

# 10 主席報告

## CHAIRMAN'S STATEMENT

紫荊花

Bauhinia



## 主席報告

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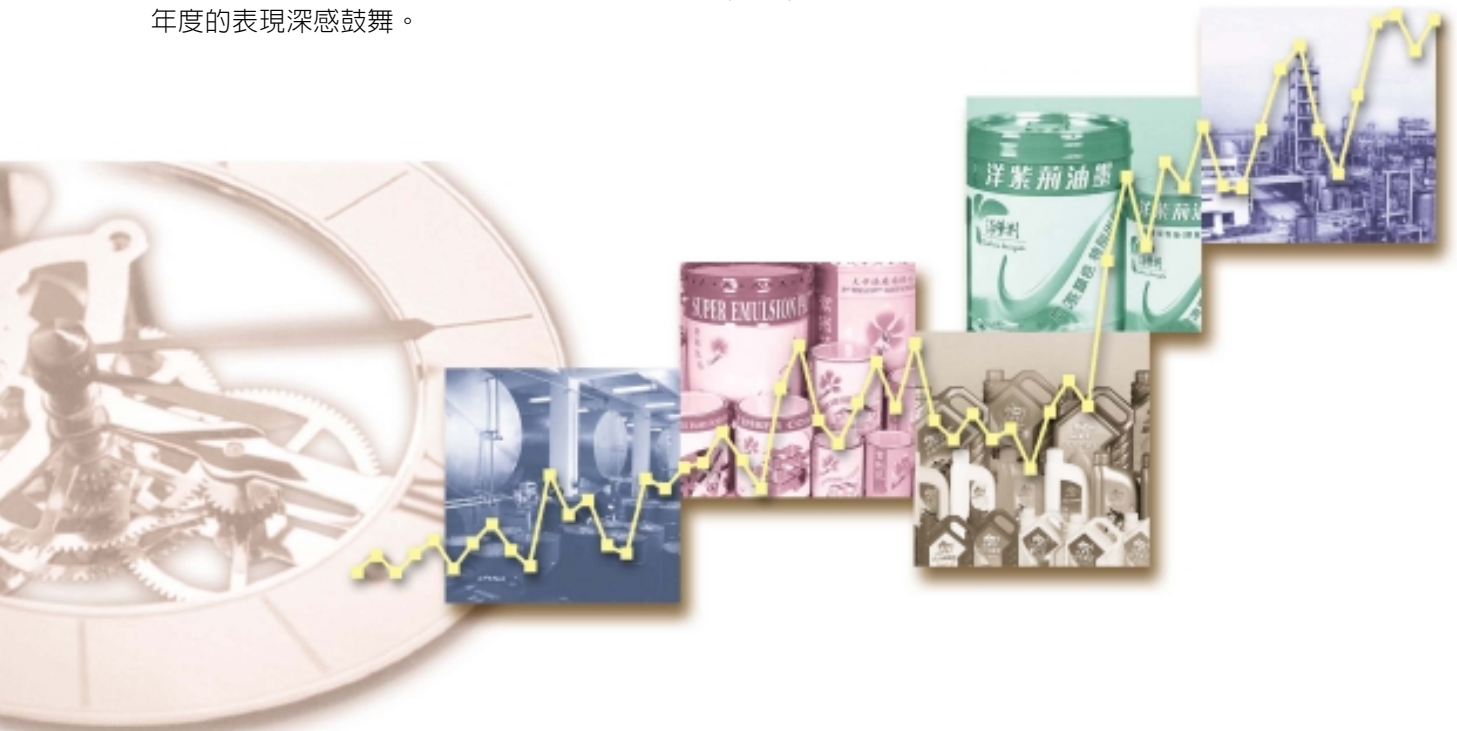
# 業

