

**中期股息**

董事會宣佈，於二零零三年十月十日或前後向於二零零三年九月三十日名列本公司股東名冊之股東，派付截至二零零三年六月三十日止六個月之中期現金股息每股1.5港仙。

**INTERIM DIVIDEND**

The Directors have declared the payment of an interim cash dividend of HK1.5 cents per share for the six months ended 30th June, 2003 payable on or about 10th October, 2003 to shareholders whose names appear on the Register of Members of the Company on 30th September, 2003.

**暫停辦理股東登記手續**

本公司將於二零零三年九月二十五日(星期四)至二零零三年九月三十日(星期二)(包括首尾兩天)暫停辦理股東登記手續，在該期間內不會登記任何股份過戶。一切股份過戶文件連同有關之股票最遲須於二零零三年九月二十四日(星期三)下午四時前交回本公司之香港股份過戶登記分處雅柏勤證券登記有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

**CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Thursday, 25th September, 2003 to Tuesday, 30th September, 2003 (both days inclusive) during which period no transfer of shares will be registered. All transfers of shares accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Abacus Share Registrars Limited, G/F Bank of East Asia Harbour View Center, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 24th September, 2003.

**管理層之討論與分析****滿意之經營業績**

截至二零零三年六月三十日止六個月，本集團之總營業額約為544,528,000港元，較二零零二年同期增加54.5%，主要原因是分銷業務大幅增長令營業額有所上升。包裝印刷業務乃本集團之核心業務，其純利上升2.7%，約佔本集團截至二零零三年六月三十日止六個月之純利94.1%。

截至二零零三年六月三十日止六個月，包裝印刷業務之營業額為190,926,000港元，較去年同期下跌8.7%，主要由於受到中國及香港爆發之嚴重急性呼吸系統綜合症(「非典型肺炎」)疫潮所帶來之不利影響令客戶訂單及送貨延誤所致。非典型肺炎爆發後，本集團即時採取相應之預防措施，推行嚴格之預防方法，以確保其員工安全及生產保持穩定。此外，本集團不但取得較高毛利率之訂單，而且透過有效之成本控制措施，使毛利率由二零零二年之28.2%增至二零零三年首六個月之30.0%。

**MANAGEMENT'S DISCUSSION AND ANALYSIS****Satisfactory Operation Results**

For the six months ended 30th June, 2003, the total turnover of the Group was approximately HK\$544,528,000, representing an increase of 54.5% over the corresponding period in 2002. The main reason is the immense growth in distribution business, which led to the rise in turnover. Growth rate of net profit from the packaging printing business, which is the core business of the Group and accounted for approximately 94.1% of the Group's net profit for the six months ended 30th June, 2003, was 2.7%.

The turnover from packaging printing business for the six months ended 30th June, 2003 amounted to HK\$190,926,000, representing a reduction of 8.7% as compared to the same period last year due largely to the adverse effects brought about by the Severe Acute Respiratory Syndrome ("SARS") epidemic in the PRC and Hong Kong, which led to the delay of customers' orders and deliveries. After the outbreak of SARS, the Group reacted promptly and took precautionary measures against the SARS epidemic by enforcing strict cautionary means to ensure safety for its workforce and stability in its production. Furthermore, the Group not only attained higher profit margin's orders, but also implemented effective cost control measures. Accordingly, the Group is able to improve the gross profit margin from 28.2% in 2002 to 30.0% in the first six months in 2003.

