

RESULTS

The Directors are pleased to report the audited consolidated results of the Group for the year ended 31st March, 2004. Turnover has increased by 14% to approximately HK\$693 million and profit attributable to shareholders has increased by 10% to approximately HK\$58 million.

The satisfactory results were achieved against a number of challenges including: (i) the sudden influx of orders within short periods of time; (ii) the tight delivery schedules and demanding prices of the orders; and (iii) the significant increase in the costs of paper materials during the year. Notwithstanding these challenges, with the Group's ongoing improvement programme firmly established, the Group was able to further increase its cost efficiency and production flexibility to minimise the impact. The Group's core businesses of printing and packaging continued to perform satisfactorily with paper products reporting a solid growth. Significant improvement was seen in the environmentally friendly products division, which benefiting from the Group's realignment of resources recorded a profit. The licensed products division has incurred a small loss, and is making efforts to facilitate its long-term development.

An analysis of the Group's results for the year by principal product category is as follows:

Category 類別		Turnover 營業額 HK\$'000 千港元	Profit before taxation 除稅前溢利 HK\$'000 千港元
Packaging materials, labels and paper products	包裝材料、標籤及 紙類產品	620,570	62,976
Environmentally friendly products	環保產品	72,778	5,999
		<u>693,348</u>	<u>68,975</u>

DIVIDENDS

The Directors recommend a final dividend of HK2 cents (2003: HK2 cents) per share for the year ended 31st March, 2004 payable on Monday, 20th September, 2004 to shareholders whose names appear on the Register of Members on Friday, 3rd September, 2004. Together with the interim dividend of HK1.5 cents (2003: HK1 cent) paid, full year dividends for the financial year would be HK3.5 cents per share (2003: HK3 cents).

業績

董事會欣然報告本集團截至二零零四年三月三十一日止年度經審核的綜合業績。營業額約為六億九千三百萬港元，較上年度增加百分之十四；股東應佔溢利約為五千八百萬港元，較上年度上升百分之十。

回顧年度內，集團面對多項挑戰，包括：(i)大量訂單短時間內同時湧至；(ii)訂單交貨期週期短、價格極度敏感；(iii)紙料價格大幅攀升。本著長期發展策略考量，同時集團在成本效益和靈活調配資源兩個方面均取得不俗成果，有效地把負面影響減至最小。整體上，集團核心業務包裝印刷表現良好，紙類製品銷量持續理想。受惠於集團靈活調配資源的措施，環保產品業務顯著改善，成功轉虧為盈。特許產品業務雖有輕微虧損，但在長遠發展方面仍取得進展。

集團年內之業績按主要產品類別分列如下：

股息

董事會建議向二零零四年九月三日(星期五)名列股東名冊的股東，派發截至二零零四年三月三十一日止年度的末期股息每股港幣二仙(二零零三年：港幣二仙)，有關股息將於二零零四年九月二十日(星期一)派發。連同已派發的中期股息每股港幣一點五仙(二零零三年：港幣一仙)，本年度全年股息為每股港幣三點五仙(二零零三年：港幣三仙)。

BUSINESS REVIEW AND PROSPECTS

The year under review was a year of challenges for Hong Kong's printing and packaging industry. At the beginning of the financial year, the outbreak of severe acute respiratory syndrome (SARS) caused an interruption to the sales and marketing activities of the industry and a delay in orders by customers. However, market sentiment began to change in June 2003 when SARS subsided and signs of a global economic recovery emerged.

As the global economic recovery gained momentum, consumer and corporate confidences also improved. However, uncertainties including geopolitical tensions and terrorist threats continued to overshadow the market and periodically dampened sentiment. As a result, there was high volatility in market demand, which restrained general merchandisers, particularly those in the United States and Europe, from increasing prices and building up inventory. The impact was transferred down the chain, with the local printing and packaging service providers witnessing more rushed orders with lower gross profit margins. Simultaneously, the service providers were confronted by the higher costs of paper materials, largely as a result of the global economic recovery.

Such an environment presented great challenges to the Group, in particular its Suzhou subsidiary which is still in its initial stage of development, and its Singapore subsidiary which is working to improve its profitability. Nonetheless, by capitalising on its competitive advantages, the Group was able to minimise the impact. Both the "Starlite Innovation Centre" and the "Starlite Institute of Management" provided strong support for the Group to meet customers' needs. The contract processing arrangement in Shaoguan, Guangdong province also helped the Group reduce costs and increase flexibility for rushed orders. As a result, the Group was able to increase its bottom line earnings and strengthen its balance sheet during the year under review. As at 31st March, 2004, the Group had net current assets of approximately HK\$48 million, representing a turnaround from the working capital deficiency that has been recorded by the Group during the previous several years.

