 37.1% as compared to the turnover of HK\$641,230,000 in 2001. Approximately 46.7% of total turnover was derived from the packaging printing business.

Net profit after taxation but before minority interests reached HK\$65,029,000 in 2002, as compared to HK\$55,361,000 in 2001, representing an increase of 17.5%. Profit attributable to shareholders has increased by 11.0% from HK\$31,452,000 in 2001, to HK\$34,925,000 in 2002. These positive financial results reflect the Group's clear direction for growth. Favourable market conditions and effective cost control measures adopted by the Group during the year have also contributed to its achievements.



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股息

僑威集團有限公司（「本公司」）一向採取穩定股息政策。中期股息每股0.015港元已於二零零二年十月派付。董事會建議派付二零零二年末期股息每股0.035港元及特別股息每股0.03港元，與二零零一年度相同。

樂觀之市場環境

儘管環球經濟持續低迷及中東局勢緊張，中華人民共和國（「中國」）於二零零二年之國內生產總值增長率依然維持約7%。鑑於中國已加入世界貿易組織（「世貿」），而且國民之生活水準普遍提高，預期消費產品包裝市場將於來年錄得龐大增長。

中國煙草業於二零零二年錄得1.3%之輕微增長，但同期之工商溢利及稅項則錄得21.7%之增長。在此情況下，本集團成功地在利潤相對較高之中級及高級煙草市場發展業務，並在生產廠房實施有效之成本控制措施。因此，本集團包裝印刷業務之淨利潤率由二零零一年之20.7%增至二零零二年之22.0%。

過往，此等有利因素為本集團創下佳績，今後亦將是本集團之成功關鍵所在。

DIVIDENDS

Kith Holdings Limited (the "Company") has maintained a stable dividend policy. An interim dividend of HK\$0.015 per share was paid in October 2002. The Directors recommend the payment of a final and special dividend of HK\$0.035 and HK\$0.03 per share respectively for the year 2002, which is the same as that for 2001.

FAVOURABLE MARKET CONDITIONS

Despite the continuing sluggishness of the global economy and the tension in the Middle East, the gross domestic product growth rate in the People's Republic of China (the "PRC") remains steady at approximately 7% in 2002. Given PRC's accession to the World Trade Organisation ("WTO") and the general rise in living standards in the nation, the consumer product packaging industry is expected to record immense growth in coming years.

The tobacco industry in the PRC has registered a slight growth of 1.3% in 2002. However, the industrial and commercial profits and taxes in 2002 has increased substantially by 21.7%. Amidst this landscape, the Group has successfully developed its business in the middle to upper class tobacco market where margins are relatively higher and the Group has managed to implement effective cost control measures in its production plants. Accordingly, the net profit margin of its packaging printing division increased from 20.7% in 2001 to 22.0% in 2002.

These favourable factors have contributed to the Group's success in the past and will be the keys to its success in future.



業內之領導者及持續投資

持續進行資本投資一直為本集團提高競爭優勢及維持進入本集團所處市場之障礙之其中一項成功策略。為簡化本集團之運作，改進生產工序及提高成本效益，本集團於二零零二年在在本集團設於中國之主要生產廠房－雲南僑通包裝印刷有限公司（「雲南僑通合資企業」）安裝了兩台購自瑞士Bobst SA（「Bobst」）之自動平壓燙金機（作燙金及壓凸用途），以及購自德國Steuer GmbH（「Steuer」）之滾筒燙金機。

雲南僑通合資企業於二零零二年十月獲雲南省科學技術廳頒發「雲南省高新技術企業」獎項。此外，雲南僑通合資企業亦被譽為「雲南省外商投資十大企業」之一。

研究及發展

來年，本集團仍會著重創新防偽技術及開發新產品。憑藉設於雲南省昆明市及四川省成都市之設計公司，本集團將不斷融合新市場之觀點及趨勢，務求緊貼瞬息萬變之市場。

此外，本集團成功開發先進之生產技術及工藝，以滿足客戶（尤其高級煙草市場之客戶）之嚴格要求。藉著卓越之產品素質及廣泛認可之信譽，本集團得以取得現有客戶之大量訂單，並吸引來自中國各地之新客戶。



