

 **Chairman's Statement**
主席報告書



EcoGreen is the leading fine chemicals company in the PRC

**Further advanced towards to be one of the most
influential flavour and fragrance suppliers**

中怡是中國領先的精細化工公司

**進一步向全球其中一間最具影響力之
香料供應商進發**

2006 was a year of harvest and encouragement for EcoGreen. The Group recorded satisfactory growth in all its operating and business segments, and achieved record-high revenue and profits for the year. During the year, turnover of the Group reached RMB533 million, while net profit amounted to RMB95.4 million. Such outstanding performance is the result of our term efforts committed in achieving Green Chemistry philosophy and utilizing our core expertise in the flavour and fragrance industry, which has paved a solid foundation for the Group's long term development.

二零零六年標誌著中怡豐收和值得鼓舞的一年，在各個營運和業務範疇均取得滿意的發展下，本集團於該年度的收入和盈利雙雙創下新高，於年內本集團營業額達至 533,000,000 元人民幣，純利也錄得 95,400,000 元人民幣的記錄。驕人的成績並非僥倖，在團隊多年致力綠色化學之經營理念和掌握香精香料行業核心技術的領導下，為本集團長遠發展策略訂下了紮實的根基。



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During the year under review, EcoGreen further advanced towards its goal of becoming one of the world's most influential flavour and fragrance suppliers. The Group's production of Dihydromyrcenol and supplementary products accounted for 20 per cent of global supply, and have become one of the world's top three largest suppliers. Other fragrance which uses botanic essential oil as raw material was also highly commented by peers in the international market. Despite the temporary slow-down of customer orders due to price adjustments in the previous year, the Group still won the trust of customers from around the globe because the Group adhered to its commitment to customers, and insisted on the quality of its products and services as well as ensured stable supply. In the second half of the year, the enthusiasm in customer orders received was unprecedented. The Board and the management are particularly delighted to see such strong demands to the Group's products.

The Group continued to adhere to its Green Chemistry philosophy. The Group fully capitalised on the economies of scale from the completion of its Phase II expansion in 2006, together with the advancement of production technology completed during the same period, which further reduced its energy and raw material consumption and enhanced production efficiency. Addressing the tensing up of natural resources in recent years, the Group strengthened its resource management for upstream materials to stabilise supply and control costs. The result was that while facing the pressure from rising raw material prices, the Group's leading edges in operating costs was became even more apparent compared with overseas peers.

In light of the trend of industry globalisation, the Group leveraged on its global leading fine chemical production technologies, its competitive "Industry-University-Research" technological research model and its resource location advantage coupled with the adoption of strategic procurement and the resource management measures which all factors helped to achieve an integrated cost competitiveness. All these further assisted the Group to successfully capture the opportunities arising from the industry migration, to achieve a relatively rapid growth. The Group believes that this migration trend will continue in the coming few years, perhaps in an even faster rate. To grasp this opportunity, to be the largest flavour and fragrance raw material supplier in the country, besides enhancing the Group's organic growth, it will also actively seek for potential merger and acquisition opportunities to achieve better synergies and thereby create better economies of scale.

在回顧年度內，中怡進一步向全球其中一間最具影響力之香料供應商進發。本集團生產的二氫月桂烯醇及其同系產品已達全球供應的百分之二十，並已成為該類產品的全球三大供應商之一，其它以植物精油為原材料的香料也在國際市場上備受同業的歡迎。儘管在上半年，因為產品價格的調整致使客戶落單的情況曾有暫時性的放緩，但本集團堅守以客為尊的承諾，堅持為客戶提供優質的產品及服務，並確保供應的穩定性，從而贏得了全球客戶的信任。在下半年，接收訂單的情形是前所未有的積極。客戶對本集團產品表現出如此殷切的需求，令董事局及管理層深受鼓舞。

本集團秉承綠色化學之宗旨，於二零零六年內充份利用了第二期擴建工程完成後的規模效益，以及同期完成的生產技術改良所帶來的效能提昇，進一步節省了原料和能源的消耗。針對近年裏天然資源變得較為緊張的局面，集團亦加強了對上游原料的資源運營以穩定供應及控制成本。綜合的結果是，在面對原料價格上揚的壓力時，本集團相對海外同業而言，生產經營成本領先的優勢反而變得更為明顯。

在產業全球化的大趨勢下，本集團憑藉國際領先的精細化工生產技術、具競爭力的「產－學－研」科研模式以及靠近資源之地利條件，加上採取了策略性採購及資源運營的舉措而實現了較佳的綜合成本優勢，從而很好地把握住國際產業轉移的契機，獲得了較快的成長。本集團相信，這一發展的趨勢在未來數年間將會持續下去，並且甚至會有加速的機會，本集團會抓住機遇，除了進一步加快集團的內部增長外，亦會積極拓展與國際大型香精香料企業的戰略夥伴關係，同時積極地尋找其他具潛力之合併收購機會，以多種可能的方式加強相關業務的發展，努力達致最佳的協同效應，從而創造出更大的規模經濟效益。



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We are more optimistic towards the outlook of the 2007 financial year, and have reasons to believe that major business segments of the Group will sustain further growth. As such, the first stage of Phase III construction will be completed commenced operation at the beginning of 2008. The new plant will be equipped with multi-functional manufacturing facilities, and provide an additional raw material processing capacity of approximately 4,000 tonnes of botanic essential oils, with various fruity and butter flavour and fragranced products scheduled to be launched to market soon. To prepare for further development of the Group, it has retained a parcel of land with a site area of 145 acres for industrial use to expand its product mix and further enhance its productivity, as well as to better prepare for itself to explore upstream and downstream businesses and the subcontract from international enterprises. The Group will continue to proactively implement its long term development strategies, together with prudent and determined business decisions and effective implementation thereof, so as to create more values for its shareholders.

Acknowledgement

While celebrating the achievements and results of the Group for the financial year, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, suppliers and staff. Their continued trust and support to the Group are essential to our growth and success. I would also like to thank all the Directors for their support and valuable recommendations. With more efforts, I am confident that Ecogreen will sustain even more robust business growth, and the Group will gradually grow into becoming the largest supplier of terpenic fragrance raw material in the world, and one of the world's most influential technology suppliers of intermediates, as well as a safety food service provider who meets international food safety standards.

Yang Yirong
Chairman

Hong Kong, 18 April 2007

對於二零零七年財政年度的展望，我們抱有較為樂觀的期望，並有理由相信本集團主要的業務環節將會有進一步的成長。據此，第三期工程第一階段生產廠房將在二零零八年初開始投入營運，新廠房將配備多功能生產裝置，並提供約4,000噸額外的植物精油原料處理能力。多個以菓香型和奶香型為主的系列新產品也將準備就緒推出市場。為了集團能夠邁向更大的發展，集團也預留了一塊面積達145畝之工業用地資源，為進一步提升生產力、擴闊產品組合、拓展上下游業務及為承接國際產業合作作好準備。我們將繼續秉承積極的長期發展策略，配以謹慎的商業決策和有效的執行，以實現為股東創造更多的價值。

致謝

在慶祝本集團於財政年度取得出色成就的同時，本人謹代表董事會對股東、客戶、供應商及員工致以衷心謝意。彼等一直對本集團之信任與支持乃本集團取得增長及成功之要素，亦感謝各董事之支持和提出寶貴之建議。在大家進一步的努力下，本人深信中怡的業務將會更加蓬勃地發展，集團也將逐步成長達至全球最大的蒔類香料供應商、和具有影響力的中間體技術供應商以及符合國際食品安全準則的安全食品服務商之目標。

主席
楊毅融

香港，二零零七年四月十八日