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**S T A R L I T E**

HOLDINGS LIMITED

星光集團有限公司\*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

STOCK CODE 股份代號: 403

Website : <http://www.hkstarlite.com>

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31ST MARCH, 2024**

The Directors of Starlite Holdings Limited (the “Company”) are pleased to announce the consolidated results of the Company and its subsidiaries (together the “Group”) for the year ended 31st March, 2024 together with the comparative figures for the previous year, as follows:

**Consolidated Income Statement**

*For the year ended 31st March, 2024*

	Note	2024 HK\$'000	2023 HK\$'000
Revenue	3	834,749	923,236
Cost of sales		(663,542)	(758,873)
<b>Gross profit</b>		<b>171,207</b>	164,363
Other income and gains - net	4	12,653	19,205
Selling and distribution costs		(49,803)	(51,705)
General and administrative expenses		(112,036)	(114,967)
Reversal of impairment losses/(impairment losses) on financial assets		4,288	(2,878)
<b>Operating profit</b>	5	<b>26,309</b>	14,018

*\*For identification purpose only.*

**Consolidated Income Statement (Continued)**  
*For the year ended 31st March, 2024*

	Note	2024 HK\$'000	2023 HK\$'000
Finance income		3,196	1,278
Finance costs		(4,434)	(5,673)
		<hr/>	<hr/>
Finance costs – net	6	(1,238)	(4,395)
		<hr/>	<hr/>
<b>Profit before income tax</b>		<b>25,071</b>	9,623
Income tax expense	7	(8,079)	(4,343)
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>16,992</b>	5,280
		<hr/>	<hr/>
<b>Profit/(loss) attributable to :</b>			
Owners of the Company		17,422	6,478
Non-controlling interests		(430)	(1,198)
		<hr/>	<hr/>
		<b>16,992</b>	5,280
		<hr/>	<hr/>
<b>Earnings per share attributable to the owners of the Company for the year</b>			
(expressed in HK cents per share)	8		
- Basic		3.45	1.26
		<hr/>	<hr/>
- Diluted		3.45	1.26
		<hr/>	<hr/>

## Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2024

	2024	2023
	HK\$'000	HK\$'000
<b>Profit for the year</b>	<b>16,992</b>	5,280
Other comprehensive loss :		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<b>(29,712)</b>	(25,278)
<i>Items that will not be reclassified to profit or loss</i>		
Decrease in fair value of financial assets at fair value through other comprehensive income	<b>(89)</b>	(256)
<b>Total other comprehensive loss for the year, net of tax</b>	<b>(29,801)</b>	(25,534)
Total comprehensive loss for the year	<b>(12,809)</b>	(20,254)
Total comprehensive loss for the year attributable to :		
Owners of the Company	<b>(12,379)</b>	(19,056)
Non-controlling interests	<b>(430)</b>	(1,198)
	<b>(12,809)</b>	(20,254)

## Consolidated Statement of Financial Position

As at 31st March, 2024

	Note	As at 31st March, 2024 HK\$'000	As at 31st March, 2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		335,513	347,349
Investment properties		16,269	16,866
Right-of-use assets		22,550	26,762
Prepayments for non-current assets		1,898	3,599
Deferred income tax assets		10,524	11,906
Financial assets at fair value through other comprehensive income		1,090	1,179
Financial assets at fair value through profit or loss		12,186	12,077
		<u>400,030</u>	<u>419,738</u>
<b>Current assets</b>			
Inventories		76,190	86,873
Trade and bill receivables	10	172,336	172,865
Prepayments and deposits		25,196	22,142
Tax recoverable		53	91
Bank deposits with maturity over 3 months from date of deposits		202	8,764
Cash and cash equivalents		217,432	243,019
		<u>491,409</u>	<u>533,754</u>
<b>Total assets</b>		<u><u>891,439</u></u>	<u><u>953,492</u></u>
<b>EQUITY</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital		50,063	50,664
Reserves		574,690	592,710
		<u>624,753</u>	<u>643,374</u>
Non-controlling interests		332	762
<b>Total equity</b>		<u><u>625,085</u></u>	<u><u>644,136</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		2,970	5,111
Deferred income tax liabilities		6,601	5,393
		<u>9,571</u>	<u>10,504</u>
<b>Current liabilities</b>			
Trade and bill payables	11	90,424	93,712
Other payables and accruals		72,234	85,854
Contract liabilities		4,754	7,148
Current income tax liabilities		23,877	24,134
Borrowings		61,959	84,130
Lease liabilities		3,535	3,874
		<u>256,783</u>	<u>298,852</u>
<b>Total liabilities</b>		<u><u>266,354</u></u>	<u><u>309,356</u></u>
<b>Total equity and liabilities</b>		<u><u>891,439</u></u>	<u><u>953,492</u></u>

*Notes:*

**1. General information**

Starlite Holdings Limited (the “Company”) is an investment holding company. Its subsidiaries are principally engaged in the printing and manufacturing of packaging materials, labels and paper products, including environmentally friendly paper products. The Company and its subsidiaries are collectively referred to the “Group”.

