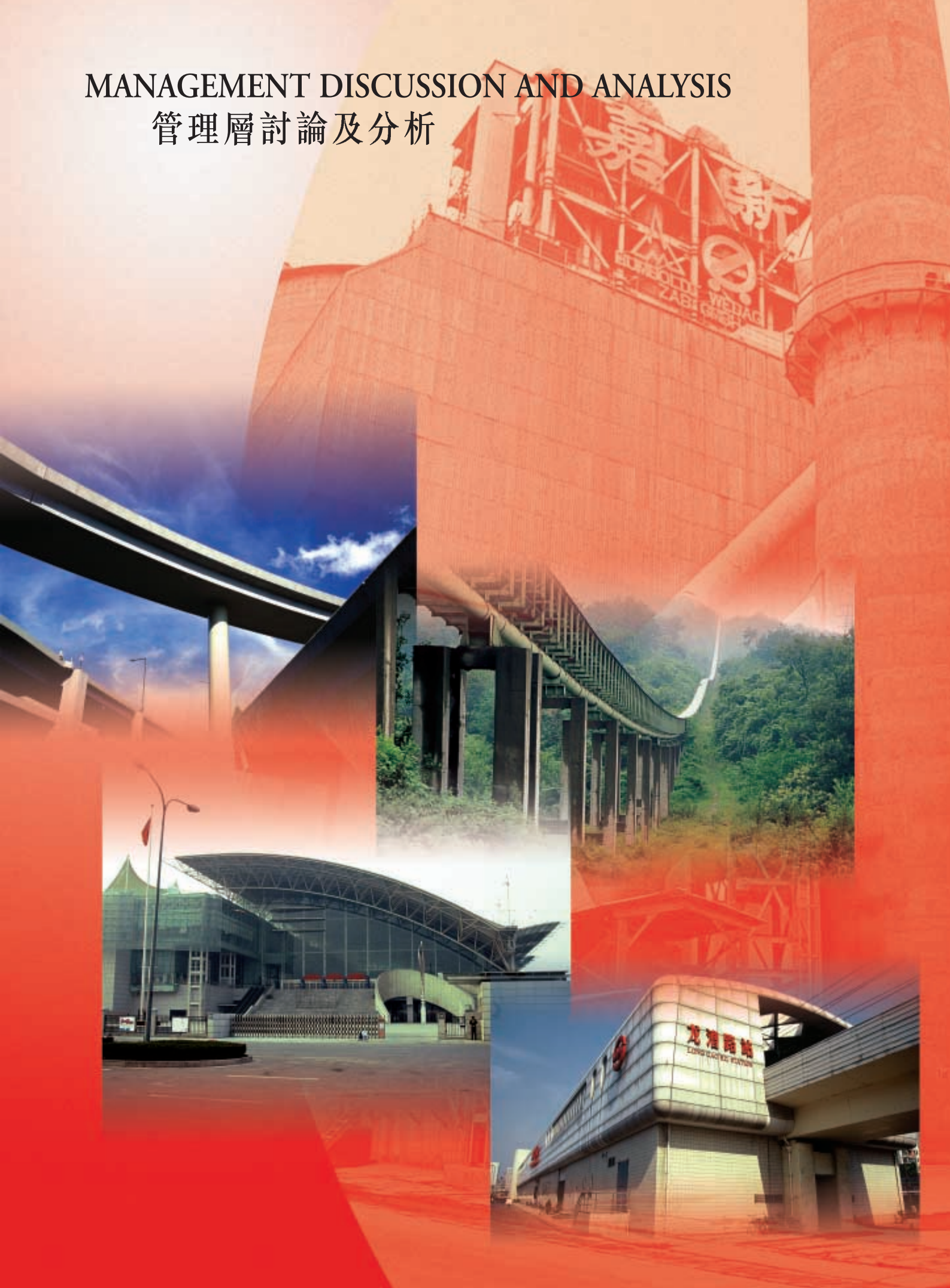


# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS ENVIRONMENT

The year 2003 brought the Group a favorable operating environment. Continuing growth in the People's Republic of China (the "PRC") economy increased demand for the Group's products.

