

為對本集團的表現進行恰當評估，本節內所作出的討論及分析，乃根據備考基準編製的資料為準，猶如本公司於二零零二年一月一日或所有構成本集團之一部份的各公司各自的註冊成立日或成立日（以較後發生者為準）經已完成集團重組及該收購並已持有該等公司。

## 業務回顧

截至二零零三年十二月三十一日止年度的備考合併營業額及備考合併毛利分別為1,070,200,000港元及258,400,000港元，分別較去年增長19.0%及減少3.5%。備考合併毛利率為24.1%，而去年則為29.8%，主要原因是香港混凝土的售價大幅下跌及水泥業務的生產成本上升所致。

本集團於本年度的備考合併經營盈利及淨利潤分別下跌24.6%及32.3%至92,700,000港元及49,300,000港元。有關跌幅的原因為毛利率受到上文所述的因素影響。

截至二零零三年十二月三十一日止年度，經營業務所產生的備考現金流入淨額為80,600,000港元，較去年127,700,000港元減少36.9%。

### 水泥業務

本集團已於廣西自治區成功建設一條日產2,500噸的新型乾法旋窯生產線，並於二零零三年十月投入商業運作。此外，本集團位於湛江日產600噸的水泥粉磨站亦已於二零零三年五月投入商業運作。本集團的水泥年總產能已增至約3,300,000噸。隨著此等新生產線投入，加上本集團的東莞水泥廠超產能生產，二零零三年的水泥總銷售量較去年增加33.1%，至約2,900,000噸。在標號42.5或以上的高標號水泥方面，本集團亦已佔有兩廣地區市場約14%。



本集團位於廣西的新型乾法水泥生產線  
Our NSP cement production line in Guangxi ZAR

For the purpose of a proper appraisal of the performance of the Group, this section on discussion and analysis refers to the information on the pro forma basis as if the Group Reorganisation and the Acquisition had been completed and all the relevant companies forming part of the Group had been held by the Company since 1 January 2002, or the respective dates of incorporation or establishment, whichever is later.

## REVIEW OF OPERATIONS

The pro forma combined turnover and pro forma combined gross profit for the year ended 31 December 2003 amounted to HK\$1,070.2 million and HK\$258.4 million respectively, representing increase of 19.0% and decrease of 3.5% respectively over the last year. The pro forma combined gross margin was 24.1%, as compared to 29.8% for the last year, attributable to the significant drop in selling price of concrete in Hong Kong and the increase in manufacturing costs for the cement business.

The pro forma combined profit from operations and net profit for the year of the Group decreased by 24.6% and 32.3% to HK\$92.7 million and HK\$49.3 million respectively. These decreases were due to factors affecting the gross margin as stated above.

For the year ended 31 December 2003, the pro forma net cash generated from operating activities amounted to HK\$80.6 million, representing a decrease of 36.9% from HK\$127.7 million of last year.

### Cement Business

The Group has successfully established a new 2,500 tonnes per day dry process rotary kiln clinker production line at Guangxi ZAR which was put into commercial operations in October 2003 in addition to our new 600 tonnes per day cement grinding factory at Zhanjiang which commenced commercial operations in May 2003. Total annual cement production capacity of the Group was then increased to approximately 3.3

million tonnes. With the commencement of operations of these new production lines and our Dongguan cement factory operating at over capacity production, total volume of cement sold in 2003 increased by 33.1% over that of last year to approximately 2.9 million tonnes. In respect of high grade cement of grade 42.5 or above, we have an aggregate market share of approximately 14% in the Guangdong Province and Guangxi ZAR area.

二零零三年，本集團的水泥售價一直保持穩定。直至二零零三年第四季度，本集團在東莞的水泥售價受華東地區水泥售價上揚的影響而逐步攀升，至二零零三年底平均上升約5%。本年度備考合併營業額為586,200,000港元，較去年的445,400,000港元增加31.6%。本年度的備考合併經營盈利為66,700,000港元，較去年上升約25.2%。



本集團位於東莞的水泥廠  
Our cement production plant in Dongguan

In 2003, our cement selling prices had been stable until the last quarter of 2003 when our selling prices in Dongguan were gradually driven up by an average of approximately 5% by the end of 2003 due to the effect of escalating selling prices from Eastern China. The pro forma combined turnover for the year was HK\$586.2 million, representing an increase of 31.6% as compared with HK\$445.4 million last year. The pro forma combined profit from operations for the year amounted to HK\$66.7 million, which is approximately 25.2% more than that of the last year.

