

CHAIRMAN'S STATEMENT

主席報告

RESULTS

The Directors are pleased to report the audited consolidated results of the Group for the year ended 31st March, 2005. Turnover has increased by 23% to approximately HK\$851 million and profit attributable to shareholders has increased by 10% to approximately HK\$63 million.

The positive results were achieved against a number of formidable challenges facing the Group, including the lower prices of orders, the higher costs of raw materials, and the rising operating costs in Mainland China. By capitalising on its proactive development strategies, the Group was able to alleviate the impact of these negative factors on its operations. The Group is taking further actions that aim to increase the benefits of these strategies as elaborated below.

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

業績

董事會欣然報告本集團截至二零零五年三月三十一日止年度經審核的綜合業績。營業額約為八億五千一百萬港元，增長百分之二十三；股東應佔溢利約為六千三百萬港元，增長百分之十。

回顧年度內，集團面對多項重大挑戰，包括：訂單價格持續下降、原材料價格上漲、在內地企業各項經營成本上升等。憑著積極落實應對辦法，集團有效地壓縮了上述因素的負面影響。集團現正採取進一步行動，致力提升整體策略效益，詳情載於下文。

集團年內之業績按主要產品類別分列如下：

		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	788,508	72,583
Environmentally friendly products	環保產品	62,279	8,758
		<u>850,787</u>	<u>81,341</u>

DIVIDENDS

The Directors recommend a final dividend of HK2.5 cents (2004: HK2 cents) per share for the year ended 31st March, 2005 payable on Monday, 12th September, 2005 to shareholders whose names appear on the Register of Members on Friday, 26th August, 2005. Together with the interim dividend of HK1.5 cents (2004: HK1.5 cents) paid, full year dividends for the financial year would be HK4 cents per share (2004: HK3.5 cents).

股息

董事會建議向二零零五年八月二十六日（星期五）名列股東名冊的股東，派發截至二零零五年三月三十一日止年度的末期股息每股港幣二點五仙（二零零四年：港幣二仙），有關股息將於二零零五年九月十二日（星期一）派發。連同已派發的中期股息每股港幣一點五仙（二零零四年：港幣一點五仙），本年度全年股息為每股港幣四仙（二零零四年：港幣三點五仙）。

BUSINESS REVIEW AND PROSPECTS

Economic factors played a significant role in defining the opportunities and challenges encountered by the Group during the year under review. On the positive side, orders from customers remained strong generally, which was attributable to the continued, albeit slower, global economic growth as well as the increase in residential property prices that supported consumer confidence in the United States and other major economies. However, customers were cautious in building up inventory and accepting rising product prices due to their concerns about consumers' sensitivity to higher oil prices and rising interest rates. Under these circumstances, many customers sought to increase their sales by expanding their product range and introducing new product features. At the same time, they sought to reduce their risks and increase their profitability by demanding shorter delivery time and lower prices for their orders.

As a result, while the Hong Kong/Mainland printing and packaging industry was presented with more opportunities for obtaining orders, such opportunities came with the demands for more competitive pricing, higher production flexibility, more innovative product design, and more sophisticated workmanship. Among these challenges, the pricing issue was compounded by the increases in operating costs affecting the profit margin of the industry generally, which included the higher costs of raw materials (in particular paper-based materials); the increases in wages, electricity and other costs in the developed cities of Mainland China; and the potential expenses of outsourcing and airfreight to meet rushed orders. The more complicated product features demanded by customers also directly increased the operating costs of the industry.

The Group had the advantage of being strategically prepared to adapt its operations expeditiously to meet the challenges. For many years, the Group has dedicated its efforts to the improvement of its staff proficiency. This gave the Group an expanding pool of human capital in management, product development and quality assurance. On the corporate level, the Group has expanded into lower cost production base in Mainland China and implemented various schemes to tighten up costs and increase sales. By utilising these strengths during the year under review, the Group promptly reallocated its management and manufacturing resources in order that it could meet rushed orders, adopted further efficiency enhancement and cost control measures that mitigated the impact of higher costs, and successfully reinforced and expanded its customer base.

