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MANAGEMENT'S
DISCUSSION & ANALYSIS

管理層之討論與分析

Management's Discussion & Analysis

業務回顧

包裝印刷業務部門

經營業績

包裝印刷業務乃本集團之核心業務，其營業額約佔本集團二零零二年度之總營業額46.7%。在回顧年度內，該業務部門帶來之營業額約為410,115,000港元，較二零零一年度增加21.6%。該部門之所有銷售額均來自中國，並以人民幣（「人民幣」）計值。

在二零零二年，香煙之印刷包裝產品乃本集團之主要產品，其營業額約佔本集團之包裝印刷業務總營業額97.4%，亦佔本集團總營業額45.5%。在回顧年度內，該類別業務之營業額為399,476,000港元，較上年度增加25.0%。

酒類及藥品和保健產品之印刷包裝產品在二零零二年之銷售額分別為1,196,000港元及8,212,000港元。

REVIEW OF OPERATIONS

PACKAGING PRINTING BUSINESS DIVISION

Operating results

The packaging printing business, which accounted for approximately 46.7% of the Group's total turnover in 2002, is the core business of the Group. During the year under review, the turnover attributable to this business division was approximately HK\$410,115,000, representing an increase of 21.6% as compared to 2001. All sales from this division were made in the PRC and were denominated in Renminbi ("RMB").

In 2002, printed packaging products for tobacco were the principal products of the Group, and accounted for 97.4% of the total turnover of the packaging printing business and 45.5% of the total turnover of the Group. During the year under review, the turnover from this category was HK\$399,476,000, representing an increase of 25.0% as compared with that of last year.

Sales from printed packaging products for wine and for pharmaceutical and health care products in 2002 were HK\$1,196,000 and HK\$8,212,000 respectively.



許經振先生及高級管理人員

前排左起：丘少明、許經振、陳志毅、許檣樹 後排左起：王金樂、麥潔瑩、歐陽浩明

Mr. Andrew Hui with Senior Management

Front row from left: Paul Yau, Andrew Hui, John Chan, Hui Bin Long Back row from left: Andrew Wong, Maggie Mak, Au Yeung Ho Ming

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市場概覽

煙草行業

中國國家煙草專賣行政主管部門之統計資料顯示，於二零零二年，中國煙草業保持穩健之發展，經濟效益取得過往二十年來最佳之記錄。於二零零二年，香煙生產量約為34,450,000大箱，較往年輕微增加約1.3%。然而，中國之煙草業在二零零二年錄得之工商溢利及稅項達人民幣140,000,000,000元，較往年大幅增加21.7%。

二零零二年工商溢利及稅項之增幅較生產大箱總數量之增幅為高，乃由於中國之市場趨勢普遍傾向高檔煙草發展，因此，更多資源及預算將投放於改善包裝以提高產品形象及打擊偽造產品。

中國煙草機關繼續採取嚴格之措施，打擊偽造產品及非法生產卷煙。此外，中國煙草機關於往年專注於減少小型卷煙廠，導致中國卷煙廠之總數由一九九八年之185間大幅減少至二零零二年之123間。

Market overview

Tobacco Industry

The PRC's tobacco industry sustained stable growth in 2002, with economic returns achieving the best record over the past 20 years, according to the statistic from The State Tobacco Monopoly Administration of the PRC. Approximately 34,450,000 master cartons of tobacco were produced in 2002, representing a slight increase of approximately 1.3% over the previous year. However, the PRC's tobacco industry achieved RMB140,000,000,000 of industrial and commercial profits and taxes in 2002, representing a significant increase of 21.7% as compared with that of last year.

The increase in industrial and commercial profits and taxes in 2002 has been out of proportion to the increase in total number of master cartons produced, which can be explained by the general market trend towards high grade tobacco in the PRC and accordingly more resources and budget will be deployed to improve the packaging for better product image and to fight against counterfeit products.

