STARLITE
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, 2025

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, 2025 together with the comparative figures for the previous year, as follows:

Consolidated Income Statement
For the year ended 31st March, 2025

	Note	**2025**	2024
		HK$'000	HK$'000
Revenue	3	**895,308**	834,749
Cost of sales		**(760,482)**	(663,542)
Gross profit		**134,826**	171,207
Other income and gains - net	4	**16,228**	12,653
Selling and distribution costs		**(61,299)**	(49,803)
General and administrative expenses		**(105,522)**	(112,036)
(Impairment losses)/reversal of impairment losses on financial assets		**(3,827)**	4,288
Impairment loss on investment property		**(2,629)**	-
Operating (loss)/profit	5	**(22,223)**	26,309

**For identification purpose only.*

Consolidated Income Statement (Continued)

For the year ended 31st March, 2025

	Note	**2025**	2024
		HK$'000	HK$'000
Finance income		**2,039**	3,196
Finance costs		**(1,962)**	(4,434)
Finance costs – net	6	**77**	(1,238)
(Loss)/profit before income tax		**(22,146)**	25,071
Income tax expense	7	**(5,198)**	(8,079)
(Loss)/profit for the year		**(27,344)**	16,992
(Loss)/profit attributable to :			
Owners of the Company		**(26,928)**	17,422
Non-controlling interests		**(416)**	(430)
		(27,344)	16,992
(Losses)/earnings per share attributable to the owners of the Company for the year			
(expressed in HK cents per share)	8		
- Basic		**(5.38)**	3.45
- Diluted		**(5.38)**	3.45

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2025

	2025	2024
	HK$'000	HK$'000
(Loss)/profit for the year	**(27,344)**	16,992
Other comprehensive loss :		
Items that may be reclassified to profit or loss		
Currency translation differences	**(5,759)**	(29,712)
Items that will not be reclassified to profit or loss		
Increase/(decrease) in fair value of financial assets at fair value through other comprehensive income	**114**	(89)
Total other comprehensive loss for the year, net of tax	**(5,645)**	(29,801)
Total comprehensive loss for the year	**(32,989)**	(12,809)
Total comprehensive loss for the year attributable to :		
Owners of the Company	**(32,573)**	(12,379)
Non-controlling interests	**(416)**	(430)
	(32,989)	(12,809)

Consolidated Statement of Financial Position

As at 31st March, 2025

	Note	**As at 31st March, 2025 HK$'000**	As at 31st March, 2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**314,388**	335,513
Investment properties		**13,043**	16,269
Right-of-use assets		**20,781**	22,550
Prepayments for non-current assets		**1,759**	1,898
Deferred income tax assets		**10,644**	10,524
Financial assets at fair value through other comprehensive income		**1,204**	1,090
Financial assets at fair value through profit or loss		**12,284**	12,186
		374,103	400,030
Current assets			
Inventories		**70,555**	76,190
Trade and bill receivables	10	**171,893**	172,336
Prepayments and deposits		**26,605**	25,196
Tax recoverable		**-**	53
Bank deposits with maturity over 3 months from date of deposits		**204**	202
Cash and cash equivalents		**198,650**	217,432
		467,907	491,409
Total assets		**842,010**	891,439
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**50,063**	50,063
Reserves		**529,602**	574,690
		579,665	624,753
Non-controlling interests		**(84)**	332
Total equity		**579,581**	625,085
LIABILITIES			
Non-current liabilities			
Lease liabilities		**1,098**	2,970
Deferred income tax liabilities		**6,767**	6,601
		7,865	9,571
Current liabilities			
Trade and bill payables	11	**70,842**	90,424
Other payables and accruals		**74,582**	72,234
Contract liabilities		**5,372**	4,754
Current income tax liabilities		**26,080**	23,877
Borrowings		**73,479**	61,959
Lease liabilities		**4,209**	3,535
		254,564	256,783
Total liabilities		**262,429**	266,354
Total equity and liabilities		**842,010**	891,439

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 HKFRS Accounting 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 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 other comprehensive income and financial assets at fair value through profit or loss which are 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, 2024 and are relevant to its operations.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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, 2025 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.