The Company was incorporated in Bermuda on 3rd November, 1992, as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and its principal place of business is 3/F, Perfect Industrial Building, 31 Tai Yau Street, Sanpokong, Kowloon, Hong Kong. The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 1993.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

**2. Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collectively includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which is measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

## 2. Basis of preparation (Continued)

### (a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for the financial year beginning 1st April, 2023 and are relevant to its operations.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction
Amendments to HKAS 12	International Tax Reform - Pillar Two Model Rules
HKFRS 17	Insurance Contracts
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative information
Amendments to HKFRS 17	Amendments to HKFRS 17

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 2. Basis of preparation (Continued)

### (b) New standards, amendments to standards and interpretation (collectively refer as “Amendments”) that are not yet effective and have not been early adopted by the Group

Certain amendments to existing standards and interpretation have been published that are not mandatory for 31st March, 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

		<b>Effective for annual periods beginning on or after</b>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1st January, 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1st January, 2024
Amendments to HKFRS 16	Lease Liability in a Sales and Leaseback	1st January, 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January, 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1st January, 2024
Amendments to HKAS 21	Lack of Exchangeability	1st January, 2025
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

None of the above Amendments is expected to have a material impact on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

### 3. Revenue and segment information

#### (a) Analysis of revenue by category:

	2024	2023
	HK\$'000	HK\$'000
<i>At a point in time</i>		
Sales of packaging materials, labels and paper products, including environmental friendly paper products	817,919	902,643
Others	16,830	20,593
	<u>834,749</u>	<u>923,236</u>

#### (b) Segment information

The chief operating decision-maker (the “CODM”) of the Group has been identified as the Chairman/Chief Executive Officer of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM of the Company reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has reported the results of the operating segments based on these reports.

The CODM of the Company considers the business from a geographical perspective, i.e. determined by the location of major factory plants including Southern China, Eastern China and South East Asia, and assesses performance based on revenue, operating profit/(loss), profit/(loss) for the year, capital expenditure, assets and liabilities.



### 3. Revenue and segment information (Continued)

#### (b) Segment information (Continued)

(i) The segment results for the year ended 31st March, 2024 and 2023 are as follows:

	Southern China HK\$'000	Eastern China HK\$'000	South East Asia HK\$'000	Group HK\$'000
<b>Year ended 31st March, 2024</b>				
Segment revenue	569,160	250,421	144,313	963,894
Inter-segment revenue	(1,177)	(127,968)	-	(129,145)
Revenue from external customers at a point in time	<u>567,983</u>	<u>122,453</u>	<u>144,313</u>	<u>834,749</u>
Operating profit	2,682	15,108	8,519	26,309
Finance income	2,446	734	16	3,196
Finance costs	(4,000)	(183)	(251)	(4,434)
Income tax (expense)/credit	(7,127)	(1,262)	310	(8,079)
(Loss)/profit for the year	<u>(5,999)</u>	<u>14,397</u>	<u>8,594</u>	<u>16,992</u>
<b>Other information :</b>				
Additions to property, plant and equipment	32,172	11,198	2,886	46,256
Depreciation	21,499	12,128	8,894	42,521
Capital expenditure	<u>30,411</u>	<u>11,489</u>	<u>2,655</u>	<u>44,555</u>

### 3. Revenue and segment information (Continued)

#### (b) Segment information (Continued)

- (i) The segment results for the year ended 31st March, 2024 and 2023 are as follows (Continued) :

	Southern China HK\$'000	Eastern China HK\$'000	South East Asia HK\$'000	Group HK\$'000
<b>Year ended 31st March, 2023</b>				
Segment revenue	615,744	257,909	162,577	1,036,230
Inter-segment revenue	(397)	(112,597)	-	(112,994)
Revenue from external customers at a point in time	<u>615,347</u>	<u>145,312</u>	<u>162,577</u>	<u>923,236</u>
Operating profit/(loss)	38	23,964	(9,984)	14,018
Finance income	1,174	82	22	1,278
Finance costs	(5,304)	(154)	(215)	(5,673)
Income tax expense	(482)	(3,861)	-	(4,343)
(Loss)/profit for the year	<u>(4,574)</u>	<u>20,031</u>	<u>(10,177)</u>	<u>5,280</u>
<b>Other information :</b>				
Additions to property, plant and equipment	27,767	9,566	16,970	54,303
Depreciation	20,474	14,086	11,209	45,769
Capital expenditure	<u>27,737</u>	<u>4,170</u>	<u>16,865</u>	<u>48,772</u>

