

► 業務簡介  
Business Profiles





## 溶劑 Solvents

### 溶劑

集團溶劑業務包括單體溶劑(包括醋酸乙酯、醋酸正丁酯、醋酸異丁酯和醋酸混丁酯)及混合溶劑(俗稱天拿水)兩種。集團內多間子公司均有生產和銷售溶劑；現今佔集團內最大的核心業務。

在過去一年，該業務處於比較平穩的經營環境；不再像上年一樣，經歷大起大落的市場變化，而營業情況亦相對上正常。雖然中國國際貿易的磨擦不斷加劇和人民幣的升值因素引至溶劑業務在外銷方面只有些微的增幅，但受惠於國內市場持續強勁的升幅，業務繼續錄得可觀的增長。期內，集團致力於信貸的嚴控、技術上的優化、以至提升生產效能，尤其在降低單體溶劑生產上的能耗及消耗方面取得滿意的成績。而單體溶劑的全年銷量更首次突破二十萬噸，為該業務創下另一個驕人的里程碑。

### SOLVENTS

The solvents division includes the production of raw solvents (including ethyl acetate, normal butyl acetate, iso butyl acetate, and mixed butyl acetate) and mixed solvents (also known as thinners). Various subsidiaries of the Group are engaged in the production and trading of solvents and it currently accounts for the biggest division in the Group.

For the past year, the division experienced a less volatile business environment than the year before, and the business climate can be deemed to have returned to a state of relative normalcy. Although China's exports have suffered from the effect of disputes with her trading partners and the revaluation of the Renminbi, resulting in only modest demand growth, the continued strong domestic demand has fuelled the sustained growth of the division. Much effort was placed on credit control and technology upgrading, resulting in efficiency gains, especially in the areas of energy and material waste reduction in raw solvents production. For the first time ever, raw solvents annual sales surpassed 200,000 tons, marking another landmark in the development of the solvents business of the Group.

## 溶劑 Solvents



### 溶劑 (續)

因溶劑的生產過程需投入電力和蒸汽，為滿足公司未來發展需要、以及保障公司用電、用汽的穩定性，溶劑業務自二零零五年十月一日起整體租賃經營江門市北街(聯營)發電廠，為期十年。由接管發電廠至今，該業務持續為集團帶來盈利。而現有的蒸汽鍋爐設備將被改建為額外的生產和倉庫設施，從而增加生產能力及提升整體效率。

管理層深信該業務會致力尋求多方面的突破，包括選用新原料、優化天拿水業務的配方及工藝流程的創新，不斷地為集團帶來持續的發展及重大的收益。集團亦已計劃於明年中，將單體溶劑的產能增加十萬噸，從而地再進一步強化本身的競爭優勢，預期溶劑業務會繼續為集團提供卓越的盈利貢獻。

### SOLVENTS (CONTINUED)

As the production of solvents requires inputs of steam and electricity, in October 2005, the division procured a 10-year lease agreement with Jiangmen Bei Jie (JV) Power Plant in order to secure the continuous supply of electricity and cheaper steam. Since the takeover, it has become a profit generating business. With the supply of steam secured, the existing steam generating unit will be converted into additional production and storage units, thereby increasing overall production capacity and efficiency.

The Management believes that sustainable growth and significant returns can be achieved through breakthroughs in several areas, such as the selection of new raw materials and formulation improvements in the thinners business, and innovation in production process. In addition, the Group has plans to further expand the solvents capacity by 100,000 tons by the middle of next year, which will further strengthen the competitive edge of the division. The Group anticipates the division to continue to be the major contributor to the Group's profit.



