

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

## 業務回顧

截至二零零五年十二月三十一日止年度的綜合營業額及綜合毛利分別為1,684,400,000港元及332,300,000港元，較去年1,438,400,000港元及374,900,000港元分別增長17.1%及減少11.4%。綜合毛利率為19.7%，而去年則為26.1%，主要由於生產成本顯著上升，但整體售價下降所致。

本年度的本公司股東應佔盈利為12,500,000港元，較去年的82,400,000港元下降84.8%。

截至二零零五年十二月三十一日止年度，經營業務所產生的綜合現金淨額為9,400,000港元，較去年淨額160,600,000港元減少94.1%。

### 水泥業務

於年內，本集團向外部客戶銷售共3,400,000噸水泥，較去年增加11.1%。產品中約89.3%及10.7%分別以散裝及袋裝付運，相對於去年分別為92.9%及7.1%，其中81.6%為42.5級或以上標號水泥（二零零四年：87.9%）。

## REVIEW OF OPERATIONS

The consolidated turnover and consolidated gross profit for the year ended 31 December 2005 amounted to HK\$1,684.4 million and HK\$332.3 million, representing increase of 17.1% and decrease of 11.4% over HK\$1,438.4 million and HK\$374.9 million respectively for the last year. The consolidated gross margin was 19.7%, as compared to 26.1% for the last year, attributable primarily to the significant increase in production costs and the decrease in general selling prices.

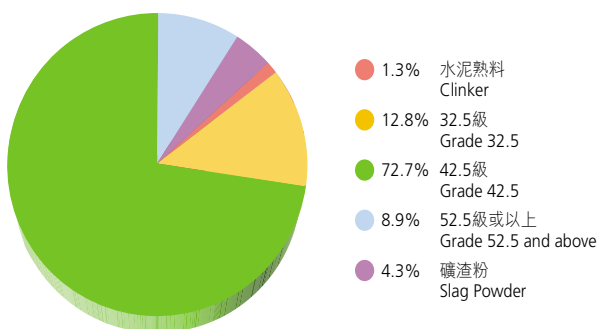
The profit attributable to shareholders of the Company for the year was HK\$12.5 million, representing a decrease of 84.8% from HK\$82.4 million for the last year.

For the year ended 31 December 2005, the consolidated net cash generated from operating activities amounted to HK\$9.4 million, representing a decrease of 94.1% from HK\$160.6 million for the last year.

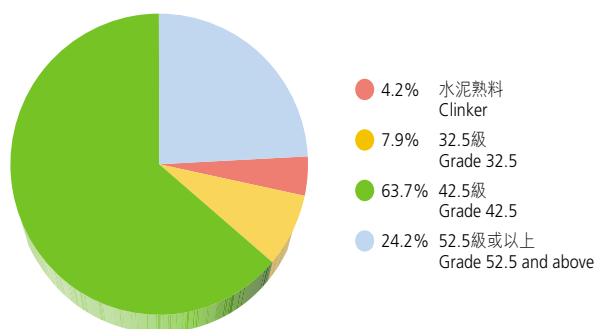
### Cement Business

During the year, the Group sold a total of 3.4 million tonnes of cement products to outside customers, representing an increase of 11.1% over that of the last year. Approximately 89.3% and 10.7% of our products are delivered in bulk and in bag, compared with 92.9% and 7.1% respectively of the last year and 81.6% of which are Grade 42.5 and above (2004: 87.9%).

## ANALYSIS OF CEMENT SALES VOLUME BY TYPE 水泥銷售量分析（按品種）



2005



2004

水泥在中國內地的市場價格於二零零五年波動不定。本集團水泥產品於二零零五年上半年的平均售價維持穩定，惟二零零五年下半年卻出現下跌，原因為於本集團目標市場更多新增產能投產，市場競爭加劇，本集團水泥產品於二零零五年的平均售價較二零零四年下跌4.8%。

煤炭價格自二零零四年下半年起一直大幅上升，於二零零五年全年一直維持於高水平，此乃煤的需求上升及由於油價高企及政府致力打擊超載，使煤的運輸成本上漲所致。按年度計算，本集團的煤炭採購價格於二零零五年平均增加約28.5%。加上其他生產成本上漲，本集團二零零五年初現存的生產線於二零零五年的水泥生產成本較二零零四年上升約7.8%。二零零五年度本集團擁有熟料生產線的生產基地的煤炭總成本佔其水泥生產的總成本約41%，較二零零四年增加兩個百分點。

The market prices of cement in the Chinese Mainland were volatile in 2005. The average selling prices of our cement products remained stable in the first half of year 2005, but have dropped in the second half of 2005 as a result of intensified market competition due to the release of more new production capacity into our target markets, which has led to a drop of 4.8% in the average selling price of our cement products for 2005 as compared with 2004.