業務概況及前瞻

回顧年度內，本港包裝印刷業面對多項挑戰。年初，受到「嚴重急性呼吸系統症」(SARS)肆虐的影響，業內的銷售和市場推廣活動被耽誤，客戶亦延遲落單。到了二零零三年六月，隨著SARS疫潮逐漸消退，加上環球經濟出現復甦跡象，市場氣氛開始好轉。

隨著環球經濟復甦的步伐加快，消費意欲和企業信心均有改善。然而在地緣政治緊張局勢和恐怖襲擊事件的陰影下，不明朗氣氛持續籠罩市場，導致市況不時波動。在這個情況下，各地區尤其歐美的貨商，對調升價格和增加存貨均欠缺把握。影響所及，處於下游的本港包裝印刷商，面對更多毛利較薄的急單。同一時間內，環球經濟復甦導致紙料乘勢漲價，令生產成本承受更大壓力。

對於本集團的業務，尤其是尚在開拓階段的蘇州附屬公司以及致力改善盈利的新加坡附屬公司的業務，這個環境帶來更大的挑戰。憑著進一步發揮拼搏精神，集團成功地把上述影響減至最小。而「星光創意中心」和「星光管理學院」，為集團滿足客戶要求提供了強有力的支援；與廣東省韶關市一家工廠達成的來料加工承包協議，則有助集團降低生產成本及增加彈性應付急單。整體而言，集團年內不僅提升了盈利水平，也改善了資產狀況。截至二零零四年三月三十一日，集團錄得淨流動資產約四千八百萬港元，扭轉了過去數年營運資金處於短缺的情況。

Paper Packaging Materials



The Group's core businesses of printing and packaging performed well with paper products recording a satisfactory growth. The Singapore operation recorded a decline in profit due to the volatile market conditions, but is showing signs of improvement in sales and profitability in recent months. The newly established Suzhou subsidiary incurred a loss for the year under review. However, with the second phase of development completed this month, it is set to gain higher economies-of-scale benefits, which should enable it to increase its competitive advantages. Significant improvement was seen in the environmentally friendly products division, which benefiting from the Group's realignment of resources recorded a profit. While the licensed products division incurred a small loss, it made progress in strengthening its groundwork for future development.

Packaging materials, labels and paper products

Hong Kong Operations/Mainland China Operations

Despite intensified market competition and the increased volatility of orders, the Group's printing and packaging businesses in Hong Kong/Mainland China recorded a growth in turnover for the year ended 31st March, 2004. This was attributable to the Group's further strengthening of sales and marketing, improvement in management and logistics control, and better realignment of resources for maximising the production efficiency of the operations.

Satisfactory performance was recorded in the sales of paper products, which have established a strong reputation for their innovative design and fine workmanship with the support of the "Starlite Innovation Centre". The "Starlite Institute of Management" continued to organise various training courses for the Group's staff, focusing on the concepts of up and down stream value-chain management, to make them more equipped in meeting the challenges arising from the changes in market environment.

As a result of these successful efforts, the Group was able to meet customers' pricing and service needs and help them secure and expand their market shares. This has further strengthened the Group's strategic alliances with its customers, which the management believes will help safeguard the Group's long-term prosperity.

In October 2003, Starlite Development (China) Limited, a wholly-owned subsidiary of the Group engaging in the marketing of paper products, was awarded the "2003 Trade Development Council Export Marketing Award" by the Hong Kong Trade Development Council in recognition of its outstanding export marketing performance.