## 塗料 Coatings

### 塗料

集團的塗料業務包括油漆、油墨、特種上光油以及樹脂。由於國內塗料市場龐大，集團視塗料為最具發展潛力的業務之一。

漆油為本集團生產的重點產品之一，在香港及國內主營「紫荊花」品牌的各類漆油；除包括常見的民用漆外，亦包括傢具、建築漆油及其它工業用漆油。「紫荊花」致力於開發具有國際先進水平的、以健康、環保為導向的高科技產品，並由一九九二年至今，被香港房屋署及香港建築署指定為選用油漆，廣泛地應用於各類大型場所及房屋住宅及其它大型專案。二零零五年九月，「紫荊花」首獲中國質量技術監督總局所頒的中國質量最高榮譽大獎—「中國名牌」產品稱號，為廣大消費者選擇真正的優質塗料產品，提供了國家級的權威認證。

### COATINGS

The Group's coatings division encompasses paints, inks, varnishes, and resins. As the coatings market in China is enormous, the Group considers that the growth potential of the division to be the strongest among its core businesses.

Paints is one of the Group's main products. The business produces a wide range of paint products named after the official emblem of Hong Kong, "Bauhinia". Apart from the usual domestic paints, it also produces a range of paints for furniture, architectural, and a host of light and heavy industrials applications. Bauhinia Paints strives to develop advanced paint products which meet the most stringent international standards of health and environment. Since 1992, Bauhinia Paints has been placed on the approval list of paints for Hong Kong's Housing Department and Architectural Services Department, and has been widely used in various government projects, including social facilities, housing projects, and other large-scale developments. In September 2005, Bauhinia Paints received the "China Top Brand" award, presented by the China Quality and Technology Monitoring Bureau. As this was the first time the award was extended to the paints category, it has boosted the confidence of the market and consumers towards Bauhinia Paints, as well as provided the brand with national accreditation.

## 塗料 Coatings



### 塗料 (續)

油墨業務自一九九八年成立以來，一直專注發展塑料印刷油墨及紙凹油墨等，客戶為國內著名食品包裝公司和印刷廠，部分小型客戶透過代理商管理。二零零五年至二零零六年度產銷油墨超過一萬六千噸，成為全國最大塑料油墨生產商，遠遠拋離其他競爭對手。近年為滿足市場環保要求，已成功開發多種環保產品，如無苯油墨、醇溶油墨和水性油墨等。另為了加強公司多元化競爭力，於二零零六年投入生產平版膠印油墨，此產品市場需求量較塑料油墨更大，前景更廣闊。隨著國內經濟增長，中山新廠於二零零六年七月落成啟用，油墨業務將仍保持高速增長。

「工樂施」為印刷行業用的特種上光油品牌，為紙品印刷行業提供各類印刷及加工產品（如彩盒、鞋盒、書籍及卡牌等）作後加工之用，年度產能約二萬五千噸。近年，該業務引進了先進的大型自動化生產系統，成為業內第一間使用自動化生產磨光油、UV油、粘合劑等產品的香港廠家，為客戶提供優質和穩定的貨源。

### COATINGS (CONTINUED)

Since its establishment in 1998, the inks business has specialized in the development of plastic printing inks and gravure inks. Its clients list includes many reputable food packing and printing companies, while smaller clients are serviced by dealers. For 2005-2006, total production and sales reached more than 16,000 tons, making the Group the largest manufacturer of plastic printing inks by far. In recent years, a number of new, environmentally friendly ink products such as aromatic-free inks, alcohol-based inks and water-based inks has been successfully benign products. Moreover, to further improve the broad-based competitiveness of the business, we expanded our product range to include offset ink earlier this year. As the market potential for this sector is believed to be even greater than that of plastic printing inks, the outlook for the business is excellent. As the China economy continues its fast-paced growth, and with the commissioning of the new plant in Zhong Shan in July 2006, the inks business is expected to continue its rapid development.

“Golaxxo” is a brand of specialty varnish for the printing industry, for post-printing finishes for various types of printed products like color boxes, shoeboxes, books and card stationeries. Its annual production is approximately 25,000 tons. In recent years, the division implemented the advanced automatic production system, rendering us to be the first Hong Kong manufacturer that employs automated production lines in making coatings products such as polishing & blister packing varnish, UV varnish, and adhesives. This system allows us to provide customers with high quality products and services.