業務概況及前瞻

回顧年度內，集團面對的各項機會和挑戰，追溯本源，都與環球經濟因素息息相關。年內，環球經濟增長雖然放緩，但步伐仍然穩健，加上美國和各主要經濟國樓價攀升，為消費者信心帶來支持，因此，客戶訂單整體上保持堅穩。然而，由於油價上漲、利率攀升，消費者心存顧慮，故客戶對調升產品價格和增加存貨亦抱謹慎態度。在此情況下，許多客戶均擴大產品系列、加強產品元素，作為促銷手段；同時縮短交貨期、調低訂單價格，作為降低風險和保障利潤的方法。

基於上述原因，雖然香港／中國內地包裝印刷商年內享有較多獲得訂單機會，但訂單要求更為嚴格，包括：價格需具競爭力、生產周期需有彈性、產品設計需要創新、產品工藝需精緻等。在各項挑戰中，價格是最為棘手的難題。由於原材料價格（尤其紙價）上漲，加上內地發達城市的勞工、電力和其他營商成本上升，再加上廠商須為應付急單外判和支付額外空運費，給邊際利潤帶來重大壓力。兼且產品組成元素增加，生產程序更為繁複，直接增加了製造商的營運成本。

面對這些挑戰，集團的優勢在於「有備而戰」，故能迅速採取應變措施。多年以來，集團不斷致力提升員工質素，在行政管理、產品開發和質量管理各方面，培養了大批人才。集團並在企業層面作出策略性部署，包括把生產基地擴充至成本較低的中國內陸城鎮，持續實施各項計劃收緊營運成本及增加產品銷量。回顧年度內，集團進一步發揮這些優勢，迅速調配管理和生產資源應付急單，採取果斷行動提升效率及收緊成本，有效地減低了成本上升所帶來的影響，成功鞏固和擴大了客戶基礎。



*Dressing up Products
with Gorgeous Packaging*



The Group's core businesses of printing and packaging recorded an increase in turnover, with strong growth in the sales of paper products, albeit the profitability of the businesses was affected by the pressure on profit margins. Both the Singapore subsidiary and the Suzhou operation made good improvements — the former has resumed its profit growth while the latter has significantly reduced its loss. The environmentally friendly products division increased its profit despite a decline in turnover by adopting more stringent cost controls. The licensed products division has incurred a small loss, but has made healthy progress for its long-term development.

The Group is taking various measures to further improve its management and production resources and sales efforts, details of which are described in the sections below. The management is hopeful that these measures will give the Group stronger leverage to meet the challenges ahead.

Packaging materials, labels and paper products

Hong Kong/Mainland China Operations

During the year ended 31st March, 2005, the Group's printing and packaging businesses in Hong Kong/Mainland China recorded a steady growth in turnover. This was attributable to the further strengthening of the sales and marketing teams, the improvement in management and logistics control, and the better realignment of resources to increase operating efficiency.

Strong growth was recorded in the sales of paper products as a result of the Group's success in providing value-added services to customers and value-chain enhancement programmes to staff members through the dedicated efforts of "Starlite Innovation Centre" and "Starlite Institute of Management". The favourable performance of paper products helped mitigate the impact of higher costs on the core businesses' profitability, which recorded a contraction during the year under review. The management looks forward to the continuous sales growth of paper products in the coming year, and is looking into the possibility of tapping the potential of the European market for paper products.

The volatility of orders arising from seasonal factor has been an ongoing issue confronting the printing and packaging industry in Hong Kong/Mainland China. The issue was exemplified last year by the increase in rushed orders during the peak season — which incurred additional costs for outsourcing and airfreight — while the slack season saw an under-utilisation of production facilities. The Group is now developing several incentive

年內，集團核心業務包裝印刷營業額錄得增長，紙類製品銷量保持強勁。由於毛利受到壓縮，包裝印刷業務利潤稍受影響。新加坡和蘇州業務取得良好進展，前者已回復盈利增長，後者則大幅收窄虧損。環保產品業務營業額雖下降，但藉著更嚴謹的成本監控措施，令盈利錄得上升。特許產品業務雖有輕微虧損，但在長遠發展方面已有健康進展。