The tobacco authorities in the PRC continued to take strict measures to fight against counterfeit products and illegal cigarette manufacturing. Furthermore, it has been a prime focus of the tobacco authorities in the PRC to eliminate small cigarette factories in the previous years and the total number of cigarette factories in the PRC has significantly reduced from 185 in 1998 to 123 in 2002.



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藥品及保健產品行業

隨著中國人口增長和老化及人民之生活水準日益改善，對優質藥品及保健產品之需求亦有大幅增長。根據一項調查，中國人口將於二零零五年增至約1,388,000,000，而預期為老人而設之藥品之總銷量將達至人民幣61,600,000,000元。

中國入世後，藥品業將經歷重大變遷，包括藥品之進口關稅大幅下降，批發及零售市場開放，以及引進外資於其他醫療服務。

餐酒及酒精類行業

中國白酒（「白酒」）及餐酒行業於二零零二年保持穩健增長。此行業為本集團預期將業務目標作多元化發展之有潛力市場分部之一。於二零零二年，整體白酒生產量輕微下跌，然而，越來越多高級白酒逐漸引入市場。此外，同期之紅酒銷量大幅增加。

餐酒及酒精類行業之發展方向為打擊偽造產品、改良產品質素、提高品牌知名度及增加產品種類。



Pharmaceutical & health care products industries

Along with a growing and aging populace and an improvement in living standards for the population of the PRC, demand for high quality pharmaceutical and health care products has increased tremendously. According to a research, the population of the PRC will be approximately 1,388,000,000 in 2005 and the total sales volume of pharmaceutical products for the elderly population is expected to reach RMB61,600,000,000.

Along with the PRC's accession to the WTO, the pharmaceutical industry will undergo dramatic changes, including a substantial reduction in import duty for pharmaceutical products, opening up of the wholesale and retail markets and other medical services for foreign investment.

Wine and spirits industries

The Chinese white spirit ("baijiu") and wine industries in the PRC maintained a steady growth in 2002. This is one of the potential market segments that the Group expects to diversify its business focus. In 2002, overall baijiu production recorded a slightly decrease, however an increasing number of high grade baijiu has gradually been put onto the market. In addition, the red wine consumption has substantially increased during the same period.

The development directions of the wine and spirits industries are to fight against counterfeit products, to improve the quality of products and to promote brand awareness and variety.

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清晰之策略目標

本集團致力保持為中國包裝及印刷領導企業之一。一直以來，本集團朝正確之方向發展業務，並受惠於中國經濟發展蓬勃及生活水準普遍上升等有利因素。

本集團透過其管理層及中國印刷專才之努力，得以採取適當之公司及產品定位，及成功實行出色之市場推廣策略。本集團不斷發展新防偽技術及產品設計，以迎合客戶更高之期望。

策略性生產設施之地點

經過九年來之發展及經驗，本集團之雲南及哈爾濱生產廠房已於中國西南部及北部建立鞏固之地位。此等地點之策略性選擇是由於位置接近主要客戶以節省運輸成本，縮短廣泛分發之付運時間，並能對客戶之要求作出迅速反應。

精密之生產設施

不斷投資購置先進生產設施，力求在競爭者中保持領導之地位，本集團於二零零二年安裝了兩台購自Bobst之自動平壓燙金機（作燙金及壓凸用途），以及購自Steuer之滾筒燙金機。根據生產商之資料，設於雲南僑通合資企業之滾筒燙金機為第一台於中國安裝之同類型機器，該滾筒燙金機具備特有功能，可進一步減低生產時使用鋁箔之損耗量。

雲南僑通合資企業於二零零二年添置之固定資產為34,892,000港元。安裝該等機器後，舒緩了本集團燙金部門之繁忙情況，從而精簡了本集團之生產流程，並透過將生產過程中浪費之材料保持於低水平，藉此提高本集團之整體生產效率。



Clear strategic mission

The Group is committed to maintaining as one of the leading packaging and printing enterprises in the PRC. Over the years, the Group has grown steadily on the right path, aided by favourable factors such as sustainable growth in the PRC's economy and the general increase in living standards.

