



隨著本集團的新型乾法水泥熟料生產線陸續建成投產，……區域市場影響力不斷提高，本集團將在發展中獲得更大的利益。

*With the gradual completion of construction and commencement of operations of the Group's NSP clinker production lines,…… our market influences continue to increase, the Group will be able to enjoy more benefits through development.*

## 年度業績

本年度的綜合營業額、綜合股東應佔盈利及每股基本盈利分別為1,684,400,000港元、12,500,000港元及0.033港元。

## 股息

於二零零五年五月三日，本公司向股東派付截至二零零四年十二月三十一日止年度每股5港仙的末期股息，合共支付約19,100,000港元。

本公司並無宣派本年度任何股息。董事會不建議派發本年度任何股息。

## 經營環境

二零零五年，中國政府繼續實施宏觀經濟調控政策，中國國內生產總值和固定資產投資增長率為9.9%和25.7%，比二零零四年分別下降0.2和0.9個百分點。

## FINAL RESULTS

The consolidated turnover, consolidated profit attributable to shareholders and basic earnings per share for the year amounted to HK\$1,684.4 million, HK\$12.5 million and HK\$0.033 respectively.

## DIVIDEND

On 3 May 2005, the Company paid a final dividend of HK5 cents per share for the year ended 31 December 2004 which amounted to total payment of approximately HK\$19.1 million to shareholders.

No dividend for the year has been declared. The Board does not recommend the payment of a dividend for the year.

## THE BUSINESS ENVIRONMENT

The Chinese Government continued its austerity economic policies in 2005 and the year-on-year growth rates of GDP and FAI were 9.9% and 25.7%, which were about 0.2 and 0.9 percentage points lower than those of 2004 respectively.

二零零五年，廣東地區生產總值和固定資產投資增長率約為12.5%和16.3%，比二零零四年分別下降1.7和3.6個百分點。廣西地區生產總值和固定資產投資增長率約為12.5%和40.5%，比二零零四年分別上升1.2和13.4個百分點。

由於供應緊張，二零零五年十二月，中國內地煤炭和成品油平均價格分別比一年前上升約7.0%和20.2%。

## 行業

預計二零零五年中國內地水泥產量將達到10.6億噸，比二零零四年增長約9.3%。在兩廣地區，預計二零零五年水泥產量將達到1.35億噸，比二零零四年增長約10%。

二零零五年，中國內地共有111條新型乾法水泥熟料生產線建成投產，新增熟料生產能力約1.0億噸。二零零五年底，中國內地新型乾法熟料生產能力約達4.29億噸（折合水泥約5.2億噸）。新型乾法水泥產量佔水泥總產量的比例將於二零零五年提升至45%。

二零零五年內，兩廣地區共有14條新型乾法水泥熟料生產線建成投產，每年新增水泥生產能力約2,000萬噸。二零零五年底，兩廣地區新型乾法熟料年生產能力達到3,500萬噸（折合水泥約4,200萬噸）。

中國內地統一的水泥工業廢棄物新排放標準已於二零零五年一月一日生效，過渡寬限期亦將於二零零六年七月一日屆滿，將顯著削弱立窯水泥的競爭力。

The year-on-year GDP and FAI growth rates in Guangdong were approximately 12.5% and 16.3% in 2005, down by 1.7 and 3.6 percentage points respectively as compared with those of 2004. The year-on-year GDP and FAI growth rates in Guangxi were approximately 12.5% and 40.5%, which were 1.2 and 13.4 percentage points higher than those of 2004 respectively.

Due to the tight supply, the average coal and gas prices in the Chinese Mainland increased by approximately 7.0% and 20.2% respectively in December 2005 as compared with those one year ago.

## THE INDUSTRY

Total cement production in the Chinese Mainland is expected to reach 1.06 billion tonnes in 2005, representing an increase of approximately 9.3% as compared with that of 2004. In Guangdong and Guangxi, total cement produced in 2005 is estimated to be approximately 135 million tonnes, representing an increase of approximately 10% as compared with that of 2004.

About 111 NSP clinker production lines with an aggregate annual clinker production capacity of approximately 100 million tonnes were built in 2005. At the end of 2005, total NSP clinker production capacity in the Chinese Mainland reached 429 million tonnes (equivalent to approximately 520 million tonnes of cement). NSP cement as a percentage of total production is expected to reach 45% in 2005.

During 2005, 14 NSP clinker production lines were completed in Guangdong and Guangxi, adding total cement production capacity of approximately 20 million tonnes a year. At the end of 2005, total NSP clinker annual production capacity in Guangdong and Guangxi combined reached 35 million tonnes (equivalent to approximately 42 million tonnes of cement).

The new emission standards for cement production in the Chinese Mainland that unify emission requirements to various cement manufacturing technologies has become effective on 1 January 2005 and the grace period will end on 1 July 2006. It will significantly undermine the competitiveness of vertical kilns.