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKRFS 1	Lack of Exchangeability	1st January, 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1st January, 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1st January, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1st January, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1st January, 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1st January, 2027
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:

	2025	2024
	HK$'000	HK$'000
At a point in time		
Sales of packaging materials, labels and paper products, including environmental friendly paper products	**869,120**	817,919
Others	**26,188**	16,830
	895,308	834,749

(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 (loss)/profit, (loss)/profit 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, 2025 and 2024 are as follows:

	Southern China HK$'000	Eastern China HK$'000	South East Asia HK$'000	Group HK$'000
Year ended 31st March, 2025				
Segment revenue	637,567	252,004	138,651	1,028,222
Inter-segment revenue	(2,272)	(130,642)	-	(132,914)
Revenue from external customers at a point in time	635,295	121,362	138,651	895,308
Operating loss	(2,444)	(18,516)	(1,263)	(22,223)
Finance income	1,460	461	118	2,039
Finance costs	(1,475)	(227)	(260)	(1,962)
Income tax expense	(4,875)	(323)	-	(5,198)
Loss for the year	(7,334)	(18,605)	(1,405)	(27,344)
Other information :				
Additions to property, plant and equipment	11,045	6,649	640	18,334
Depreciation	(21,966)	(14,229)	(7,383)	(43,578)
Impairment loss on investment property	(2,629)	-	-	(2,629)

3. Revenue and segment information (Continued)

(b) Segment information (Continued)

(i) The segment results for the year ended 31st March, 2025 and 2024 are as follows (Continued) :

	Southern China HK$'000	Eastern China HK$'000	South East Asia HK$'000	Group HK$'000
Year ended 31st March, 2024				
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	567,983	122,453	144,313	834,749
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	(5,999)	14,397	8,594	16,992
Other information :				
Additions to property, plant and equipment	32,172	11,198	2,886	46,256
Depreciation	(21,499)	(12,128)	(8,894)	(42,521)

(ii) An analysis of the Group's assets and liabilities by segment as at 31st March, 2025 and 2024 is as follows:

	Southern China HK$'000	Eastern China HK$'000	South East Asia HK$'000	Group HK$'000
As at 31st March, 2025				
Segment assets	572,134	140,514	129,362	842,010
Segment liabilities	175,799	65,805	20,825	262,429
As at 31st March, 2024				
Segment assets	593,398	168,305	129,736	891,439
Segment liabilities	153,172	93,974	19,208	266,354

4. Other income and gains - net

	2025	2024
	HK$'000	HK$'000
Net exchange gains	**10,285**	3,718
(Losses)/gains on disposals of property, plant and equipment	**(502)**	1,914
Net fair value gains on financial assets at fair value through profit or loss	**98**	109
Government grants	**4,566**	3,554
Others	**1,781**	3,358
	16,228	12,653

5. Operating (loss)/profit

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

	2025	2024
	HK$'000	HK$'000
Employees benefit expense (including directors' emoluments and excluding severance payment)	**304,314**	277,655
Reversal of provision for inventories obsolescence	**(6,887)**	(7,627)
Depreciation of property, plant and equipment	**37,784**	37,230
Depreciation of investment properties	**597**	597
Depreciation of right-of-use assets	**5,197**	4,694

6. Finance costs – net

	2025	2024
	HK$'000	HK$'000
Finance income		
Interest income on bank deposits	**2,039**	3,196
	2,039	3,196
Finance costs		
Interest expense on bank borrowings	**(1,656)**	(4,165)
Interest expenses on lease liabilities	**(306)**	(269)
	77	(1,238)

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% (2024: 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 15% or 25% during the year (2024: 15% or 25%).

The subsidiaries established in Singapore and Malaysia are subject to Singapore Corporate Income Tax at a rate of 17% (2024: 17%) and Malaysia Corporate Income Tax at a rate of 24% (2024: 24%) respectively.