Through the efforts of its management team and its printing expertise in the PRC, the Group has chosen an appropriate company and product positioning and successfully implemented outstanding marketing strategies and tactics. The Group has continued its efforts in developing new anti-counterfeiting techniques and product designs to cater for higher expectations from customers.

Strategic location of production facilities

With over nine years of development and experience, the Group's Yunnan and Harbin production plants have established a firm foothold in south-western and northern regions of the PRC. The locations were strategically chosen for their proximity to major customers in order to save transportation costs, shorten the delivery time for broad distribution and allow for a prompt response to customers' requests.

Sophisticated production facilities

With its strong commitment to continuous investment in advanced production facilities to maintain its leading position among competitors, the Group has installed two automatic platen presses for hot-foil stamping and embossing from Bobst and a rotary foil stamping machine from Steuer in 2002. According to the manufacturer, the rotary foil stamping

machine in Yunnan Qiaotong JV is the first machine of its kind installed in the PRC, which has the unique function of further reducing the wastage of aluminum foil used in production. The fixed assets additions to Yunnan Qiaotong JV amounted to HK\$34,892,000 in 2002. The installation of these machines has eased up the congestion in the Group's hot-foil stamping department and thus streamlined its production flow, as well as improving its overall production efficiency by maintaining production wastage at a low level.

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此外，本集團之印後工序（只包括燙金及壓凸）生產能力將於二零零二年由每年444,000,000大張增加約41.5%至628,000,000大張。

雲南僑通合資企業已於二零零二年升級至ISO 9002：二零零零年版，而本集團之哈爾濱生產廠房亦正申請ISO 9000品質認證，務求將設於中國之所有生產設施提升至完美之水平。預期哈爾濱生產廠房將於本年內獲發此品質證書。

研究及開發能力

為保持其技術、生產工藝及優質服務方面之競爭優勢，本集團進一步增聘研究及開發人員。本集團更透過運用更多人力資源及專業知識，加強其技術部門、內部設計小組及兩家設於雲南省昆明市及四川省成都市之設計公司，以豐富對市場發展之認識及提高其產品開發和設計之能力。

於回顧年度內，本集團進一步建立公司信譽及產品形象。本集團已成功應用15項創新意念於技術及工藝方面。應用該等創新意念，令本集團得以開發新設計及工藝，使其他競爭對手無法匹敵。於綜合印刷技術上採用該等創新意念，一直成功為本集團產品與競爭對手間形成差異化。

Furthermore, the Group's production capacity for post-press operations (including hot-foil stamping and embossing only) will increase by approximately 41.5% from 444,000,000 sheets to 628,000,000 sheets in 2002.

In addition, Yunnan Qiaotong JV upgraded to ISO 9002: Year 2000 version in 2002 and the Group's Harbin production plant is applying for ISO 9000 quality accreditation in order to perfect all the production facilities in the PRC. This quality certificate is expected to be obtained within this year.

Research and development capabilities

In order to maintain its competitive edges in technology, production workmanship and quality services, the Group has further increased the number of its research and development personnel. The Group has reinforced its technical department, in-house design team and two design houses established in Kunming City, Yunnan Province and Chengdu City, Sichuan Province by deploying more human resources and expertise in order to strengthen its intelligence in market development and to enhance its product development and design capabilities.

During the year under review, the Group has further developed its corporate reputation and product image. The Group has successfully applied 15 new innovations in technology and workmanship. The applications of these innovations have enabled the Group to develop new designs and workmanships that its competitors cannot match. The application of these innovations in its combined printing has always been a key to the success of the Group in differentiating its products with that of its competitors.



