

主席報告

Chairman's Statement

業務回顧

本人欣然向集團全體股東呈報本年度的業務概況，期內錄得的營業額與純利均創下歷年新高，達到2,677,599,000港元和123,150,000港元，分別比較去年大幅增長49%和28%。每股盈利達26.3港仙，亦較去年增長27%。董事會建議派發期末股息每股7.5港仙，連同已派發的中期股息4.5港仙，全年合共派發股息每股12.0港仙，比較去年的10.0港仙，增加20%。

BUSINESS REVIEW

It gives me great pleasure to report to our shareholders our business performance for the financial year ended on 31st March, 2005. Turnover and profits reached record levels of HK\$2,677,599,000 and HK\$123,150,000, representing significant increases of 49% and 28% respectively as compared to results of last financial year. Earnings per share rose by 27% to HK26.3 cents. The Board recommends a final dividend of HK7.5 cents per share, which together with the interim dividend of HK4.5 cents per share gives a total dividend for the year of HK12.0 cents per share, an increase of 20% compared with HK10.0 cents per share for the prior year.



回顧期內，集團面對一個實在是頗為嚴峻的經營環境，國際原油價格持續攀升，屢創新高，大部份的石油化工下游原料價格也因而受到牽動並隨之不斷地攀升，部份更多次出現供應失衡的情況。集團內多個核心業務，因為業務性質各異的原故，其業務表現亦產生了各樣截然不同的效益。個別的業務基本上可將成本的上升即時轉嫁市場，因而錄得較正常來得優異的表現。

During the past year, the Group faced a formidable operating environment. The price of crude oil escalated through the year and successive record highs were established in the year. This in turn caused the prices of a large number of downstream petrochemical feedstock to soar. Some of these feedstock even encountered occasional supply shortages during the year. Because of the different business nature of our core businesses, these supply/demand imbalances affected the Group's business divisions in vastly different ways. Some businesses could pass on the feedstock cost

其餘的則只能將部份以及滯後地轉嫁客戶，令該等業務的邊際利潤嚴重受損。但整體而言，由於這種較為獨特的內部對沖效應，集團的經營溢利並未受到太大的負面影響，長遠而言，更因此令集團的邊際利潤不致出現大幅的波動。與此同時，集團多年來不斷累積的綜合性競爭能力，在困難的營商環境中更為凸顯，並為集團預設的每年達致平穩增長的長遠目標奠下了良好的基石。

increases to customers in full and almost immediately, thus recording far better than normal operating results. However, other businesses could only pass on cost increases in part, and with a time lag. The profit margins of these businesses thus badly suffered. Taking the Group's businesses as a whole, this special internal hedging effect has protected the Group's operating profits against any significant negative impact arising from soaring feedstock prices. In the long run, the structure of the Group's business portfolio can reduce the volatility in the performance of the Group. At the same time, the competitive advantage of the Group, accumulated over the years, has stood out even more clearly during this challenging operating environment, laying a sound foundation for long-term steady growth, in line with the goals laid down by the Group.



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天拿水與特種上光油

該業務繼續受惠於以珠江三角洲為主的輕工業製造出口持續暢旺所帶動，並且因為自身的競爭優勢愈來愈凸顯，吸引了更多中大型客戶惠顧，因而全年的業務增長錄得令人滿意的成績。營業額達499,333,000港元，比較去年大幅增加39%，經營溢利則錄得32,332,000港元，較去年下降19%。過去的一年，化工原材料特別是製造天拿水的各種溶劑的價格持續上升，供應失衡，是近十年之罕見，對該業務所構成的影響特別大。成本的上升只能部份的和滯後地轉嫁客戶。與此同時，該業務於去年十月如期遷入投資額達2.2億港元的惠陽新廠後

THINNERS AND VARNISHES

The Division continued to benefit from the sustained strength in the export of light industrial goods in the Pearl River Delta. With its competitive advantages becoming ever more evident, this Division has secured more business from medium to large customers. The growth in turnover was gratifying. Turnover for the full year reached HK\$499,333,000, a significant growth of 39% compared to the prior year. Profits from operations, however, only reached HK\$32,332,000, representing a decline of 19%. For the past year, the hike in prices of chemical feedstock, especially those of solvents for thinners manufacturing, continued, with supply and demand reaching an imbalance rarely seen during the past decade. The impact on this business has been substantial. Cost increases could only be partially passed on to customers, after a time lag. At the

