Entering 2006 we see some optimism in the U.S economy and an encouraging strength in China's growth.

These factors give us reasonable confidence in our Year 2006 growth forecast that we will better our performance in 2006.

Message to Shareholders and Staff

Chairman & CEO's Joint Message:

We are glad to submit here another year of good performance.

Year 2005 saw our After-Tax Profit grow by 47% to HK$74 million (FY2004: HK$50 million), making it the second consecutive year of strong growth since SNP took over in July 2003. More importantly, our EBITDA has grown by 52% to HK$178 million (FY2004: HK$117 million), reflecting a significant increase in the strength of our operational capabilities.

We began the year with the acquisition of Yau Yue Paper Products Limited, now renamed as SNP Yau Yue Paper Products Limited ("SNP Yau Yue"). This acquisition allowed us to buy in talents from SNP Yau Yue, which has an extensive relevant knowledge and successful experience in corrugated printing business, to help turnaround our loss-making corrugated printing division at the Dongguan plant ("DG Packaging Division"). Integration between this division and SNP Yau Yue began in August 2005, shortly 3 months after the completion of the said acquisition. This led to a substantial downsizing of the work force, an improved operating capability and productivity, and optimism to profitability at the DG Packaging Division within a near term.

Another breakthrough which we have achieved in FY2005 was having our foothold secured in Shanghai. Having internationally renowned magazine publishers such as Conde Nast Publications and Hachette Filipacchi Presse set up their headquarters there, Shanghai is fast becoming a magazine hub in China. Our joint venture with Shanghai World Expo (Group) Co., Ltd, a large and well-respected local conglomerate mandated to organise the 2010 World Expo for Shanghai Government and who has other businesses ranging from the Formula One franchise, advertising, exhibition and celebrity management, is targeted to commence operations from third quarter of 2006. This outfit will certainly boost our operating capabilities in the entire China market as we expand our current leading market share in colour-magazine printing there.

In 3Q2005 we completed a 4-to-1 Rights Issue exercise. This move, which offered the Rights Shares at a discount (because one of our prime aims was to reward our supportive existing shareholders) and was oversubscribed at 1.36 times, helped raise approximately HK$120 million in cash before expenses. This fund will be placed to finance our new Shanghai investment which is briefly highlighted above.

At the operating level, we were faced with two unexpected cost-hike factors in the beginning of 2005: a surge in utility costs resulting from a country-wide energy shortage in China and substantial hikes in statutory minimum wages of 28% in Dongguan and 13% in Shenzhen due to a generally tight labour situation in the Guangdong Province. The oil crisis which happened in 3Q2005 further worsened our problems. Fortunately, cost-saving measures we initiated in late 2004 came in handy to partially offset some of these escalated cost components. Seeing that higher labour costs in China will be a trend in the future, we will thus continue in our efforts to automate as much as possible our various production lines and to further strengthen our in-house IT capabilities in workflow computerisations.

Entering 2006 we see some optimism in the U.S economy and an encouraging strength in China's growth. These factors give us reasonable confidence in our Year 2006 growth forecast that we will better our performance in 2006.

Peter, Yang Sze Chen	**Yeo Chee Tong**
Chairman	Chief Executive Officer

8 February 2006