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

	2025	2024
	HK$'000	HK$'000
Current income tax expense		
- Hong Kong Profits Tax	**552**	69
- PRC Corporate Income Tax	**4,460**	5,544
	5,012	5,613
Deferred income tax	**186**	2,466
Income tax expense	**5,198**	8,079

8. (Losses)/earnings per share

Basic

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

	2025	2024
(Loss)/profit attributable to the owners of the Company (HK$'000)	**(26,928)**	17,422
Weighted average number of ordinary shares in issue ('000)	**500,633**	504,372
Basic (losses)/earnings per share (HK cents)	**(5.38)**	3.45

Diluted

Diluted (losses)/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, 2025 and 31st March, 2024, diluted (losses)/earnings per share equals basic (losses)/earnings per share as there were no dilutive potential shares.

9. Dividends

At the Board of Directors meeting held on 27th June, 2025, the Directors do not recommend the payment of final dividends.

	2025	2024
	HK$'000	HK$'000
Interim dividend for the year ended 31st March, 2025 of HK1 cent per fully paid share (2024 : HK1 cent)	**5,006**	5,006
Dividends not recognised at the end of the reporting period		
Proposed final dividend for the year ended 31st March, 2025 : Nil (2024 : 1.5 cents per fully paid share)	**-**	7,509

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:

	2025	2024
	HK$'000	HK$'000
1 to 90 days	**148,942**	142,414
91 to 180 days	**23,840**	23,942
181 to 365 days	**3,025**	8,002
Over 365 days	**12,683**	10,624
	188,490	184,982
Less: loss allowance	**(16,597)**	(12,646)
	171,893	172,336

11. Trade and bill payables

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

	2025	2024
	HK$'000	HK$'000
1 to 90 days	**68,602**	85,899
91 to 180 days	**1,442**	3,271
181 to 365 days	**147**	131
Over 365 days	**651**	1,123
	70,842	90,424

RESULTS

For the year ended 31st March, 2025, the Group's revenue increased by 7.3% to approximately HK$895 million. A loss of approximately HK$27 million was recorded, compared to a profit of approximately HK$17million last year.

Benefitting from the rebound in market demand driven by the easing of global inflationary pressures and interest rate cuts, the Group recorded a moderate growth in revenue for the year; however, as the increase in tariffs after the US election in the second half of the year led to higher export costs, and the intensified competition in the printing industry triggered price drops that severely squeezed profit margins, the Group wrapped up the year with a loss.

During the reporting period, there were multiple structural challenges in the global business environment, with escalating geopolitical conflicts, deepening US-China rivalry, and further exacerbated trade barriers. Major economies pursued the "near-shoring" and "friend-shoring" policies which have accelerated the process of global supply chain restructuring, causing businesses to face additional cost pressures brought about by the industrial chain restructuring. The Global Manufacturing Purchasing Managers' Index hovered around the threshold, reflecting the continuing pressure on purchasing power in the end markets. Moreover, in view of the excess capacity in the industry, competitors have launched price wars to maintain their market share, resulting in a year-on-year decline in the Group's overall gross profit margin despite a growth in business volume. Coupled with the new round of tariff policy implemented after the US election, the cost of the Group's export business to the US has directly increased, which has become a key factor dragging down the profit margins. In the face of severe market conditions, the three plants in China and the ASEAN market were impacted to varying degrees during the period. The Guangzhou plant turned from profit to loss due to cost increases, while the Shaoguan plant remained profitable. The Suzhou plant recorded a loss due to the intensified price war in Eastern China. Likewise, the ASEAN market failed to maintain its profitable performance of last year as a result of the sluggish regional demand.