Coal prices have increased significantly since the second half of 2004 and remained steady at high level throughout 2005, resulting from increase in demand for coal and higher coal transportation costs in response to high oil prices and the government's effort to combat over-loading. On a year to year basis, the Group's coal purchase price increased by an average of approximately 28.5% during 2005. Coupled with other production cost increases, our cement production cost in respect of production lines existing at the beginning of 2005 increased by approximately 7.8% in 2005 compared with 2004. For the year ended 31 December 2005, total coal costs represented approximately 41% of our total cement production costs for our production plants with clinker production lines, an increase of 2 percentage points compared with that of 2004.



本集團位於廣西平南水泥生產基地的附設碼頭  
The Group's pier attached to the cement production site at Pingnan, Guangxi

由於成本大幅上漲，本集團的濕法水泥熟料生產線（成本效益較新型乾法水泥熟料生產線為低）只能因應需求而間歇性運作。本集團的新型乾法水泥熟料生產線於二零零五年處於滿負荷運轉狀態。

As a result of significant cost increases, our wet process clinker production lines, which are not as cost efficient as the NSP clinker production lines, have been operating intermittently according to demand. During 2005, our NSP clinker production lines operated at full capacity.

本年度的水泥業務綜合營業額為813,500,000港元，較去年的724,500,000港元增加12.3%。本年度的水泥業務綜合盈利為66,400,000港元，較去年的129,700,000港元減少約48.8%。

The consolidated turnover of Cement Business for the year was HK\$813.5 million, representing an increase of 12.3% as compared with HK\$724.5 million last year. The consolidated profit from cement operations for the year amounted to HK\$66.4 million, which is approximately 48.8% less than HK\$129.7 million for the last year.

於二零零五年一月十三日，本集團完成向華潤集團收購華潤平南水泥73.5%股本權益及有關股東貸款，總代價約151,700,000港元。華潤平南水泥生產線於二零零四年十月建成，經過運行調試，於二零零五年七月已逐步達到正常水平。

於二零零五年二月二十三日，本集團完成收購擁有東莞水泥廠全部權益的華潤東莞水泥廠控股有限公司的餘下25%股本權益。有關收購事項的詳情已載於本集團於二零零五年二月七日致股東的通函。

於二零零五年五月，本集團位於東莞水泥廠年產能達500,000噸的礦渣粉新生產線建成。建設該生產線有助本集團擴大產品組合，並為客戶提供了通過使用新產品以降低成本的機會。

本集團旗下於廣西的貴港水泥基地新建的日產5,000噸新型乾法水泥熟料生產線，以及紅水河水泥基地新建的日產3,200噸新型乾法水泥熟料生產線，已分別於二零零五年十二月及二零零六年一月建成。



已建設完成位於廣西貴港的日產5,000噸新型乾法水泥熟料新生產線  
Our newly completed 5,000 tonnes per day NSP clinker production line in Guigang, Guangxi

於二零零五年十二月三十一日，本集團的新型乾法水泥熟料生產線及水泥粉磨生產線的年產能分別達3,900,000噸及7,700,000噸。預期華潤平南水泥新日產5,000噸的新型乾法水泥熟料生產線將於二零零六年第二季建成。當上述建設項目建成時，本集團將擁有年產能達6,400,000噸的新型乾法水泥熟料生產線及年產能約9,600,000噸的水泥粉磨生產線。

為了充份利用本集團的土地、碼頭和礦山資源，本公司已開始在廣西貴港基地再建造另一條日產5,000噸的新型乾法熟料生產線，預期於二零零六年第三季度完成。屆時，本集團的新型乾法熟料產能和水泥粉磨能力將分別達每年8,000,000噸和11,400,000噸。

On 13 January 2005, the Group completed the acquisition of 73.5% equity interest in CR Pingnan Cement and the related shareholder's loans from CR Holdings at the aggregate consideration of approximately HK\$151.7 million. The production line of the CR Pingnan Cement has been in normal operations since July 2005 after its completion in October 2004.

On 23 February 2005, the Group completed the acquisition of the remaining 25% equity interest in China Resources Dongguan Cement Manufactory Holdings Limited which holds 100% interests in our Dongguan cement plant. Details of the acquisition were as described in our circular to shareholders on 7 February 2005.

In May 2005, the construction of the Group's new production line with an annual production capacity of 500,000 tonnes of slag powder at our Dongguan cement plant was completed. The establishment of this production line has enabled the Group to expand its product mix and provide customers with opportunities to lower their cost through the use of new products.

The construction of a new 5,000 tonnes per day NSP clinker production line at our Guigang cement plant and a new 3,200 tonnes per day NSP clinker production line at our Hongshuihe cement plant in Guangxi were completed in December 2005 and January 2006 respectively.

