

本人謹此代表董事會（「董事」）向股東提呈上海聯合水泥股份有限公司（「本公司」）與其附屬公司統稱「本集團」截至二零零二年十二月三十一日止之全年業績。

業績

年內，全球經濟疲弱，各行各業都面對很多挑戰。但有賴本集團審慎的經營策略，年內仍取得理想成績，營業額為港幣258,011,000元，淨溢利為港幣45,082,000元。

股息

董事建議派付末期股息每股港幣3仙（二零零一年四月一日至二零零一年十二月三十一日：無）。

暫停辦理登記手續

本公司將於二零零三年五月六日星期二至二零零三年五月十二日星期一（包括首尾兩天），暫停辦理股票過戶登記手續。股東如欲確保收取股息，一切過戶文件連同有關之股票須於二零零三年五月五日星期一下午四時正前送達本公司之香港股份過戶登記分處秘書商業服務有限公司，地址為香港灣仔告士打道56號東亞銀行港灣中心地下。

展望

中國國內生產總值於二零零二年增長8%，二零零三年預計達到7%或以上。由於加入世貿組織及各重大項目開工，例如奧運項目及世博項目，環球資金持續流向中國市場，各大中城市持續不斷地大力投入發展基建及房地產項目，對建材市場有極大的支持作用。

On behalf of the board of directors (the "Directors"), I am pleased to present to all shareholders the results of Shanghai Allied Cement Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 31st December, 2002.

RESULTS

During the year under review, the global economy was weak and all trades and professions were confronted with many challenges. However, owing to the cautious approach adopted by the Group for its business strategy, satisfactory results have been recorded for the year under review. The turnover of the Group was HK\$258,011,000 and net profit was HK\$45,082,000.

DIVIDEND

The Directors recommend the payment of a final dividend of HK3 cents per share (1.4.2001 to 31.12 2001: Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 6th May, 2003 to Monday, 12th May, 2003, both days inclusive, during which period no share transfer will be effected. In order to qualify for the proposed final dividend, shareholders must ensure that all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrars, Secretaries Limited, G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 5th May, 2003.

PROSPECTS

The gross domestic product of China increased by 8% in 2002, and it is expected to reach 7% or above in 2003. Global funds continue its flow into China since the entry of WTO and significant projects have been launched, such as the Olympics and the World EXPO. Various medium to large cities have continuously and greatly become involved in developing infrastructure and property projects, which in turn generate a significant support to the market of building materials.

本集團的主要業務在中國大陸，內地近年經濟繁榮，大興土木，對水泥、瓷磚、石材需求甚殷。但同時，市場愈看好，競爭也是愈激烈。水泥價格在去年狂跌的基礎上，不排除今年有繼續下滑的可能。在石材、瓷磚方面，競爭也是很劇烈，境外優質產品不斷湧入，雖提供了商機，但也增加了國內產品的壓力，不容樂觀。

為保持競爭力，本集團會繼續採取審慎的成本控制措施，進一步降低成本、費用，並致力提升營運效率，改善生產力，提高產品質量，進一步擴大市場佔有率。於環保方面，我們會一如既往地努力提高環保水平。

雖然環球經濟有不明朗因素，但中國大陸的商機仍多，集團會小心選擇投資項目，實現短期內將水泥產量增加至300萬噸的目標，亦會加大力度及投入更多資源發展石材、瓷磚業務，為股東爭取更大的回報。

致謝

在此，衷心感謝各位股東及客戶的支持，感謝董事同仁的不懈努力及全體員工的辛勤工作。

許業榮
主席

香港，二零零三年三月二十日

The principal businesses of the Group continue to target at the domestic market of China. In recent years when the Mainland economy continues to prosper, the increasing number of construction projects has generated huge demands for cement, ceramic tiles and natural stone. However, the better the opportunities are, the greater the competition has become. The price of cement experienced a steep decline in the last year, and it is possible that the decline will continue through 2003. Also, competition in the natural stone and ceramic tile business is extremely keen. The flux of foreign quality products not just present opportunities, but also pressure on the domestic products. The situation is not optimistic.

To maintain its competitive edge, the Group will continue to adopt cautious cost control measures to further reduce cost and expenses. It will at the same time strive to raise operation efficiency, improve productivity and upgrade product quality in order to further expand its market share. For environmental protection, the Group has maintained its past efforts in striving to raise the level of environmental protection.

In spite of uncertainty in the global economy, numerous opportunities still abound in the Mainland. The Group will explore investments in a cautious approach, and achieve the annual production target of 3,000,000 tonnes in a short period of time. The Group will also expand the natural stone and ceramic tile business and channel more resources to the business, so as to generate a higher return for the shareholders.

APPRECIATION

I hereby express my profound gratitude to all shareholders and customers who have supported the Group, and I sincerely thank all the fellow Directors and staff for their diligence and dedication to the Group.

David Hui Yip Wing
Chairman

Hong Kong, 20th March, 2003