## 務回顧

### BUSINESS REVIEW

本人欣然向全體股東們報告年度內的業務概況，集團銷售額錄得港幣1,113,477,000元，較去年微升4.1%，本年度純利則大幅上升52%，達港幣60,017,000元。年度內，原油價格長期高企，集團之原材料成本備受壓力，但為各核心業務積極優化產品組合的成效所抵銷，集團之整體邊際利潤反較去年微升4.9%。下半年開始受美國9.11遇襲事件的影響，全球經濟急速放緩，本港工業出口頓時受挫，集團之整體業務表現，則受惠於中國內銷方面的持續增長，以及業務重整後，各項核心業務均步入穩健發展之路，集團在下半年所錄得盈利是近七年之最高，因此董事會對集團本年度的表現深感鼓舞。

It gives me great pleasure to report to our shareholders our business performance for the past financial year. At HK\$1,113,477,000, turnover grew only moderately by 4.1%, but net profit for the year grew significantly by 52%, to HK\$60,017,000. During the year, sustained high oil prices have given rise to upward pressures on material costs, but through product mix improvements in each of the Group's core businesses, overall margins have actually increased by 4.9%. Although the tragic events of last September 11 led to a downturn for the world economy as well as for Hong Kong's exports, the Group's business benefited from sustained growth in domestic sales in China. Moreover, with the completion of the Group's Business Re-engineering Project, all the core businesses are on track towards sustainable growth. As a result, the Group has recorded one of the highest second half profits in the past seven years. Consequently, the Board feels encouraged by the Group's business performance in the past year.



## 高分子化工產品與混合溶劑 High Molecular Chemical Products and Mixed Solvents

該核心業務在優化產品組合方面繼續取得顯著成效，期內雖受到本港工業出口下降之影響，但其整體業績表現仍較預期為佳，年度內錄得的營業額和經營溢利為港幣278,531,000元和35,864,000元，較去年同期分別下調8.4%和增長21%。

今年四月，集團在中國惠陽市新墟鎮購入一幅佔地1,500,000平方呎的工業用地，計劃用兩年時間、總投資額約1億港元建成一所產能增加三倍、區內最具規模的化工廠，以作原布吉鎮舊廠遷廠之用，以及配合該業務的長遠發展所需要。

During the past year, despite the decline in Hong Kong's exports, the overall results of the Division have out-performed expectations. Turnover reached HK\$278,531,000, representing a 8.4% decline while profit from operations increased by 21% to HK\$35,864,000.

In April this year, the Group acquired 1.5 million square feet of land in Huiyang. Over the next two years the Group plans to invest about HK\$100 million to build the largest production facility in the area to replace the existing Buji plant. The new plant will hopefully increase the Division's production capacity threefold, and will enable the Division to meet its longer term development objectives.

深圳布吉廠之生產車間  
The production workshop of Buji factory, Shenzhen.





## 漆油 Paints

受管理架構重整的影響，本年度的營業額為港幣351,439,000元，較去年下調18%，經營溢利雖比去年增加45%，達港幣11,013,000元，但仍遠遜於集團之預期。

集團有信心過去三年持續對該項業務構成負面影響之多項不利因素，已基本全部消除，目前其應收賬和倉存均已下降至合理水平，邊際利潤也因為產品組合的調整在不斷改善中，市場管理重納正軌。今年五月，集團在市場上率先推出一系列符合最新國家標準的環保產品，在業界引起很大的回響，集團預期國內對環保產品的要求日漸提高，以及消費群關注家居安全的意識日重，將大有利於集團既定的業務拓展策略。

The Paints Division completed the management structure reorganization last year. Turnover declined by 18% to HK\$351,439,000 while profit from operations showed a 45% increase to HK\$11,013,000. However, despite this strong growth in profits, the Board remains convinced that there is still room for improvement in the performance of the Paints Division.

The Group is confident that the Paints Division has now overcome the problems which have plagued its performance for the past three years and is firmly on the road towards becoming a significant contributor to the Group's profits. Trade debtors and inventories have been reduced to reasonable levels, and margins have improved as a result of product mix improvements. In May this year, the Division led the market in successfully launching a range of products which fully complies with China's latest environmental standards, thereby ensuring that the Division is well positioned to become a leading manufacturer of environmentally friendly paints products in China. With the heightened environmental interest in China and the domestic consumers' increased concern over health and safety, this new range of products is expected to make a significant contribution to the Division's future business development.





