

# 主席報告 CHAIRMAN'S STATEMENT



## 業務回顧

# BUSINESS REVIEW

過去的一年，集團整體業務深受原油價格不斷上升和持續高企不下，原料成本增加未能全部向客戶轉嫁的影響，邊際毛利因而較去年下挫近6.3%。集團的年度股東應佔溢利受上述原因而拖累，僅錄得港幣39,517,000元，較去年下調27%，銷售方面則繼續保持平穩增長，錄得港幣1,069,869,000元，較去年增長16%。

During the past year, the overall operating environment of the Group was severely affected by the prolonged escalation of oil prices. However the burden of increasing cost of raw materials could not be completely passed on to customers. As a result gross profit margin dropped by 6.3% from that of the previous year. Profit attributable to shareholders dropped to HK\$39,517,000, decreased by 27% when compared with the figure of the previous year. Turnover continued to maintain a steady growth and recorded HK\$1,069,869,000, representing an increase of 16% over that of the previous year.

## 高分子化工產品與混合溶劑

### High Molecular Chemical Products and Mixed Solvents

本年度深受原油價格不斷攀升，原料成本持續上升的影響，並鑒於市場競爭情況不減，集團難以向客戶即時及全部轉嫁，因而該項業務的整體經營溢利率跌至近年的最低，錄得11%。縱然集團在開發新產品和業務拓展方面仍取得較預期為佳的表現，全年銷售額錄得港幣300,131,000元，較去年增長5.6%，但不足抵銷上述的重大負面之影響，經營溢利為港幣31,640,000元，較去年下調24%。

本年度原料價格有緩和及下調的趨勢，但將面對全球經濟放緩的不明朗因素影響，集團採取更為審慎的業務策略。致力多方面的降低經營成本，同時繼續在引進先進生產設備、電腦系統方面作出積極的投入，以期更有效地提升集團的競爭能力和服務質素。

Affected by the prolonged escalation of oil prices and the increasing cost of raw materials during the year, the Division could not pass on all the burden to its customers due to the persistent competition of the market. As a result, the overall profit margin from this Division dropped to 11%, the lowest level in the recent years. Although the Division achieved better than expected results in the development of new products and business expansion, and turnover for the year went up 5.6% against that of the previous year to HK\$300,131,000, this was not sufficient to offset the adverse impact mentioned above. Profit from operations was HK\$31,640,000, representing a downward adjustment of 24% from that of the previous year.

During the year, the oil prices had already shown signs of mild increase or even downward movement. However in order to respond to the uncertainty of slowing down of the global economy, the Division adopt even more prudent business strategies. Meanwhile, the Division will continue to reduce operating costs by introducing advanced production facilities and outsourcing advanced computer systems in order to enhance its competitive edge and service quality.



深圳布吉廠之生產車間

The production workshop of Buji factory, Shenzhen.



## 漆油

### Paints

本年三月集團正式完成出讓佔有八成股權的「江蘇大中」，至此，集團銳意推行連串的管理架構重整部署終告完成，年內集團順利組成「紫荊花製漆（大中華）有限公司」，全面統籌分別位於吉林、山東、成都、汕頭、惠陽等五個廠房的管理，為實施貫徹全國性的統一銷售，更佳地發揮品牌效應作好準備。年內錄得的銷售額與經營溢利分別為港幣411,757,000元和6,256,000元，較去年同期分別下調4.0%和74%，集團深信對製漆業務的不明朗負面影響已逐一消除，隨著實施全國性的統一銷售和國內需求的不斷增加，來年業務的表現將會有明顯的改善。

In March this year, the disposal of 80% interests in Jiangsu Bauhinia was completed and this concluded the whole series of management structure reorganisation plan. During the year, the Division established Bauhinia Paints Manufacturing (Greater China) Company Limited and therefore centralized the management of all the five paint factories which are located in Jilin, Shandong, Chengdu, Shantou and Huiyang, in order to pave way for unified sales all over the country and make better use of the brand name effect. Turnover and profit from operations for the year were HK\$411,757,000 and HK\$6,256,000 respectively, representing a decrease of 4.0% and 74% from those of the previous year. The Division strongly believes that the uncertainties of and negative impact on the paints business are gradually cleared. As the Division starts to implement nationwide unified sales and assisted by the growing demand in Mainland China, the performance of the paints business will significantly improve in the coming year.

紫荊花漆油產品  
Bauhinia paints products



## 單體溶劑

### Raw Solvents

去年單體溶劑的總產量達37,000餘噸，創下開業以來的最高銷售額，錄得港幣216,801,000元，較去年增長94%，並且由於產量增大，單位生產成本相應下降，因而經營溢利也得以同步增長達港幣12,208,000元。

集團並已完成產品組合的調整，本年計劃再分別增產正丁酯和乙酯3,000噸和15,000噸，以期達致最佳的營運效益。

The total production of raw solvents for the past year was about 37,000 tonnes and achieved a record high turnover of HK\$216,801,000, representing an increase of 94% from that of the previous year. As the level of production increased, the production cost per unit decreased accordingly and thus the profit from operations boosted to HK\$12,208,000.