- (ii) An analysis of the Group's assets and liabilities by segment as at 31st March, 2024 and 2023 is as follows:

	Southern China HK\$'000	Eastern China HK\$'000	South East Asia HK\$'000	Group HK\$'000
<b>As at 31st March, 2024</b>				
Segment assets	<u>593,398</u>	<u>168,305</u>	<u>129,736</u>	<u>891,439</u>
Segment liabilities	<u>153,172</u>	<u>93,974</u>	<u>19,208</u>	<u>266,354</u>
<b>As at 31st March, 2023</b>				
Segment assets	<u>621,308</u>	<u>197,348</u>	<u>134,836</u>	<u>953,492</u>
Segment liabilities	<u>197,464</u>	<u>79,150</u>	<u>32,742</u>	<u>309,356</u>

#### 4. Other income and gains - net

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Net exchange gains	<b>3,718</b>	3,752
Gains/(losses) on disposals of property, plant and equipment	<b>1,914</b>	(357)
Net fair value gains on financial assets at fair value through profit or loss	<b>109</b>	169
Government grants	<b>3,554</b>	10,718
Others	<b>3,358</b>	4,923
	<b>12,653</b>	19,205

#### 5. Operating profit

The following items have been charged/(credited) to the operating profit during the year:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Employees benefit expense (including directors' emoluments and excluding severance payment)	<b>277,655</b>	293,941
(Reversal of)/provision for inventories obsolescence	<b>(7,627)</b>	2,479
Depreciation of property, plant and equipment	<b>37,230</b>	38,880
Depreciation of investment properties	<b>597</b>	597
Depreciation of right-of-use assets	<b>4,694</b>	6,292

## 6. Finance costs – net

	2024	2023
	HK\$'000	HK\$'000
<b>Finance income</b>		
Interest income on bank deposits	3,196	1,278
	<u>3,196</u>	<u>1,278</u>
<b>Finance costs</b>		
Interest expense on bank borrowings	(4,165)	(5,210)
Interest expenses on lease liabilities	(269)	(284)
Interest expenses on under-provision for income tax	-	(179)
	<u>(1,238)</u>	<u>(4,395)</u>
	<u><u>(1,238)</u></u>	<u><u>(4,395)</u></u>

## 7. Income tax expense

The Company is exempted from taxation in Bermuda until 2035. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income taxes.

Hong Kong Profits Tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profit is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime.

The subsidiaries established and operated in the PRC are subject to the PRC Corporate Income Tax at rate of 25% during the year (2023: 25%).

The subsidiaries established in Singapore and Malaysia are subject to Singapore Corporate Income Tax at a rate of 17% (2023: 17%) and Malaysia Corporate Income Tax at a rate of 24% (2023: 24%) respectively.

The amount of income tax charged to the consolidated income statement represents:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Current income tax expense		
- Hong Kong Profits Tax	<b>69</b>	142
- PRC Corporate Income Tax	<b>5,544</b>	1,135
Over provision in prior years	-	(450)
	<hr/>	<hr/>
	<b>5,613</b>	827
Deferred income tax	<b>2,466</b>	3,516
	<hr/>	<hr/>
Income tax expense	<b>8,079</b>	4,343
	<hr/> <hr/>	<hr/> <hr/>

## 8. Earnings per share

### Basic

Basic earnings per share is calculated by dividing the Group's profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>2024</b>	2023
Profit attributable to the owners of the Company (HK\$'000)	<b>17,422</b>	6,478
Weighted average number of ordinary shares in issue ('000)	<b>504,372</b>	513,989
Basic earnings per share (HK cents)	<b>3.45</b>	1.26

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. For the year ended 31st March, 2024 and 31st March, 2023, diluted earnings per share equals basic earnings per share as there were no dilutive potential shares.

## 9. Dividends

At the Board of Directors meeting held on 27th June, 2024, the Directors recommend the following final dividends:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Interim dividend for the year ended 31st March, 2024 of HK1 cent per fully paid share (2023 : HK1 cent)	<b>5,006</b>	5,096
<i>Dividends not recognised at the end of the reporting period</i>		
Proposed final dividend for the year ended 31st March, 2024 of HK1.5 cents per fully paid share (2023 : Nil)	<b>7,509</b>	-

The amount of proposed final dividend for 2024 was based on 500,633,288 shares in issue as at 27th June, 2024. The proposed final dividend are not reflected as a dividend payable as at 31st March, 2024.