Cement is a fundamental raw material essential for the development of the PRC economy. The development of the cement industry is closely correlated with fluctuations in GDP growth and the investment in fixed assets. According to Statistical Communique of the PRC on the 2003 National Economic and Social Development, in 2003, the PRC's total investment in fixed assets amounted to RMB5,511.8 billion, representing an approximately 26.7% increase from 2002, of which, infrastructure investment was approximately RMB2,272.9 billion, representing an increase of approximately 28.7% from 2002, and real-estate was approximately RMB1,010.6 billion, representing an approximately 29.7% increase from 2002. As total investments in fixed assets grow, cement consumption increases correspondingly. In 2003, total cement production in the PRC was approximately 813 million tonnes, representing an approximately 17.0% increase over 2002.

### OPERATING RESULTS

For the year ended 31 December 2003, despite the sudden outbreak of Severe Acute Respiratory Syndrome ("SARS") in the first half of the year, the Group's turnover still amounted to US\$78,012,000, representing an increase of 15.0% over the corresponding period of the previous year. Profit for the year amounted to US\$19,017,000, representing an increase

### 業務環境

於二零零三年，中華人民共和國（「中國」）經濟持續增長，對本集團的產品需求與日俱增，亦為本集團提供了一個有利的營商環境。

水泥是中國經濟發展的基本原料之一。水泥行業的發展，與國內生產總值與固定資產投資息息相關。根據中國二零零三年國民經濟和社會發展統計公佈，於二零零三年，中國的固定資產投資總額達人民幣55,118億元，較二零零二年增加26.7%。其中，基礎建設投資約為人民幣22,729億元，較二零零二年增加約28.7%，而房地產投資約為人民幣10,106億元，較二零零二年增加約29.7%。由於固定資產投資總額有所增加，水泥消耗量亦因而上升。於二零零三年，中國的總水泥生產量約為8.13億公噸，較二零零二年增加約17.0%。

### 經營業績

截至二零零三年十二月三十一日止年度，儘管於上半年突然爆發嚴重急性呼吸系統綜合症（「非典型肺炎」），本集團營業額仍達78,012,000美元，較去年同期增加約15.0%，而本集團年度利潤則達



Shanghai Lupu Bridge 上海盧浦大橋

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of 85.4% over 2002 and also an increase of 25.1% over the profit forecast of US\$15,200,000 as stated in the prospectus of the Company dated 2 December 2003 (“Prospectus”).

The increase was mainly due to the rapid growth of the PRC economy as well as the outbreak of SARS in the first half of 2003 which delayed the construction of infrastructure till the second half of 2003, and in particular the rapid increase in investment in fixed assets in Eastern China has prompted strong demand for cement. The price of cement has been increasing since the third quarter of 2003 and has further increased in the fourth quarter. The Group recorded a more favourable gross profit by leveraging on its strength of production technology to adjust the production structure. Meanwhile, effective control over costs and expenses also resulted in a higher profit for the Group.

### BUSINESS REVIEW

#### *Sales Overview*

In the year under review, the Group reported a consolidated turnover of US\$78,012,000 representing a 15.0% increase over 2002. The increase arose from the Group’s efforts in leveraging the strengths of its marketing network and distribution channels. As a result of strong market demand for the Group’s products, the Group has been producing over its designed capacity.

19,017,000美元，較二零零二年上升約85.4%，亦較集團二零零三年十二月二日發行之招股章程（「招股章程」）內所述之15,200,000美元盈利預測上升25.1%。

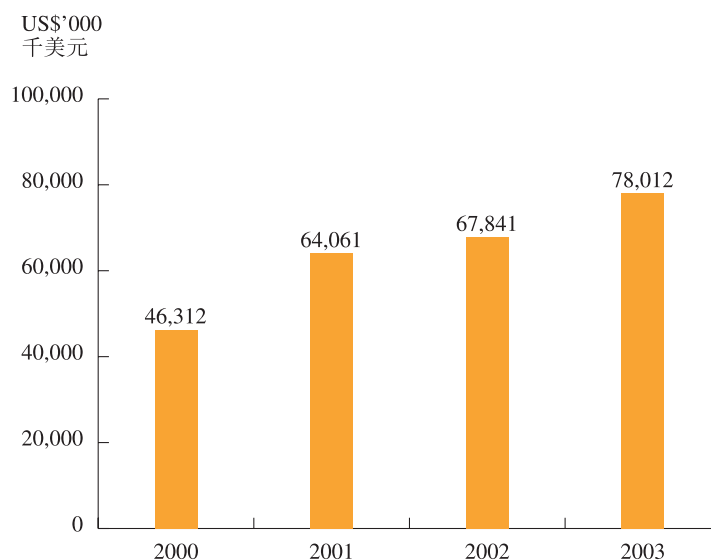
上升的主要原因是由於中國經濟的高速成長，加上非典型肺炎於二零零三年上半年爆發，令基礎建設工程推遲在二零零三年下半年動工，尤其令華東地區固定資產投資的快速提升，導致水泥需求旺盛。從二零零三年第三季度開始，水泥價格明顯回升，第四季度更進一步擴大。憑藉生產技術優勢，本集團得以及時調整產品結構，並獲得更高毛利。同時，本集團亦能有效控制成本和費用，令本集團獲得更高利潤。

