

RESULTS

I am pleased to report Chung Tai Printing Holdings Limited's annual results for the year ended 31 March, 2004.

The audited consolidated profit for the year of the Company and its subsidiaries ("the Group") was HK\$48,566,026. Basic earnings per share based on the weighted average number of 332,277,280 shares in issue amounted to HK\$14.6 cents.

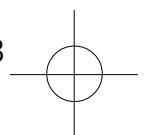
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DIVIDENDS

The directors are pleased to recommend at the forthcoming Annual General Meeting the payment of a final dividend of HK6.0 cents per share for the year ended 31 March, 2004 to the members whose names appear on the Register of Members on 23 August, 2004. Together with the interim dividend of HK2.8 cents per share paid in January 2004, total dividends for the year amounted to HK8.8 cents per share. Subject to the approval of shareholders at the aforesaid Annual General Meeting, the final dividend recommended will be paid on or before 26 August, 2004.

REVIEW OF OPERATIONS AND PROSPECTS

For the year ended 31 March, 2004, the Group delivered a mediocre performance. Turnover dropped by 1.56% to HK\$503 million (2003: HK\$511 million). The gross profit margin fell to 25% from last year's 27%. Net profit was HK\$49 million (2003: HK\$55 million). Basic earnings per share was 14.6 cents (2003: HK16.7 cents).



The Group's sales during the first half of the financial year was impacted by the political uncertainty in the Middle East and the outbreak of SARS. The customer adopted a very cautious procurement policy. In the second half of the financial year, the Iraqi war came to an end, the market sentiment gradually improved, as the recovery of consumers' confidence stimulated the overall demand. Our sales began to pick up in this period. Nevertheless, increase in prices of raw material, rising operating costs in the PRC, and keen competition affect the overall margin of the Group. Facing all these challenges ahead, our management will continue to improve the overall performance by carrying out critical analysis on every aspect of the problem, so that instant solution can be found.

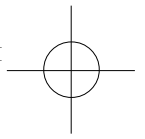
Distribution costs were in line with last year's figure. The Group achieved a saving of HK\$8 million in administrative expenses, as the austerity measures began to sow seed in the year under review.

During the year under review, the Group spent about HK\$29 million (2003: HK\$51 million) in acquisition of property, plant and equipment. The expenditure mainly included a computer-to-plate system, one rotary letterpress label machine, various supplementary machines, and infrastructure projects in our PRC plant. The Group will further expand the manufacturing capabilities, enhance the efficiency of the existing facilities, and improve the working amenities of the production plant.

As mentioned in our interim report for the six months ended 30 September, 2003, lawsuit against a Group's subsidiary for copyright infringement in the PRC remains uncertain up to the reporting date, but the management believes that the final result will not have significant impact on the Group's financial position.

As the global economy is recovering at encouraging pace, market sentiments continue to pick up, the Group is looking at an improving market in the coming year and is ready to capitalize on this opportunity by implementing and strengthening the following measures:

- The management will critically analyze and enhance its core competencies which include efficient and effective delivery of quality goods at competitive prices.
- Cost control measures will be strengthened for the Group.
- We will enrich the customer base, particularly the overseas customers, so that revenue stream can be expanded.



- The Enterprise Resource Planning System (ERP) started to operate in early 2004, the overall operation can be improved through smoother dissemination of management information and openness of business communication.

On behalf of the Board of Directors, I would like to thank the Group's management and staff for their efforts and hard work, I would also like to thank our shareholders for their continuous support.

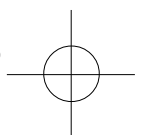
FINANCIAL POSITION

The cash position of the Group remained strong. At 31 March, 2004, cash and deposits amounted to HK\$105 million. After netting off the interest bearing debts of HK\$11 million, the Group had a net surplus cash of HK\$94 million (31 March, 2003: HK\$51 million). The increase in net cash position is mainly caused by strong cash inflow from operation and lesser capital expenditure incurred during the year.

At 31 March, 2004, net current assets and current ratio of the Group was approximately HK\$237 million and 5:1 respectively. The current assets comprised inventories of approximately HK\$69 million, trade and other receivables of approximately HK\$122 million, short term bank deposit of approximately HK\$68 million, and bank balances and cash of approximately HK\$37 million. The Group's total borrowings amounted to HK\$11 million, which are unsecured and repayable within one year.

At 31 March, 2004, the Group shareholders' funds was HK\$496 million (31 March, 2003: HK\$476 million). The gearing ratio was 2.2% (31 March, 2003: 3.8%) which is calculated based on the Group's total borrowings of HK\$11 million (31 March, 2003: HK\$18 million) and the shareholders funds of HK\$496 million (31 March, 2003: HK\$476 million).

The Group had limited exposure to fluctuation in foreign currencies as most transactions are denominated in Hong Kong dollars, US dollars and Renminbi. No hedging for the foreign currency transactions has been carried out during the year under review.



EMPLOYEES

As at 31 March, 2004, the total number of employees of the Group was approximately 3,600.

The Group reviews remuneration packages from time to time and increases are generally annually. Special adjustments are also made when required. Aside from salary payments, other staff benefits include contributions to retirement benefit schemes and medical subsidies.

On behalf of the Board

DR. SUEK CHAI KIT, CHRISTOPHER

Chairman

Hong Kong, 19 July, 2004