截至二零零三年六月三十日止六個月，未計淨利息、稅項、折舊及攤銷之盈利（「EBITDA」）及股東應佔溢利分別約為60,374,000港元及21,375,000港元，較二零零二年同期分別增加2.8%及1.5%。

#### 市場概覽

儘管全球經濟普遍放緩，及於本年年初爆發之非典型肺炎為中港兩地之經濟造成短期影響，但中國之國民生產總值並無受到打擊，於二零零三年首季仍能保持約9.9%之增長。隨著中國加入世界貿易組織，以及普遍生活水準提升，相信中國仍能保持其強勁增長。

於本年度之上半年度，中國卷煙生產量為18,410,000大箱，較去年同期上升3.3%。工商溢利及稅項增加15.0%至人民幣86,671,000,000元。此乃符合中國政府以高檔香煙市場為目標發展煙草業之政策，管理層相信此政策將為本集團締造無限商機。

#### 精密之生產設施及印刷技術

於回顧期內，本公司已訂立有關購置一台柔性版印刷機之合約，預期於年底前完成安裝。使用柔性版印刷機將進一步加強印刷消費產品之生產效率及防偽能力，尤其軟包裝卷煙印刷。此外，在新印刷技術與其他印刷技術配合使用下，例如凹版印刷、柯式印刷及絲網印刷技術，令本集團之印刷技術超越其競爭對手，並保持領導地位。

Earnings before net interest, tax, depreciation and amortisation ("EBITDA") and profit attributable to shareholders were approximately HK\$60,374,000 and HK\$21,375,000 respectively for the six months ended 30th June, 2003. This represented a respective increase of 2.8% and 1.5% as compared to the corresponding period in 2002.

#### Market Overview

Despite the general slowdown of the global economy and the outbreak of SARS early this year which caused a short-term impact in both the PRC and Hong Kong economies, the gross domestic product growth rate in the PRC has not been deterred and remained strong at approximately 9.9% in the first quarter in 2003. It is generally believed that the PRC will keep a rapid growth pace following accession to the World Trade Organisation and the general rise in living standards in the PRC.

In the first half of this year, tobacco output in the PRC was 18,410,000 master cartons, representing an increase of 3.3% over the same period of last year. The industrial and commercial profits and taxes rose 15.0% to RMB86,671,000,000. The management believes the government policy in the PRC to develop the tobacco industry towards high grade tobacco market will offer enormous opportunities for the Group.

#### Sophisticated Production Facilities and Printing Technique

During the period under review, contract to purchase for one production machine for flexo printing operation was confirmed and the installation is expected to be completed by the end of this year. The deployment of the flexo printing machine will further enhance the production efficiency and the anti-counterfeit capability for the printing of consumer products, especially for soft-pack tobacco printing. Furthermore, the introduction of the new printing technique in combination with other printing techniques, such as gravure, offset and silkscreen, will definitely keep the Group's printing technique ahead of its competitors and maintain its leading position.

### 分銷及投資業務

於回顧期內，分銷及投資業務之營業額約為353,040,000港元，較二零零二年同期上升148.4%。分銷及投資業務之總營業額中有42.8%乃來自分銷電子及電腦零件，餘額則來自分銷大宗貨品，主要為船舶用燃油。

隨著發展船舶用燃油分銷業務，本集團於二零零三年上半年度之營業額大幅飆升。然而，由於電子及電腦零件之市場競爭劇烈，加上美伊戰爭導致油價波動，令集團之整體分銷業務於期內面對種種挑戰。此外，本集團亦繼續採用審慎之存貨政策，以減低營商風險。於二零零三年六月三十日，分銷業務之存貨金額僅為1,639,000港元。

### 人力資源發展

於二零零三年六月三十日，本集團僱用合共超過800名僱員。大部份僱員乃由本集團設於中國之生產廠房於二零零三年所僱用。

為進一步提高生產效率及僱員士氣，本集團一直為僱員提供有關銷售管理、管理技巧及生產管理等範疇之內部培訓計劃。此外，本集團亦贊助國內之優秀員工到海外旅遊，以作獎勵。

### 未來展望

鑑於二零零三年上半年度面對之困難，預期中國二零零三年之國民生產總值增長將超過7%。管理層對全球經濟環境將於二零零三年下半年度復甦表示樂觀。由於中國之經濟增長穩定，生活水準亦日漸提高，消費者對優質包裝印刷消費產品(為本集團之主要潛在市場分部)之需求正大幅上升。為抓緊商機，本集團將專注於以下工作：

### Distribution and Investment Businesses

During the period under review, turnover from the distribution and investment businesses was approximately HK\$353,040,000, representing an increase of 148.4% over the corresponding period in 2002. 42.8% of total turnover from this category was attributable to the distribution of electronics and computer components, while the balance was from distribution of mass merchandise, mainly marine fuel oil.