### 業務回顧

#### *銷售概覽*

於回顧年度，本集團錄得綜合營業額78,012,000美元，較二零零二年增長15.0%。營業額有所增長，主要是由於市場推廣網絡及分銷渠道的工作取得成效所致。由於市場對本集團產品的需求甚殷，本集團已超設計能力投入生產。

Turnover from 2000 to 2003  
二零零零年至二零零三年的營業額



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The Group adopted a marketing strategy with a focus on high-grade cement in response to increasing domestic demand. Currently, sales of high-grade cement represents approximately 67.1% of the Group's turnover. However, the domestic consumption of low-grade cement is still enormous and the Group will continue to produce a certain percentage of low-grade cement. It can help the Group to diversify its markets, meeting the requirements of different customers, and establishing a long-term relationship with the customers. This product strategy will help the Group develop the market for high-grade cement in the future.

### Breakdown of turnover by products

(Year ended 31 December)

本集團實行以高標號水泥為主的市場銷售策略，以配合國內對高標號水泥日益增長的需求，現時高標號水泥佔本集團營業額約67.1%。然而，由於市場對低標號水泥的需求仍然殷切，本集團亦會繼續維持一定比例的低標號水泥的生產，一方面可分散其市場，滿足不同客戶的需要，另一方面本集團亦可與客戶建立長期關係，有助開拓未來高標號水泥市場。

### 營業額分佈 (按產品)

(截至十二月三十一日止年度)

Products 產品	Year 2003 二零零三年		Year 2002 二零零二年	
	Turnover 營業額 (US\$'000) (千美元)	Percentage (%) 百分比	Turnover 營業額 (US\$'000) (千美元)	Percentage (%) 百分比
Cement				
52.5	14,457	18.5	4,864	7.2
42.5	37,874	48.6	33,388	49.2
32.5	24,653	31.6	27,227	40.1
Subtotal	76,984	98.7	65,479	96.5
Clinker	1,028	1.3	2,362	3.5
Total	78,012	100.0	67,841	100.0

# MANAGEMENT DISCUSSION AND ANALYSIS

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Nanjing International Exhibition Centre 南京國際展覽中心

### Breakdown of turnover by region

(Year ended 31 December)

### 營業額分佈 (按地區)

(截至十二月三十一日止年度)

Sales Region 銷售地區	Year 2003 二零零三年		Year 2002 二零零二年	
	Turnover 營業額 (US\$'000) (千美元)	Percentage (%) 百分比	Turnover 營業額 (US\$'000) (千美元)	Percentage (%) 百分比
Jiangsu Province 江蘇省	35,656	45.7	19,548	28.8
Zhejiang Province 浙江省	25,889	33.2	26,871	39.6
Shanghai Municipality 上海市	9,660	12.4	12,802	18.9
Fujian Province 福建省	3,574	4.6	6,352	9.4
Guangdong Province 廣東省	2,014	2.6	1,515	2.2
Export 出口	1,219	1.5	753	1.1
<b>Total 總計</b>	<b>78,012</b>	<b>100.0</b>	<b>67,841</b>	<b>100.0</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



Shanghai Subway Mingzhu Line 上海地鐵，明珠綫

In 2003, the Group constantly improved its market coverage and expanded its marketing network. Due to government policy, more and more cities in Jiangsu Province were required to use high-quality cement. To meet such requirements, the Group set up new sales offices in Jiangsu Province. As a result, sales in Jiangsu Province increased as compared to that of last year, accordingly sales in Zhejiang Province, Shanghai Municipality and Fujian Province decreased.