天拿水 與特種上光油

Thinners and Varnishes



更要負擔額外的搬遷費和較高的折舊費，再加上下半年是傳統的淡季，種種不利的因素，實是對該業務去年的表現構成了短暫的負面影響。本年度開始，隨著各種原材料的升幅有放緩跡象，該業務透過多方面的努力，將成本的上升逐步地轉嫁市場，業務的毛利率可望在年內回復較正常的水平。該業務也將憑藉“惠陽新廠”的配套優勢，不斷地提升競爭能力，擴大市場佔有率，密切注視一些有整合效應的併購機會，以達加快業務拓展的目標。

same time, the new Huiyang plant, built at a cost of HK\$220 million, was commissioned last October as scheduled. With the second half of the financial year being the traditional low season, and with additional relocation and depreciation expenses also incurred at the same time, the performance of the Division has suffered a short-term negative impact. Since the beginning of the current financial year, the rise in price of various feedstock seemed to have slowed down. We have also taken steps to pass cost increases to customers. Accordingly, we anticipate profit margins to gradually return to normal levels during the course of the year. We will also take advantage of the capabilities of the new Huiyang plant to seek continuous improvements to our competitiveness as well as to seek market share gains. We will also closely monitor potential acquisition opportunities, especially those which are synergistic with our current business with a view to accelerating the growth of this business.

漆油

回顧年度內，同業競爭的激烈程度是歷年之最，業界面對政府有關部門包括安全、環保、運輸等規管措施愈來愈嚴，直接導致各項經營成本不斷上升。此外，期內的原材料價格大幅波動和上升，只能部份轉嫁市場，邊際利潤受侵蝕，導致為數不少的同業被迫淡出競爭行列，一些中大型的企業，則繼續用其知名度和規模效應，爭取佔有更大的市場份額。集團的該項核心業務，處於如此困難的經營環境中，憑藉較具規範的工廠管理和優越物流，顧客良好口碑等較佳的競爭條件，使整體業務的表現基本上達到了預期的目標。全年錄得的營業額

PAINTS

During the past year, the paints business has been more competitive than ever before. The industry also saw heightened regulatory measures from the authorities in the areas of safety, environment and transport, resulting in rises in operating costs. At the same time, the sustained high and volatile prices of feedstock could only be partially passed on to the downstream market, causing profit margins for the industry to erode, even to the extent of forcing many competitors out of the market. Some medium or large competitors have continued to use their brand strength and economy of scale to gain market share. Amid such difficult operating environment, the Division took advantage of our effective plant management, superior logistics and good customer relations to achieve operating results basically in line with target. The full

漆油
Paints

達585,961,000港元，較去年的496,575,000港元增長18%，經營利潤則有30,232,000港元，較去年32,294,000港元下降6%。

為求加快提昇“紫荊花”品牌的知名度，增強產品的服務水平，進一步改善業務的盈利質素，該業務去年首先在華南地區六省推介以“漆藝坊”為品牌的連鎖加盟店，對一些有意加盟的店主進行嚴格的甄選和專業的培訓，透過這些加盟店，將“紫荊花”較高檔次的產品系列和一些特殊效果的油漆工藝，直接向終端客戶銷售。計劃推出以來，市場反應熱烈，目前區內的連鎖加盟店數目已達50間，預算全年內增至100間。不斷總結經驗後，稍後再向全國的其他省份作漸進式的推廣。

year turnover rose by 18% to HK\$585,961,000. Profit from operations only slightly declined, by 6% to HK\$30,232,000.

To accelerate the brand visibility of “Bauhinia”, to enhance our service levels and to improve the profitability of the business, the Division launched the “Artistic Coatings Centre” retail franchise stores in six provinces in South China. Potential franchisees were selected according to a rigorous set of criteria, and received professional training. The aim is to promote our premium products and advanced painting techniques to produce special effects through these franchised stores directly to end customers. The programme has drawn excellent response. There are now 50 franchised stores in the market area, and we expect these to grow to 100 during this year. With our successful experience in South China, we will gradually extend the programme to other parts of China.