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卓越及策略性之產品組合

本集團之業務發展倚賴製造廣泛系列之優質多色包裝產品所推動，包括：

- 卷煙印刷包裝產品；
- 酒類印刷包裝產品；
- 藥品及保健產品之印刷包裝產品；
- 其他消費產品之印刷包裝產品；及
- 書刊印刷。

於二零零二年，本集團透過招徠新客戶及為現有客戶開發新產品（主要包括已使用先進防偽造技術之新包裝設計），成功開拓新市場。

分銷及投資部門

經營業績

憑藉香港總部各部門之努力，本集團已於二零零零年六月開始進軍分銷業務，以進一步提高其企業價值，擴闊收入來源及開拓更多商機。

於回顧年度內，分銷業務之營業額顯著上升至約466,967,000港元，較二零零一年增加54.6%，佔本集團二零零二年之營業額約53.1%。

市場概覽

儘管去年全球資訊科技業經濟逆轉，International Data Corp. 預測，二零零二年之全球個人電腦（「個人電腦」）之付運量約達135,530,000台，較二零零一年稍為增加1.1%。全球整體動態隨機存取記憶體（簡稱DRAM）之市場於二零零二年增加約38%至約15,400,000,000美元。

Strategic and superior product mix

The Group's growth has been driven by the manufacturing of a wide range of high quality multi-colour packaging products which include:

- Printed packaging products for tobacco;
- Printed packaging products for wine;
- Printed packaging products for pharmaceutical and health care products;
- Printed packaging products for other consumer products; and
- Book printing.

In 2002, the Group has successfully explored new markets by developing new customers and deploying new products to existing customers, including mainly introducing new packaging designs which have applied sophisticated anti-counterfeit techniques.

DISTRIBUTION AND INVESTMENT DIVISION

Operating results

Leveraging the team's strengths in the Hong Kong headquarters, the Group commenced its distribution business in June 2000 to further enhance its enterprise value, generate supplementary revenue sources and explore additional business opportunities.

During the year under review, the turnover from the distribution division grew immensely to approximately HK\$466,967,000, representing an increase of 54.6% as compared to 2001. The distribution division accounted for approximately 53.1% of the Group's turnover in 2002.

Market overview

Despite the global economic downturn in the information technology industry in last year, according to International Data Corp.'s forecast, global personal computer ("PC") shipments in 2002 reached approximately 135,530,000 units, representing a slight increase of 1.1% when compared with 2001. The total worldwide dynamic random access memory (DRAM) market has increased by approximately 38% to approximately US\$15,400,000,000 in 2002.

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根據 Dataquest Inc. 之預測，預期全球個人電腦之付運量將於二零零三年年底大幅反彈，較二零零二年增長 7.9%。全球付運量上升之原因為增加升級電腦設備之企業預算，以更換大部份公司因千年蟲問題而於一九九九年購買之舊式系統。

此外，iSuppli Corp. 預期快閃記憶體晶片之需求將較二零零二年增加約 9%。需求增長主要由於廣泛使用數碼相機、個人數碼助理及其他電子用品之數碼儲存所致。

根據 iSuppli Corp. 之資料，預期流動電話市場於二零零三年將增長約 10%。以付運量計算，全球手機市場約為 410,000,000 部。

此外，本集團已於二零零二年進軍船舶用之燃料貿易市場，以將其分銷業務作多元化發展，避免過份集中於電腦及電子通訊零件貿易。

於二零零二年，亞太區船舶用之燃料之總貿易量達 45,600,000 公噸。中國市場因中國入世後開放，此行業於中國之發展潛力龐大。

優越之產品種類

鑑於全球通訊及資訊科技業市道蕭條，電腦及電子通訊零件在二零零二年之銷售量顯著下滑。

According to Dataquest Inc.'s forecast, worldwide PC shipments are expected to rebound strongly by the end of 2003, to show a 7.9% increase from 2002. Driving the rise in worldwide shipments will be an increase in corporate budget in upgrading computer equipment, as most of the companies will need to replace ageing systems purchased in 1999 in anticipation of possible millennium disruptions.

In addition, iSuppli Corp. has anticipated that the demand for flash memory chips will increase by approximately 9% over that of 2002. The growth comes mainly from the wide usage of digital storage in digital cameras, personal data assistants and other electronic devices.