於二零零三年，本集團不斷提升其市場覆蓋範圍，並拓展其市場推廣網絡。基於政府推行的政策，江蘇省內有越來越多城市須使用優質水泥。為滿足市場對優質水泥的需求，本集團於江蘇省設立新銷售辦事處。因此，江蘇省的銷售額較去年有所增加，而於浙江省、上海市及福建省的銷售額則減少。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Gross Profit Growth

In 2003, the Group's gross profit increased by 34.2% over 2002 to US\$30,669,000. Such achievement was mainly derived from the rational marketing and distribution network, a fair price control system and an optimal product structure and effective cost control.

### Gross profit by product

(Year ended 31 December)

Product 產品項目	Turnover 營業額		Gross Profit 毛利	
	Amount 金額 (US\$'000) (千美元)	Percentage 百分比 (%)	Amount 金額 (US\$'000) (千美元)	Percentage 百分比 (%)
Cement				
52.5	14,457	18.5	5,472	17.8
42.5	37,874	48.6	15,444	50.4
32.5	24,653	31.6	9,359	30.5
Subtotal	76,984	98.7	30,275	98.7
Clinker				
熟料	1,028	1.3	394	1.3
<b>Total</b>	<b>78,012</b>	<b>100.0</b>	<b>30,669</b>	<b>100.0</b>

The Group implemented a stringent cost control system and strengthened its materials management, and successfully overcame unfavourable factors such as increase in the prices of raw materials. In 2003, average cost of the Group's product per tonne decreased by 3.2% as compared to that of last year.



Advanced Central Control Room 先進的中央控制室

本集團實施嚴格的控制成本系統，並加強其物料管理，成功克服了原料價格上升等不利因素。於二零零三年，本集團每噸產品的平均成本較去年下降了3.2%。

### 毛利增長

於二零零三年，本集團的毛利增至30,669,000美元，較二零零二年增加34.2%。本集團能取得此成就，主要是由於合理的市場推廣及分銷網絡、公平的價格控制系統、最優產品結構及有效的成本控制所致。

### 按產品劃分的毛利

(截至十二月三十一日止年度)

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Net Profit Growth

Due to the significant growth in gross profit and stringent control over expenses, profit of the year amounted to US\$19,017,000, representing a 85.4% increase as compared to that of last year.

### Operating highlights:

Item		Year 2003	Year 2002	Increase (Decrease)
項目		二零零三年	二零零二年	增加(減少)
		US\$'000	US\$'000	%
		千美元	千美元	百分比
Turnover	營業額	78,012	67,841	15.0
Cost of sales	銷售成本	47,343	44,984	5.2
Gross profit	毛利	30,669	22,857	34.2
Administrative expenses	行政開支	3,236	1,293	150.3
Distribution costs	分銷成本	5,546	6,242	(11.2)
Finance costs	融資成本	2,907	5,108	(43.1)
Profit from operations	經營溢利	21,810	15,290	42.6
Profit for the year	年度利潤	19,017	10,258	85.4
Earning per share - basic (US cents)	每股盈利 - 基本 (美仙)	2.08	1.14	82.5

### 純利增長

由於毛利大幅增長及嚴謹控制開支，因此年度利潤為19,017,000美元，較去年增加85.4%。

### 經營摘要：

During the year under review, the Group tightened its budget management and exercised stringent control over expenses, thus resulting in a more favourable increase in net profit. Due to listing related expenses and provisions for bad and doubtful debts, administrative expenses increased US\$1,943,000 as compared to that of last year.

All other trade receivables are within the given credit period and of good quality.



Nanjing Mass Transit Railway 南京地鐵1號線

於回顧年度內，本集團收緊其預算管理，並嚴謹控制開支，因此，取得更可觀的純利增長。由於上市有關開支及呆壞賬撥備，行政開支較去年增加1,943,000美元。所有其他應收貿易賬款均屬於既定信貸期內，且質量良好。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2003, the total assets of the Group increased by US\$47,073,000 to US\$316,514,000, which were mainly financed by the issue and placing of new shares and funds generated internally from operations this years.

#### Changes in Asset and Liability Items

		2003 二零零三年 US\$'000 千美元	2002 二零零二年 US\$'000 千美元	Changes 變動 US\$'000 千美元	Percentage (%) 百分比
Current assets	流動資產	89,098	40,060	49,038	122.4
Non-current assets	非流動資產	227,416	229,381	(1,965)	(0.9)
Total assets	總資產	316,514	269,441	47,073	17.5
Current liabilities	流動負債	22,684	42,112	(19,428)	(46.1)
Non-current liabilities	非流動負債	109,340	234,303	(124,963)	(53.3)
Capital and reserves	資本及儲備	184,490	(6,974)	191,464	2,745.4
Total equity and liabilities	股本及負債總額	316,514	269,441	47,073	17.5

#### Capital Expenditure

During the year under review, capital expenditure on non-current assets amounted to US\$6,370,000, most of which was used for technological modification.