## 10. Trade and bill receivables

The Group grants to its customers credit terms generally ranging from 30 to 120 days. The ageing of trade and bill receivables by invoice date is as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
1 to 90 days	<b>142,414</b>	147,850
91 to 180 days	<b>23,942</b>	19,799
181 to 365 days	<b>8,002</b>	10,480
Over 365 days	<b>10,624</b>	12,386
	<hr/>	<hr/>
	<b>184,982</b>	190,515
Less: loss allowance	<b>(12,646)</b>	(17,650)
	<hr/>	<hr/>
	<b>172,336</b>	172,865
	<hr/> <hr/>	<hr/> <hr/>

## 11. Trade and bill payables

The ageing analysis of trade and bill payables by invoice date is as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
1 to 90 days	<b>85,899</b>	89,101
91 to 180 days	<b>3,271</b>	1,508
181 to 365 days	<b>131</b>	434
Over 365 days	<b>1,123</b>	2,669
	<hr/>	<hr/>
	<b>90,424</b>	93,712
	<hr/> <hr/>	<hr/> <hr/>

## RESULTS

For the year ended 31st March, 2024, the Group's revenue decreased by 9.6% to approximately HK\$835 million. A profit of approximately HK\$17 million was recorded, compared to a profit of approximately HK\$5 million last year.

Given that inflationary pressures gradually eased which led to a decline in prices of major raw materials, coupled with the effective implementation of various cost optimization measures and the exchange gains from the depreciation of Renminbi, the Group maintained its core profit level during the period.

During the reporting period, under the combined influence of international geopolitical divergences, rising unilateral trade protectionism, and high capital market costs, the global economic development was fraught with uncertainties. The risks of stagflation and global economic recession still existed. Further, the recovery of the mainland Chinese market was slower than expected and the inflation in developed economies had not reached control targets, hindering the global economic recovery process. The unfavourable macro conditions affected the purchasing power and consumption desire of end consumers, which in turn affected the demand for various consumer goods. In the face of abnormal fluctuations from the demand side, our customers have adopted a more conservative business model. In addition to tightening order and inventory policies, they also delayed the development of certain potential projects, which had a short-term impact on the Group's business growth. Despite the sharp fluctuations in the business environment, the performance of the three plants in China was better than expected during the period. The Guangzhou plant continued to record profit, while the Shaoguan plant saw a turnaround from loss. The operation of the Suzhou plant experienced a slight decline but still recorded a profit. On the other hand, sales in the ASEAN region declined but also saw a turnaround from loss.

Facing the complex and ever-changing domestic and international environment and various risks and challenges, the Group adhered to the concept of seeking progress while maintaining stability, actively optimised the allocation of strategic resources, continuously invested in the future and was committed to creating value for our investors. It always adhered to the innovation path of green, energy conservation, low-carbon emission reduction and environmental protection, and strengthened the development of new markets and new businesses. The Group focused on the improvement of customer service quality, strengthened lean management and intelligent manufacturing to build unique core competitiveness, and actively assumed social responsibilities. All of these allowed the Group to make prompt responses when the market fully recovered. Details are set out in the section headed "Business Review and Prospects".



## **DIVIDENDS**

The Directors recommend a final dividend of HK1.5 cents (2023: Nil) per share for the year ended 31st March, 2024 payable on Friday, 18th October, 2024 to shareholders whose names appear on the Register of Members on Thursday, 5th September 2024. Together with the interim dividend of HK1 cent (2023: HK1 cent) paid, the aggregate dividend for the financial year would be HK 2.5 cents per share (2023: HK1 cent).

## **BUSINESS REVIEW AND PROSPECTS**

Hong Kong/Mainland China Operations

### *Overview*

During the period under review, the supply chain disruptions following the outbreak of the pandemic and the global energy and food crisis triggered by the Russia-Ukraine war, followed by the sharp rise in inflation and the subsequent the synchronised tightening of monetary policies worldwide, have all contributed to a general slowdown in global economic growth, impacting overall market consumer sentiment and import demand. If the current geopolitical conflicts in regions such as Israel and Gaza intensify, causing Red Sea shipping prices to further soar, it may lead to stubbornly high core inflation. Meanwhile, the geoeconomic fragmentation between the East and the West along with the de-coupling strategy of some Western nations will exacerbate the barriers to the flow of goods, capital, and personnel. This implies that global supply-side growth will also slowdown in the short term. Under the influence of multiple factors and increasingly intense market competition, it is expected that the market demand for printing services will remain weak in the coming year, posing great challenges to the operation of enterprises. Despite the difficult situation, the Group has gained excellent reputation and brand image in the industry and has won the recognition and trust of many domestic and foreign strategic partners for its solid business foundation, first-class customer resources and global layout, laying a solid foundation for the long-term, stable, and healthy development of the Group.