Facing the complex changes in the domestic and international environment, the Group adhered to the concept of seeking progress while maintaining stability. It continued to optimise resource allocation, deepen innovation-driven and green transformation, focus on cultivating new quality productive forces, strengthen investment in research and development and smart manufacturing, and promote upgrades in automation, information technology and intelligence. At the same time, it proactively developed emerging businesses, optimised its global customer service system, enhanced its ability to offer customised solutions, increased the proportion of high-value-added businesses, and continued to invest in green technology for building "zero-carbon" competitiveness. The Group endeavored to seize opportunities amidst industry changes, creating long-term value for shareholders and contributing to sustainable growth for the community. Details are set out in the section headed "Business Review and Prospects".

DIVIDENDS

In order to retain resources for the Group's future development, the Directors do not recommend a final dividend for the year ended 31st March, 2025 (2024: HK1.5 cents). An interim dividend of HK1 cent (30th September 2023: HK1 cent) was paid for the six months ended 30th September, 2024.

BUSINESS REVIEW AND PROSPECTS

Hong Kong/Mainland China Operations

Overview

During the period under review, the global economy showed a complex pattern of divergence. Although the major economies have started their rate-cutting cycles since the second half of last year to ease the pressure on finance costs, the structural challenges have not yet disappeared. Furthermore, with the downturn in the manufacturing industry, the accelerated regionalised restructuring of the global supply chain, and the renewed tightening of trade policy on China after the US election, enterprises were facing the double pressure of soaring costs and falling market demand. In addition, the announcement by the US earlier this year of multiple waves of tariffs on major trading partners and critical sectors, as well as the frequent changes in the relevant tariff policies, have caused markets to react negatively to the economic outlook and increased uncertainty in global trade, further exacerbating trade tensions and negatively affecting global economic and trade activities, and it is expected that a combination of these measures and counter-measures will result in a significant slowdown of global growth in the near term. Despite the increasing market competition and accelerated industry consolidation, the Group maintained a stable share in its core market by strategically adjusting the synergies of its production bases based on the strengths of its global footprint and intelligent industrial chain, but profitability was under pressure as a result of rising tariff costs and market competition.

Meanwhile, in order to strengthen its operational efficiency and risk control mechanism, the Group has accelerated the transformation of smart production and introduced a new generation of industrial internet technology. By continuously allocating more resources to research and development, improving the independent innovation system and deepening collaboration between industry, academia and research institutes, the Group has continuously upgraded the technological content of its products and consolidated its competitive edge in the market. During the reporting period, the Group obtained a total of 142 patents, including 21 invention patents, 101 utility model patents, and 20 design patents. Further, the Group grasped the development trend of artificial intelligence by deeply integrating the application of AI technology in creative design, administrative operations and manufacturing processes, which has significantly enhanced its overall operational efficiency and created a differentiated competitive edge for the enterprise in a difficult environment.

In terms of regional operating performance, the development varied among production bases of the Group. The Guangzhou and Shaoguan plants achieved moderate growth in business volume through intelligent transformation and optimisation of lean management, but they faced short-term pressure on profitability due to rising raw material costs, increased outsourcing costs and tariff factors.

The Suzhou plant in eastern China suffered a decline in business scale and profitability due to weak demand in the local market and intensified price competition among peers. As for the production bases in South East Asia, although the operational efficiency improved effectively through lean transformation, a slight decline in the overall results was seen due to the impact of the regional economic slowdown.

Amid profound changes in the global economic landscape and increasing market volatility, the Group has always maintained its strategic certainty by establishing a dynamic monitoring mechanism to track changes in the international economic and trade situation in real time, and adopting a flexible and diversified capital allocation strategy to seize development opportunities in a complex environment. We have accelerated the development of our blueprint for sustainable development, deeply integrated ESG concepts into all aspects of our business operations, and continued to focus our efforts on key areas such as climate resilience enhancement, research and development of green materials, optimisation of talent cultivation system, circular economy, and energy restructuring, so as to steadily move towards the goal of carbon neutrality. At the same time, the marketing team continued to expand its global business network by participating in international professional exhibitions and deepening partnerships with strategic customers in Europe, the United States, the ASEAN and the Greater China. With the outstanding performance in brand building, the Group was conferred the "Golden Jubilee Hong Kong Power Brand Award" by the Hong Kong Institute of Marketing this year. During the period, the first "Hong Kong International AIGC Cultural Digital Content Creation Competition" hosted by the Hong Kong University of Science and Technology, Starlite Group and Huanyue Education Group was officially launched at the Hong Kong University of Science and Technology, providing an in-depth experience of the fusion of the real industry and digital technology.