## 戰略目標

本公司將堅持「兩點一線」的水泥業務發展戰略，採用「低成本」競爭戰略，致力於在華南地區水泥、混凝土行業建立行業領先地位，並將通過規模經濟提升整體成本效率。本集團將透過橫向擴張和縱向整合方式發展，提供完整的產品組合以滿足客戶多方面的需求，並計劃在未來三年內將水泥和混凝土年產能分別擴展至1,500萬噸和1,000萬立方米。

二零零五年，本公司在區域內的總體市場份額和新型乾法水泥市場份額分別約為3%和12%，計劃三年後，分別上升至約10%和20%。

未來兩年，本公司資源將向水泥銷售環節傾斜，包括建設水泥中轉庫、運輸和物流設施及水泥零售網絡，以擴大營銷能力。本公司今後將主要通過內涵式增長，也可能透過併購發展水泥業務。本公司亦將抓住區域內市場發展機會，致力於發展混凝土及預製件業務。

## 社會責任

中國政府正積極推行以廢棄物的減少、自然資源再利用、再循環及保護自然環境為特徵的「循環經濟」。節能、減少廢棄物排放、工業廢棄物和替代能源利用及窯尾餘熱發電將是水泥生產技術進步的方向。

本公司非常注意其社會責任，並重視環境保護，如減少污染物排放，利用工業廢棄物生產產品和環境恢復等。本集團全部生產設施均安裝有先進的環保設備。工業廢棄物如礦渣、粉煤灰等被廣泛應用於公司生產過程。本集團已啟動了能源再使用程序，將增設窯尾餘熱發電設備於生產程序中，以達到循環利用和節省能源資源的目的。

## STRATEGIC OBJECTIVES

The Company will stick to its cement business strategy of “two points, one stroke” and establish a leading position in the cement and concrete industry in Southern China by adopting the “low-cost” competitive strategy to improve overall cost efficiency through economies of scale. The Group will develop through both horizontal expansion and vertical integration to provide a complete range of products to meet various customer needs and plans to expand its annual cement and concrete production capacities to over 15 million tonnes and 10 million m<sup>3</sup> respectively in three years.

The Company's cement and NSP cement market shares in the region were approximately 3% and 12% respectively in 2005 and are planned to be increased to 10% and 20% respectively in three years.

In the next two years, the Company will prioritise its resources to develop cement sales and will enhance our marketing capability including the establishment of cement silo terminals, logistics and transportation, and cement retail networks. The Company is expanding its cement capacity through organic growth and may pursue external expansion through acquisitions. The Company will also focus on developing its concrete and precast operations to capitalise on emerging market opportunities in the region.

## SOCIAL RESPONSIBILITY

The Chinese Government is actively promoting “cyclic economy” as characterised by the reduction, re-use, and recycle of natural resources and protection of natural environment. Energy conserving, waste reduction, use of industry waste and alternative fuel, and power generation using waste heat (from the kiln) mark the new directions of cement manufacturing technology.

The Company is cautious of its social responsibilities, particularly environmental protection issues such as waste reduction, use of industry waste for production, and site restoration. Advanced environmental protection equipments are installed at all the Group's production facilities. Industrial waste such as slag and fly ash is extensively used in the Company's production process. The Group has commenced energy re-use program and will install facilities for the re-use of waste heat generated during the production process with a view to re-using of natural resources and saving energy.

本集團將積極與當地政府和居民配合，維護平靜和諧的環境及生活。二零零五年六月，廣西遭受了百年一遇的特大洪水。本集團的當地管理層和員工積極參與了當地的抗洪救災，以減低水災對社區的影響，並在廠區內組織了數次募捐活動，支援當地受到洪水災害的貧困家庭。

## 前景展望

二零零六年是中國實施「國民經濟和社會發展第十一個五年規劃」的第一年，預期中國內地、廣東及廣西地區生產總值和固定資產投資年增長率將分別約達8%和20%，9%和10%及10%和16%。在未來的五年，中國水泥行業總產量和新型乾法水泥生產能力將繼續增長。

根據「十一五規劃」，二零一零年，中國內地水泥總產量目標為12.5億噸，而於未來五年內，每年將至少淘汰5,000萬噸立窯水泥生產能力，新型乾法水泥比例將達到70%（約8.75億噸）。基於上述數據，今後5年中國內地每年需要建成投產新型乾法水泥生產能力約7,200萬噸，即每年約48條日產4,000噸新型乾法熟料生產線。在兩廣地區，15條新型乾法熟料生產線正在建設中，預計將於二零零七年底建成投產，屆時該地區水泥年產能將增加約2,300萬噸。

