

## Chairman's Statement



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

二零零三年，雖經歷沙士疫症及全球經濟持續放緩之艱難時期，惟本集團透過努力不懈及長期堅守承諾，仍能取得令人滿意之成果。

In year 2003, we have achieved satisfactory results through dedicated efforts and long-term commitment, amidst the difficult moments brought about by SARS and continuing sluggishness of global economy.

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二零零三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

本集團於二零零三年取得理想成果。截至二零零三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溫和之增長。總營業額達947,208,000港元，較二零零二年之營業額879,006,000港元增長7.8%，其中約39.2%來自包裝印刷業務。

股東應佔溢利由二零零二年之34,360,000港元上升2.6%至二零零三年之35,260,000港元。滿意的財務業績反映了本集團之明確增長方向。

### 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1.5港仙已於二零零三年十月派付。董事會建議派付二零零三年末期股息每股3.5港仙及特別股息每股3.0港仙，與二零零二年度相同。

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 to present the annual report for the year ended 31st December, 2003.

### SATISFACTORY OPERATIONAL RESULTS

Satisfactory results have been achieved in 2003 and the Group has successfully achieved a modest growth in turnover and in profit attributable to shareholders for the year ended 31st December, 2003. Total turnover was recorded at HK\$947,208,000, representing an increase of 7.8% as compared to the turnover of HK\$879,006,000 in 2002. Approximately 39.2% of the total turnover was derived from the packaging printing business.

Profit attributable to shareholders increased slightly by 2.6% from HK\$34,360,000 in 2002, to HK\$35,260,000 in 2003. These positive financial results reflected our clear direction for steady growth.

### DIVIDENDS

Kith Holdings Limited (the "Company") has maintained a stable dividend policy. An interim dividend of HK1.5 cents per share was paid in October 2003. The Directors recommended the payment of a final and special dividend of HK3.5 cents and HK3.0 cents per share respectively for the year 2003, which is the same as that of 2002.



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## 業務回顧

## 包裝印刷部門

二零零三年乃本集團充滿挑戰之一年，主要因為中華人民共和國（「中國」）及香港兩地爆發嚴重急性呼吸系統綜合症（「沙士」），導致客戶延遲發出訂單及付運延誤。因此，包裝印刷業務部門之營業額錄得371,239,000港元，較二零零二年同期減少9.5%。

包裝印刷部門繼續為核心業務，於截至二零零三年十二月三十一日止年度為本集團貢獻約92.4%毛利。雖然受到爆發沙士疫症及中國包裝印刷業競爭激烈所影響，惟與二零零二年比較，本集團亦能將包裝印刷部門之毛利率維持在約29.0%。此外，本集團此部門的純利率亦由二零零二年之18.3%輕微增加至二零零三年之19.7%。創此佳績全賴在爆發沙士疫情後，果斷地採取預防措施，從而增強生產效率及本集團實施有效之成本控制措施。

煙草行業仍為本集團包裝印刷部門之主要業務分類。隨著中國經濟出現強勢增長，加上消費產品市場繁盛，高檔消費品需求在年度內仍然強勁。雖然本集團之營業額受到沙士不利影響，但仍能透過向現有客戶介紹全新包裝產品，成功擴展業務。

此外，本集團成功將其業務多元化發展至其他行業。銷售藥品包裝之銷售

## BUSINESS REVIEW

## Packaging printing division

Year 2003 was a challenging year for the Group due largely to the adverse effects brought about by the Severe Acute Respiratory Syndrome ("SARS") epidemic in the People's Republic of China (the "PRC") and Hong Kong, which led to the delay of customers' order and deliveries. Accordingly, turnover from the packaging printing business for the year ended 31st December, 2003 was recorded at HK\$371,239,000, representing a reduction of 9.5% as compared to the same period in 2002.



The packaging printing division, which remains the core business, contributed approximately 92.4% of the Group's gross profit for the year ended 31st December, 2003. Despite the impact of the SARS epidemic and keen competition in the packaging printing business in the PRC, the Group is able to maintain its gross profit margin of the packaging printing division at approximately 29.0% as compared to that of 2002. In addition, the Group's net profit margin of this division improved slightly from that of 18.3% in 2002 to 19.7% in 2003. These were achieved by the prompt precautionary measures after the outbreak of the SARS epidemic in order to enhance production efficiency and effective cost control measures taken by the Group.

The tobacco industry remained as the Group's core business segment in the packaging printing division. Along with the strong growth momentum in the PRC's economy and the prosperous consumer products market, the demand towards high grade consumer products remained strong during the year. Although, the Group's turnover has been adversely affected by SARS, it has successfully expanded its business through introducing new packaging products to existing customers.