Southern China Operation

For the year ended 31st March, 2025, the southern China operation of the Group recorded a loss amid sales growth. Despite the gradual normalisation of the global book supply chain and the easing of upward pressure on shipping costs triggered by the Red Sea crisis, the geopolitical tensions have led to a generally conservative inventory strategy by international publishers, which has posed a profitability challenge for the southern China operation despite the increase in revenue. Looking ahead to the new financial year, in view of the conflicting industrial policies in the context of US-China rivalry, the continuation of the US tariff policy on China and the expected slowdown in global economic growth, the demand for traditional printed materials, children's books and greeting cards is expected to remain sluggish, which will exert significant pressure on the expansion of the southern China operation and the profit margins.

In this challenging business environment, the Group has continued to promote its digital transformation strategy, realising refined management of the entire value chain through a comprehensive upgrade of its intelligent production system. At the Shaoguan and Guangzhou production bases, the management team is advancing the transformation of the Internet of Things of production equipment, incorporating the entire process of order management, intelligent scheduling, material procurement, production scheduling and distribution of finished products into the digital platform, which has significantly enhanced the operational transparency and management efficiency. In addition, through the continuous improvement of the lean management system, the southern China region has achieved significant improvements in key indicators such as production efficiency, cost control and per capita output, providing a solid guarantee for the southern China operation to maintain its competitiveness under the tough market environment. These systematic optimisations have not only strengthened short-term risk resistance, but also laid a digital foundation for long-term high-quality development. During the period, the Shaoguan plant introduced automation innovation projects, including a fully automated cardboard laminating machine, a fully automated die-cutting machine, an intelligent cover forming machine, a high-precision diagonal arm plane screen printing machine, a folding cover sealing machine, and a multi-angle double-sided adhesive machine, and the southern China region obtained a total of 13 utility patents throughout the year, such as an automatic envelope sealing machine, a fully automated high-speed waste cleaning machine, a folding box edging machine, and a glue spraying machine. On the other hand, the printing culture and education base located at the Shaoguan plant, which has been open for over one year, has been awarded titles such as the "Shaoguan City Science Popularisation Education Base", "Wujiang District New Era Civilisation Practise Base", "Wujiang District Patriotic Education Base" and "Shaoguan Research and Practice Education Base for Primary and Secondary School Students" by the local government authorities, affirming the cultural mission of giving back to society of Mr. Lam Kwong Yu as the Group's Chairman. During the period, over 80 children from Shaoguan Zhenjiang Jianguo Kindergarten and their parents gathered at the Starlite Base of Printing Culture and Education to participate in the parent-child practical activity titled "Danxia Imprints: Exploring the Art of Printing". Through a childlike lens, they embarked on a journey to uncover the millennia-old wisdom of printing.