集團核心業務包裝印刷表現良好，紙類製品銷量持續理想。受到市場環境波動的影響，集團新加坡附屬公司盈利下降，但近數月的營業額和盈利已逐步改善。蘇州附屬公司年內錄得虧損，但隨著第二期發展計劃於本月完成，有助蘇州新廠增加規模效益和競爭優勢。受惠於集團靈活調配資源的策略，環保產品業務顯著改善，成功轉虧為盈。特許產品業務錄得輕微虧損，但已為未來發展打下穩固基礎。

包裝材料、標籤及紙類產品

香港業務／中國大陸業務

截至二零零四年三月三十一日止年度內，儘管市場競爭加劇、訂單更為飄忽，集團香港／中國大陸包裝印刷業務營業額仍錄得增長，此乃由於集團進一步加強銷售和市場推廣、改善管理和物流監控以及適當調配資源並提升生產效率所致。

得力於「星光創意中心」之助，紙類製品銷量持續理想，其創意設計和精湛工藝，市場讚譽有加。「星光管理學院」繼續為員工提供多項與供應鏈上下游增值的重點課程，使他們有更佳裝備面對市場轉變帶來的新挑戰。

透過這些努力，集團成功地滿足了客戶對產品價格和服務質量的要求，協助客戶鞏固和擴大了市場份額。管理層相信，這對鞏固集團與客戶的策略聯盟起了巨大的作用，並為集團的長遠穩健增長提供了重要保障。

二零零三年十月，集團從事紙類製品貿易的全資附屬公司一星光發展(中國)有限公司，獲香港貿易發展局頒授「二零零三年貿易發展局出口市場推廣獎」，表彰其在出口市場推廣方面的卓越表現。

Paper Products



Suzhou Plant

Affected by SARS, the Suzhou subsidiary recorded sluggish business in the first half of the financial year. Although its sales improved in the second half, the full-year turnover figure was still below expectation. The pressure on order prices also affected the performance of the Suzhou subsidiary. In its initial stage of development, the Suzhou subsidiary has been focusing on the building up of a strong customer base through the provision of total quality management services. However, the concept was relatively new to local enterprises which mainly conducted their sales in the domestic market, whereas foreign enterprises which were largely exporters demanded lower prices to safeguard their competitiveness in the overseas markets. The restraint in production scale limited the Suzhou subsidiary's room to manoeuvre its gross profit margin through internal operations, which was aggravated by the significant increase in the costs of paper materials.

Currently, the Suzhou subsidiary is taking positive steps to improve its performance in the current financial year. For instance, it has commenced its second phase of development in late 2003 by installing another production line in its plant. Completion of machinery installation is expected to take place in July 2004 and commercial production will follow shortly. This will enable the Suzhou subsidiary to enjoy higher economies-of-scale benefits, which should help increase its cost efficiency. In addition, the launch of a cross-sector marketing programme by the Suzhou subsidiary in recent months has gained a favourable response, with the value of total quality management gaining stronger recognition among the local and foreign enterprises contacted. The management believes that this provides a good leverage for the Suzhou subsidiary to generate better results.

There are strong signs that the demand for printing and packaging services will grow further in the Yangtze River delta as the region is increasingly being favoured by both local and foreign investors as a strategic base for expanding domestic sales in the eastern China and increasing export sales to the overseas markets. The Suzhou subsidiary with its strong business relationships should be able to capture the opportunities from these increasing domestic and export activities.

Looking ahead, the management remains optimistic that the Suzhou project can generate good revenues for the Group over the medium and long term.

蘇州新廠

受到 SARS 影響，蘇州附屬公司上半年度業務拓展較為緩慢，雖然下半年度錄得改善，但全年度營業額仍遜預期。此外，訂單價格偏軟，亦對蘇州附屬公司的表現造成影響。由於尚在開拓階段，蘇州附屬公司的重點策略，乃以「全面優質管理」服務來打穩客戶基礎。然而，對以內銷為主的本土企業來說，這是相對較新的概念，而以外銷為主的外資企業，則礙於出口市場波動頻仍，須壓低成本價格以保持競爭能力。受到生產規模的局限，蘇州附屬公司較難透過內部資源調配來舒緩毛利壓力，而紙料價格急漲亦縮窄了盈利空間。

蘇州附屬公司現正採取積極行動提高營運效益。該公司二零零三年底開展第二期發展計劃，為蘇州新廠增加一組生產線。估計二零零四年七月便可裝妥機器，並可隨即投入生產，這有助蘇州新廠利用生產規模來提高成本效益。此外，經近數月對長江三角洲多個主要行業加大市場推廣力度後，所接觸的本土企業和外資企業，均對「全面優質管理」的效益有更深的認同。管理層相信，這為蘇州附屬公司爭取更佳成績提供了強而有力的支持。

各種跡象顯示，許多本土企業和外資企業，均以雙線發展內銷和外銷業務作為它們的長線營運策略，而長江三角洲日益成為它們開拓華東和海外市場的首選基地。隨著客戶基礎日益穩固，蘇州附屬公司可望抓緊長江三角洲為內銷和外銷業務所提供的龐大機遇。