## 塗料 Coatings

### 塗料 (續)

樹脂是油漆的最關鍵、最基礎的原料，佔油漆重量的60-80%，佔油漆成本的30-40%。「大昌」樹脂專業生產油漆用樹脂，由於品質穩定、服務優良、管理規範，二零零五年至二零零六年度樹脂銷售量比上年增加約30%，超過一萬噸，有遍佈全國各地的穩定客戶一百多個。今後該業務將廣聚樹脂專才，精選優質客戶，不斷提高銷量，成為中國油漆樹脂行業最專業、最客戶導向的公司之一。

集團投資2.2億港元設備更完善的惠陽塗料新廠在二零零四年十月順利投產，令生產自動化程度更高，配合已投入運作的企業資源管理(ERP)電腦系統，集團已步上一個更專業的發展平台。另外，廠房附設中國實驗室國家認可委員會(簡稱「CNAL」)之實驗室可為客戶直接提供國際認可之產品檢測報告。新廠已具備更優越的條件，一如既往地為客戶提供更優質和專業之產品及服務。

### COATINGS (CONTINUED)

Resins form the backbone of coatings and is therefore the most basic, as well as a key component in the manufacture of paints. Resins makes up 60-80% of the total weight of paints, and accounts for 30-40% of the cost of paints. The business, operated under the "Da Chang" brand, specializes in the production of resins for paints manufacturing. In view of its consistent quality, excellent customer service, and effective management, sales increased by 30% during 2005-2006, with total production surpassing 10,000 tons and serving over 100 customers all over China. The division's strategy is to build a team of technical experts to serve its select client base, and at the same time further increase sales volume, aiming to become one of the most professional and most customer-oriented resin suppliers.

The \$220 million new coatings plant in Hui Yang, with the most advanced automated equipment and facilities, came on stream in October 2004. Together with the newly installed ERP system, the Group's coatings business can be said to be operating at a highly professional level. In addition, its China National Analytical Laboratory (CNAL) accredited laboratory enables it to provide internationally recognized product testing reports directory to customers. The Group is therefore well positioned to continue its tradition of providing our customers with the highest quality of products and the most professional services.

## 潤滑油 Lubricants



### 潤滑油

集團的潤滑油生產始於一九九二年，主要生產和銷售以「力士」為品牌的汽車及工業潤滑油。在二零零五年二月，集團與太平洋石油有限公司的原股東達成協議，成立新控股公司「葉氏太平洋有限公司」，共同發展特種潤滑油業務。由於葉氏太平洋的業務與集團原有的潤滑油業務並沒有任何重疊，而二者之間更可發揮協同效應，既可互補彼此之不足，又可增大規模效應，實為集團對此核心業務的長遠發展踏出重要的一步。

在二零零五年至二零零六年度，整個潤滑油市場面臨巨大的挑戰。由二零零四年開始的上游原料價格急升及高企到了二零零五年至二零零六年度更告變本加厲，基礎油不但不停漲價，供應更告短缺。與此同時，行業競爭亦日趨激烈，汽車發動機油產品終端市場競爭呈白熱化，導致上漲的成本只能逐步轉嫁給終端客戶。在這樣艱巨的經營環境下，對一些既無上游原料供應優勢，又缺乏如跨國油公司的名牌效應的供應商而言，所面臨的挑戰更是空前的嚴峻的。

### LUBRICANTS

The Group commenced its lubricants manufacturing and supply business in 1992, and has been focusing on the production and sales of the “Hercules” branded automotive and industrial lubricants. In February, 2005, the Group reached an agreement with the original shareholders of Pacific Oil and Chemical Company Limited to form a new holding company, “Yip’s Pacific Limited” to jointly develop the specialty lubricants business. The two businesses are complementary in nature with essentially no overlap between them. Moreover, the addition of the specialty business will offer opportunities for improvements in economy of scale and synergies between the two lubricants businesses. We are therefore confident that the formation of Yip’s Pacific Limited will mark an important step in the long term development of the core business of lubricants.