Meanwhile, in order to enhance operational efficiency and risk management capability, the Group is actively promoting the development of an artificial intelligent operation network and the full integration of value chain. The Group is the first to apply artificial intelligence software in creative design and general document translation. Meanwhile, it promotes projects such as smart typesetting, automated logistics and smart production scheduling. With the development goals of reducing cost, improving efficiency, and increasing add-on value, the Group has achieved interim results amidst hardships. The plant in Guangzhou of the Group remained profitable. The Shaoguan plant realised good efficiency with optimised and lean system. With the depreciation of Renminbi and the receipt of certain support and policy incentives from the local

government during the period, add-on value was contributed. In general, revenue from the operations of plants in southern China declined but profit was still recorded through effective measures to broaden sources of income and reduce expenditures as well as the promotion of intelligent measures.

Affected by the slowdown in economic growth and shrinking consumption in the mainland, the eastern China operation recorded a slight decrease. Increasingly intense industry competition has dragged down the marginal profit of the eastern China operation. On the other hand, the Southeast Asia operation declined, but with outstanding material control measures, operating cost was lowered and thus profit was recorded for the Southeast Asia operation.

In response to the volatility and uncertainty of the macro business environment, the Group remained highly vigilant and paid close attention to the operation of macro-economic indicators. By adopting diversified investment strategies and formulating flexible financial plans, it keenly observed market trends to break through in a highly competitive environment. Meanwhile, the construction of a green production system has been accelerated. In various fields of environmental, social and governance (“ESG”), the Group firmly practiced sustainable development strategies, and continuously promoted ESG work in areas such as climate change management, application of environmentally friendly raw materials, employee health and talent echelon development, carbon and plastic reduction, energy saving and consumption reduction, and increase in the proportion of green electricity, so as to reach our destination on the road to carbon neutrality. Furthermore, the Group has been fulfilling its social responsibilities by actively engaging in public welfare and charity undertakings, pledging to donate 4% of its profits beyond the 8% profit range and related capital market return factors for charitable purposes to achieve greater ESG development. On the other hand, the Group’s frontline business team has participated in domestic and international exhibitions, actively reached out to partners in Europe, the United States, Southeast Asia, and the mainland to jointly explore business opportunities for long-term business expansion. During the period, the Group was conferred the “Greater Bay Area Power Brand Award 2022–2023” by the Hong Kong Institute of Marketing, as well as the “Most Promising Enterprise Award” by Link Future Foundation at the 2023 Global Economic Influence Awards Ceremony cum the Belt and Road Hong Kong-Macao Region Launching Ceremony.

## *Southern China Operation*

Although the raw material and energy costs have stabilised and shipment costs have declined, the overall consumer sentiment has been dampened by various uncertainties such as the conflict in the Middle East which disrupted shipping in the Red Sea and the high inflation rate and high interest rate in Europe and the United States economies, which will result in the decline in global market demand for books. It is expected that the global market sentiment for books and greeting cards will remain weak in the coming year, which will affect the development of the Southern China operation.

Nevertheless, the Group continued to make precise resources investment to establish a more sound and comprehensive operation system so that efficient and professional services could be delivered in a flexible and timely manner by assigning dedicated workshops and production lines according to different order requirements of customers. Apart from the acquisition of a new Heidelberg eight-colour UV printing machine to provide customers with higher quality and more innovative printing solutions, the Shaoguan plant also built a new food safe packaging workshop for the expansion to customers in food industry, thereby fostering diversified business development. In addition, the Shaoguan plant has newly established a fully automated intelligent production line for children's books with functions such as automatic intelligent connections and editions merge, book cutting, rounding corners and adding covers, which reduced the manual and labour intensity between different production processes. Automated projects such as intelligent glue dispensers, robotic windowing machines, automatic sealing machines, robotic feeders, and robotic automatic book spine rounding machines effectively save labour costs and create unique competitive advantages in the process of customer value creation. Besides, the management team effectively put the key factors of lean production and management into play and thus efficiency has been greatly enhanced, laying a good foundation for the Southern China operation to realise greater profitability, effective cost and expense control as well as higher production value per capita. On the other hand, the Shaoguan plant has successfully organised the 20th Anniversary of Starlite's Investment in Shaoguan and the Opening Ceremony of the Printing Culture and Education Base (星光入韶投資二十載暨印刷文化教育基地開幕典禮) on 10th November, which was greatly supported and highly recognised by various leaders of the municipal committee and the municipal government of Shaoguan. Starlite Printing Culture and Education Base (星光印刷文化教育基地) is a culture landmark established by the Group's Chairman Mr. Lam Kwong Yu as a return to the society and represents the first printing culture and education base in Shaoguan and the first printing culture and education base founded by a private-owned enterprise in Guangdong Province. With the sincere wish to deliver the profound meanings and influence of old inventions, Starlite Printing Culture and Education Base actively takes up the mission of adapting to the development of time and establishing self-confidence in culture. Through a series of exhibitions and education research and study campaigns, the Base assumes the responsibility of promoting Chinese culture and contributing to social welfare. Since its