展望未來，管理層仍有充分信心，蘇州項目可為集團提供中長線的理想收益。



Greenworks Collections



Shaoguan Contract Processing

The contract processing agreement entered into with a factory in Shaoguan, Guangdong early this year proved beneficial to the Group. By allocating some of the more labour-intensive production to the Shaoguan factory, the Group was able to increase its production capacity for rushed orders while reducing its production costs. The quality of the products has been satisfactory, and the Group is now actively considering further means, including the expansion of the Shaoguan processing capacity, to increase the benefits.

Singapore Operation

Despite stronger economic activity in the United States, manufacturers in Singapore experienced a restraint on pricing power during the year under review. The major sectors including the electronics sector had to meet the competition from their counterparts in the Asian countries for exports to the United States market, where pricing played an increasingly important role. Such pressure was transferred directly down the chain, and the adverse effect was particularly pronounced in sectors such as the printing sector, where competition was intense. Under these circumstances, the Group's Singapore subsidiary recorded a decline in profit for the year ended 31st March, 2004.

Nonetheless, there are signs that the unwinding of excess capacity in Singapore is entering into a final stage, which should help improve the supply and demand situation. Moreover, the Singapore subsidiary has proven its ability to continuously improve its cost structure and expand its source of revenue, and has been able to develop new measures to tackle the changes in market environment. Its uninterrupted track record of maintaining a profit throughout the years reflected the competence of the management. Currently, the management has seen some favourable results from its sales and marketing and cost reduction efforts, and is hopeful that higher profitability is in sight for the Singapore subsidiary.

Environmentally friendly products

The environmentally friendly products division turned to profit during the year under review, with a highly significant increase in turnover recorded as a result of further expansion of product lines from interior packaging products and Greenworks products to other paper products. Stringent cost control measures also contributed to the turnaround to profit. The management will continue to increase the sales and cost efficiency of this division in order to sustain its profit growth.

韶關來料加工承包

本年度與廣東省韶關市一家工廠達成的來料加工承包協議，證明對集團有良好效益。藉著該項安排，集團把部分較繁複的手工操作工序交韶關廠負責，有助集團降低生產成本及騰出產能應付急單。韶關廠的產品質量令人滿意，集團現正積極考慮進一步安排，包括擴大韶關方面的來料加工能力，藉以增添效益。

新加坡業務

回顧年度內，雖然美國經濟轉旺，但新加坡產業的定價能力仍然受到掣肘。包括電子業在內的新加坡主要出口行業，持續面對亞洲其他同業的激烈競爭，而各方最倚重的美國市場則日益以價格作為審定因素。在這個情況下，價格壓力直接向下轉嫁，對市場競爭激烈的下游行業，例如包裝印刷業，帶來了負面影響，導致新加坡附屬公司截至二零零四年三月三十一日止年度盈利下降。

然而有跡象顯示，新加坡的生產力過剩問題已進入最後消化階段，有助紓緩新加坡市場的供求失衡。此外，新加坡附屬公司多年來仍能保持盈利，證明其管理層能不斷因應市場環境的變化，採取嶄新的市場推廣和減省成本措施，進一步改善成本結構及擴大收入來源。隨著這些措施的成效日益顯著，管理層抱有希望，新加坡附屬公司可於不久將來恢復盈利增長。

環保產品

回顧年度內，環保產品業務成功轉虧為盈。除了嚴謹的成本監控措施收效外，產品系列由內包裝環保產品及「綠色工程」(Greenworks)產品進一步擴闊至其他紙類產品，因而令營業額大幅上升。管理層將繼續致力提高銷售額及成本效益，確保該項業務盈利持續增長。

哈比哈比開心樂園



Licensed products

The licensed products division incurred a small loss for the year ended 31st March, 2004. However, by focusing on the promotion of the Group's own brand "Robbi the bunny", including the monthly publication of Robbi magazines, the division was able to increase the brand awareness of "Robbi the bunny" while exploring for opportunities to expand its revenues.