In the financial year 2005/2006, the entire lubricants market faced tremendous challenges. The rising trend of upstream raw materials prices, which already started in 2004, has not only continued unabated, but the pace of increase has also accelerated. Steep increases in base oil prices have been accompanied by supply shortages. At the same time, competition has become even more intense, especially at the end-user level in the automotive oils market. Consequently, the increased costs can only be partially passed on to customers. Under such a difficult business environment, those producers who, on the one hand, do not have the advantage of in-house raw materials supplies and on the other, without the benefit of household brand names are facing very formidable challenges.



## 潤滑油 Lubricants

### 潤滑油 (續)

期內，面對如此嚴峻的經營環境，集團的原有潤滑油業務致力於加強銷售渠道管理，嚴控信貸，提升現金銷售比例，嚴控費用，以提升營運效率增加公司的競爭力。此外，公司亦透過整合內部資源，集中推廣旗下「力士潤滑油」品牌的產品。汽車發動機油品牌系列延續此前的「升級換代」的步伐，提升產品結構；工業油產品系列在年內亦致力於增加對大型工業用戶的直銷，減少分銷環節，以抗衡成本上升的壓力。在原料短缺，成本飆升的市況下，公司繼續恪守以質量取勝的原則，為客戶提供高性價比的潤滑油產品，因而達到集團原先訂下的「大幅減少虧損」的目標。

反觀特種潤滑油業務，雖同樣面對上游原料價格急升之影響，但特種潤滑油業務向甚依賴優質的服務支持，而且太平洋石油一向憑著優良的產品和服務，深受客戶支持，所以原料價格之急升對業績只有輕微影響。展望來年公司將加快技術發展步伐，有助毛利率的穩定及增長。二零零六年至二零零七年度公司將開拓ICI合作發展專項及壓鑄產品市場專項，該兩項業務預計將為公司帶來額外的業務增長。

### LUBRICANTS (CONTINUED)

In the past year, faced with this difficult operating environment, the Group's original, wholly owned lubricants subsidiary have focused its efforts on strengthening the management of its distribution channels, tightening credit control and increasing the proportion of cash sales and stringent cost control to raise the company's operating efficiency and improve competitiveness. At the same time, it also focused its resources in promoting "Hercules" branded lubricants and upgrading its product portfolio. On industrials, the emphasis has been on acquiring more direct end-user business and reducing its reliance on distributors in order to reduce operating costs. In the face of supply shortages and cost increases, we have consistently followed the policy of refusing to compromise on quality, and to provide our customers with products which are of high quality and high value for money. With these measures, the stated goal of "significantly reducing the operating loss" has been achieved even under the difficult circumstances.

On the other hand, although suffering from the same rising raw materials supply prices, specialty lubricants have tended to be more reliant on service support. Pacific Oil and Chemical have always been known for its excellent products and services, and has always enjoyed the support of many loyal customers. Accordingly, rises in raw materials prices have only had a minor impact on its results. Looking ahead, this business will endeavor to put more effort into technical and product development, which should enable margins to rise steadily. In 2006/2007, we will be focusing our development in a project in partnership with ICI on refrigerating oils, and in developing lubricants for metal die-casting applications. It is anticipated that these business will bring additional business growth to the Group.



## 潤滑油 Lubricants



### 潤滑油 (續)

二零零五年至二零零六年度為葉氏太平洋成立的首年，與集團多方面的合作還在磨合階段，預期在未來一年與集團的協同效應當可更充份發揮，為集團潤滑油的未來發展定下更堅實的基礎。

### LUBRICANTS (CONTINUED)

2005/2006 was the first year of operation for Yip's Pacific Limited. Much effort has been spent in ironing out the ways for working together with the Group. It is expected that in the year ahead, the synergies between the Yip's Group and Yip's Pacific will be strengthened, and will establish an even stronger base for the future development of the lubricants business.