集團現正採取多項措施，進一步強化管理，提升營運效率，增加產品銷量。有關措施詳情載於下文各節。管理層有信心，該等措施可增強集團實力，有效地應對未來各項挑戰。

包裝材料、標籤及紙類產品

香港／中國大陸業務

截至二零零五年三月三十一日止年度內，集團香港／中國大陸包裝印刷業務營業額錄得增長，乃由於集團加強銷售和市場推廣、改善管理和物流監控、更佳調配資源及提升營運效率所致。

紙類製品銷量保持強勁，集團透過「星光創意中心」為客戶提供更多增值服務，並透過「星光管理學院」為企業內外提供多項供應鏈上下游增值課程，令產品和服務質素均更上層樓。由於紙類製品表現理想，減低了成本上升對包裝印刷業務的影響，故包裝印刷業務利潤只略降。管理層期望紙類製品來年銷量續有增長，並正研究為有關製品開拓歐洲市場。

季節因素造成的訂單升跌，一直以來都困擾香港／中國大陸包裝印刷業。這個問題去年更加嚴峻：去年旺季，適逢急單大增，同業須承擔外判費和空運費等額外費用，但淡季時生產設施使用率則不足。集團現正與主要客戶磋商互利計劃，為集團提升淡季訂單。管理層相信，



Disney Products



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plans with some major customers that aim to secure higher sales for the Group during the slack season. The management believes that the successful implementation of such plans will contribute to the better utilisation of the Group's production facilities and further strengthen the Group's strategic alliances with its major customers.

Suzhou Operation

The Suzhou plant recorded high sales growth during the year under review, with a significant reduction in loss as compared with last year. Major factors that benefited the performance of the Suzhou plant included its increase in export sales and its stronger economies-of-scale benefits brought by the expansion in productivity. Expansion into the domestic sector in the Yangtze River delta has gained ground, albeit some hurdles remain to be overcome which might require a more aggressive sales strategy.

The management believes that the Suzhou plant will further benefit from its ongoing development measures. With the second-phase factory premises completed recently and the fourth printing press installed last month, the Suzhou plant is expected to derive additional benefits from the higher economies-of-scale. Moreover, the Suzhou plant is expanding its business scope by entering into the labels printing business. An agreement has been reached with a renowned multinational corporation based in the United States, pursuant to which the Suzhou plant will start to provide labels printing services to that corporation around the third quarter of the current financial year. Installation of the labels print press has largely been completed, and the test run of the machine will begin shortly. Given the growing consumer market in the eastern China region, the management believes there should be strong development potential for the labels printing business.

As part of the measures to increase the domestic sales of the Suzhou plant, the Group has decided to upgrade its representative office in Shanghai into a wholly-owned subsidiary. This will enable the Group to conduct sales and marketing in Shanghai and its vicinity. The management is hopeful that the new company in Shanghai will be able to obtain orders from the eastern China region and help increase the sales and enhance the services of the Suzhou plant.

Established in August 2002, the Suzhou plant was managed and owned by the Group's Singapore subsidiary. Given that the Suzhou plant is now on the right track, and in line with the Group's localisation policy, the Group has

尚成功落實有關計劃，有助集團增加淡季生產設施使用率，並有利集團與主要客戶加強策略聯盟。

蘇州業務

回顧年度內，蘇州新廠營業額穩步增長，虧損額則較去年顯著收窄。該廠出口業務遞增，並因擴大產能而增添規模效益。在拓展長江三角洲本地業務方面，該廠亦取得良好進展，並擬採用更進取的銷售策略，進一步開闢新領域。

管理層相信蘇州新廠可望取得更佳成績。該廠剛完成第二期發展計劃，第四組生產線已投入生產，這有助該廠利用生產規模進一步增加效益。此外，該廠現正擴展服務範圍，包括進軍標籤印刷業務，並已與美國一家知名跨國公司簽訂合約，由本財政年度約第三季起，為該美國公司提供標籤印刷服務。蘇州廠即將裝妥標籤印刷機組，短期內開始試產。隨著華東消費市場日益蓬勃，管理層相信標籤印刷業務具有巨大發展潛力。