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油墨

年度內，華南地區的銷售增長較為平穩，華東地區則錄得較去年超過三成的大幅增長。該業務的整體銷售額共錄得279,637,000港元，較去年的216,334,000港元增長29%，但由於華東地區的同業競爭至為激烈，邊際利潤相對較低，再加上該業務是集團內受原材料價格大幅上升拖累最為嚴重的一項，因此年度內錄得的經營溢利僅是13,972,000港元，較去年下降16%。

一系列優化盈利質素的措施逐項實施後，其效果逐漸浮現，將成本上升向市場轉嫁的能力也正在不斷地提升中，預期該業務

INKS

Over the past year, sales in South China grew steadily, while sales in Eastern China attained a rapid growth of 34% as compared to the previous year. Full year turnover grew by 29% to HK\$279,637,000. However, due to the intense competition in Eastern China, profit margins were relatively low. Moreover, this Division has suffered more than any other Divisions in the Group from the rise in raw materials prices. Consequently profit from operations for the full year was only HK\$13,972,000, a decline of 16% from the prior year.

A series of measures to improve profitability was adopted during the year with the full effects just starting to materialize. At the same time, the ability to pass on increased costs to the market has

油墨 Inks



的經營狀況來年將有較明顯的改善。

年度內“葉氏油墨中山廠”及“洋紫荊品牌”分別榮獲“市級企業技術中心”和“廣東省著名商標”。

中山的新廠房正在如期建造中，預期明年六月完成。



also been enhanced. Therefore, we anticipate the Division's performance to improve significantly in this coming year.

During the past year, the Zhongshan plant achieved the distinction of being named as the “Enterprise Technological Center of the City” and our brand “Bauhinia Variegata” was awarded the “Famous brand of Guangdong Province”.

Work has begun on the new plant in Zhongshan, and the project is expected to be completed in June 2006.

單體溶劑

珠江三角洲地區的塗料、樹脂、粘合劑等化工行業的快速增長，為該業務的發展提供了一個良好的機遇。回顧期內，多月來的原料價位上升和供應失衡，導致產品的售價出現較大的波動，由於該類產品基本上可將波幅即時轉嫁市場，同時也因為該項業務，經過近五年不斷擴大產能，累積了一定的規模效應，在期內產生了更大的經營效益。年度內該業務的營業額和經營溢利分別錄得 1,212,610,000 港元和 132,369,000 港元，分別較去年大幅增長 99% 和 236%，業績之優異實是歷年之冠。

RAW SOLVENTS

The rapid growth of the coatings, resins and adhesives industries in the Pearl River Delta region has provided an excellent opportunity for this Division. For the past year, sustained increases in raw materials prices and the imbalance of supply and demand led to highly volatile prices. Because of the nature of these products, cost increases could be passed on to the market almost immediately. Moreover, continued capacity expansions during the past five years have given the Division the competitive advantage of economy of scale. Consequently, the Division enjoyed an exceptional performance for the past year. Turnover grew at 99% to reach HK\$1,212,610,000, while profits from operations rose sharply by 236% to HK\$132,369,000. Without question, this Division has enjoyed its best ever year on record.

單體溶劑
Raw
Solvents

本年度計劃將部份裝置再作改良，把產能進一步提升至國際級水平。集團並正積極從研發新產品、垂直整合、優化配套等各方面作出增加投資的部署，為保持該項業務長遠的競爭優勢和持續增長作好必需的準備。

Plans to further upgrade and debottleneck are in place this year to further increase our production capacity. The Group is actively making investment plans on areas such as broadening its product range, vertical integration, and improvements to supporting facilities to further enhance the long-term competitiveness and continual growth of the business.

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潤滑油

回顧期內，該項業務持續深受管理架構和產品結構的重整所困擾，年度內為此須作出的特殊撥備高達13,196,000港元，加上原材料成本不斷上升，舊有的產品系列向市場轉嫁能力疲弱，導致整體毛利率較上年度下降5%。受各種不利的因素所影響，該業務的經營虧損由去年的4,110,000港元增加至今年的22,742,000港元，營業額則錄得與去年相若的114,877,000港元。

集團於去年底特別成立跨部門的“業績改善小組”決心對該業務進行徹底的整頓，透過管理層的更換、產品系列的升級換代、降低營運成本等一系列措施，力求在本年度將虧損程度大幅減少，目標在下年度開始

LUBRICANTS

During the past year, the Division has been engaged in restructuring of its management structure and product mix, necessitating a special provision of HK\$13,196,000. In addition, the Division faced with increases in costs of feedstock, coupled with the difficulty in passing on the increased costs to the market with the old and tired products range, the profit margin declined by 5% compared to that of the prior year. Due to the combination of these adverse factors, the loss widened from the HK\$4,110,000 last year to HK\$22,742,000 this year. Turnover was HK\$114,877,000, which was similar to that of last year.