opening, the Education Base has received more than 60 organisations and over 1,000 visitors, through which culture is promoted to the general public by guiding the society to appreciate the charm of printing culture and the wisdom of the Chinese nation.

With the gradual resumption of retail activities, the Group's innovative brand of environmentally friendly products, TEAM GREEN®, has accelerated its business expansion. During the period, the Group actively explored new product series and strengthened its brand promotion, such as launching World of Robbi STEAM education series, being products with self-owned patents, and participating in Junior Quality Education Expo, Hong Kong Book Fair, 48th China Beijing International Gifts and Home Appliances Exhibition, Hong Kong Learning and Teaching Expo, China Toy Expo, 10th China Shanghai International Children's Book Fair, etc. TEAM GREEN® will continue to strengthen its business development in the mainland China and Southeast Asia markets, broaden the sales channels of online new media (such as TikTok and Xiaohongshu) and offline physical stores (such as bookstores, cultural and creative stores, and museums), and launch more new products that are popular among customers, so as to promote the innovative environmental protection concepts and steady business development of TEAM GREEN®. During the period, TEAM GREEN® was awarded the 2023/24 Market Leadership Award in Environmental Product Design by the Hong Kong Institute of Marketing, and the products of TEAM GREEN®, namely the Waving Maneki neko, 3D Cantonese Opera Wooden Puzzle Doll Set, Macau Grand Prix - Wooden Ralt RT3 Model, and Dinosaur 3D Jigsaw Puzzle - Jurassic Series, won the Gold Award, Silver Award, and Merit Award of Hong Kong Smart Design Awards respectively.

### ***Eastern China Operation***

During the period under review, due to the ailing real estate market in China and the mounting pressure on public finance, economic growth in mainland China was weak, which had negative impact on domestic consumer market demand. Hence, the eastern China operation recorded a slight decrease in revenue from domestic sales. In view of this, in a bid to accelerate the diversified development of production capacity in the eastern China operation, our management team strived to keep pace with the industry development, gain a deep insight into customer needs, actively explore new markets and new businesses, identify future growth opportunities in other emerging industries, and explore demands in the fields of biotechnology, pharmaceuticals, and game cards.

Further, on research and development innovation and smart manufacturing, our team actively developed the application of new materials such as mineral-free ink, 3D reverse oil, invisible anti-counterfeiting heat-sensitive fragrance ink, de-plastic film, and cold stamping technology. Leveraging the power of the Institute of Advanced Technology and experts, we jointly developed the software for greeting card labeling machines and bead counting machines with the Chinese

Academy of Sciences. Diverse needs of customers were met through continuous innovation, thus creating value for them. On the other hand, our management team actively implemented environment, social and governance (ESG) targets. Both the zeolite roller collection system invested by the Suzhou plant and the solar photovoltaic power generation system constructed in the Rose Garden (South bank plant) were put into operation at the end of the year. The utilisation of clean and green energy in the Suzhou plant integrated sustainable development into the Group's concept of energy conservation and emission reduction, thereby establishing a new benchmark for green production in the industry. During the period, Starlite Suzhou actively participated in the drafting of national printing standards, and two national standards were officially promulgated in March 2024 for implementation. At the same time, our Suzhou general manager was elected as a member of the third session of the Packaging Printing Technical Committee of the Printing Technical Standardisation Association of China (全國印刷標準化技術委員會第三屆包裝印刷技術委員會委員), whereas the head of human resource was awarded the title of Top Ten Human Resource Managers in Suzhou in 2023 (2023年蘇州市十佳人事經理). The Suzhou plant was also honored as the Enterprise with Harmonious Labour Relations in Suzhou (蘇州市勞動和諧企業理事單位) during the period.