The cellular-phone handset market is expected to grow at a rate of approximately 10% in 2003, according to iSuppli Corp.. The worldwide market for handsets was about 410,000,000 in terms of unit shipments.

Furthermore, the Group has entered into a new market, namely the trading of marine fuel in 2002 in order to diversify its distribution business to avoid over-concentration in the trading of computer and telecommunication components.

In 2002, the total trading volume of marine fuel in Asia Pacific region reached 45,600,000 metric tons. In addition, with the opening up of the PRC market after the PRC's accession to the WTO, the growth potential of this sector within the PRC is tremendous.

Excellent product mix

In view of the global downturn in the communication and information technology industries, the sales of computer and telecommunication components indicated a substantial slowdown in 2002.

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因此，本集團成功開發另一個市場擴展機會，以減低通訊及資訊科技業市道蕭條之影響。二零零二年，船舶用之燃料分銷展現龐大發展潛力。船舶用之燃料分銷業務於首個營運年度約佔分銷業務總營業額之64.8%。

地域市場多元化

本集團之主要市場－西歐、中國及香港分別佔分銷業務二零零二年之營業額5.2%、17.0%及76.5%。

本集團已就其分銷業務採取審慎之存貨政策，以減低風險。於二零零二年十二月三十一日，分銷業務之存貨金額僅為1,681,000港元。

流動資金及財政資源

流動資產淨值

於二零零二年十二月三十一日，本集團約有流動資產淨值91,474,000港元。於二零零二年十二月三十一日，流動資產包括存貨約99,807,000港元，應收貿易賬款、其他應收賬款及短期貸款約260,951,000港元，及銀行存款、銀行結餘及現金約72,461,000港元。流動負債包括應付貿易賬款及其他應付賬款約118,773,000港元、應付股息及稅項約2,710,000港元，及短期借貸約220,262,000港元。

借貸及銀行融資

於二零零二年十二月三十一日，本集團約有銀行融資總額477,054,000港元，其中約256,054,000港元已動用，約107,613,000港元以本集團提供之企業擔保及交叉擔保抵押，及約148,441,000港元以本公司一間於中國經營業務之附屬公司旗下之資產根據有關貸款協議之條款抵押。

Accordingly, the Group has successfully opened up another new market expansion opportunity to lessen the effects of the downturn in the communication and information technology industries. The distribution of marine fuel showed a substantial growth potential in 2002. In its first year of operation, the marine fuel distribution business already accounted for approximately 64.8% of the total turnover of the distribution business.

Geographical diversification

The Group's major markets are Western Europe, the PRC and Hong Kong, which accounted for 5.2%, 17.0% and 76.5% respectively of the turnover of the distribution business in 2002.

The Group has implemented a prudent inventory policy for its distribution business in order to mitigate risks. As at 31st December, 2002, the inventory amount of distribution business was only HK\$1,681,000.

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets

As at 31st December, 2002, the Group had net current assets of approximately HK\$91,474,000. The current assets as at 31st December, 2002 comprised inventories of approximately HK\$99,807,000, trade, other and short-term loans receivables of approximately HK\$260,951,000, and bank deposits, bank balances and cash of approximately HK\$72,461,000. The current liabilities comprised trade and other payables of approximately HK\$118,773,000, dividends and tax payable of approximately HK\$2,710,000, and short-term borrowings of approximately HK\$220,262,000.

Borrowings and banking facilities

As at 31st December, 2002, the Group had total banking facilities of approximately HK\$477,054,000, approximately HK\$256,054,000 of which had been utilised, and approximately HK\$107,613,000 of which was secured by corporate guarantees and cross guarantees given by the Group, approximately HK\$148,441,000 of which secured by the assets of a Company's subsidiary in the PRC according to the terms of the relevant loan agreements.