誠如招股說明書所述，本公司與華潤集團訂立認購權契據。據此，本公司有權向華潤集團於指定期間內按指定價格收購其持有廣西平南華潤魚峰水泥有限公司全部73.5%或部份權益。此合資企業日產5,000噸熟料的水泥生產線已根據原計劃如期進行，並預期將於本年底完成。本公司將緊密跟進工程進度，並考慮是否需要行使認購權。

As stated in the Prospectus, the Company entered into an option deed with CR Holdings pursuant to which the Company has the right to acquire all or any part of the 73.5% interest in Guangxi Ping Nan China Resources Yu Feng Cement Co., Limited held by CR Holdings at the specified price within a specified period from CR Holdings. The construction of the cement manufacturing plant for a 5,000 tonnes per day clinker production line by this joint venture has been carried out according to the original plan and it is expected that the construction will be completed by the end of this year. The Company will follow up the progress closely and decide if it should exercise the option.

本公司亦於招股說明書內指出，將動用約50,000,000港元擴充本公司東莞水泥廠的水泥產能。該項目已被政府批准。本公司預期建造工程將於短期內展開。

We have also indicated in our Prospectus that we will spend about HK\$50.0 million for the expansion of our cement production capacity in Dongguan. The application has already been approved by the government and we expect that the construction work will commence shortly.

## 混凝土業務

## Concrete Business

香港經濟於二零零三年持續低迷，有關建築及基建項目的投資意慾明顯不振。本集團於香港的混凝土業務全年備受壓力，對預拌混凝土的整體需求持續下滑。然而，本集團仍能將其於香港的預拌混凝土市場佔有率維持於約11%，香港預拌混凝土的銷售量由二零零二年約687,000立方米下跌至二零零三年的647,000立方米，跌幅約為6%。香港混凝土總銷售量為795,000立



本集團位於香港元朗的混凝土攪拌站  
Our concrete batching plant in Yuen Long, Hong Kong

The Hong Kong economy continued to be sluggish and there was a lack of incentive to invest in construction and infrastructure projects in 2003. The Group's concrete business in Hong Kong had been under significant pressure throughout the year when overall demand for ready mixed concrete decreased further. Whilst we were able to maintain a proportionate market share of approximately 11% in the ready mixed concrete market of Hong Kong, our sales volume of ready mixed concrete in Hong Kong decreased by approximately 6% from approximately 687,000 m<sup>3</sup> in 2002 to 647,000 m<sup>3</sup> in 2003. Total concrete sales in Hong Kong was 795,000 m<sup>3</sup>,

方米，比二零零二年的784,000立方米增加1.4%。市場需求下降及市場上大量閒置產能，迫使包括本集團在內的香港混凝土生產商須隨之減價，直至二零零三年中，售價開始回升。二零零三年，本集團在東莞及深圳從事混凝土業務的附屬公司生產及銷售約368,000立方米預拌混凝土，而二零零二年所生產及銷售的預拌混凝土則為253,000立方米。年內，混凝土的價格在東莞及深圳大致穩定，惟在二零零三年最後一個季度，由於水泥價格上漲導致售價平均上升約4%。

本年度混凝土的備考合併營業額及經營盈利分別約為484,000,000港元及34,100,000港元，較去年增加6.6%及減少49.3%，主要由於香港預拌混凝土銷售及售價下跌所致。

二零零三年七月三十日，本集團向一家附屬公司的前任董事收購中威預製餘下50%股權，此後中威預製成為本公司的全資附屬公司。中威預製從事生產預製混凝土產品及玻璃纖維混凝土產品，此等產品主要在香港銷售。此項收購可增加本集團產品種類，並為客戶提供預拌混凝土代替產品。於二零零三年，中威預製於香港銷售合共約150,000噸預製混凝土產品，為香港最大的預製混凝土產品供應商，市場佔有率約35%。中威預製自成為本集團的附屬公司以來，於截至二零零三年十二月三十一日止期間，總營業額及淨利潤貢獻分別為68,784,000港元及3,556,000港元。

於二零零三年十二月二十日，本集團與獨立第三方訂立協議，以收購深圳市文偉混凝土有限公司及深圳市生成混凝土有限公司全部股權，總代價為人民幣30,980,000元。收購於二零零四年一月一日完成，本集團的混凝土總產能因而增至3,200,000立方米。

representing an increase in 1.4% over 784,000 m<sup>3</sup> of 2002. Declining market demand and large amount of excess capacity forced concrete producers in Hong Kong including us to reduce price. A turnaround has occurred in the middle of 2003 when selling price started to recover. In 2003, the Group's subsidiaries engaged in concrete business in Dongguan and Shenzhen produced and sold approximately 368,000 m<sup>3</sup> of ready mixed concrete, as compared with 253,000 m<sup>3</sup> in 2002. Concrete prices in Dongguan and Shenzhen had been steady during the year until the last quarter of 2003 when selling prices were pushed up by an average of approximately 4% due to rising cement price.