It also completed the adjustment of its product mix and plans to increase the production capacity of normal-butyl acetate and ethyl acetate by 3,000 tonnes and 15,000 tonnes respectively so as to achieve optimal operation efficiency.



工廠一角  
Part of the factory



## 潤滑油

### Lubricants

年度內與汽車相關等配套產品不斷研發，令產品系列更加完善，首次在中央電視台推出廣告，並且積極加強銷售網絡的滲透，因而銷售額創新高，達港幣69,201,000元，較去年大幅增長34%，盈利表現則受主要原料－基礎油成本不斷上升的影響以及推廣費用的大幅增加，全年再次錄得港幣966,000元的輕微經營虧損。

力士品牌已進入國內優質品牌之列，激烈的市場競爭將有利於有實力、有承諾的企業的發展，集團預期中國國內的汽車數目逐年在大幅增加中，因此集團有信心該項核心業務來年可保持樂觀的增長和恢復盈利。

During the year, the Division kept on developing automobile-related products to complement its product range. The Division had launched TV commercials on China Central Television for the first time and actively enhanced the coverage of its sales network. Because of these, turnover climbed to a new height of HK\$69,201,000, representing an increase of 34% from that of the previous year. However, the profit was affected by the prolonged escalation of the cost a major raw material, base oil, and the increased marketing expenses. Overall, the business again recorded a slight loss from operations of HK\$966,000.

The Hercules brand name is ranked as one of the high quality brand names in the PRC. Keen market competition is favourable to the development of strong and committed enterprises. While expecting the rapid growth of motor cars in the PRC, the Group is confident that this core business will maintain optimistic growth and return to profitability in the coming year.

力士牌汽車潤滑油  
Hercules auto lubricants



## 油墨

### Inks

新產品複合墨的成功研發，並將成為產品組合中，銷量最高的一員，油墨業務全年在穩定的增長中，年度錄得的銷售額和經營溢利分別是港幣57,319,000元和2,790,000元，比較去年同期增長59%和34%。

為應付業務拓展所需，集團於去年底進行廠房改建，已於今年四月完工，整改後的廠房，產能較前增加一倍，可應付未來三年的需要。

The Division was successful in developing reverse printing inks and it will become the top sales product in the Division's product mix. The inks business recorded a steady growth throughout the year. Turnover and profit from operations for the year were HK\$57,319,000 and HK\$2,790,000 respectively, representing an increase of 59% and 34% from those of the previous year.

Coping with its business expansion, the Division carried out plant modification at the end of last year and the project was completed in April this year. With the doubled production capacity, the modified plant will be able to satisfy the requirements for the coming three years.



油墨產品  
Inks products

## 流動資金與財務資源

### LIQUIDITY AND FINANCIAL RESOURCES

集團持續執行審慎財務管理策略。由於營業額上升導致營運資金需求增加，故銀行貸款亦有輕微上升。年內集團以港幣及人民幣之銀行貸款作為集團之營運資金來源。此等貸款須於一年內償還或按要求即期償還，並按浮動利率計算利息。前年集團以合共港幣17,537,000元之定期存款抵押予銀行作為人民幣貸款之擔保，此等貸款已於年內全部清還，而相關存款之抵押亦同時全部解除。於二零零一年三月三十一日，本公司之負債比率（負債淨額除以股東資金）為8.8%（二零零零年三月三十一日並無淨負債，因當時有淨現金結存港幣19,331,000元）。截至二零零一年三月三十一日止，共有11間在香港及國內之銀行，向集團提供合共港幣259,274,000元之短期銀行融資額度，其中89%以港元定值，而餘額則以人民幣定值。截至二零零一年三月三十一日該等銀行融資額度已動用之總額為港幣131,689,000元。集團可動用之銀行融資額度連同日後之營運現金收入，將提供充裕的資金予集團應付目前營運所需，及可見將來業務進一步發展所需的資金。承繼過往成功的經驗，來年集團將再繼續安排更多人民幣貸款，作為對沖集團之人民幣資產及未來人民幣收益的匯兌風險。