INDUSTRY LEADER AND CONTINUOUS INVESTMENTS

Continuous capital investment has always been one of the Group's key success factors that has strengthened its competitive position and secured entry barriers for its market. In order to streamline its operations and to achieve better production and cost efficiency, the Group has installed two automatic platen presses for hot-foil stamping and embossing from Bobst SA, Switzerland ("Bobst") and a rotary foil stamping machine from Steuer GmbH, Germany ("Steuer") in Yunnan Qiaotong Package Printing Co., Ltd. ("Yunnan Qiaotong JV"), a major production plant of the Group in the PRC, in 2002.

Yunnan Qiaotong JV received an award of "High and New Technology Enterprise in Yunnan Province" from the Science and Technology Bureau of Yunnan Province in October 2002. In addition, Yunnan Qiaotong JV has been honoured as one of "The Best 10 Enterprises with Foreign Investment in Yunnan Province".

RESEARCH AND DEVELOPMENT

Innovation in anti-counterfeiting techniques and development of new products will remain the Group's main emphasis in the years ahead. With design houses established in Kunming City, Yunnan Province and Chengdu City, Sichuan Province, the Group will continue to incorporate new market insights and trends to keep itself abreast in this fast changing industry.

In addition, advanced leading production technologies and workmanships have been developed to meet its customers' stringent requirements, especially in the upper class tobacco market. Through its unrivaled product quality and well-recognised reputation, the Group is able to secure large orders from existing customers and attract new clients from different regions of the PRC.

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成功發展分銷業務

於二零零二年，本集團進一步擴充分銷業務以提高企業價值，擴闊收入來源及開拓更多商機。分銷業務在二零零二年之收入令人滿意，增長達54.6%。然而，透過進一步推行提高成本效益之措施，本集團之淨利潤率應有上升空間。本集團充滿信心，隨著全球經濟反彈，本集團之努力將於不久將來締造可觀之回報。

策略性投資

憑藉於電腦及電子通訊零件分銷業務之業務關係，本集團不斷物色具有龐大增長潛力之投資機會。因此，本集團於本年度內收購一家主要於香港從事提供電訊服務之公司約28.26%權益，代價為33,823,000港元。

卓越之人力資源管理

於二零零二年十二月三十一日，本集團聘用合共八百多名員工，大部份員工於中國生產廠房工作，另聘用約二十名員工於香港總部任職。

本集團之成功有賴員工所作之貢獻。為了進一步改進本集團之服務及提高員工之工作能力，本集團定期舉辦有關現代管理理論、市場推廣概念及印刷業技術發展之內部培訓課程。由於本集團深信人材為本集團成功要素之一，因此本集團將繼續致力於發展人力資源。

SUCCESSFUL DISTRIBUTION BUSINESS DEVELOPMENT

In 2002, the Group further expanded its distribution division to increase its enterprise value, generate supplementary revenue sources and seek for more business opportunities. The distribution division has registered an impressive growth of 54.6% in revenue in 2002. However, there remains room for improvement in its net margin through further cost enhancement measures. The Group is confident that its efforts will bring significant returns in the near future, along with the rebound in global economy.

STRATEGIC INVESTMENT

Through the business leads in the distribution business of computer and telecommunication components, the Group has identified investment opportunities with immense growth potential. Accordingly, the Group has acquired an approximately 28.26% interest in a company, which is principally engaged in the provision of telecommunication services in Hong Kong, for a consideration of HK\$33,823,000 during the year.

EXCELLENT HUMAN RESOURCES MANAGEMENT

As at 31st December, 2002, the Group employed over 800 employees, mostly in production plants in the PRC and approximately 20 employees in the Hong Kong headquarters.

The Group's success can be attributed to the contribution of these employees. In order to further improve its services and the capabilities of its employees, the Group conducts regular in-house training programmes on the subject of contemporary management theories, marketing concepts and technological developments in the printing industry. The Group will maintain its strong commitment to developing its human resources as the Group believes human expertise is one of the key strengths of its success.