Progress has been made for the long-term development of the business, including discussions with agents to help promote "Robbi the bunny" in the local and international markets and the production of Robbi cartoon series. China is one of those markets where the market environment is favourable to the launch of "Robbi the bunny" products. Given that a relatively small amount of investment is required, the management believes that the further development of the licensed products business should yield good returns for the Group in the long run.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's sources of funding include cash generated from the Group's operations and banking facilities provided to the Group by banks mainly in Hong Kong and Mainland China. As at 31st March, 2004, the Group's cash and bank balances and short-term bank deposits amounted to approximately HK\$83 million.

During the year under review, the interest expenses of the Group amounted to approximately HK\$6.4 million compared to approximately HK\$6.7 million recorded last year. Currently, the Group has Renminbi-denominated loan facilities amounting to approximately RMB85 million that are available for the Group's Shenzhen, Guangzhou, Shaoguan and Suzhou plants for working capital purposes.

As at 31st March, 2004, the Group had a working capital surplus of approximately HK\$47.6 million compared to a working capital deficiency of approximately HK\$1.6 million as at 31st March, 2003. The Group's debt-to-equity ratio as at 31st March, 2004 was 60% (31st March, 2003: 60%), based on short-term and long-term bank borrowings and other debts/borrowings (excluding trade related debts and borrowings) of approximately HK\$167 million (31st March 2003: HK\$140 million), and shareholders' funds of approximately HK\$279 million (31st March, 2003: HK\$232 million). The Group will continue to adopt prudent policies to maintain a healthy financial position.

特許經營產品

截至二零零四年三月三十一日止年度內，特許產品業務錄得輕微虧損。集團以小兔哈比 (Robbi the bunny) 為主力拓展自創品牌，包括出版哈比開心樂園雜誌，證明能有效地創造品牌及開拓商機。

集團現正從長期發展策略考慮，積極與代理人洽商製作卡通片等計劃，藉以拓展小兔哈比的本地和國際市場，而中國內地是其中一個具有發展潛力的市場。有關洽商已取得良好進展。管理層相信，拓展小兔哈比業務涉及的投資額相對不大，但可為集團帶來可觀的長線收益。

流動資金及財務資源

集團的主要資金來源，包括業務經營帶來的現金收入及中港兩地銀行界提供的信貸融資。截至二零零四年三月三十一日，集團的現金和銀行結餘及短期銀行存款共約八千三百萬港元。

回顧年度內，集團的利息支出約為六百四十萬港元，去年約為六百七十萬港元。現時，集團約有八千五百萬元人民幣銀行信貸額，乃為集團位於深圳、廣州、韶關及蘇州的生產基地提供營運資金。

於二零零四年三月三十一日，集團營運資金錄得約四千七百六十萬港元盈餘，而二零零三年三月三十一日則有約一百六十萬港元短額。集團截至當日的債務權益比率為百分之六十（二零零三年三月三十一日為：百分之六十），乃根據短期及長期帶息銀行借款及其他借貸（不計貿易信貸）約一億六千七百萬港元（二零零三年三月三十一日：一億四千萬港元），與股東權益約二億七千九百萬港元（二零零三年三月三十一日：二億三千二百萬港元）計算。集團會繼續採取審慎的理財策略，確保資金狀況維持穩健。

CHARGE ON ASSETS

As at 31st March, 2004, certain assets of the Group with an aggregate carrying value of approximately HK\$79 million (31st March, 2003: HK\$81 million) were pledged to secure the banking facilities of the Group.

EXCHANGE RATE EXPOSURE

All the Group's assets, liabilities and transactions are denominated either in Hong Kong dollars, US dollars, Renminbi, Japanese Yen, Singapore dollars or Euro. The exchange rate of US dollars/Hong Kong dollars is relatively stable due to the current peg system in Hong Kong. On the other hand, the existing Renminbi-denominated sales revenue helps to reduce the Group's exposure to its commitments of Renminbi-denominated operating expenses of its subsidiaries in China. Transaction values involving Japanese Yen or Euro were primarily related to the Group's purchase of machinery and such exposures were generally hedged by forward contracts.

HUMAN RESOURCES DEVELOPMENT

Currently the Group has more than 6,000 employees. The Group maintains good relations with its employees, providing them competitive packages and incentive schemes as well as various training programmes. Besides, a new Share Option Scheme complying with the revised Listing Rules requirements was adopted in September 2002 under which share options will be granted to certain employees (including executive directors of the Company) as incentive for their contribution to the Group. Following the opening of the "Starlite Institute of Management", the Group provides various training and development programmes to staff on an ongoing basis. The Group will explore the possibility of launching other special training programmes with universities in China and education institutions abroad to further enhance its staff quality.