為協助蘇州新廠拓展本地業務，集團決定把上海辦事處升格為全資附屬公司，在上海和鄰近城市進行銷售及市場推廣。管理層有信心，上海新公司可促進集團在華東地區的業務，並協助蘇州新廠增加營業收益和服務素質。

蘇州新廠在二零零二年八月成立，由集團新加坡附屬公司管理及持有。由於蘇州新廠現已走



*Greenworks Help Protect
the Environment*



decided to transfer the Suzhou plant to the direct control of the Group's holding company for Hong Kong/Mainland China manufacturing operations. This will enable the Suzhou plant to benefit financially and strategically from the Group's further developments in the eastern China region. The operations of the Suzhou plant will not be affected, as the localisation of its management team has commenced a year ago and is now completed, and its day to day reporting has already been directed to the Hong Kong head office.

The corporate realignment of the Suzhou plant underlines the Group's success in training up its own team of local management officers and workers, which is expected to provide great benefits for the Group's future developments in Mainland China. The management also believes that such advantage will help the Group to mitigate the negative factor of rising wages in Mainland China.

Shaoguan Operation

The contract processing agreement entered into with a factory in Shaoguan, Guangdong proved to be rewarding for the Group. With some of the more labour-intensive production process allocated to the Shaoguan factory, the Group was able to reduce its production costs while increasing its capacity for rushed orders.

The Group has decided to further increase these benefits by establishing its own production plant in Shaoguan. The phase one development of the new production plant has commenced and is expected to be completed in one year. The management believes that this new plant will be able to take over some of the labour-intensive orders from the Group's Shenzhen plant in the peak season next year. The lower operating costs in Shaoguan compared to those in Shenzhen and Guangzhou will also help the Group to further strengthen its competitiveness.

Singapore Operation

During the year under review, the Singapore subsidiary recorded a satisfactory growth in both turnover and profit. This was the first full year that the Singapore subsidiary resumed its profit growth, which was attributable to the recovery of the technology and electronics sectors in the United States and the strong rebound of the Singaporean economy, as well as the proactive measures taken by the subsidiary to tighten its costs and strengthen customer loyalty.

上軌道，配合集團本地化政策，集團決定把蘇州新廠轉由旗下負責香港／中國大陸生產業務的控股公司直接持有。從財務和策略著眼，這項安排可讓蘇州新廠受惠於集團在華東地區的業務擴展。由於集團早於一年前已開始就蘇州新廠管理層進行本地化，並已完成有關工作，加上蘇州新廠現已直接向香港總公司匯報業務，因此上述安排不會影響蘇州新廠營運。

調整蘇州新廠控股，反映集團在培訓內部管理層和勞工所取得的成效。管理層相信集團的人力資源優勢，有助集團在中國大陸進一步拓展業務，並可降低工資成本上升對集團的影響。

韶關業務

集團與廣東省韶關市一家工廠的來料加工承包協議，為集團帶來良好效益。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。

集團決定在韶關開設新廠，藉以增加上述效益。韶關新廠第一期發展計劃已動工，可望於一年後完成。管理層相信，韶關新廠可於明年旺季承接集團深圳廠部份手工繁複訂單，而韶關營運成本遠低於深圳和廣州，有助集團進一步提升競爭力。

新加坡業務

回顧年度內，新加坡附屬公司營業額和盈利均錄得良好增長。這是新加坡附屬公司回復盈利增長的首個年度，利好因素包括美國科技業和電子業復甦、新加坡經濟強勁反彈，以及該公司採取積極措施，有效地降低成本及鞏固客戶信心。

Notwithstanding the improvement in market conditions, the printing sector in Singapore is still facing significant challenges. Primarily, they are related to competition from other Asian based companies in product pricing. This can be reflected by the growing trend that companies based in Singapore are outsourcing their printing and packaging works to Malaysia where costs are lower. In order to safeguard the sales and profitability of the Singapore subsidiary and to obtain new business in the Asian region, the Group is exploring into the possibility of reactivating its operations in Malaysia. The Group will look into all major factors with prudence before making a decision.