The pro forma combined turnover and profit from operations of our concrete business for the year amounted to HK\$484.0 million and HK\$34.1 million, representing increase of 6.6% and decrease of 49.3% respectively over the last year. This was mainly due to lower sales volume and falling selling price of ready mixed concrete in Hong Kong.



本集團位於東莞的混凝土攪拌站  
Our concrete batching plants in Dongguan

product for ready mixed concrete to customers. During 2003, Redland Precast sold a total of about 150,000 tonnes of precast concrete products in Hong Kong and was the largest precast concrete product supplier with a market share of approximately 35%. Since Redland Precast has become a subsidiary of the Group, it contributed a total turnover of HK\$68,784,000 and net profit of HK\$3,556,000 during the period up to 31 December 2003.

On 20 December 2003, the Group signed agreements with independent third parties for the acquisition of 100% equity interests in Shenzhen Wenwei Concrete Limited and Shenzhen Shengcheng Concrete Limited at a total consideration of RMB30,980,000. The acquisition was completed on 1 January 2004 and the Group's total concrete production capacity then increased to 3.2 million m<sup>3</sup>.

## 流動資金及財政資源

於二零零三年十二月三十一日，本集團的現金及銀行結餘以及已質押銀行存款總額為333,900,000港元（二零零二年十二月三十一日：260,600,000港元），其中包括264,500,000港元及人民幣73,500,000元（二零零二年十二月三十一日：227,300,000港元及人民幣30,700,000元）。

於二零零三年十二月三十一日，本集團的銀行貸款總額為662,400,000港元（二零零二年十二月三十一日：365,800,000港元），分別為5,100,000美元、299,000,000港元及人民幣345,000,000元的貸款（二零零二年十二月三十一日：8,000,000美元及人民幣321,800,000元）。銀行貸款增加296,600,000港元，主要由於購買固定資產及償還附屬公司股東貸款而獲取較低息率的新增港元貸款。銀行貸款共304,850,000港元乃按固定息率計算利息。在該等銀行貸款中，合共392,400,000港元（二零零二年十二月三十一日：108,200,000港元）乃以本集團的固定資產作抵押；而合共77,300,000港元（二零零二年十二月三十一日：62,500,000港元）則無抵押，而由附屬公司的少數股東以不收費形式提供擔保。二零零三年十二月三十一日的借貸比率為67.3%（二零零二年十二月三十一日：38.9%）。

本集團的業務交易主要以港元、人民幣及美元進行。除了為避免外匯風險而進行的對沖活動外，本集團政策為不從事對沖活動。於二零零三年十二月三十一日，本集團並無進行任何對沖活動。

## 資產抵押

於二零零三年十二月三十一日，本公司的附屬公司賬面值合共497,100,000港元（二零零二年十二月三十一日：136,600,000港元）的若干固定資產已抵押予銀行，以獲取該等附屬公司所使用的銀行融資額度。

## Liquidity and Financial Resources

As at 31 December 2003, the Group's cash and bank balances and pledged bank deposits totaling HK\$333.9 million (31/12/2002: HK\$260.6 million) included amounts held as follows: HK\$264.5 million and RMB73.5 million (31/12/2002: HK\$227.3 million and RMB30.7 million).

As at 31 December 2003, total bank loans of the Group, which amounted to HK\$662.4 million (31/12/2002: HK\$365.8 million), were made up of loans of US\$5.1 million, HK\$299.0 million and RMB345.0 million (31/12/2002: US\$8.0 million and RMB321.8 million). The increase in bank loans of HK\$296.6 million was mainly due to new Hong Kong dollar denominated loans, which bear interests at relatively lower rates, obtained for the acquisition of fixed assets and repayment of shareholders' loans of subsidiaries. Bank loans totaling HK\$304,850,000 carried interests at fixed rates. Of these bank loans, total amount of HK\$392.4 million (31/12/2002: HK\$108.2 million) were secured by fixed assets of the Group and a total of HK\$77.3 million (31/12/2002: HK\$62.5 million) were unsecured but covered by guarantees provided by minority shareholders of subsidiaries on a no fee basis. The gearing ratio as at 31 December 2003 was 67.3% (31/12/2002: 38.9%).

The Group's business transactions were mainly carried out in Hong Kong dollars, Renminbi and United States dollars. It is the policy that the Group will not engage in any hedging activities other than those for the avoidance of exchange risk. As at 31 December 2003, the Group did not engage in any hedging transactions.

## Charges on Assets

As at 31 December 2003, certain fixed assets of subsidiaries of the Company with an aggregate carrying value of HK\$497.1 million (31/12/2002: HK\$136.6 million) were pledged with banks for banking facilities used by these subsidiaries.