LOOKING AHEAD

With higher interest rates on the horizon, concerns about their impact on the global economic recovery are rising. A slow-down in the United States coinciding with a cool-down in the Chinese economy would have repercussions on the rest of the world. The Asia-Pacific region offers a more promising outlook, given that the strong liquidity in the region should allow central banks to hold interests rates unchanged for a period of time, and the fact that the Japanese economy has shown signs of turning around.

資產抵押

於二零零四年三月三十一日，本集團合共賬面淨值約七千九百萬港元（二零零三年三月三十一日：八千一百萬港元）之資產已按予銀行作為後者授予本集團貸款之抵押。

匯兌風險

本集團大部分資產、負債及交易均以港元、美金、人民幣、日圓、新加坡元或歐元結算。香港現行之聯繫匯率制度令美元／港元匯率相對穩定。而集團現有以人民幣結算之銷售收益，有助減低集團內地附屬公司以人民幣結算之經營費用所承擔之貨幣風險。至於涉及日圓或歐元之交易額，主要為集團購買機器付出，並普遍以遠期合約對沖匯率風險。

人力資源發展

集團現僱用超過六千多名員工。集團與員工一直保持良好關係，除為員工提供合理薪酬和獎勵外，並實施各項員工技能培訓計劃。此外，集團於二零零二年九月採納一個符合新修訂上市規則的新購股權計劃，選擇部分對集團有貢獻的員工（包括本公司執行董事）授予購股權。隨著「星光管理學院」啟用，集團致力為員工提供各項持續性的培訓及人才發展計劃，現正研究與中國的大學和海外的教育機構合作，開辦其他專業實用技術課程。

未來展望

鑑於息率有上升趨勢，市場關注這對環球經濟復甦會否帶來影響。倘美國經濟放緩而同時中國經濟硬著陸，對世界各地經濟可能會構成影響。亞太區方面，由於區內游資充裕，央行可望在一段時間內維持息率不變，加上日本經濟出現改善跡象，故區內經濟前景相對較佳。

While the macroeconomic conditions have significant importance, the crucial issue for the Hong Kong's printing and packaging industry remains to be whether the merchandisers, particularly those in the United States and Europe, can regain pricing power. Consumer expectations of rising inflation might give room for price increases, on the other hand, low-cost production bases such as India and China might act as deflationary influences on prices in the long term. Due to intense market competition, the scope for the printing and packaging industry to transfer the entire additional costs to customers might be limited, whereas more subcontracting and freight charges might be incurred if the irregular pattern and the rushing nature of the orders further intensify.

The management believes that the best way to safeguard the Group's profitability is to further increase its competitive advantages and create better value for customers. In this regard, the Group is taking a number of new measures, including the re-engineering of its logistics and the implementation of an enterprise resources planning system, to further enhance the cost structure and efficiency of its operations. These efforts would enable the Group to have stronger flexibilities to cater for the changes in market conditions and the requirements of customers, which are the essentials to the Group's long-term prosperity.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank our shareholders, customers, bankers, suppliers and friends in the community for their continued support and all our staff for their loyalty and dedication.

On behalf of the Board
LAM KWONG YU
Chairman

Hong Kong, 15th July, 2004

宏觀經濟環境固然重要，但對本港包裝印刷業來說，關鍵問題仍在於各地區尤其歐美的進口商能否回復議價能力。由於消費者預期通脹上升，故價格或會有調升空間；另一方面，印度和中國等低成本生產基地，長遠來說對價格會有遏抑作用。倘訂單的飄忽和趕急程度進一步加劇，本港包裝印刷業的外發加工和運輸成本可能會上升，而受到激烈的市場競爭所掣肘，彼等可把額外成本全部轉嫁客戶的空間有限。

管理層相信，要維持集團的盈利能力，最佳方法是進一步加強集團的競爭優勢，為客戶創造更大的價值。集團現正採取一系列新措施，包括致力流程再造及推行企業資源管理計劃系統，以進一步改善成本結構及提高營運效益，令集團更可靈活地適應市場變化和滿足客戶需求。落實這些措施，深信可為集團帶來持久的增長。

致謝

本人謹代表董事會，衷心感謝各位股東、客戶、銀行界、供應商以及社會友好給予本集團的鼎力支持，更感謝盡心盡力、忠心不渝的全體員工。

承董事會命
主席
林光如

香港，二零零四年七月十五日