In addition, the Group has successfully diversified its business into other industry segments. The turnover from

額佔包裝印刷業務於二零零三年之總營業額3.6%，而二零零二年則佔2.0%。

不斷投資先進機器，以增強本身競爭地位及確保入行門檻乃本集團一向之長期策略。於回顧年度內，本集團購買一台十二色柔性版印刷機，進一步加強印刷組合之靈活性，可應用在不同產品上。

### 分銷及投資部門

於回顧年度內，分銷及投資部門之營業額約為574,537,000港元，較二零零二年增加23.0%。是項增長主要因為從事海洋燃料石油之分銷業務，加上分銷電子及電腦零部件之營業額出現大幅反彈所致。然而，來自電子及電腦零部件之市場競爭越演越烈，而且美伊戰事造成油價波動，整體分銷業務在年度內一直面對艱巨挑戰。

本集團繼續採取審慎存貨政策，將存貨數量維持在低水平，從而舒緩分銷業務部門之經營風險。於二零零三年十二月三十一日，分銷業務部門之存貨為1,733,000港元。

### 卓越之人力資源管理

於二零零三年十二月三十一日，本集團聘用合共約八百名員工，大部份員工於中國生產廠房工作。

本集團一向著重發展人力資源及為僱員提供持續培訓。透過持續培訓員工，不單可讓員工緊貼最先進印刷及設計技術，同時亦提升員工士氣。

sales of pharmaceutical products packaging accounted for 3.6% of the total turnover of the packaging printing business in 2003, as compared to 2.0% in 2002.

It has been the Group's long-term strategy to strengthen its competitive position and secure entry barriers for its market through continuous investments in advanced machinery. During the year under review, the Group has acquired a 12-colour flexo-printing machine to further enhance flexibility of the printing combination to be applied to the products.

### Distribution and investment division

During the year under review, turnover from the distribution and investment business was approximately HK\$574,537,000, representing an increase of 23.0% over 2002. The growth was mainly attributable to the Group's penetration into the distribution business of marine fuel oil and a tremendous rebound of sales from the distribution of electronic and computer components. However, the overall distribution business had faced a tough challenge during the year due to keen market competition in electronic and computer components and oil price fluctuations caused by the US-Iraqi War.

The Group has continued to adopt a prudent inventory policy to mitigate business risks associated with the distribution business division by maintaining a minimal level of inventory of HK\$1,733,000 as at 31st December, 2003.

### EXCELLENT HUMAN RESOURCE MANAGEMENT

As at 31st December, 2003, the Group employed a total of approximately 800 employees, mostly for the production plants in the PRC.

The development of human resources and continuous training for the employees have always been the key emphasis of the Group. On-going staff training not only keeps them abreast of the most advanced printing and design techniques, but also raises morale among the work force.

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本集團經已完成對全體僱員之表現評估計劃。是項計劃確保每位僱員均獲有系統及可予評定之獎勵。改善整體生產效益乃與獎勵相關僱員表現花紅直接掛鈎，這亦解釋了本集團雲南廠房純利率何以能夠得到改善。

### 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。於二零零三年十二月三十一日，本集團約有86,693,000港元之現金和銀行存款及約112,240,000港元之流動資產淨值。二零零三年，本集團以降低在財務方面之整體負債比率為目標。本集團之財務負債比率，即淨資產（包括股東資金加少數股東權益）負債比率由二零零二年之46.3%顯著降低至二零零三年之31.9%。

### 未來展望

在二零零三年艱難時刻裡，本集團管理層對中國經濟增長動力感到樂觀，其發展趨勢會在未來數年仍然保持強勁。隨著中國生活水平不繼改善，對

The Group has completed the performance appraisal programme for all employees. The programme ensures that each employee will be rewarded on a systematic and assessable basis. This also explains an improvement in the net profit margin in the Group's Yunnan plant 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 maintained a healthy financial position. As at 31st December, 2003, the Group had cash and bank deposits of approximately HK\$86,693,000 and net current assets of approximately HK\$112,240,000. The Group has targeted to improve its overall financial gearing in 2003. Its financial gearing ratio, namely, net debt to equity (shareholders' equity plus minority interests) ratio, was significantly improved from 46.3% in 2002 to 31.9% in 2003.

### FUTURE PROSPECTS

Amidst the difficult moments in year 2003, the management of the Group is optimistic that the growth momentum of the PRC's economy will remain strong in the years to come. Along with the improving living





高質素消費品包裝之需求將會有增無減，透過不斷投資先進機器及研究開發（「研發」）防偽技術，管理層定可緊緊抓住此市場分類湧現之商機。

為了進一步加強研發能力及維繫與客戶之親切關係，本集團在雲南省昆明市成立分廠，專門從事設計、製作樣板及印刷技巧應用。新廠房之初步投資金額約為23,000,000港元，包括一間全新生產廠房及一台配備塗層系統之五色柯式印刷機，預計二零零四年年底投入運作。在新設施落成後，本集團管理層相信，本集團整體生產效率將會進一步提升。新設施將緩和雲南省昭通市生產廠房在製作樣板方面之工作量。此外，在昆明市成立新廠房將令本集團可以快速回應客戶要求，並延攬全國設計師及工程師。