The Group continued to implement prudent financial management strategy. Increase in working capital requirement as a result of growth in turnover caused a slight increase in bank borrowings. Bank loans denominated in Hong Kong Dollars and Renminbi were used to finance the operations of the Group. These loans are repayable within one year or on demand and carry interest at floating rates. In the previous year, time deposits amounting to HK\$17,537,000 were pledged to banks to secure Renminbi bank loans. These Renminbi loans were repaid in last year so the pledge on the related deposits were all released at the same time. As at 31st March, 2001 gearing ratio of the Group (net debt to shareholders' funds) was 8.8 % (there was no gearing as at 31st March, 2000 as there was a net cash balance of HK\$19,331,000). As at 31st March, 2001, a total of 11 banks in Hong Kong and PRC granted short term banking facilities totaling HK\$259,274,000 to the Group, 89% of these facilities were denominated in Hong Kong Dollars and the remaining balances were denominated in Renminbi. Such banking facilities were drawn to the extent of HK\$131,689,000 as at 31st March, 2001. The Group's available banking facilities and its future cash flow from operations will provide sufficient funds to the Group to meet its present operation requirements and for the further development of its business in the foreseeable future. Riding on the successful experience in the past year, the Group will continue to arrange more Renminbi loans that will provide a natural hedge against the currency risk of Renminbi assets and future Renminbi revenue of the Group.



## 審核委員會 AUDIT COMMITTEE

審核委員會由兩位獨立非執行董事組成，主席為黃廣志先生。由於陳乃強博士在二零零一年六月十八日辭去審核委員之職務，其空缺由唐匯棟先生即時補上。年內審核委員會共舉行兩次會議，分別為在呈上董事局通過前預覽集團之全年及中期業績報告。董事局就陳乃強博士過往對集團所作出之寶貴貢獻深表謝意。

The Audit Committee consists of two independent non-executive directors with Mr. Wong Kong Chi acting as the chairman. Dr. Chan Nai Keong resigned as a member of the Committee on 18th June, 2001 and his vacancy was immediately filled by Mr. Tong Wui Tung, Ronald. Members of the Committee have met twice during the year for the review of the Group's final and interim results before they were tabled for the Board's approval. The Board of Directors would like to take this opportunity to express its appreciation to Dr. Chan Nai Keong for his valuable contribution to the Group in the past.

## 僱員 EMPLOYEES

於二零零一年三月三十一日，本集團之僱員人數合共為2,151人，其中香港之僱員人數為160人，中國其他省份之僱員人數則為1,920人，而海外之僱員人數為71人。僱員之酬金包括薪酬、花紅，以及認股權，集團並不時作出檢討及最少每年檢討一次。本集團擁有全職僱員負責提供內部訓練，同時亦實行培訓資助計劃，以鼓勵員工提升自己。

As at 31st March, 2001, the Group had a total of 2,151 employees of which 160 were based in Hong Kong, 1,920 were based in other provinces in the PRC and 71 based in overseas. Remuneration packages of employees include salary, bonus as well as share options which are reviewed from time to time and at least annually. The Group has full time staff responsible for providing internal training and also has a training subsidy scheme to encourage employees to upgrade themselves.

## 展望

## PROSPECTS

年初開始浮現的全球性經濟放緩的現象，必然地構成對本港工業出口的重大影響，集團部份與此相關的核心業務將面臨考驗，但中國大陸經濟增長持續強勁，並且其增長是透過刺激更大的內部需求所達致，另外未來十年內，中國政府大力鼓勵和支持開發中西部，亦必然為港商帶來無限商機，集團預期包括漆油、潤滑油、油墨、單體溶劑等多項內銷業務，因進入中國市場較早，擁有完善的廠房和銷售網絡，因而將不斷受惠和壯大，必將成為集團未來盈利增長的主要動力。為突顯集團核心業務性質，對外界建立一個更明確的企業形象，董事局建議將集團名稱改為「葉氏化工集團有限公司」，因此，董事局將提交議案予各股東在稍後舉行之股東週年大會通過。謹代表向全體員工和股東們致深深的謝意。

Indications of the slowing down of global economy early this year will undoubtedly bring material impact to the export industries of Hong Kong. The core businesses of the Group related thereto will therefore face a big challenge. Nevertheless, by stimulating the strong domestic demand, the PRC has been able to achieve strong and continuous economic growth. In addition, encouragement and support of the PRC government for the development of the Central and Western region of China in the coming decade will offer numerous business opportunities to the businessmen in Hong Kong. As the Group is one of the early entrants to the PRC market, and supported by well-equipped production facilities, extensive sales and distribution network, domestic sales of the Group's products like paints, lubricants, inks and raw solvents will benefit and expand continuously. These will definitely become the momentum of the future profit growth of the Group. In order to highlight the core businesses of the Group and establish a prominent corporate image, the Board of Directors proposed to change the company name to "Yip's Chemical Holdings Limited". Accordingly a resolution will be proposed to the forthcoming Annual General Meeting for the shareholders' approval. In all, I would like to extend my sincere gratitude to all the shareholders and staff.

承董事會命  
葉志成  
主席

By Order of the Board  
Ip Chi Shing, Tony  
Chairman

香港，二零零一年六月二十八日

Hong Kong, 28th June, 2001