

For widely known reasons, the printing industry was hit by rising costs during the financial year 2005/2006. The price increases were large and extensive, covering paper-based materials and supplementary materials, electricity, wages and financial funding. Due to intense competition, it was difficult to pass on in full the additional costs to customers. Indeed, the Group had to revise down the prices of some products in order to secure the orders. Facing these formidable challenges, the Group adopted the "Thriving on 2005" campaign at the beginning of the financial year, aiming at further increasing the Group's competitiveness through prompt response and efficient production to counter the unfavourable factors. However, some staff members seemed carried away by the uninterrupted growth of the Group in the past five years and they forgot about the importance of "preparing for foul in fair weather". As the campaign moved forward without the full effort of all staff, the half measures though successful were insufficient to block the assaults from all fronts. As a result, while the Group recorded a 6% growth in turnover, there was a decline in net profit — the first in the past five years and a smack in the eye.

Taking the situation to task, the Directors made decisive rearrangement to the workforce and further streamlined the management structure to only five levels from the Chief Executive Officer to the frontline staff. These measures have enhanced the reporting system and facilitated faster and clearer communication.

Human capital is the foundation of an enterprise. While corporations compete on new technology, many look outside for skilled labour. As such, the Group's staff members, who have been well trained by the Group, become subjects of headhunt. This happens most often at the beginning of the year. The Group has taken measures to safeguard its workforce, focusing on active action, strong leadership and individual orientation in the monthly and quarterly reviews of staff performance. With the new knowledge gained from the measures, the Group is further improving its incentive system and is building a more aggressive corporate culture emphasising both reward and penalty.

Providing intimate services to customers and expanding the customer base through innovative means are the responsibilities of the sales department and every staff member, who should also treat these as the guidelines for

眾所周知的原因，2005/2006財政年度內，印刷業面對紙張、輔料、電力、工資及利率的不同程度上漲，加上同業的激烈競爭，造成無法將成本差額轉移給用家，甚至一些產品價格還往下調整。企業經受了又一場嚴峻的挑戰，管理層為了應對生存環境的惡化，年度之初提出了「提速2005」的行動方向，冀通過迅速反應，快速生產去提升競爭能力。但由於過去五年的良性增長帶來部分同事欠缺居安思危的憂患意識，整體配合未完善，加上執行力度不足，局部努力不足於抵禦接踵而至的不利因素，因此，儘管營業額錄得百分之六增長，仍出現五年來不願見到的首次業務成果倒退。

董事局有見及此，對內部果斷的做了一些人員重新安排，並將企業組織進一步精簡化，實現了由行政總裁至第一線員工僅分五個階層的管理模式，更有效的發揮上情下達，大大的提高了訊息傳真度和指導速度。

人員是企業根本所在，由於科技推陳出新，市場上人才爭奪，每一年年初集團所培養的人才遭受外界招手。集團加強應對，在每月、每季評核中高層的業績，倡導行動管理，人本管理和強勢管理，從中得到了新的認識和理解，完善激勵機制，逐步實現獎懲到位的進取企業文化。

親近客戶，銳意創新開拓客源，開拓新領域，是營銷部乃至企業內每一位員工的責任和付諸行動的指南。從年度下半年開始，為客戶創造價值的行動贏取客戶心，從而擴大客戶基礎和

action. Since the second half of the financial year, the Group has successfully increased customer confidence by taking new measures to create value for customers. Hence the Group was able to enlarge its customer base and expand into the production of new products such as elegant gift boxes. The Group also strengthened its strategic alliance in packaging and increased its market expansion and penetration.

The Group is engaged in two major businesses: first, the printing and packaging business which requires short-distance logistics services; and second, the paper products and children books business which requires labour-intensive and low-cost production. In order to meet customers' demand, the Group has systematically built a strategic supply network in the last 15 years, covering Singapore to the south, Suzhou to the north, Shanghai to the east, and Shaoguan to the west. While these facilities are equipped in different manner to meet customers' needs, they share the common objective of ensuring highest customer satisfaction. The Starlite Asian Service Network is a good reflection of the Group's strong resources and powerful teamwork.

Pursuing the highest quality is a paramount objective of the Group, which is built on the regular enhancement of efficiency and workmanship. Through meticulous production, stringent "7S" on-site supervision, and environmental protection measures, the Group has attained satisfactory results in quality improvement. Moreover, both the managers and frontline staff have gained a better understanding of quality and they treat the results as a direct reflection of their personal value to the enterprise.

Through launching further reforms, strengthening cost control and increasing the economies-of-scale, I strongly believe that the Group's subsidiaries around the region will be able to return to the healthy track. In the 2006/2007 financial year, the Group will strive its best to obtain better results for shareholders.

**Lam Kwong Yu**  
Chairman

Hong Kong, 6th July, 2006

進入了一些新的業務如精緻禮盒領域，也擴大了包裝服務的聯盟網絡，市場的覆蓋面和滲透度逐步擴闊和深入。

集團的業務來自二大部分，一、包裝印刷需要短距離物流服務，二、紙製品及兒童書籍需勞動密集和低成本。為適應客戶需求，集團十五年來有計劃地完成了供應網絡，南起新加坡，北至蘇州，東起上海，西至韶關，建立了不同裝備、共同目標的星光亞太區服務網，滿足客戶的不同選擇，突顯企業群體效應和大團隊力量。

優良品質是企業不斷追求的最高目標，效益的基礎來自高效優質產出。推行精確生產，嚴格實施7S現場管理，同時執行環境保護行動，在新一輪的工作中取得了不俗效益，各級主管和前線員工充分認識績效是自身價值最直接的體現。

我深信，透過內部全面進一步變革，加強成本管理，擴大產能和規模，以低成本與差異化為競爭的基礎，加速推動分佈各地的附屬公司，納入健康發展軌道，星光集團在2006/2007財政年度必定努力爭取為大小股東交付一份良好的成績表。

**林光如**  
主席

香港，二零零六年七月六日