#### Changes in Working Capital and Support from External Borrowings

At 31 December 2003, the currents assets of the Group amounted to US\$ 89,098,000, comprising mainly inventories of US\$10,339,000, trade receivables of US\$8,529,000 and bank balances and cash of US\$64,992,000. The increases in bank balances and cash were mainly attributable to the issue and placing of new shares. The net proceeds from the issue of shares were US\$44,023,000. The Group has not applied any of the proceeds by the end of 2003.

### 財務資源及流動資金

於二零零三年十二月三十一日，本集團的總資產增加了47,073,000美元至316,514,000美元，主要來自年內發行及配售新股份以及內部從業務所得的資金。

#### 資產與負債項目變動

#### 資本開支

於回顧年度內，非流動資產的資本開支達6,370,000美元，大部分非流動資產用於技術改良方面。

#### 營運資金變動及對外借款來源

於二零零三年十二月三十一日，本集團的流動資產達89,098,000美元，主要包括存貨10,339,000美元、應收賬款8,529,000美元及銀行結餘與現金64,992,000美元。銀行結餘與現金增加，主要是由於發行及配售新股份所致。發行新股份的所得款項淨額為44,023,000美元。本集團於二零零三年底仍未動用任何所得款項。

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As the Group continued to implement tighter credit policy, trade receivables decreased in 2003 compared to that of in 2002.

由於本集團繼續實行更嚴格的信貸措施，二零零三年的應收賬款較二零零二年減少。

Maturity analysis of bank borrowings of the Group as at 31 December 2003 is as follows:

於二零零三年十二月三十一日，本集團的銀行貸款到期日分析如下：

		As at 31 December 2003		As at 31 December 2002	
		於二零零三年十二月三十一日		於二零零二年十二月三十一日	
		US\$'000	Percentage (%)	US\$'000	Percentage (%)
		(千美元)	百分比	(千美元)	百分比
Not exceeding one year	不超過一年	12,046	9.9	27,634	28.0
More than one year but not exceeding two years	一年以上 但不超過兩年	14,390	11.9	20,384	20.6
More than two years but not exceeding five years	兩年以上 但不超過五年	63,120	52.0	45,770	46.3
More than five years	五年以上	31,830	26.2	5,000	5.1
Total	總計	<u>121,386</u>	<u>100.0</u>	<u>98,788</u>	<u>100.0</u>

As at 31 December 2003, the bank borrowings were secured by the property, plant and equipment, land use rights and bank deposits of the Group with a total net book value of approximately US\$161,720,000.

於二零零三年十二月三十一日，本集團用以獲取銀行借款而作為抵押的物業、廠房、設備、土地使用權及銀行存款總賬面淨值約為161,720,000美元。

### Turnover Days, Liquidity Ratios and Gearing Ratio

### 周轉期、流動資金比率及資本負債比率

In 2003, raw material prices, especially coal, have been continuously increasing and supply in the market has been tighter compared to 2002. In order to ensure a steady supply of coal, the Group improved payments to its suppliers causing trade payable turnover period to decrease from 39 days to 26 days. The Group also increased its safety stock of coal to ensure continuous operation. This



Shanghai Huqingping Expressway II 上海滬青平公路二期

於二零零三年，原材料價格(尤以煤為甚)不斷上升，而市場供應亦較二零零二年緊張。為確保煤的供應穩定，本集團改善向其供應商之付款方式，令應付貿易賬款的週轉期由39日減少至26日。本集團亦增加煤的安全儲備，以確保持續經營，這令存貨週轉期由74日增加至二零零三年

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

resulted in an increase in inventory turnover period from 74 days to 80 days in 2003. As the Group continued to implement tighter credit policy, the turnover of trade receivables decreased from 80 days to 46 days. The current ratio and quick ratio for year 2003 increased from 1.0 and 0.7 to 3.9 and 3.5 respectively. The increase mainly represented the net proceeds from the issue and placing of new shares. The gearing ratio (i.e. bank borrowings over total assets) and debt to equity ratio (i.e. bank borrowings over shareholders' equity) were 38.4% and 65.8% respectively.