The Group's eco-friendly brand, TEAM GREEN®, made innovative breakthroughs during the reporting period and continued to expand its market influence through diversified marketing strategies. The brand not only successfully launched a series of Pokémon and Bluey co-branded licensed products, aiming to attract more young consumers and enhance brand influence; but it also cooperated with Beijing Central Axis to launch innovative wooden puzzle products, combining culture and education to enhance user interaction. By making use of its own brand, Robbi Family, it launched a series of products together with the Aerospace Cultural Industry Institute, including three-dimensional aerospace books, 10-in-1 board games and magnets, as well as three-dimensional postcards and other cultural and creative products. The brand also demonstrated the latest green design concepts by participating in professional exhibitions such as the Hong Kong International Book Fair, the Shanghai Children's Book Fair and the Hong Kong Pet Show; set up flash shops in Hong Kong at The LOHAS in Tseung Kwan O and Plaza Hollywood in Diamond Hill, and its own shop at Langham Place in Mongkok, to create immersive consumer experience. Also, it organised an exhibition on the theme of STEAM education in cooperation with Eslite, which covered various key business districts in Hong Kong; successfully established a presence in Cathay Pacific VIP Experience Shop to expand its high-end customer base; and collaborated with The Chinese University of Hong Kong and The Hong Kong Institute of Education to develop educational aids for gifted children, thereby strengthening its brand exposure and market share. On digital marketing, TEAM GREEN® has achieved considerable growth through emerging platforms such as Douyin and Xiaohongshu, the number of "fans" of its flagship shop was rising, and a number of popular products were launched successfully. The brand has also converted its commercial success into social value by not only creating a dedicated children's interactive space at the "LoveXpress" charity centre, but also donating to the companion programme of Yong Zen Foundation to help the balanced development of pre-school education through practical actions. During the period, TEAM GREEN® was awarded the Annual Membership Certificate by the China Toy & Juvenile Products Association. Looking ahead, TEAM GREEN® will accelerate its expansion into the Southeast Asian market, deepen the integration of online and offline development, and continue to promote the commercialisation of environmental protection concepts.

Eastern China Operation

During the reporting period, the recovery of domestic demand was slower than expected in the process of China's economic restructuring and upgrading, coupled with the impact of the adjustment of the US tariff policy on China, major greeting card customers delayed the execution of their orders, causing a slight decline in revenue from the eastern China operation. In the face of this challenge, the management team has proactively adjusted its business strategy to focus on the high-end pharmaceutical packaging segment, board games and collectible cards markets, and to enhance its ability to respond quickly to small-volume, multi-product orders. Despite the short-term adjustment pressure on its traditional business, the eastern China operation has gradually built up a more risk-resistant and diversified development pattern through product restructuring and upgrading.

On the other hand, in the field of technological innovation and smart manufacturing, the Group has continued to increase its investment in research and development and deepen the mechanism of collaborative innovation between industry, academia and research institutes. The Suzhou plant has established a strategic partnership with the Chinese Academy of Sciences to jointly carry out a number of key technology projects, including the joint research and development of a sponge adhesive machine for greeting card products and a wrapping paper machine, as well as the establishment of the Group's first "dark factory" demonstration project at Suzhou Rose Garden, which integrates industrial robots, an automated guided vehicle logistic system and a manufacturing execution management system to achieve 24-hour manpower-less intelligent production. Through continuous technological innovation, the Suzhou plant has established a complete innovation system covering material research and development, process improvement and equipment upgrading, providing customers with more competitive customised solutions and setting a new benchmark for the digital transformation of the industry. A total of 10 utility and invention patents were obtained in the eastern China region throughout the year, including multi-axis robotic arm ballpoint machines, rotary packaging boxes, double-layer track conveyors, semi-automatic labelling machines, and packaging box equipment with high-stability gear linkage box opening structure. During the period, the Suzhou plant was awarded as the Suzhou Excellent Labour Harmony Enterprise, and the chairman of Taicang City Federation of Trade Unions also visited Suzhou Company to inspect and guide the construction of "Employees' Home".

South East Asia Operation

Although the South East Asia operation faced a number of temporary challenges during the year, including a decline in revenue due to the postponement of customers' projects and the pressure of rising paper costs, which resulted in a slight loss for the year, the Group has demonstrated a stronger resilience to risks through proactive strategic adjustment and operational optimisation. With the accelerated restructuring of the global industrial chain in recent years, the Group has seized the opportunity to continue to deepen its production capacity in South East Asia in order to flexibly cope with geopolitical fluctuations and market uncertainties. Through close collaboration with leading international brand customers, the operation team has been able to quickly align with their supply chain diversification strategies and business plans, and simultaneously increase resources investment in high-growth areas such as food packaging, consumer electronics and pharmaceuticals, laying the foundation for a medium to long-term recovery.