## 單體溶劑 Raw Solvents

年度內的銷售額和經營溢利均創開業以來的新高，達港幣306,972,000元和17,498,000元，均較去年增長28%。

市場之強勁需求以及集團本身之競爭條件不斷提昇，是該業務持續錄得佳績的結果，在當地政府的重視和大力協助下，集團近日已購入相連廠地十萬平方呎，以作短期擴廠之用，並計劃在本年度內，將單體溶劑的產能增加至十萬噸，同時集團已聘請專業之調研公司，對市場作出更深入和全面之研究，以幫助集團作出更能配合日後發展的最佳擴廠規劃。

Turnover and profit from operations, at HK\$306,972,000 and HK\$17,498,000, were both at record levels during the past year, representing matching growths of 28%.

Strong demand together with continued improvements in competitiveness have accounted for the Division's impressive business results. Through assistance from the local government, the Division has recently acquired a piece of property of about 100,000 sq. ft. which is adjacent to the existing plant for the purpose of expansion of production facilities. It is planned to expand the production capacity of raw solvents to 100,000 tonnes within this year. At the same time, the Division has appointed a professional market research agency to conduct a comprehensive in-depth study of the market in order to enable the Division to design the most appropriate strategies to meet its development needs.



工廠一角  
Part of the factory



## 潤滑油 Lubricants



本年度的銷售情況令人滿意，錄得營業額為港幣84,763,000元，達到增長22%的預期目標。經營溢利則受制於原料成本持續高企，邊際利潤因而受損，因此本年度僅錄得輕微的經營溢利港幣644,000元，但比較去年虧損，已大有改善。

中國加入WTO之後，對國內之汽車工業帶來深遠影響，集團預期潤滑油的市場需求不斷增加的同時，同業間之競爭也必然日趨激烈。今年三月，天津的廠房順利投產後，對改善集團在物流和降低運作成本方面，以及更有利拓展北方市場均有正面的影響。集團並預期年度內在“納米技術”應用方面，繼續取得良好之進展。

Sales in the past year have been encouraging. Turnover reached HK\$84,763,000, and the target of 22% growth has been achieved. However, in view of the sustained high raw ingredients costs, only a moderate profit from operations of HK\$644,000 was achieved. However, this is a big improvement when compared with the loss of last year.

China's WTO entry will affect automotive lubricants both positively and negatively. The Division anticipates increased competition along with continued expansion in the demand for automotive lubricants. With the coming on-stream of the Tianjin plant in March, the Division expects improved supply logistics and reductions in operating costs, as well as benefits in the development of the Northern China market. The Division also expects to make further progress in the application of "nano technology" towards its business.

