



## Chairman's Statement


HONG Zhi Ming  
Chairman

The Group attained a satisfactory performance during the year of 2000 and gained a relatively stable growth as compared with 1999. For the year ended 31st December, 2000, it recorded a turnover of HK\$8,621,188,000, an increase of 99% as compared to HK\$4,335,994,000 of the corresponding period in 1999. The gross profit was HK\$358,754,000, up 40% as compared to HK\$255,369,000 of the corresponding period of the previous year. The profit attributable to the shareholders was HK\$181,645,000, an increase of 20% as compared with HK\$151,228,000 for the corresponding period of the last year. The Company has been included in the Hang Seng China Affiliated Corporation Index by the Heng Seng Index (HSI) Services Limited on 1st September, 2000. I would like to extend my profound gratitude to all of the dedicated staff and the shareholders for the support to the Group.

The annual transmission crude oil volume of the Huizhou Jetty of the Group was 6,570,000 tonnes, representing a 18% increase in comparison to the previous year. The turnover amounted to HK\$303,000,000, up 21% as compared to the previous year. Profit contributed to the

Group amounted to approximately HK\$129,000,000. The operations of Huizhou Jetty are the main sources of the profit of the Group. The consistent high efficiency and stability of the operation of the Huizhou Jetty guarantees the realization of the profit growth of the Group. The Group has completed the construction and commenced operation of 2 crude oil storage tanks in 2000 and as a result the total storage capacity of crude oil reached 500 thousand cubic meters. In addition, main oil transmission pump No. 3 has also commenced operation successfully. Therefore, the jetty facilities have been further improved, which laid down a solid foundation to further expand the storage of the jetty and the transmission capacity of crude oil. During the year, the Group has completed the negotiation with "Nanhai Petrochemical" in relation to the use of jetty channel with payment, which marked a new stage for the use of the jetty and its facilities.

Petrol station operations experienced a rapid growth. At the end of 2000, the Group operated up to 42 petrol stations, representing a 147% increase as compared to the previous year. The petrol stations are



The directors recommend to pay a final dividend of HK\$2 cents per share in respect of the year ended 31st December 2000 to all shareholders whose names appear on the register of members of the Company on 18th May 2001. Such proposal has been set out in the financial report.



established throughout Guangzhou, Shenzhen, Zhuhai, Zengcheng, Panyu, Conghua, Dongguan, Sanshui, Nanhai and Heyuan. They are mainly distributed at Guangzhou and principally located at the Pearl River Delta. A sizable retail network for petrol products has been initially established. The annual sales of the petrol related products recorded 308,200 tonnes, accounting for a 111% increase as compared to last year. The turnover amounted to HK\$840,000,000, up 193% in comparison to the previous year. The realized profit was HK\$9,946,000, representing a 73% increase as compared to the previous year.

As regards the trading business, the Group also achieved a stable growth. In 2000, the Group has timely adjusted its operation policies according to market conditions and its actual needs, and obtained satisfactory results. The turnover for the year was HK\$7,478,000,000, representing a 97% increase as compared to the previous year. The international crude oil market price throughout 2000 remained at a relatively high level, which mainly contributing to the substantial increase in the turnover of the Group as compared to the corresponding period in 1999.

Looking ahead for the year of 2001, the PRC is expected to experience a satisfactory economic growth although the global economic growth will be drifted down by

the U.S. economy. With the numerous business opportunities resulting from the PRC's imminent admission into the World Trade Organisation and the recent crude oil price tending to stabilise, the Group will seize any opportunities that may arise and will continue to develop its operations actively. In the current year, two 50,000 cubic meter crude oil storage tanks will start operation. The agreement for the use of the channel of jetty by "Nanhai Petrochemical" project will be duly signed. Furthermore, the construction project of crude oil storage tanks with million of cubic meters of storage capacity is underway. The continuous expansion of the loading and discharge, storage and transmission capacity not only fulfils the requirements of existing customers, but also facilitates the exploration of new clients. The petrol station operations will further enhance the economies of scale in accordance with the established development plans. The trading operations of crude oil and petrochemical products, building on the existing businesses, will continue to expand into other related scope of businesses.

By Order of the Board  
**Hong Zhi Ming**  
*Chairman*

Hong Kong, 9th April 2001