### *Structure of Interest-Bearing Borrowings*

At 31 December 2003, the Group had interest-bearing borrowings of US\$121,386,000, comprising unsecured short-term bank loans of approximately US\$2,416,000, and secured bank loans of approximately US\$118,970,000.

The unsecured short-term bank loans are denominated in RMB, bearing an average interest at rate of 4.54% per annum and repayable within one year. These unsecured short-term bank loans consist of two revolving loans, both with principal amount of RMB10,000,000 (equivalent to approximately US\$1,208,000) each. The secured bank loans are denominated in US dollars and bears an average interest of LIBOR plus 0.986% per annum. For the aggregate bank loans of approximately US\$121,386,000, as at 31 December 2003, approximately US\$12,046,000 is repayable within one year, approximately US\$14,390,000 is repayable in the second year, approximately US\$63,120,000 is repayable in the third to fifth years and the remaining approximately US\$31,830,000 is repayable over five years.



Longtan Container Jetty of Nanjing Harbour 南京龍潭裝箱碼頭

的80日。由於本集團繼續實行更嚴格的信貸措施，應收賬款的周轉期由80日減至46日。二零零三年的流動比率及速動比率分別由1.0倍及0.7倍增至3.9倍及3.5倍，主要來自發行及配售新股的所得款項淨額所致。資本負債比率（即銀行借款除以總資產）及債項對股本比率（即銀行借款除以股東股本）分別為38.4%及65.8%。

### *計息借款結構*

於二零零三年十二月三十一日，本集團有計息借款121,386,000美元，包括無抵押短期銀行貸款約2,416,000美元及有抵押銀行貸款約118,970,000美元。

無抵押短期銀行貸款以人民幣定值，按平均利率每年4.54厘計息，並須於一年內償還。該等無抵押短期銀行貸款主要包括兩項循環貸款，各自的本

金額均為人民幣10,000,000元（相等於約1,208,000美元）。有抵押銀行貸款以美元定值，平均利率按倫敦銀行同業拆息另加年利率0.986厘計息。於二零零三年十二月三十一日，銀行貸款總額約達121,386,000美元，其中約12,046,000美元須於一年內償還、約14,390,000美元須於第二年償還、約63,120,000美元須於第三至第五年償還，而餘額約31,830,000美元須於五年後償還。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



Outlook of the Group's production facility 集團生產基地外貌

### *Foreign Exchange Exposure*

Except for the purchases of machinery and equipment from European countries in EURO dollars and the US dollars loans borrowed from financial institutions, the Group does not use foreign currency in its daily operations. The Directors consider that the Group has limited foreign exchange exposure and the cost of hedging would outweigh its benefit.

### **FUTURE DEVELOPMENT**

With the growth in the PRC economy, the 2008 Beijing Olympics and 2010 Shanghai World Expo as well as the commencement of the water project diverting water from the south to the north which is the largest of its kind in the world, the growth in the demand for cement in the PRC is expected to remain high in the coming years. In view of the enormous market demand, CHC Greater China will capitalise on the business opportunities by expanding its production lines.

### *外匯風險*

除使用歐元向歐洲國家購買機器與設備及自財務機構取得美元貸款外，本集團於日常業務中並無使用外國貨幣。董事認為，本集團所面對的外匯風險有限，因此，對沖成本高於其得益。

### **未來發展**

隨著中國經濟持續蓬勃發展、二零零八年北京奧運會和二零一零年上海世界博覽會的申辦成功，以及世界上最大的調水工程——「南水北調」工程動工，預期中國水泥市場需求在未來數年內將持續增長。面對龐大的市場需求，嘉泥中國將擴充生產線，以掌握商機。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

### *Expansion of Production Capacity*

The continuing growth of the PRC economy has prompted strong market demand for the Group's products, and the Group has been producing in excess of its designed capacity. Also, in anticipation of the further growth in market demand, the Group began to expand its cement grinding mill in August 2003. The expansion is expected to be completed in August 2004 and will increase the grinding capacity of clinker into cement from the current capacity of approximately 2,900,000 tonnes to 3,700,000 tonnes per annum. Once the increase in the grinding capacity is achieved in August 2004, the targeted full-year production capacity for 2004 will increase to 3,100,000 tonnes of cement. The full impact of the increase in the grinding capacity will be realised in 2005 and the targeted full-year production capacity will be 3,700,000 tonnes of cement. During 2004 and 2005, the Group will continue to source clinker for processing into cement from other parties to meet its production target.