力士牌汽車潤滑油  
Hercules auto lubricants





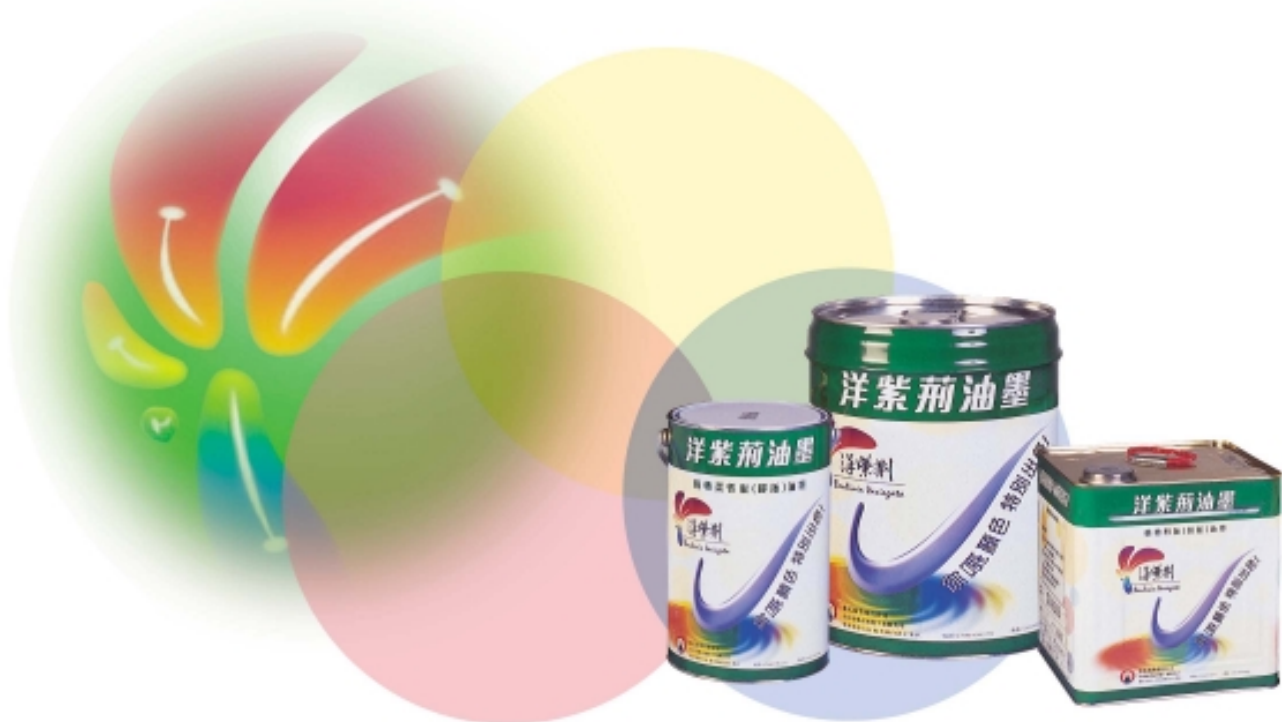
油墨  
Inks

本年度是該業務發展的一個重要里程碑，透過同業兼併以及省外擴張的成果，因而全年錄得的銷售額和經營溢利分別是港幣100,660,000元和11,868,000元，較去年大幅增長76%和320%。

集團在整固原地區業務之餘，已鎖定華東區為國內銷售和科研的重心，於本年六月，成立葉氏油墨（上海）有限公司，並在青浦區購入廠地一幅，預期新廠可於本年底投入服務，實現南、北兩廠微分市場的目標，為日後更長遠的發展作好準備。

The past year has been a significant milestone in the Division's business development. Through acquisition and expansion beyond the Guangdong Province, turnover and profit from operations grew to HK\$100,660,000 and HK\$11,868,000 respectively, representing increases of 76% and 320% respectively.

The Division plans to continue to strengthen its business in the Pearl River Delta while pursuing an expansion strategy to the other regions, using Eastern China as the base for business development, production and R & D. The Division plans to establish an Operations Centre for Eastern China in Shanghai in the second half of the year, which will give the Division manufacturing plants in both South and Central China, thus laying the foundation for longer term development of the inks business.





# 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。集團之港幣銀行貸款已於年內全部清還，而以人民幣之銀行貸款作為集團於中華人民共和國之營運資金來源。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。集團於二零零二年三月三十一日之淨現金及銀行結餘為港幣85,173,000元，而於去年同期日之淨銀行借款則為港幣46,332,000元及負債比率（負債淨額除以股東資金）為8.6%。截至二零零二年三月三十一日止，共有十三間在香港及國內之銀行，向集團提供合共港幣350,027,000元之短期銀行融資額度，其中85%以港元定值，而餘額則以人民幣定值。截至二零零二年三月三十一日該等銀行融資額度已動用之總額為港幣164,735,000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。

