

# Chairman's Statement 主席報告



## RESULTS AND DIVIDENDS

We are pleased to announce the audited results of Ngai Hing Hong Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 30th June 2002. The Group recorded an audited consolidated turnover of HK\$747,281,000 (2001: HK\$804,210,000) and profit attributable to shareholders of HK\$38,408,000 (2001: HK\$15,798,000). Earnings per share for the year amounted to HK12.8 cents (2001: HK5.3 cents). The Board has recommended a final dividend of HK5.0 cents (2001: HK1.5 cents) per share. Together with the interim dividend of HK2.0 cents (2001: nil) per share, total dividend payment for the year under review will amount to HK7.0 cents (2001: HK1.5 cents) per share.

## BUSINESS REVIEW

During the financial year 2001/02, the Group continued to concentrate its efforts on its core businesses - the manufacturing of colourants and engineering plastics, and the trading of plastic materials.

During the year, the overall economy has suffered as a result of the persistent global economic downturn and the slowdown of the U.S. economy, which were further affected by the 911 incident. In face of this tough business environment, the manufacturing operation still achieved growth while the trading operation, which has relatively lower margins, was inevitably dampened, leading to the decrease in the aggregate turnover. Nevertheless, riding on its experienced management, solid foundation, clearly-defined business strategies and sound financial position, the Group had experienced steady growth and reported an increase in profit, more than doubling that of last year. This was mainly due to the contribution of the Group's manufacturing business, high quality products and services, and effective cost control and strict implementation of cash flow management measures.

## 業績及股息

我們謹此報告毅興行有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零零二年六月三十日止年度之經審核業績。本集團經審核之總營業額為747,281,000港元(二零零一年:804,210,000港元),股東應佔溢利為38,408,000港元(二零零一年:15,798,000港元),每股盈利為12.8港仙(二零零一年:5.3港仙)。董事會已建議派發末期股息每股5.0港仙(二零零一年:1.5港仙)。連同於回顧年內派發之中期股息每股2.0港仙(二零零一年:無),回顧年內全年股息為每股7.0港仙(二零零一年:1.5港仙)。

## 業務回顧

本集團於二零零一/零二年度內繼續專注於着色劑及工程塑料的生產,以及塑膠原料貿易之核心業務。

於回顧年內,全球經濟放緩,加上美國經濟受到「九一一」事件影響而衰退,導致整體的經濟持續疲弱,令營商環境更為艱難。面對如此極具挑戰性的環境,雖然本集團之生產業務錄得增長,但邊際利潤較低之貿易業務無可避免地受到不利影響,致令本集團的總營業額稍遜於去年。然而,憑藉擁有經驗豐富的管理層、穩固的業務基礎、明確的業務策略及穩健的財務狀況,本集團於年內仍然能穩步發展,並且錄得盈利升幅超過一倍,主要來自生產業務的貢獻、高質素的产品和服務,以及有效的成本控制及嚴謹的現金流量管理措施。



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Since the Group has been consistently pursuing sound business strategies, the benefits became apparent during the reported year. The Group's commitment to the manufacturing business in recent years brought encouraging results. Due to increasing market demand for colourants and engineering plastics, the Group's manufacturing business reported a surge in turnover, accounting for a substantially higher portion of the aggregate turnover. This, together with the higher gross profit margin in the manufacturing business, contributed to the Group's overall increase in gross profit margin.

The Group has determined commitment in providing quality products to its premium customers. To cater for each customer's specific needs, the Group produces customised and cost-effective products with value-added services, including tailor-made engineering plastics, which have been well-received by the market. Through its well-established distribution network in major cities in the People's Republic of China (the "PRC") (including Dongguan, Guangzhou, Shanghai, Qingdao, Chengdu and Tianjin), the Group managed to expand and extend its customer base during the reported year. The business nature of its customers now covers a wider range of manufacturing industries including home appliance, toy, automobile, electronics and consumer products.

Anticipating that the market environment would be difficult in the first half of the year under review, the Group streamlined its operational workflow in order to achieve higher gross profit margin by introducing measures such as more stringent control and closer monitoring of the raw material procurement costs.