To cater for the continuing increase in market demand, the Group plans to construct a second production line adjacent to the current production line which will increase its cement production capacity by approximately 2,900,000 tonnes. Construction is planned to begin in the first quarter of 2004 and is expected to be completed in the fourth quarter of 2005. The Group's profitability is expected to be further enhanced as a result of economies of scale arising from the addition of the second production line.

### *擴充生產能力*

由於中國經濟持續發展，市場對本集團的產品的需求甚為殷切，本集團正以超設計能力投入生產。由於預期市場需求將不斷上升，本集團於二零零三年八月開始擴建其水泥研磨。擴建工程預期於二零零四年八月完成，屆時熟料研磨成水泥的生產力，將會由現時每年約2,900,000公噸的生產能力增至3,700,000公噸。隨著研磨廠房的生產力於二零零四年八月有所提升，二零零四年的全年目標產量將會增至3,100,000公噸。水泥研磨產能上升的整體影響，將會於二零零五年出現，而當年的全年目標生產量將達3,700,000公噸水泥。於二零零四年及二零零五年，本集團將會向其他同業採購熟料以生產水泥，以達到生產目標。

為迎合不斷增加的市場需求，本集團計劃在現有生產線側興建第二條生產線，將本集團的水泥生產力提高約2,900,000公噸。建築工程計劃於二零零四年首季施工，並預期於二零零五年第四季竣工。第二條生產線的建成將提升本集團的規模經濟效益，從而進一步增強本集團的盈利能力。



The Group's private shipping terminal 集團之私人裝運碼頭

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### *Expansion of the Capacity of the Shipping Terminal*

Efficient logistic support is crucial to the Group for it to remain competitive within the industry. At present, the shipping terminal owned by the Group is equipped to handle an annual throughput of 3,000,000 tonnes of cement and raw materials. To deal with the expected increase in volume from the second production line, the Group plans to build a new terminal attached to the current terminal with a throughput capacity of 3,000,000 tonnes of cement and raw materials. Construction is expected to begin in the fourth quarter of 2004 or the first quarter of 2005 and to be completed within one year.

### *Expansion of Sales Network in the PRC*

As of the year end 2003, the Group had nine offices for marketing activities. These offices cover marketing activities not only within the designated cities but also neighboring areas.

As the government requires more and more cities to use high-quality cement, demand for the Group's products will continue to increase. In the meantime, the Group's production capacity will be increased following completion of the expansion of the cement grinding mill and the second production line. The Group plans to set up a total of nine new offices in 2004 and another eight in 2005.

### *提高裝運碼頭的吞吐量*

擁有有效的物流支援對本集團保持於業內的競爭力極為重要。本集團目前所擁有的裝運碼頭設備完善，每年可處理輸送量達3,000,000公噸的水泥與原料。由於預期第二條生產線的生產量會增加，本集團計劃於現有碼頭隔鄰興建一個運輸量達3,000,000公噸水泥與原料的新碼頭。建築工程預期於二零零四年第四季或二零零五年第一季動工，並預計須時一年完工。

### *拓展中國的銷售網絡*

截至二零零三年年底，本集團已設立了九間辦事處，以便進行市場推廣活動。該等辦事處不僅在指定城市進行市場推廣活動，其服務範圍亦覆蓋至鄰近地區。

由於政府政策令越來越多城市需要優質水泥，故市場對本集團產品的需求持續增加。同時，待擴展水泥研磨廠及第二條生產線完成後，本集團的生產力將有所增加，故此，本集團計劃於二零零四年增設合共九間新辦事處，並於二零零五年再增設八間新辦事處。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

### The Group's Marketing Network (Present-2005) 本集團之市場推廣網絡(目前至二零零五年)



Looking forward, the cement industry in China is currently going through a stage of structural adjustment. The Chinese government has adopted policies which support the larger producers with advanced production and management control and restrict the growth of smaller producers. As one of the top producers in the cement market in China, the Directors are of the view that CHC Greater China will benefit considerably from these government measures, and more importantly, bring attractive profit contribution to the shareholders.

展望將來，中國水泥行業正經歷結構調整階段，中國政府對此市場採取配合政策，對擁有先進生產技術及管理控制的較大生產商給予支持，並限制較小規模生產商的增長。作為中國水泥市場重要生產商之一，董事認為，嘉泥中國將會受惠於此政策，而更重要是，能為股東帶來可觀的回報。