The Group formed an inter-departmental “performance improvement team” at the end of last year to undergo a complete business reform through a series of measures, including a revamp of the management team, upgrading the product ranges and reducing operating costs. The target is to substantially reduce operating

潤滑油

Lubricants



轉化為一間持續盈利的業務。

集團在今年二月與太平洋石油有限公司原股東按六成和四成的比例在香港合組成「葉氏太平洋有限公司」以拓展特種潤滑油在中國和本港的業務，與集團原有以汽車發動機油為主的潤滑油業務，無論在市場或客戶方面都有著清晰的界定，但兩公司將在物流和採購等方面則有顯著的協同效益。太平洋石油有限公司成立於一九九四年，已是一間盈利持續增長多年，目前營業額超過一億港元的業界龍頭企業。透過與葉氏集團的合作，資源整合，優勢互補，可望達致更高速的增長和最佳的營運效益。

losses in this financial year, and to transform the business into a sustainable and profitable one from the year 2006 onwards.

“Yip's Pacific Limited” was jointly set up by the Group and the original shareholders of Pacific Oil and Chemical Company Limited in Hong Kong in February 2005, with the Group holding 60% of Yip's Pacific. Yip's Pacific specializes in the business of special lubricants in China and Hong Kong. There is a clear distinction in the market and customer profile with our existing lubricant business which focuses on automobile engine lubricants. There is, however, a synergistic effect on areas like logistics and procurement. Pacific Oil and Chemical, founded in 1994, is a market leader in the special lubricants sector with over HK\$100 million turnover and sustained profits growth in for many years. Through cooperation with the Yip's Group, resources can be consolidated and better utilized and competitiveness can be reinforced and the two can complement each other to achieve even more rapid growth and better operating performance.

樹脂

該業務的產品是本集團內多個核心業務的主要原料之一，是集團垂直整合策略的一部份。去年開始，決定加大對外客戶的銷售力度，年度內所錄得的銷售額中，外部客戶已進佔約七成，預期該業務仍有很大的業務拓展空間。

RESINS

Resin is one of the key production ingredients for many other core businesses of the Group. Consequently the Division is an important part of the Group's vertical integration strategy. From last year, it was decided to expand non-Group sales. For this year, external customers accounted for approximately 69% of turnover. We anticipate that there will still be ample room for further growth for this Division.

樹脂

Resins



受去年九月曾停產一個月安裝擴產設施所影響，該業務的表現稍遜預期，全年的銷售額和經營溢利錄得74,347,000港元和252,000港元，分別比較去年增長23%和下降77%。

Production was halted for one month last September in order to expand production capacity, causing the performance of the business to be slightly below expectation. Turnover was HK\$74,347,000, 23% ahead of last year, while the Division recorded a slight profit of HK\$252,000, compared to a profit of HK\$1,089,000 last year.

流動資金及財政資源

集團持續奉行審慎財務管理策略。本年營業額再創高峰，加上集團繼續在國內投資興建新廠房，令資金需求增加。於二零零五年三月三十一日集團的淨銀行貸款為232,427,000港元（二零零四年三月三十一日：85,836,000港元），資本負債比率為31%（二零零四年三月三十一日：13%），此比率以淨銀行貸款佔股東權益為計算基準。於二零零五年三月三十一日，共有14間在香港及國內之銀行，向集團提供合共1,048,697,000港元之短期及中期銀行融資額度，其中69%以港元定值，而餘額則以人民幣定值。此額度包括了集團於年內從4間香港銀行獲取合共160,000,000港元之中期銀行貸款。此等中期銀行貸款已全數動用，其中110,000,000港元為三年期，餘額為兩年期，分別以7至12個季度還款。於二零零五年三月三十一日集團須於一年內清還之銀行貸款為282,777,000港元（二零零四年三月三十一日：145,498,000港元），而須於一年後清還之中期貸款則為126,316,000港元（二零零四年三月三十一日：43,750,000港元）。於二零零五年三月三十一日，集團已動用之短期銀行額度共計778,735,000港元（二零零四年三月三十一日：392,619,000港元）。集團所有的貸款均按浮動利率計算利息。