Along with the development of the marine fuel oil distribution business, the turnover recorded a tremendous growth in the first half of 2003. However, the overall distribution business had to face a challenge during the period as a result of the market competition of electronic and computer components and oil price fluctuations caused by the US-Iraqi War. Furthermore, the Group has continued to adopt a prudent inventory policy to mitigate business risks. As at 30th June, 2003, the inventory amount of the distribution business was only HK\$1,639,000.

### Human Resources Development

As at 30th June, 2003, the Group employed a total of over 800 employees. Most were hired by the Group's production plants in the PRC during 2003.

In order to enhance further production efficiency and raise morale among the employees, the Group has provided a variety of in-house training programmes for its employees in areas such as sales management, supervisory skills and production management. In addition, the Group has sponsored overseas vacation trips for the best-performing employees in the Group's production plants in the PRC.

### Future Prospects

Amidst the difficult moments in the first half of 2003, the growth rate of PRC's gross domestic product in 2003 is expected to be over 7%. The management is also optimistic that the global economy environment will soon be improved in the second half of 2003. Along with stable economic growth and improving living standards in the PRC, consumers' demands for high quality packaging printing consumer products, which is the major potential market segments of the Group, is growing tremendously. In order to seize the opportunity, the Group will focus on the following:

#### 繼續資本投資

除上文所述之柔性版印刷機外，本集團正添置一台柯式印刷機，以加強柯式印刷在新產品上之研究開發工作，並簡化其生產流程以保持其競爭力。安裝新機器及混合應用印刷技術將進一步加強本集團卓越之防偽能力。

憑藉先進之生產機器、印刷技術及防偽知識，本集團相信將能繼續取得中國著名客戶之訂單。

#### 擴充營運規模及市場覆蓋率

除繼續於其現有生產廠房進行資本投資外，本集團亦正物色機會於中國其他地區設立生產設施，務求覆蓋全國市場，在地理上擴闊其客戶基礎。

#### 盡量提高股東價值

本集團運用靈活而進取之市場推廣及投資策略以提高股東價值。本集團一直致力於透過開拓不同之收入來源及捕捉良好之商機，達至長期增長，以盡量提高股東價值。除了主要之包裝印刷業務外，本集團將繼續從事分銷業務，並以審慎之態度物色其他投資機會。

#### *Continuous Capital Investment*

Besides the flexo printing machine mentioned above, the acquisition of an additional offset printing machine is already in the pipeline in order to reinforce the research and development of new products in offset printing and to maintain its competitive edge by streamlining its production flow. The installation of new machines and the application of mixture of printing techniques will further enhance the Group's distinctive anti-counterfeit capability.

By means of its advanced production machinery, printing technique, and anti-counterfeit knowhow, the Group believes that it will continue to obtain orders from reputable customers in the PRC.

#### *Expanding Operating Scale and Market Coverage*

In addition to the continuous capital investment in its existing production plants, the Group is seeking for opportunities to set up other regional production facilities in the PRC for national coverage and to broaden its customer base geographically.

#### *Maximise Shareholders' Value*

The Group applied flexible and aggressive marketing and investment strategies to maximise shareholders' value. The Group had been committed to achieving long term growth by generating various revenue sources and capturing good business opportunities in order to maximise shareholders' value. Other than the core packaging printing business, the Group will continue to engage in the distribution business and seek for other investment opportunities in a prudent manner.