國家政策鼓勵投資建設日產4,000噸以上新型乾法水泥熟料生產線。中央政府正致力於二零一零年前，通過每單位的中國國內生產總值降低能源消耗20%，建設節能社會。儘管政府的計劃及政策推行需要一定時間和過程，水泥供過於求的局面，短期內不會完全改變，但是由於新型乾法水泥生產線在質量、能耗、環保、政策和規模方面的優勢，立窯水泥的最後退出將是不可避免的趨勢。隨著跨國水泥生產企業加速進入中國水泥行業和新的新型乾法水泥生產線不斷建成投產，中國內地水泥行業的整合將進一步加速。

The Group will endeavor to work closely with local governments and residents for the peaceful and harmonious environment and livings. In June 2005, Guangxi was hit by one of the largest floods in a century. The Group's local management and staff had actively participated in the local community's effort to fight against floods and minimise their impact on the community. A number of donations inside our factories were organised to assist the poor domestic households hit by flood disasters.

## PROSPECTS

The year 2006 is the first year of China's "11th Five-Year Social and Economic Development Plan". GDP and FAI are expected to grow at average annual rates of approximately 8% and 20% in the Chinese Mainland, 9% and 10% in Guangdong and 10% and 16% in Guangxi respectively. The cement industry in the Chinese Mainland will continue to grow in the next five years in terms of NSP cement capacity and total production.

According to the 11th Five Year Plan, total cement production in the Chinese Mainland is targeted at 1.25 billion tonnes in 2010, at least 50 million tonnes of vertical kiln cement production capacity will be eliminated in each of the next five years and NSP cement will represent 70% (about 875 million tonnes) of total cement production capacity. On this basis, about 72 million tonnes of NSP cement production capacity on average shall be completed in each of the next five years in the Chinese Mainland, equivalent to 48 sets of 4,000 tonnes per day clinker production lines per year. In Guangdong and Guangxi, about 15 sets of NSP clinker production lines are under construction and are expected to be completed by the end of 2007. By then, the annual cement production capacity in the area will be increased by approximately 23 million tonnes.

It is the policy of the Chinese Government to encourage the investment in NSP clinker production lines with minimum daily capacity of 4,000 tonnes. The central government is aiming at creating an energy-efficient society by reducing energy consumption by 20% for each unit of GDP by 2010. Notwithstanding all these government plans and policies which will require certain time and procedures for their implementation, the oversupply of cement will not be fully altered in the near future. However, the phase out of vertical kiln cement will be commercially inevitable primarily due to the competitive advantages of NSP cement production lines such as better quality, lower energy consumption, being more environmentally friendly, government policy, and economies of scale. Industry consolidation will accelerate as multi-national cement producers increase their presence in the Chinese Mainland and more large scale NSP cement production lines are completed.

由於近年來中國內地煤炭行業投資迅猛，煤炭供應緊張狀況有所緩解。預計二零零六年，中國內地煤炭供應量和需求量將分別為22.6億噸和22.5億噸。預計未來數年，中國內地煤炭價格將不會大幅上漲。

二零零六年一月一日起，中國政府已在全國所有省（區）轄城市禁止現場攪拌混凝土。未來幾年，中國內地商品混凝土行業將高速增長。

隨著本集團的新型乾法水泥熟料生產線陸續建成投產，本公司的市場競爭力已經得到提升。經過幾年的迅速發展，本公司的資產質素不斷改善，生產能力不斷擴大，區域市場影響力不斷提高，本集團將在發展中獲得更大的利益。

## 致謝

對中國水泥行業而言，二零零五年是充滿困難和挑戰的一年。本人謹此代表董事會，對在過去的一年裏給予本公司大力支持的各位股東及為公司發展作出辛苦努力的全體員工致以誠摯的謝意。

主席  
喬世波

香港，二零零六年三月十日

As a result of heavy investments in coal production capacity in the Chinese Mainland during the recent years, the tight coal supply position has been relieved. It is estimated that coal supply and demand in the Chinese Mainland in 2006 will be 2.26 billion and 2.25 billion tonnes respectively. Coal price is not expected to increase significantly in the next couple of years.

The Chinese Government has banned on-site concrete batching in all the provincial and regional governed cities across the Chinese Mainland commencing 1 January 2006. The concrete industry in the Chinese Mainland will experience a period of rapid growth in the next few years.

With the gradual completion of construction and commencement of operations of the Group's NSP clinker production lines, the competitiveness of the Company in the marketplace has been strengthened. After the vigorous development in the past years, the quality of the Company's assets have continued to improve and the Company's production capacities have been enhanced. With our market influences continue to increase, the Group will be able to enjoy more benefits through development.

## APPRECIATION

Year 2005 has been a year full of difficulties and challenges to the cement industry in China. On behalf of the Board, I would like to extend my most sincere gratitude to shareholders for their great support and all the colleagues for their contribution and dedication to the successful development of the Company during the past year.

QIAO Shibo  
Chairman

Hong Kong, 10 March 2006