Environmentally friendly products

Despite a decline in turnover, the environmentally friendly products division recorded an increase in profit during the year under review. This was attributable to the tightening of cost controls, improvement of cost efficiency in the production of interior packaging products and "Greenworks" products, and the further expansion to other paper products.

Looking ahead, the environmentally friendly products division aims to further increase its cost efficiency and to capture the opportunities arising from the growing consciousness of environmental protection in the major economies.

Licensed products

The licensed products division incurred a small loss during the year under review, which was mainly related to the promotion of "Robbi the bunny" and the publication of the "Robbi the bunny" monthly magazine.

The Group disclosed in the interim report that it had entered into a principal agreement with a reputable film production company in Beijing, China to produce a Robbi cartoon series for broadcast on China's local television channels. Due to the corporate reorganisation of the film production company, the final agreement was not executed. Nevertheless, the Group is developing another plan to launch animation and cartoon series featuring "Robbi the bunny" for broadcast and distribution in China. The management believes that the successful implementation of this strategy will facilitate the Group's launch of Robbi products in the China market, which would provide a new venue of growth for the Group in the long run.

儘管市場環境有所改善，新加坡印刷業仍面對不少挑戰，這主要與亞洲其他同業的價格競爭有關。愈來愈多新加坡企業把印刷訂單外判馬來西亞，原因是當地營運成本較低。為保障新加坡附屬公司的營業額和盈利，以及增加集團在亞洲區的生意額，集團現正研究重新啟動馬來西亞業務。集團將認真研究所有重要因素，謹慎地作出決定。

環保產品

回顧年度內，環保產品業務營業額雖下降，但盈利錄得增長。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，亦令營運效益上升。

管理層將繼續致力提高環保產品業務的營運效益，並努力掌握各主要經濟國提倡環保所帶來的業務機會。

特許經營產品

回顧年度內，特許經營產品業務錄得輕微虧損，主要與推廣小兔哈比及出版小兔哈比漫畫月刊有關。

集團在中期報告透露，與北京市一家知名製片公司簽訂原則性協議，製作小兔哈比卡通系列片供中國電視台放映。由於這家公司其後進行重組，因此雙方沒有簽訂最後協議。集團現正重新規劃在中國內地推出小兔哈比「動漫系列」，管理層相信集團在中國內地逐步成功銷售小兔哈比系列產品，可為集團的長線帶來新的增長點。

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, 2005, the Group's cash and bank balances and short-term bank deposits amounted to approximately HK\$92 million.

During the year under review, interest expense of the Group amounted to approximately HK\$6.2 million compared to approximately HK\$6.4 million recorded last year. Currently, the Group has Renminbi-denominated loan facilities amounting to approximately RMB95 million that are available for the Group's Shenzhen, Guangzhou, Shaoguan and Suzhou plants for working capital purposes.

As at 31st March, 2005, the Group had a working capital surplus of approximately HK\$48 million compared to a working capital surplus of approximately HK\$48 million as at 31st March, 2004. The Group's debt-to-equity ratio as at 31st March, 2005 was 59% (31st March, 2004: 60%), based on short-term and long-term bank borrowings and other debts/borrowings (excluding trade related debts) of approximately HK\$194 million (31st March, 2004: HK\$167 million), and shareholders' funds of approximately HK\$327 million (31st March, 2004: HK\$279 million). The Group will continue to adopt prudent policies to maintain a healthy financial position.

CHARGE ON ASSETS

As at 31st March, 2005, certain assets of the Group with an aggregate carrying value of approximately HK\$25 million (31st March, 2004: HK\$102 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 commitments of Renminbi-denominated operating expenses 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.