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，以及於可見將來業務進一步發展所需的資金。為充分利用香港之低息環境，集團將繼續以港元之銀行貸款作為各項投資之融資手段。

集團之收入主要來自國內並以人民幣交收結算，同樣集團之資產亦主要集中於國內。由於過往幾年間人民幣之匯率相對穩定且此情況相信會維持一段短時間，管理層因此認為在現階段無需採取對沖措施。

LIQUIDITY AND FINANCIAL RESOURCES

The Group continued to implement prudent financial management strategy. Turnover of the Group achieved new height last year and continuing investments in new plants in the PRC created higher need for operating funds. Net bank borrowings of the Group as at 31st March, 2005 was HK\$232,427,000 (31st March, 2004: HK\$85,836,000). Gearing ratio of the Group, calculated on the basis of net debt over shareholders' funds, was 31% as at 31st March, 2005 (31st March, 2004: 13%). As at 31st March, 2005, a total of 14 banks in Hong Kong and PRC granted short and medium term banking facilities totaling HK\$1,048,697,000 to the Group, 69% of these facilities were denominated in Hong Kong Dollars and the rest in Renminbi. Included in these facilities were 4 medium term loans with a total amount of HK\$160,000,000 arranged with 4 banks in Hong Kong in the past year. These loans have been fully drawn and are repayable by 7 to 12 quarterly repayments over a period of 3 years in respect of HK\$110,000,000 and 2 years in respect of the remaining balance. As at 31st March, 2005, the total bank loans that were repayable within one year was HK\$282,777,000 (31st March, 2004: HK\$145,498,000), while term loans repayable after one year were HK\$126,316,000 (31st March, 2004: HK\$43,750,000). Banking facilities of the Group were drawn to the extent of HK\$778,735,000 as at 31st March, 2005 (31st March, 2004: HK\$392,619,000). All bank loans of the Group carry interest at floating rates.

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. To take advantage of the current low interest level in Hong Kong, the Group will continue to fund its investments by Hong Kong dollar bank loans.

The Group generates the majority of its income in RMB and the majority of its assets are located in the PRC. As the rate between RMB and HKD has remained stable in the past few years and it is generally expected that it will remain so in the short term future, the management considers that no further hedging measures are necessary at this stage.

董事委任

集團於去年的六月廿九日和九月廿三日分別委任歐陽贊邦先生和李澤民先生出任集團的獨立非執行董事。兩位新董事分別是香港最大慈善機構和跨國性大型化工企業的資深和優秀的行政人員。彼等加盟，將對提昇集團的管治水平大有裨益。本人謹代表集團向彼等表示熱烈的歡迎。另外，原獨立非執行董事唐匯棟先生則於去年九月廿三日轉任為集團的非執行董事。

審核委員會

審核委員會於1998年成立並負責在集團財務報告編寫程序、內部監控及審核功能上提供獨立及客觀的檢討，現有成員包括非執行董事唐匯棟先生及三位獨立非執行董事，包括主席黃廣志先生、歐陽贊邦先生及李澤民先生。黃廣志先生財務經驗豐富且具備兩個會計專業資格。年內審核委員會共舉行兩次會議，分別在董事會通過中期及全年之業績報告前審議其完整性、準確性及公正程度，並檢討內部審計部就有關內部監控所呈交之報告。

僱員

於二零零五年三月三十一日，本集團之僱員人數合共為 3170人，其中香港之僱員人數為 138人，而中國其他省份之僱員人數則為 3032人。集團提供具競爭力的酬金包括薪酬、以集團業績及員工表現為導向的花紅、以及購股權，集團並不時作出檢討及最少每年檢討一次。員工自強不息優質化是集團的核心信守之一，透過全職僱員負責的內部培訓及外界提供的訓練課程，員工不斷增強工作技能，集團推行的教育資助政策，亦鼓勵員工提昇自己。集團推展的行政見習生計劃，有助高質素行政人員的培育。

APPOINTMENT OF DIRECTORS

The Group has appointed Mr. Au-Yeung Tsan Pong, Davie and Mr. Li Chak Man, Chuck as independent non-executive directors on 29th June, 2004 and 23rd September, 2004, respectively. Our two new directors are experienced executives from the largest non-profit organization in Hong Kong and an international petrochemical company, respectively. Their joining will help raise the standards of corporate governance of the Group. On behalf of the Group, I would like to express my sincere welcome to them. At the same time, Mr. Tong Wui Tung, Ronald, previously our independent non-executive director was re-designated as a non-executive director from 23rd September, 2004.

