

CHAIRMAN'S LETTER

主席函件

During the past year, Starlite people demonstrated excellent team spirit in both good and bad times. Working shoulder to shoulder, we put our heart and soul into the creation of new innovative products and the development of new overseas markets. We were gratified that these efforts yielded remarkable results, notably the "2003 Trade Development Council Export Marketing Award" granted by the Hong Kong Trade Development Council. In the coming year, we will continue with our dedicated efforts to actively expand our market and to further strengthen our corporate development platform.

The establishment of "Starlite Institute of Management" fulfilled our commitment to providing continuous education and training for our staff and simultaneously rewarded us with an enhanced workforce of higher professionalism and stronger capability. We have truly made Starlite not only a working and living place but also a learning and maturing ground for our staff. Moreover, the "Starlite Institute of Management" met its responsibility of providing our suppliers and customers with training and education, which contributed to the transformation of the up-and-down-stream printing media towards higher professionalism and keener embracing of new high technology. The "Starlite Innovation Centre" represents another major achievement. Through years of practice, it has proven its important and indispensable value to customers. We firmly believe that "an enterprise without innovation is doomed". By joining hands with our customers to develop new products, we have created a win-win formula that greatly reinforced our strategic alliances with customers.

In recent years, strong and rapid economic growth has made the Yangtze River delta a hot spot for multinational investments from the United States and Europe, giving rise to a robust demand in the area for medium and high quality printing and packaging services. This is particularly the case in Suzhou where market analysis shows a strong presence of foreign investment. In view of this, the Directors decided to reactivate its Suzhou subsidiary. The Suzhou plant completed its first phase of development at the end of 2002, with favourable response from the market and particularly strong support from foreign investors to its products and services. Consequently, the Directors launched the second phase of development for the Suzhou plant in late 2003. Completion of machinery installation is expected to take place in July 2004 and commercial production will follow shortly. Based on our current estimates, the second phase is also likely to receive favourable market response, which will help the Suzhou subsidiary to gain a higher market share in the medium and high quality printing and packaging segments in the coming years.

在過去的一年，星光人無論處於順境還是逆境，都發揚了可貴的團隊精神。我們齊心協力，並肩作戰，設計富有創意的新產品，開拓海外新市場，進一步取得了可喜的成績，榮獲香港特區政府貿易發展局《二零零三年香港工業獎——出口市場推廣獎》。在新的一年，我們將一如既往，以積極進取的態度去開拓更大的市場空間，為企業打造更堅實的發展平臺。

星光團隊通過建立「管理學院」，履行了教育和培訓星光員工的職責，提高了員工的專業知識和工作能力。我們確實做到了星光不僅是員工工作和生活的園地，而且是員工學習、成長的場所。「星光管理學院」還承擔了培訓、教育供應商和客戶的責任，向我們供應鏈的上下游傳輸印刷媒體專業知識和高新科技知識，在角色轉換中起了良好的作用。另外，我們的「創意中心」通過多年的實踐，證明了同客戶共同開發新產品的必要性與重要性。我們遵循「不創新，就衰亡」的理念，與客戶共享創新的成果，這對鞏固與客戶聯盟的策略起了巨大的作用。

長江三角洲近年來經濟迅猛發展，歐美跨國公司紛紛在這塊熱土投資，對包裝印刷的需求快速增長。資料顯示，以外商投資為主的蘇州地區，對中高檔包裝印刷的需求特別殷切。因此，董事會決定重新啟動星光蘇州，第一期投資已於二零零二年底順利完成，市場反應良好，其產品和服務得到當地以外商為主的客戶支持。在此情況下，董事會決定於二零零三年年底開展第二期投資，今年七月設備安裝完畢後即投入生產。根據目前市場反應估計，其表現可以同樣得到預期的效果，近幾年內會在中高檔市場有更大的佔有率。

CHAIRMAN'S LETTER

主席函件

Supported by Starlite staff at all levels, we are now re-engineering our logistics operations and implementing an Enterprise Resources Planning system to further increase our productivity and improve our services in order to speed up our current programme of creating better values for customers. Our close relationships established with all major customers have laid a solid foundation for Starlite's future expansion.

I am very proud of the Starlite team. A knowledge-based organisation, we have made fascinating progress through continuous learning. Going forward, we are determined to create better value for our esteemed customers, and spare no less effort in striving for higher returns for our valuable shareholders!

Taking this opportunity, I would like to thank all our team members for their hard work and wise judgments, our esteemed customers for their care and support, our beloved suppliers for their collaborations and good services, our valuable shareholders for their trust and patience, and our friends in the financial community for their guardianship and care.

With unlimited passion and supreme care, the Starlite team will bring the Starlite tree to flamboyant blossoms and roaring success!

Lam Kwong Yu
Chairman

Hong Kong, 15th July, 2004

我們上下一心，致力流程再造，推行企業資源管理計劃系統，提高生產力和服務水平，加快為客戶創造價值的速度。現在星光與主要客戶建立了緊密關係，為未來進一步擴充打下了良好的基礎。

我為有星光這個團隊而感到非常自豪！我們這個學習型組織，通過不斷學習取得了可喜的進步。今後，我們要繼續努力，為我們寶貴的客戶創造更多的價值；同樣，我們要為大小股東獲得更好的經濟效益而奮力拼搏！

在此，我要感謝我們團隊的全體成員，感謝他們的勤奮和智慧；感謝我們尊貴的客戶，感謝他們的鞭策和支持；感謝我們親愛的供應商，感謝他們的精確配合和良好服務；感謝尊敬的股東，感謝他們的信任與包容；感謝尊貴的金融界朋友，感謝他們的看顧與關心！

星光團隊一定會以無限的激情和十分的關注，讓星光這棵大樹枝繁葉茂，更加健康成長！

林光如
主席

香港 二零零四年七月十五日