The Group continued to implement prudent financial management strategy. Bank loans denominated in Hong Kong Dollars were fully repaid during the year while Renminbi bank loans were used to finance the operations of the Group in China. These loans are repayable within one year or on demand and carry interest at floating rates. The Group has net cash and bank balances of HK\$85,173,000 as at 31st March, 2002, while at the end of last year, there was a net bank borrowings of HK\$46,332,000 and the gearing ratio (net debt to shareholders' funds) was 8.6%. As at 31st March, 2002, a total of 13 banks in Hong Kong and PRC granted short term banking facilities totaling HK\$350,027,000 to the Group, 85% of these facilities were denominated in Hong Kong Dollars and the rest in Renminbi. Such banking facilities were drawn to the extent of HK\$164,735,000 as at 31st March, 2002. 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.



## 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。於二零零一年十一月十九日唐匯棟先生辭去審核委員會之職務，而此空缺即時由楊民儉先生補上。年內審核委員會共舉行三次會議，分別為集團內部監控會議、呈上董事局通過前預覽集團之全年及中期業績報告會議。

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. On 19th November, 2001, Mr. Tong Wui Tung, Ronald resigned as a member of the Committee and Mr. Young Man Kim, Robert was appointed as a member with immediate effect. Members of the Committee have met three times during the year for the review of the Group's internal control, final results and interim results before they were tabled for the Board's approval.

## 僱員 EMPLOYEES

於二零零二年三月三十一日，本集團之僱員人數合共為2,195人，其中香港之僱員人數為146人，中國其他省份之僱員人數則為1,975人，而海外之僱員人數為74人。僱員之酬金包括薪酬、花紅、以及購股權，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, 2002, there was a total of 2,195 employees of which 146 were based in Hong Kong, 1,975 were based in other provinces in the PRC and 74 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. There are full time staff responsible for providing internal training together with a training subsidy scheme to encourage employees to upgrade themselves.

# 展望 PROSPECTS

新年度開始，全球經濟即呈現復甦跡象，首季本港工業之出口較去年已有所改善，在這方面集團持較審慎樂觀之態度，另一方面預期今年中國之經濟持續高速增長，集團之內銷業務也將持續受惠，並且其佔集團整體業務之比重也將愈來愈高。毫無疑問，它必然是本集團未來數年內業務不斷發展的最重要元素。

本年內，集團各核心業務在生產設施和各項配套方面均已作出積極的佈置，以迎接不斷湧現的商機，另一方面集團財務狀況繼續穩健，資金充裕，因此董事會對集團來年的業務前景滿懷期望與信心，集團並預期“環保與節能”是全球性的長期發展目標，對本集團來說，既是挑戰，也是機遇，集團決心不斷地投入更多的資源，成為業界的先行者。

最後本人謹代表董事會向全體員工和股東們致以深深的謝意！

承董事會命  
葉志成  
主席

香港，二零零二年七月三日

There are indications of a global economic recovery since the beginning of the current financial year. Hong Kong's domestic exports in the first quarter has also shown some improvement over last year. In this regard, the Group is cautiously optimistic about its prospects for the coming year. At the same time, we expect China's economy to continue its rapid growth, which should benefit the Group's domestic sales in the Mainland. Mainland sales will continue to account for an increasingly important part of the Group's business, and it will undoubtedly be the engine of growth for the Group's business in the next few years.

During this year, the Group has taken steps in each of its Divisions to upgrade its production capacity as well as other ancillary facilities to capitalize on upcoming business opportunities. At the same time, the Group's financial position continues to be healthy. The Board is therefore confident about the prospects for the year ahead. The Group also anticipates that environment and conservation will be key issues in the long term global economic and social development. These issues will present both challenges and opportunities for the Group. We are determined to invest more resources to become a leader in this industry.

Finally, on behalf of the Board, I would like to extend my sincere gratitude to all the shareholders and staff for your continued support.

By Order of the Board  
Ip Chi Shing, Tony  
Chairman

Hong Kong, 3rd July, 2002