## 僱員

於二零零三年十二月三十一日，本集團共聘用了2,361名全職僱員，其中288名在香港工作，其餘2,073名在中國內地工作。本集團130名高中級管理人員的平均年齡約39歲。本集團主要根據僱員個別表現與經驗，並考慮業內慣常做法給予薪酬待遇。本公司已設立認股權計劃，僱員據此可能獲授認股權以購入本公司股份。本公司於年內所授出的認股權詳情載於董事會報告中的認股權計劃一節。

## 資本開支

誠如招股說明書所載，本集團計劃於二零零三年及二零零四年動用約294,700,000港元拓展業務。計劃進度情況如下：

| 拓展計劃                      | Expansion Plan  | 於二零零三年<br>十二月三十一日                                      |  |   |
|---------------------------|---|--|--|---|
|                           |   | 計劃開支<br>百萬港元<br>Planned<br>expenditure<br>HK\$ million | 已投資<br>百萬港元<br>Invested<br>as at<br>31/12/2003<br>HK\$ million | 將投資的結餘<br>百萬港元<br>Residual<br>balance<br>to be invested<br>HK\$ million |
| 於廣西自治區興建乾法水泥生產線、碼頭及進行改善工程 | Construction of a dry process cement production line, a pier and improvement works at our site in Guangxi ZAR | 225.7  | 145.6  | 80.1  |
| 擴充東莞廠房的水泥產能               | Expansion of cement production capacity at our site in Dongguan   | 50.0   | –  | 50.0  |
| 收購東莞水泥業務額外5%的權益           | Acquisition of additional 5% interest in our Dongguan cement business   | 4.8  | 4.8  | –   |
| 添置本公司東莞混凝土業務所使用的固定資產      | Additional fixed assets used by our Dongguan concrete operations  | 14.2   | 10.5   | 3.7   |
|                           |   | <u>294.7</u>   | <u>160.9</u>   | <u>133.8</u>  |

誠如上述各段所述，本集團於二零零四年一月動用約人民幣31,000,000元以收購深圳兩家混凝土公司。本集團亦擬投資合共1,300,000,000港元，在二零零六年底前於貴港市興建兩條新型乾法水泥生產線，其中數額共約40,000,000港元已被董事批准用作購買土地。

除了上述的項目外，本集團於二零零三年十二月三十一日並無其他重大的資本開支計劃。此等已計劃及擬動用資本開支及日後任何其他拓展將由內部資金、銀行借貸或發行新股償付。

## Employees

As at 31 December 2003, the Group employed a total of 2,361 full time employees of which 288 are based in Hong Kong and the remaining 2,073 are based in the Chinese Mainland. The average age of the 130 senior and middle managerial staff of the Group is about 39 years old. The Group offers its employees remuneration packages mainly on the basis of individual performance and experience and also having regard to industrial practice. The Company has established a share option scheme whereby employees of the Group may be granted options to acquire shares in the Company. Details of options granted during the year are stated in the section on Share Option Scheme in the Report of the Directors.

## CAPITAL EXPENDITURE

As stated in the Prospectus, the Group had expansion plans to the extent of approximately HK\$294.7 million for 2003 and 2004. The status of these plans are as follows:

| 拓展計劃                      | Expansion Plan  | 於二零零三年<br>十二月三十一日                                      |  |   |
|---------------------------|---|--|--|---|
|                           |   | 計劃開支<br>百萬港元<br>Planned<br>expenditure<br>HK\$ million | 已投資<br>百萬港元<br>Invested<br>as at<br>31/12/2003<br>HK\$ million | 將投資的結餘<br>百萬港元<br>Residual<br>balance<br>to be invested<br>HK\$ million |
| 於廣西自治區興建乾法水泥生產線、碼頭及進行改善工程 | Construction of a dry process cement production line, a pier and improvement works at our site in Guangxi ZAR | 225.7  | 145.6  | 80.1  |
| 擴充東莞廠房的水泥產能               | Expansion of cement production capacity at our site in Dongguan   | 50.0   | –  | 50.0  |
| 收購東莞水泥業務額外5%的權益           | Acquisition of additional 5% interest in our Dongguan cement business   | 4.8  | 4.8  | –   |
| 添置本公司東莞混凝土業務所使用的固定資產      | Additional fixed assets used by our Dongguan concrete operations  | 14.2   | 10.5   | 3.7   |
|                           |   | <u>294.7</u>   | <u>160.9</u>   | <u>133.8</u>  |

As mentioned in the preceding paragraphs, the Group spent about RMB31.0 million for the acquisition of two concrete companies in Shenzhen in January 2004. The Group also intends to invest a total of HK\$1.3 billion for building two NSP lines in Guigang city by 2006 of which an amount of approximately HK\$40.0 million has been approved by the Directors for acquisition of land.

Apart from the foregoing, the Group has no other significant planned capital expenditure as at 31 December 2003. These planned and intended capital expenditures and any other future expansion will be financed by internally generated funds, bank borrowings or new equity.