During the year under review, the Group continued to pursue prudent cash flow management practices so as to further enhance its financial position by shortening the recovery period of its account receivables resulting in improved liquidity and substantial finance expenses reduction.

本集團貫徹奉行之業務策略，於本年度取得顯著的成果。本集團於近年來積極發展的生產業務表現令人鼓舞，由於市場對着色劑及工程塑料的需求甚殷，此項業務的營業額錄得大幅增長，同時佔總營業額的比重明顯增加，加上生產業務之毛利率較貿易業務為高，致令整體的毛利率上升。

本集團一直致力為客戶提供高質素的产品。同時，為滿足客戶的要求，本集團致力發展具針對性及成本效益的产品及增值服務，包括度身訂造之工程塑料，結果反應理想，成功地取得客戶的信任，再加上本集團在中華人民共和國（「中國」）內已建立廣泛的營銷網絡，包括東莞、廣州、上海、青島、成都、天津等主要城市，因而令客戶數目增加，同時客戶的業務亦趨廣泛，目前覆蓋多個製造行業包括家電、玩具、汽車、電子行業及消費品。

管理層於上半年度已預見如此艱難之市場環境，因此將其運作流程重整，包括嚴格控制及監察物料採購成本，以提升毛利率。

本集團於回顧年內奉行嚴謹的現金流量管理，加快應收賬的回收，使現金流量充裕，財務費用亦得以顯著降低。

## PROSPECTS

Looking ahead, the Group will continue its determined commitment in research and development to enhance its competitiveness in the market, and expanding and extending its product range to meet the specific needs of customers. To cater for the voluminous production orders from Hong Kong customers, the Group has leased an additional plant at Tai Po Industrial Estate in Hong Kong to increase its production capacity. Advanced model of equipment and production machineries and high-volume production lines will be installed in the additional plant for the production of products of higher technical requirements. The additional plant will not only shorten delivery time for local customers but also save delivery costs. The installation of production machineries in the additional plant will be completed in two phases. The first phase is expected to be ready for production by the end of 2002 while the second phase is expected to commence production in early 2003.

Meanwhile, the construction of the new plant in Shanghai, which is to replace its existing leased plant, is on schedule and expected to be completed by the end of 2002 which will increase the Group's production capacity just in time to meet the growing market needs for its products.

With the PRC's entry into WTO, her regulatory systems will further approaching global standards in the foreseeable future by reducing its tariff, taxes, duties and other levies. At the same time, the tremendous market potential will create business opportunities for the Group. In view of all these inspiring factors, the Group established Ngai Hing (GZFTZ) Trading Co., Ltd. in Guangzhou Free Trade Zone in May 2002, taking its first step in developing the trading of plastic materials in China to make full utilisation of the Group's established customer base. If this pilot scheme receives positive responses, it will become an additional source of income for the Group.

## 展望

為提高在市場的競爭力，本集團未來將繼續積極進行研究和開發工作，擴闊產品的種類，以符合客戶不同的要求。為應付本港龐大的生產訂單，本集團租用香港大埔工業邨一座廠房以擴充產能，該新廠房將裝置先進的儀器及生產設備，設立高產值的生產線，用以生產技術要求較高的產品，以便更迅速及有效地將產品交付本港客戶，同時節省運輸成本。該廠房共分兩期完成裝置生產設備，第一期將於二零零二年年底開始投產，第二期則將於二零零三年年初開始投產。

此外，正在上海興建中的廠房將取代現時租用的廠房，預期於二零零二年年底前落成，廠房落成後除了擴大本集團的產能外，更可應付日益增加的市場需求。

本集團預期中國進入世界貿易組織後，內地的法規將會於可見將來達至世界標準，稅率和其他有關收費亦會降低，市場潛力龐大，因此本集團於二零零二年五月在廣州保稅區成立毅興（廣州保稅區）貿易有限公司，作為開拓國內塑膠原料貿易業務的第一步，並以現有客戶為發展基礎。若此試點成功，期望可為本集團帶來新的收入來源。



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Leveraging on its widespread experience in the plastic materials and colourants businesses, the Group is in negotiation with sizeable and established building materials companies about the application of plastic materials and colourants for their production of plastic building materials. It is expected that such market penetration will create another stream of income.