### **South East Asia Operation**

Affected by the slow recovery of global economy, the Southeast Asia operation recorded a decline in revenue during the period, but still managed to turn losses into profits. In recent years, the global industry shift has accelerated the Group's resources deployment for production capacity in Southeast Asia, fully leveraged the manufacturing advantages of the Asian region and flexibly responded to the complex and ever-changing geopolitical environment, thereby ensuring rapid responses to market demands and stable services to customers. In line with the new supply chain strategies and new business planning of many international leading brand customers, the management team has increased its investment and development efforts in the electronics and pharmaceutical markets, and also established a new plant in Penang to provide close and attentive services to customers in northern Malaysia, laying a good foundation for exploring potential customers in the area.

In addition, the region continued to strengthen the awareness of lean operation and completed a number of lean improvement projects, with an aim to enhance the operation standard and effectively reduce production and management costs by making efforts from various perspectives such as supply chain and inventory management. This year, the Malaysia plant continued to actively participate in social welfare activities and fulfill its social responsibilities, such as collaborating with the Food Bank to deliver food to the needy. During the period, the Group organised a widely acclaimed ESG sustainable packaging seminar in Johor, at which guests from Malaysia, Indonesia, Singapore, and Hong Kong, as well as professors from Universiti Teknologi Malaysia (UTM) and ESG experts jointly concentrated debate on the advantages, challenges,

regulations, and business model of the sustainable development of packaging materials. It was also emphasised that the sustainability of packaging materials could reduce the negative impact on the environment, save resources, enhance energy efficiency, and increase competitiveness.

## **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, 2024, the Group's cash and bank balances and short-term bank deposits amounted to approximately HK\$218 million.

During the year under review, the interest expense of the Group amounted to approximately HK\$4 million compared to approximately HK\$6 million recorded last year.

As at 31st March, 2024, the Group had a working capital surplus of approximately HK\$235 million compared to a working capital surplus of approximately HK\$235 million as at 31st March, 2023. The Group was in net cash position as at 31st March, 2024 and 2023, based on short-term and long-term bank borrowings, lease liabilities and bills payables net of bank balance and cash of approximately HK\$149 million (net cash) (2023 : HK\$150 million (net cash)) and shareholders' equity of approximately HK\$625 million (2023 : HK\$644 million). The Group's gearing ratio as at 31st March, 2024 was 11% (2023 : 14%), based on short-term and long-term bank borrowings, lease liabilities and bills payables of approximately HK\$69 million (2023 : HK\$93 million) and shareholders' equity of approximately HK\$625 million (2023 : HK\$644 million).

## **CHARGE ON ASSETS**

As at 31st March, 2024, certain assets of the Group with an aggregate book carrying value of approximately HK\$8 million (31st March, 2023: HK\$9 million) were pledged to secure the banking facilities of the Group.

## **EXCHANGE RATE EXPOSURE**

All the Group's assets, liabilities and transactions are denominated in Hong Kong dollars, US dollars, Chinese Renminbi, Malaysian ringgit, 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. The Renminbi-denominated sales revenue helps to set off the Group's commitments of Renminbi-denominated operating expenses in Mainland China, accordingly reducing Renminbi exchange rate exposure.

## **HUMAN RESOURCES DEVELOPMENT**

Currently the Group has approximately 2,500 employees. The Group maintains good relationships with its employees, providing them with competitive packages, incentive schemes as well as various training programmes. The Group has maintained a Share Option Scheme under which share options can be granted to certain employees (including executive directors and non-executive directors of the Company (excluding independent non-executive directors)) as incentive for their contribution to the Group. 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 Mainland China and education institutions abroad to enhance its staff quality.

## **SOCIAL RESPONSIBILITY**

As a responsible corporation, the Group is committed to promoting social enhancement whilst developing its businesses, through active participation in social welfare and environmental protection activities to realise its mission. Regardless of where the Group operates, the Group treats the local communities as family members and strives to contribute to such communities.

In the past years, the Group has allocated significant resources to energy conservation and environmental protection, provided venues and platforms of training and job opportunities for young people, and actively supported help-poor and schooling campaigns as well as disaster relief efforts in China. Apart from providing financial support, the Group also contributes people and time to various charity drives. In many circumstances, the Group's Chairman makes initiative to organize joint efforts with other enterprises and friends to pool resources together for the maximum benefits of those in need.

During the year under review, the Group and its staff made financial and other support to the following organizations:

- Support to Scout Association of Hong Kong
- The Hong Kong Seagulls Scholarship Scheme
- Support to Jinan University Education Development Foundation

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) REPORT**

The Group has established an environmental, social and governance (“ESG”) management team to manage, monitor, recommend and report on environmental and social aspects. An ESG report is being prepared with reference to Appendix C2 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and will be published on the Company's website (<http://www.hkstarlite.com>) at the same time as the publication of the 2024 annual report.