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董事對財政資源之意見

本集團以進一步加強其資本結構為目標，本年度之財政狀況較二零零一年有所改善。於二零零二年十二月三十一日，資產負債比率（即計息負債／股東資金加少數股東權益）由64.7%下降至62.1%，而淨資產負債比率（即計息負債減現金／股東資金加少數股東權益）為44.5%。本集團未計淨利息支出、稅項、折舊及攤銷之盈利（簡稱EBITDA）對利息支出淨額之利息盈利率為10.1倍，較二零零一年之7.2倍大幅上升。

董事會認為，經考慮本集團可動用之財政資源（包括內部資金及可動用之銀行融資），本集團備有充足之營運資金，應付目前之需要。

未來展望

令人鼓舞之中國消費產品市場

儘管全球經濟低迷及中東局勢緊張造成不利影響，預期中中國國內生產總值於二零零三年之增長率約為7%，為全球擁有最佳表現經濟體系之一。憑藉中國過往十年經濟改革之成果，中國經濟增長穩健及生活水準改善，對優質消費產品之需求日漸上升。中國入世及取得二零零八年奧運會之主辦權將令需求進一步飆升。

中國之煙草業前景秀麗

儘管中國對吸煙對健康影響日益關注，過去十年之香煙生產量及銷售量相對穩定，較去年增長1.3%。工商溢利及稅項於二零零二年錄得顯著增幅21.7%，顯示客戶趨向購買零售價格較高之高級香煙。

Director's opinion on financial resources

With a view to further strengthen its capital structure, the Group has improved its financial position as compared with 2001. As at 31st December, 2002, the debt to equity ratio (interest bearing liabilities/shareholders' equity plus minority interests) reduced from 64.7% to 62.1%, whereas the net debt to equity ratio (interest bearing liabilities less cash/shareholders' equity plus minority interests) was 44.5%. The interest coverage ratio of the Group's earnings before net of interest expenses, tax, depreciation and amortisation (EBITDA) to net interest expenses was 10.1 times which has improved substantially from 7.2 times in 2001.

The Directors are of the opinion that, taking into account the financial resources available to the Group including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

FUTURE PROSPECTS

Encouraging PRC's consumer product market

Despite the global economic slowdown and the effect of the tension in the Middle East, the growth rate of the PRC's gross domestic product in 2003 is expected to be around 7%, ranking as one of the best performing economies in the world. Along with stable economic growth and improving living standards in the PRC as a result of the effective economic reforms in the past decade, the demand for high quality consumer products is increasing. This will be further enhanced by the PRC's accession to the WTO and hosting of the 2008 Olympics.

Promising Developments in the PRC's tobacco industry

Although there is growing health concerns for smoking in the PRC, the industry output and the sales volume have been relatively stable in the past decade, with a 1.3% growth over the previous year. As industrial and commercial profits and tax has registered a tremendous growth rate of 21.7% in 2002, there are indications that customers are moving toward high grade tobacco with a higher retail price.

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此外，中國政府繼續積極推行煙草業之改革。該等機關旨在發展多個優質香煙品牌，並加快發展多個國際馳名品牌。該計劃促使煙草機關採取步驟，關閉年產量少於100,000大箱之小型卷煙廠，以提高在國際市場之競爭力。

所有主要香煙生產商投放更多資源於市場，包括將產品包裝升級及應用更多精密之防偽造技術，為本集團之業務發展提供良好機會。

中國之藥品行業發展蓬勃

中國約達1,300,000,000龐大人口之市場是本集團發展業務之推動力。預期對優質藥品及保健產品之需求將因購買力及保健意識普遍提高而急劇上升。

根據中國國家藥品監督管理局制定之未來計劃，預期行業生產量將由二零零零年之人民幣200,000,000,000元增至二零一零年之人民幣800,000,000,000元。該局旨在發展中國成為藥品行業其中一個強國。

中國資訊科技服務之高增長潛力

根據Dataquest Inc.之資料顯示，預期中國將成為全球資訊科技服務發展最快國家之一，二零零六年之收益將達至8,900,000,000美元。中國之資訊科技服務業發展未臻成熟，為本集團締造良好之市場機會。

In addition, the PRC government has continued to urge for the reform in the tobacco industry. The authorities aim to develop a number of tobacco brands of a high quality and to speed up the process of developing a number of internationally famous brands. The programme urges tobacco authorities to take steps to shut down small cigarette factories with an annual output of less than 100,000 master cartons in order to enhance international competitiveness.