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為嘉許刻苦耐勞及表現出色之員工，本集團已推行一項有系統之員工評估計劃，以確保每名員工均按其表現獲得獎勵。由於整體生產效率將與員工之表現花紅直接掛鉤，此項計劃之推行大大刺激雲南僑通合資企業之淨利潤率。

穩健之財政狀況

本集團貫徹審慎之財政政策，並保持健全之財政狀況。於二零零二年十二月三十一日，本集團約有72,461,000港元之現金和銀行存款及約91,474,000港元之流動資產淨值。二零零二年，本集團以降低在財政方面之整體負債比率為目標。本集團在財政方面之負債權益（權益包括股東資金加少數股東權益）比率由二零零一年之64.7%稍為降低至二零零二年之62.1%。

公司展望

展望將來，本集團對中國之經濟前景仍然非常樂觀。中國經濟增長穩健、生活水準上升，以及大舉開發中國西部，再加上中國之消費產品市場以及藥品和保健產品市場之龐大發展潛力，均為本集團營造適合發展業務之市場環境。隨著中國加入世貿及取得二零零八年奧運會之主辦權，大量外資流入及消費意欲普遍上升，將會進一步幫助擴展本集團之業務。

In order to award employees for their efforts and performance, the Group has implemented a systematic staff assessment programme to ensure each employee is rewarded on a performance basis. This also explains the significant improvement in the net profit margin in Yunnan Qiaotong JV as the improvement in overall production efficiency will be directly linked to the performance bonus rewarded to respective employees.

STABLE FINANCIAL POSITION

The Group has continued its prudent financial policy and has maintained a healthy financial position. As at 31st December, 2002, the Group had cash and bank deposits of approximately HK\$72,461,000 and net current assets of approximately HK\$91,474,000. The Group has targeted to improve its overall financial gearing in 2002. Its financial gearing ratio, namely, debt to equity (shareholders' equity plus minority interests) ratio, has slightly improved from 64.7% in 2001 to 62.1% in 2002.

COMPANY PROSPECTS

Moving forward, the Group remains very positive on the PRC's economic outlook. Robust economic growth in the PRC, improving living standards and massive development of the western region of the PRC are all providing excellent market conditions for the Group to grow its business, especially in light of the significant growth potential in the PRC's consumer products market and pharmaceutical and health care products market. This will be further enhanced by the massive influx of foreign capital and the general increase in consumption spending, along with the PRC's accession to the WTO and hosting of the 2008 Olympics.



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為捕捉市場之潛力，本集團將繼續採取可持續增長之策略，於中國透過合併收購或成立新合營企業以發展包裝印刷業務。

創新之意念、清晰之策略目標、投資於全新先進生產設施及提高生產力為本集團保持領先優勢之主要策略。本集團將繼續在鞏固之基礎上發展業務，並深信將於來年達到可持續之增長，為股東爭取最高之資金回報及為僱員提供最佳福利。

致謝

本人謹代表本集團向管理層及全體僱員衷誠致謝，感激各位竭盡所能，為本集團作出貢獻。本人亦藉此機會向各位股東及業務夥伴致意，感謝彼等對本集團之信心及一直以來給予本集團之支持。

許經振
主席

香港，二零零三年四月九日

To capture such potential, the Group will continue pursuing a sustainable growth strategy in developing its packaging printing division in the PRC, through merger and acquisitions or the setting up of new joint ventures.

Innovation, a clear strategic mission, investment in new advanced production facilities and enhancing productivity remain its key strategies to keep the Group ahead of its competitors. The Group will continue to build from its firm foundation and the Group believes it will achieve sustainable growth in the years ahead while maximising financial returns to its shareholders and the benefits of its employees.

APPRECIATION

On behalf of the Group, I wish to express my sincere thanks to our management team and to our employees, who have devoted their talents and efforts to the Group. I would also like to express my gratitude to our shareholders and business partners for their confidence and continuing support for the Group.

Hui King Chun, Andrew
Chairman

Hong Kong, 9th April, 2003