It is anticipated that the continuous growth in business opportunities in the PRC will lead to an increase in demand of its products in the coming years. Provided that the Group continues its pursuit of high quality products and value-added services and increases its investment in research and development, its competitiveness and leading position in the market will be enhanced and maintained and better return for the Group and its shareholders will follow.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers. As at 30th June 2002, the Group has available aggregate bank loan facilities of approximately HK\$102,454,000, of which HK\$29,250,000 have been utilised and were secured by corporate guarantee issued by the Company and legal charges on certain leasehold land and buildings in the PRC and Hong Kong owned by the Group (see note 11 to the accounts). The Group's cash and bank balances and short term bank deposits as at 30th June 2002 amounted to approximately HK\$46,486,000. The Group's gearing ratio as at 30th June 2002 was approximately 10.7 per cent., based on the total bank borrowings of approximately HK\$29,250,000 and the shareholders' funds of approximately HK\$272,960,000. As the Group's borrowings and cash balances are primarily denominated in Hong Kong dollars, the Group has no significant exposure to foreign currency fluctuations.

Details of the Group's capital commitments and the Company's contingent liabilities are disclosed in notes 20 and 21 to the accounts respectively.

憑藉本集團在塑膠原材料及着色劑業務的豐富經驗，本集團正與國內的大型建築材料商洽談合作，為塑膠原料及着色劑在建築原材料的應用上進行開發。若該等合作成功，將為本集團開拓新的市場及增加收入來源。

於未來，本集團依然看好中國市場的發展潛力，預期商機不斷湧現，將帶動市場對本集團產品的需求上升，故此本集團將繼續提供高質素的產品及增值服務，並加強對研發的投資，以增強競爭力，務求使本集團穩佔市場領導地位，為本集團及股東帶來更佳的回報。

### 流動資金及財務資源

本集團一般以內部流動現金及主要銀行提供銀行貸款作為營運資金。於二零零二年六月三十日，本集團可動用銀行貸款約102,454,000港元，經已動用合共約29,250,000港元，該等貸款乃由本公司發出的擔保及本集團擁有之若干中國及香港租賃土地及樓宇之法定抵押作擔保（詳見賬目附註11）。本集團於二零零二年六月三十日之現金及銀行結存與短期銀行存款約為46,486,000港元。根據銀行貸款總額約29,250,000港元及股東資金約272,960,000港元計算，本集團於二零零二年六月三十日之負債資產比率約為百分之十點七。由於本集團之借貸及銀行結存主要為港元，本集團於外幣浮動上並無重大風險。

有關本集團之資本承擔及本公司之或有負債已分別刊載於賬目附註20及21。

## EMPLOYEE INFORMATION

As at 30th June 2002, the Group employed a total of 700 full-time employees. The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually. The Group has introduced an incentive scheme which is geared to the profit of the Group and the performance of its employees, as an incentive to motivate its employees to increase their contribution to the Group. The Group also provides social and medical insurance coverage, and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

## APPRECIATION

I would like to conclude this Statement by thanking the Group's suppliers, customers and shareholders for their excellent support, my fellow directors, the Group's executives, management and all of the staff for their hard work and commitment during the year.

### HUI Sai Chung

*Chairman*

Hong Kong,  
7th October 2002

## 僱員資料

於二零零二年六月三十日，本集團有合共700名全職僱員。本集團之酬金政策乃按個別僱員之表現而制訂，並每年定期檢討。本集團亦為其僱員提供一個獎勵計劃，以鼓勵員工增加對公司之貢獻，惟須視本集團之溢利及僱員之表現而定。本集團不同地區之僱員亦獲提供社會及醫療保險以及公積金計劃。

## 致謝

最後，本人在此謹向本集團的供應商、客戶及股東一直以來的支持，和本集團的董事、管理層及所有員工在過去一年的努力和付出，致以衷心謝意。

主席

許世聰

香港，  
二零零二年十月七日