本集團亦正積極尋求在中國東部、南部及西部地方成立新合資公司之機會，以捕捉中國不同區域之潛在商機。本集團在挑選與磋商有潛質夥伴時，繼續採取主動但審慎之方針，落實訂單方成立有利可圖之合資公司。

於二零零三年及未來數年，中國煙草業正進行香煙製造商及香煙品牌整合改革。是項改革將無可避免淘汰較小型之香煙製造商，並孕育演化成大型香煙製造商及較少量知名品牌。此說明中國一般市場趨勢正邁向高級香煙發展，而藉改善香煙包裝提升產品形象及打擊贗品上投入更多資



standards in the PRC and rising demands for high quality consumer products packaging, the management will seize the opportunity in capturing this market segment through continuous investment in advanced machinery and research and development ("R&D") of anti-counterfeit techniques.

In order to further enhance the R&D capabilities and the proximate relationships with customers, the Group will set up a branch facility in Kunming City, Yunnan Province, specialising in design and sample making and printing technique implementation. The new facility with an initial investment of approximately HK\$23,000,000, including a new production plant and a five-colour offset printing press with coating system, is expected to commence its operation by the end of 2004. Upon the completion of the new facility, the Group's management believes that the production efficiency of the Group as a whole will be further enhanced. The new facility will ease up the workload of sample making to the production plant in Zhaotong City, Yunnan Province. In addition, the establishment of the new facility in Kunming City will enable the Group to react promptly to customers' requests and to recruit designers and engineers nationwide.

The Group is actively seeking the opportunity to establish new joint ventures in eastern, southern and western China regions to capture the potential markets in different regions in the PRC. The Group continues to pursue a proactive, but selective, approach in identifying and negotiating with potential business partners to build profitable joint ventures with secured orders.

In the year 2003 and the years coming along, the tobacco industry in the PRC has undergone a reform to consolidate tobacco manufacturers and brands. The reform will inevitably eliminate smaller-sized tobacco manufacturers and foster the evolution of giant tobacco manufacturers with smaller number of famous brands. This explains the general market trend towards higher-graded tobacco in the PRC and will provide immense opportunity for the Group as more budget will be deployed to improve the tobacco packaging

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源，從而為本集團提供前所未有的龐大商機。

此外，本集團再次集中擴展對藥品製造商之銷售額，以分散其產品組合至其他行業。本集團管理層有信心可在未來數年取得更多藥品製造商之訂單。

至於分銷業務方面，本集團現正尋找合適之業務夥伴或聯盟在華南地區開展分銷柴油業務。現時，中國電力及柴油供應普遍不足。因此，本集團管理層預見中國柴油分銷業務潛力非常優厚。

憑藉在國內建立經年之立足點，本集團將繼續發展其業務，管理層相信將於未來數年達到可持續之增長，為其股東爭取最高資金回報及為其僱員提供最佳福利。

概括而言，透過下列各項因素可達成持續增長：

- 不斷投資先進生產設施；
- 令人鼓舞的中國消費品市場；
- 中國煙草業發展充滿希望；
- 領先印刷技術及工藝；
- 穩固客戶基礎；及
- 有效成本控制措施。

本集團管理層對此等因素持樂觀態度，並認為這些因素將繼續引領本集團邁向無限發展潛能之康莊大道。

for better product image and to fight against counterfeit products.

In addition, the Group will refocus on expanding sales to pharmaceutical manufacturers to diversify its product mix to other industries. The Group's management is confident in gaining more orders from pharmaceutical manufacturers in the coming years.



For the distribution business, the Group is in the process of identifying potential partners or alliance for new venture to cover the distribution of gas oil in southern China. There is currently a general shortage of electricity and gas oil supply in the PRC.

Accordingly, the Group's management foresees a huge potential for the gas oil distribution business in the PRC.

With the firm foothold established in the PRC, the Group will continue to develop its business and the management believes it will achieve sustainable growth in the years ahead while maximising financial returns to its shareholders and the benefits of its employees.

To sum up, the sustainable growth will be achieved by the following factors:

- Continuous investment in advanced production facilities;
- Encouraging PRC's consumer product market;
- Promising developments in the PRC's tobacco industry;
- Leading printing techniques and workmanship;
- Solid customer base; and
- Effective cost control measures.

The Group's management is optimistic that these factors will continue to provide the Group with a new avenue of growth with tremendous potential.

### 致謝

本人謹代表本集團向其管理層及全體僱員衷誠致謝，感激各位竭盡所能，為本集團順利發展作出貢獻。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，二零零四年四月二十二日

### 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's smooth development. 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, 22nd April, 2004