### **LOOKING AHEAD**

In the latest World Economic Outlook report released in April 2024, the International Monetary Fund (IMF) projected the global growth to be at the same pace at 3.4% in 2024 and 2025. The pace of economic expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from conflict between Russia and Ukraine, weak growth in productivity, and increasing geoeconomic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The latest forecast for global growth five years from now – at 3.1% – is at its lowest in decades.

Amid continuing economic uncertainties, the management remained highly vigilant, closely monitored, and evaluated the impact of external factors such as geopolitical risks and global economy on the Group. It also actively adopted a number of measures to broaden sources of income and reduce expenditures, strived to improve automation, promoted innovation and diversified business development, continued to invest in human capital, digitalisation and green energy, overcame the pressure of geoeconomic differentiation, and strived to give back to society and create long-term sustainable value for shareholders.

### **AUDIT COMMITTEE**

The Audit Committee is composed of all the four Independent Non-Executive Directors of the Company. The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, risk management and internal control and financial reporting matters, including the review of the Group’s annual results and financial statements for the year ended 31st March, 2024.



## **REMUNERATION COMMITTEE**

The Remuneration Committee was set up with the responsibility of recommending to the Board the remuneration policy of all the Directors and the senior management. The Remuneration Committee composed of all the four Independent Non-Executive Directors of the Company.

## **NOMINATION COMMITTEE**

The Nomination Committee is composed of the Chairman of the Board, one Non-Executive Director and the four Independent Non-Executive Directors of the Company. The principal duties of the Nomination Committee include reviewing the structure, size and composition of the Board on a regular basis and making recommendations to the Board regarding any proposed changes.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31st March, 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31st March, 2024, the Company repurchased a total of 6,002,000 ordinary shares of par value HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with the aggregate consideration paid (before expenses) amounting to HK\$1,215,986. All the shares repurchased were subsequently cancelled. As at 31st March, 2024 and up to the date of this announcement, the total number of shares of the Company in issue was 500,633,288.

Particulars of the share repurchases during the year are as follows:

Date	Number of Shares Repurchased	Price per Share		Aggregate Consideration (before expenses)  (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
July 2023	1,002,000	0.206	0.193	203,486
August 2023	2,000,000	0.207	0.195	403,200
September 2023	1,000,000	0.205	0.196	200,500
October 2023	2,000,000	0.207	0.197	408,800
	<hr/>			<hr/>
Total :	6,002,000			1,215,986
	<hr/> <hr/>			<hr/> <hr/>

The Directors considered that such repurchases would enhance the earnings per share and increase the net asset value per share attributable to the shareholders.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange during the year and up to the date of this announcement.

## **COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Board, the Company has complied with the Code Provisions in Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) throughout the year ended 31st March, 2024 except for the deviations as mentioned below.

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Lam Kwong Yu currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person allows the Company to be more effective and efficient in developing long-term business strategies and execution of business plans. The Board believes that the balance of power and authority is adequately ensured by the operating of the Board which comprises experienced and high caliber individuals with a sufficient number thereof being Non-Executive Directors.

Code Provision C.2.7 stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. As Mr. Lam Kwong Yu, Chairman of the Company, is also an Executive Director of the Company, this code provision is not applicable.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules for securities transactions by the Directors. All Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings by directors as set out in the Model Code for the year ended 31st March, 2024.

## **ANNUAL GENERAL MEETING**

The 2024 Annual General Meeting of the Company will be held on 21st August, 2024. The notice of Annual General Meeting will be published and dispatched to the shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 16th August, 2024 to Wednesday, 21st August, 2024 (both dates inclusive) and Monday, 2nd September, 2024 to Thursday 5th September, 2024 (both dates inclusive), during which periods no transfer of shares will be registered.

In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 21st August, 2024, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration no later than 4:30 p.m. on Thursday, 15th August, 2024.

In order to qualify for the final dividends, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration no later than 4:30 p.m. on Friday, 30th August, 2024.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> under "Latest Listed Company Information" and on the website of the Company at <http://www.hkstarlite.com>. The annual report for the year ended 31st March, 2024 will be disseminated to the shareholders and published on the above websites in due course.

On behalf of the Board  
**Starlite Holdings Limited**  
**Lam Kwong Yu**  
*Chairman*

Hong Kong, 27th June, 2024

*As at the date of this announcement, the Executive Directors of the Company are Mr. Lam Kwong Yu, Mr. Tin Shing, Mr. Poon Kwok Ching and Mr. Wong Wai Kwok, Non-Executive Director is Ms. Yeung Chui, and the Independent Non-Executive Directors are Mr. Chan Yue Kwong, Michael, Mr. Kwok Lam Kwong, Larry, SBS, JP, Mr. Tam King Ching, Kenny and Ms. Elizabeth Law.*