These provide an excellent opportunity for the Group to growth its business as all the major tobacco manufacturers are deploying more resources into tapping the market, including upgrading product packaging and the application of more sophisticated anti-counterfeit techniques.

Prosperous development in PRC's pharmaceutical industry

The market for a population of approximately 1,300,000,000 in the PRC is definitely a driving force for the Group as demands for high quality pharmaceutical and health care products are expected to increase tremendously as purchasing power and general health care awareness improve.

The future plans prescribed by the State Drug Administration of the PRC, whose aim is to promote the PRC to become one of the strongest countries in the pharmaceutical sector, anticipate industry output to increase to RMB800,000,000,000 in 2010 from RMB200,000,000,000 in 2000.

High growth potential for information technology services in the PRC

The PRC is expected to be one of the fastest growing countries for information technology services in the world, with revenue reaching US\$8,900,000,000 in 2006, according to Dataquest Inc.. The immature information technology service sector in the PRC offers a good market opportunity for the Group.

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繼續投資先進生產設施

為提高本集團雲南及哈爾濱廠房之整體生產效率，本集團將繼續購買先進生產設施。展望來年，本集團將更著重發展哈爾濱生產廠房，以加強本集團於中國北部之基礎。

為應付市場發展及客戶日益提高之要求，本集團已開始進行有關購買柔性版印刷機之可行性研究，以加強開發更精密產品之能力。

成本管理

除繼續投資於先進生產設施以提高生產效率外，本集團亦已採取不同節省成本措施，務求減低生產經常性開支及其他行政成本。本集團將於雲南及哈爾濱生產廠房繼續採取嚴謹之營運資金管理政策，以減低存貨量及應收賬款結餘。此外，本集團將繼續透過完善生產程序及使用新安裝之滾筒燙金機，以減低鋁箔之使用量。

本集團亦已採取透過與銀行磋商及重新安排貸款等多項措施，以進一步減低成本。

投資機會

本集團不斷採用彈性及進取之市場推廣及投資策略，以建立顯赫之信譽，擴闊其產品系列，並為其股東帶來最高之盈利能力。

為提高股東回報，拓闊收入來源及爭取商機，本集團將繼續從事分銷業務，並審慎地物色其他投資機會。

Continuous investment in advanced production facilities

In order to enhance the overall production efficiency of the Group's plants in Yunnan and Harbin, the Group will continue to remain committed to the acquisition of advanced production facilities. For the year ahead, the Group will place more emphasis in the development of the Harbin production plant in order to strengthen its foundation in northern region of the PRC.

To cope with market developments and increasing demand from customers, the Group has commenced a feasibility study in acquiring a flexo-printing machine that will enhance the capability of developing more sophisticated products.

Cost management

In addition to continuous investment in advanced production facilities to enhance production efficiency, the Group also has taken different cost cutting measures to reduce production overheads and other administrative costs. In the Group's production plant in Yunnan and Harbin, the Group will continue to adopt a tight working capital management in order to minimise the inventory level and the accounts receivable balances. In addition, the Group will continue to reduce the usage of aluminum foil by modifying production processes and utilisation of the newly installed rotary foil stamping machine.

Furthermore, the Group has already taken measures to further lower the costs of funding by negotiations with banks and rearrangement of loans.

Investment opportunity

The Group has applied flexible and aggressive marketing and investment strategies to establish an excellent reputation, broaden its product range and maximise profitability to its shareholders.

To maximise shareholders' returns, generate revenue sources and strive for business opportunities, the Group will continue to engage in its distribution business and look for other investment opportunities in a prudent manner.