

06 The Company

Sunlord Chemical Group Limited (“Sunlord” or the “Company” and together with its subsidiaries, “Sunlord Group” or the “Group”) was incorporated in the Cayman Islands under the Companies Law (2000 Revision) of the Cayman Islands as an exempted company on 7 December 2000.

Pursuant to a reorganization scheme (the “Group Reorganisation”) to rationalize the structure of the Group in preparation for the public listing of the Company’s shares (the “Shares”) on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Company became the holding company of the companies now comprising the Group on 8 April 2001, and the Shares was listed on the Stock Exchange on 2 May 2001 (stock code: 362). Further details of the Group Reorganisation are set out in note 1 in the section headed “Notes to Financial Statements”.

The Group is principally engaged in the manufacture of petroleum refined products in the People’s Republic of China (the “PRC” or “China”). The Group’s products are marketed and sold in the PRC, Asia, Europe and North America and are sold under the brand name “黑鳥 HN”, “HN” and “H88”. The Group has undertaken extensive research and development in the production of lubricants and anti-corrosive coating. The Group’s products comprise the following:

- (i) lubricating oil and lubricating grease for industrial and motor vehicle usage;
- (ii) anti-corrosive coating for a variety of applications including the exterior and interior of water tanks and water, petroleum and gas pipelines, and the structure of highways, roads and vessels; and
- (iii) composite additive for diesel engine oil.

The Group’s lubricants was recommended by the China National Petroleum Corporation (“CNPC”) as one of the two suppliers of lubricants to the oil fields operated by the CNPC in the PRC since 1997. In 1994, the Group’s lubricant products were approved by Research Institute of Daqing Petrochemical Complex as products that satisfied the Caterpillar (1-G2) standard, which is widely recognized in the industry. In 1999, the Group’s lubricants were approved by Daqing Petroleum Authority as one of the products that satisfied their quality standards. The Group is also a supplier of lubricants to several major automobile manufacturers in the PRC. The Group’s “DH” series of lubricants were awarded the certificate of National New Product of Importance by the PRC government in 1998. In 2000, the Group’s lubricants were licensed as quality products recognized by the American Petroleum Institute, the major trade association representing the US Petroleum industry. The Group’s anti-corrosive coating was classified by the Ministry of Science and Technology of the PRC as the National New Product and was the first and the only one product certified by the Ministry of Public Health of the PRC as the National Product Relating to the Hygiene and Safety of Drinking Water in the PRC.

The Group’s production facilities are located in Daqing city, Heilongjiang, the PRC. The facilities are close to the Daqing Oil Field which is one of the largest oil fields in the PRC. The Group places strong emphasis on quality control of its products and has obtained the ISO9002 certificate.