AUDIT COMMITTEE

The Audit Committee was formed in 1998 and is responsible for providing an independent and objective review of the financial reporting process, internal controls and the audit function of the Group. The current members are Mr. Ronald Tong, a Non-Executive Director and three Independent Non-Executive Directors, Mr. Wong Kong Chi, the Chairman, Mr. Au-Yeung Tsan Pong, Davie and Mr. Li Chak Man, Chuck. Mr. Wong Kong Chi has extensive experience in financial matters and holds two accounting professional qualifications. The Audit Committee met two times during the year to review the completeness, accuracy and fairness of the interim and annual financial results before they were tabled to the Board for approval and the internal audit department's reports on internal controls.

EMPLOYEES

As at 31st March, 2005, there was a total of 3170 employees of which 138 were based in Hong Kong and 3032 were based in other provinces in the PRC. Employees receive competitive remuneration packages including salary, variable bonus linked to attainment of the Group and individual performance as well as share options which are reviewed from time to time and at least annually. The Group pledges to enable our employees to achieve continuous self-improvement as a core mission. Employees are continuously trained to enrich their job skills through internal training conducted by full time training staff and external training courses, with an educational subsidy scheme to encourage employees to upgrade themselves. The Group also has an Executive Management Trainee Programme that assures a consistent flow of high quality executive employees.

主席報告

Chairman's Statement

展望

去年中國政府為抑壓過熱的經濟而實施的宏觀調控，目前已取得初步的成效。預期中國的經濟將會更加平穩地持續增長，內部市場需求也將進一步的擴大和深化，為集團各項核心業務拓展帶來了非常難得的機遇。與此同時，集團堅持不懈地致力提升綜合性競爭能力，也將不斷地取得成果。因此，對於集團的整體業務拓展繼續錄得預期增長，本人是滿懷信心的。然而，業績方面的表現能否與業務拓展同步，則將是集團來年的最大挑戰。預期年度內，原材料價位持續高企和出現波動，對集團之邊際利潤仍構成一些壓力。集團將積極透過優化產品組合和各種配套服務，以不斷提升向市場轉嫁的能力。另一方面，集團在本年內，將投放資源進一步整合各核心業務間的供應鏈和物流管理，致力讓彼等發揮更大的協同效應，冀求在降低營運成本方面取得顯著成效。在集團全體員工的共同重視和努力下，相信優化盈利質素的預設目標，可望順利達致。最後，本人對股東們、銀行界和投資界的朋友們的大力支持，對全體員工的不懈努力和貢獻致以最衷心的感謝。

葉志成
主席

香港，二零零五年六月二十九日

PROSPECTS

The macro-economic control measures imposed by the Chinese government last year to suppress the overheated economy have attained some preliminary results. We anticipate the Chinese economy will experience a more sustained and stable growth, and internal demand will continue to expand this year. This offers us an exceptional opportunity for the development of the various core businesses of the Group. At the same time, the Group will continue to reap rewards from our sustained commitment to enhancing its overall competitiveness. Therefore, I am confident of the continued growth in the overall business of the Group. However, the challenge is whether growth in profits can match the growth in turnover. We anticipate the sustained high and volatile raw materials prices will continue to put pressure on profit margins. The Group will endeavor to pass on the rise in costs to downstream markets through improving the product mix and supporting services. At the same time, the Group will invest resources into the supply chain and logistics management between the various core businesses, aiming to improve synergy and reduce operating costs. Through the common focus and dedicated effort of all our staff, we firmly believe that we can achieve our target of improved profitability. Lastly, on behalf of the Group, I would like to extend my sincere gratitude to all shareholders and the banking and financial sector for their support and to all our staff for their unremitting effort and contributions to the Group.

Ip Chi Shing, Tony
Chairman

Hong Kong, 29th June, 2005