At the operational level, the South East Asia team continued to promote lean management upgrades to significantly enhance operational efficiency through process re-engineering, technological innovation and production loss control. Various lean improvement projects were completed during the year, which were not only optimised on-site management standards, but also led to a year-on-year reduction in unit costs, partially offsetting the adverse impact of raw material prices. Looking ahead, with the continued tightening of tariff policies in the US, a growing number of international customers are re-evaluating their supply chain deployment, and South East Asia has become an important destination for global manufacturing relocation due to its cost advantages and trade convenience. The Group has deployed its production capacity in advance and commenced in-depth discussions with a number of core customers on the transfer of orders, and is expected to see significant business growth opportunities in the new financial year. In addition, we are further strengthening our localised service capabilities and shortening lead times to better meet our customers' demand for an agile supply chain. Management is confident about the medium- to long-term prospects of the South East Asia operation and believes that the region will soon return to profitability and provide new growth momentum for the Group's overall results, driven by both the recovery in market demand and improved operational efficiency.

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, 2025, the Group's cash and bank balances and short-term bank deposits amounted to approximately HK$199 million.

During the year under review, the interest expense of the Group amounted to approximately HK$2 million compared to approximately HK$4.4 million recorded last year.

As at 31st March, 2025, the Group had a working capital surplus of approximately HK$213 million compared to a working capital surplus of approximately HK$235 million as at 31st March, 2024. The Group was in net cash position as at 31st March, 2025 and 2024, based on short-term and long-term bank borrowings, lease liabilities and bills payables net of bank balance and cash of approximately HK$120 million (net cash) (2024 : HK$149 million (net cash)) and shareholders' equity of approximately HK$580 million (2024 : HK$625 million). The Group's gearing ratio as at 31st March, 2025 was 13.6% (2024 : 11%), based on short-term and long-term bank borrowings, lease liabilities and bills payables of approximately HK$79 million (2024 : HK$69 million) and shareholders' equity of approximately HK$580 million (2024 : HK$625 million).

CHARGE ON ASSETS

As at 31st March, 2025, certain assets of the Group with an aggregate book carrying value of approximately HK$48 million (31st March, 2024: HK$8 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 Hong Kong Polytechnic University
— The Hong Kong Seagulls Scholarship Scheme
— Polar Museum Foundation Limited

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 2025 annual report.

LOOKING AHEAD

In the latest World Economic Outlook report released in April 2025, the International Monetary Fund (IMF) projected that the swift escalation of trade tensions and extremely high levels of policy uncertainty would have a significant impact on global economic activity. Growth projection is expected to drop to 2.8% in 2025 and 3.0% in 2026, much below the historical average of 3.7% in the past 20 years.

Amid continuing economic uncertainties, the Group's management will adhere to the principle of prudent management, dynamically optimise its global resource allocation strategy, continue to enhance operational agility and ensure stable cash flow, while leveraging on the benefits of trade frameworks such as the Regional Comprehensive Economic Partnership (RCEP) to consolidate business synergies in the Asia-Pacific region. It is believed that through these strategic initiatives and the deepening of lean culture, the Group will be able to maintain business resilience amidst adversity and create sustainable returns for the stakeholders across the cycle.

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, 2025.

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, 2025 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

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 ended 31st March, 2025 and up to the date of this announcement. As at 31 March, 2025 and up to the date of this announcement, the Company did not have any treasury shares.

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, 2025 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, 2025.

EVENTS AFTER THE REPORTING PERIOD

No significant event requiring disclosure that has taken place subsequent to 31st March, 2025 and up to the date of this final result announcement.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting of the Company will be held on Wednesday, 27th August, 2025. 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, 22nd August, 2025 to Wednesday, 27th August, 2025 (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, 27th August, 2025, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services 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, 21st August, 2025.

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, 2025 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, 2025

As at the date of this announcement, the Executive Directors of the Company are Mr. Lam Kwong Yu, Mr. Poon Kwok Ching, Mr. Wong Wai Kwok and Mr. Zhong Zhitang, 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.