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。截至二零零五年三月三十一日，集團的現金和銀行結餘及短期銀行存款共約九千二百萬港元。

回顧年度內，集團的利息支出約為六百二十萬港元，去年約為六百四十萬港元。現時，集團約有九千五百萬元人民幣銀行貸款額度，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。

於二零零五年三月三十一日，集團營運資金錄得約四千八百萬港元盈餘，而二零零四年三月三十一日則有約四千八百萬港元盈餘。集團截至當日的債務權益比率為百分之五十九（二零零四年三月三十一日：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）約一億九千四百萬港元（二零零四年三月三十一日：一億六千七百萬港元），與股東權益約三億二千七百萬港元（二零零四年三月三十一日：二億七千九百萬港元）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。

資產抵押

於二零零五年三月三十一日，本集團合共賬面淨值約二千五百萬港元（二零零四年三月三十一日：一億零二百萬港元）之資產已按予銀行作為後者授予本集團貸款之抵押。

滙兌風險

本集團大部分資產、負債及交易均以港元、美金、人民幣、日圓、新加坡元及歐元結算。香港現行之聯繫滙率制度令美元／港元滙率相對穩定。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。至於涉及日圓和歐元之交易額，主要為集團購買機器付出，並普遍以遠期合約對沖滙率風險。

HUMAN RESOURCES DEVELOPMENT

Currently the Group has more than 6,500 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

China reported a 9.5% growth in gross domestic product for the first quarter of this year despite the Government's measures to cool down the economy. While the figure has drawn concerns about the possibility of a hard landing of the Chinese economy and added fuel to speculation on the Renminbi's revaluation, it nevertheless highlighted the emergence of China as a major force in Asia as well as a major economy of the world. It is anticipated that China may become one of the major contributors to a more balanced global economy, given the fact that China has joined the World Trade Organisation and is further opening up its markets to foreign companies. Barring the occurrence of major military conflicts and trade wars, increasing globalization should provide new opportunities for industrial and commercial activities across the continents.

However, for the Hong Kong/Mainland China printing and packaging industry, the most pressing issue is the lack of pricing power experienced across the value chain. In a way, this is one of the major challenges brought by globalization, thus the industry might experience stronger pressure on profit margins.

The Group is making further efforts to improve its operating efficiency and expand its sales in order to seize the opportunities and to cope with the challenges. The year 2005 is the 35th anniversary of the Group. Having gone through many challenging years, the Group has equipped itself with a strong pool of loyal and competent management team, a significant reserve of capable operating staff, and strong experience in foreseeing the

人力資源發展

集團現僱用超過六千五百名員工。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。集團將繼續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

儘管中國採取多項措施遏止經濟過熱，但今年第一季中國生產總值仍增長百分之九點五。該項數據令部份人士關注中國經濟會否硬著陸，並增加投機者對人民幣升值的揣測。然而，從另一角度看，有關數據證明中國正冒升為亞洲大國及世界經濟強國。由於中國已加入世界貿易組織，並正進一步為外資開放市場，因此中國持續強大，有助環球經濟邁向均衡發展。全球化是大勢所趨，如無嚴重軍事衝突或貿易戰，全球化可望為世界各國工商界帶來更多商機。

然而，香港／中國大陸包裝印刷業現正面對的迫切難題，是價值鏈上中下游均欠缺議價能力。某程度上，這是全球化帶來的重大挑戰之一，而同業毛利可能因而承受更大壓力。

集團現正採取多項措施，進一步提升集團的營運效率及銷售能力，藉此掌握機遇應對挑戰。今年是集團創辦三十五週年。多年來，集團成功渡過重重難關，培育了一批忠誠的管理專才和一個能幹的經營團隊，並從經驗中磨練出「預見挑戰、早作準備」的能力。管理層相信，集團

CHAIRMAN'S STATEMENT

主席報告

challenges and making preparations ahead. The management believes that with the further enhancement of these resources, the Group will be able to increase its competitiveness and safeguard its profit margins. The strategic plans for the Suzhou plant, the Shanghai operations and the Shaoguan arrangements represent the solid actions made by the Group to implement these strategies. The management is cautiously optimistic about the medium-term outlook of the Group, and is working vigorously to establish a strong platform for the long-term growth of the businesses.

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, 14th July, 2005

在各項資源作出的優化行動，有助增加集團的競爭力，保障集團的毛利水平。調整蘇州新廠控股及成立上海新公司和韶關新廠，均為集團按通盤規劃進行的。管理層對集團中線前景審慎樂觀，同時，致力為集團各項業務的長遠增長打造實力雄厚的平台。

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，二零零五年七月十四日