At 31 December 2005, the Group possessed NSP clinker annual production capacity of 3.9 million and cement grinding capacity of 7.7 million tonnes. It is anticipated that the new 5,000 tonnes per day NSP clinker production line at CR Pingnan Cement will be completed in the second quarter of 2006. When this construction project is completed, the Group will possess NSP clinker production lines with annual production capacity of 6.4 million tonnes and cement annual grinding production capacity of approximately 9.6 million tonnes.

In order to fully utilised our land, pier and limestone resources, the Company has commenced the construction of an additional 5,000 tonnes per day NSP clinker production line at Guigang, Guangxi which is expected to be completed by the third quarter of 2006. By then, the Group's NSP clinker production capacity and cement grinding capacity will be 8.0 million and 11.4 million tonnes per annum respectively.

本集團位於平南及貴港的水泥廠房均附設碼頭，以供運送原材料及水泥產品往返西江沿江地區。因此，本集團不再按原來計劃將廣西欽州在建設中的碼頭用作物流用途，並已於年內重新定為賺取租金收入及獲得資本增值的投資物業。

Our cement manufacturing plants at Pingnan and Guigang are all equipped with piers for logistic movement of raw materials and cement products along Xijiang River. To ensure that our assets are deployed efficiently, the pier which was under construction at Qinzhou, Guangxi has no longer served its originally intended usage for our own logistic operations and has been re-designated as investment property for rental income and capital appreciation during the year.

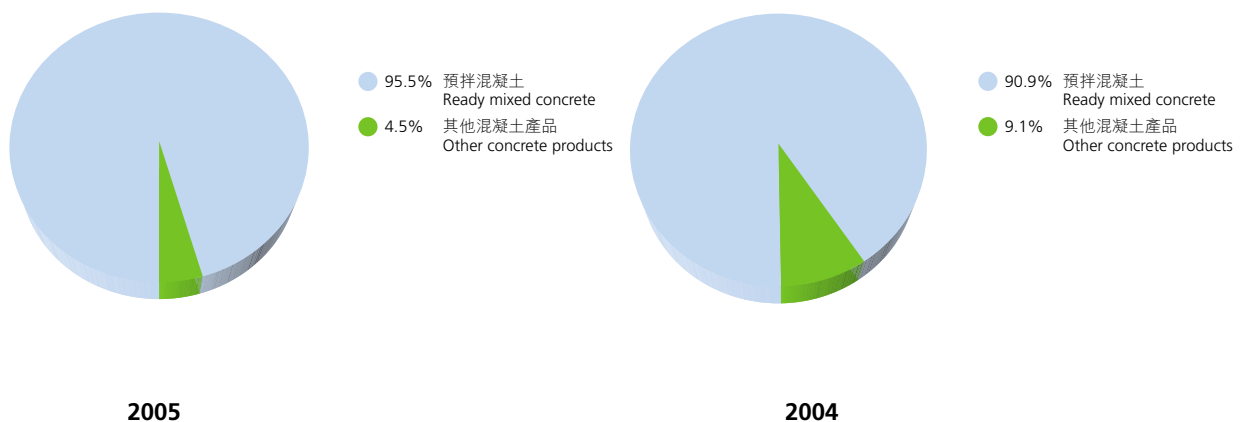
### 混凝土業務

### Concrete Business

香港經濟於二零零五年已見好轉，惟對於建築業的影響卻未見顯著，預拌混凝土的整體需求於二零零五年進一步下滑。雖然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%，以及混凝土的市場售價已回升，但本集團的香港混凝土（含砂漿等其他混凝土產品）總銷售量為491,000立方米，較二零零四年的596,000立方米減少17.6%。二零零五年，本集團在中國內地從事混凝土業務的附屬公司生產及銷售約1,973,000立方米預拌混凝土，而二零零四年所生產及銷售的預拌混凝土則為1,003,000立方米。本集團在中國內地市場的混凝土價格年內下跌約6.1%。

The Hong Kong economy appears to have improved slightly during 2005 but its effect on the construction industry has not yet been significant. Overall demand for ready mixed concrete in Hong Kong decreased further in 2005. Although we managed to maintain a proportionate market share of approximately 11% in the ready mixed concrete market of Hong Kong and concrete market selling price has been recovering, our total concrete sales (including mortars and other concrete products) in Hong Kong was 491,000 m<sup>3</sup>, representing a decrease of 17.6% from 596,000 m<sup>3</sup> of 2004. In 2005, the Group's subsidiaries engaged in Concrete Business in the Chinese Mainland produced and sold approximately 1,973,000 m<sup>3</sup> of ready mixed concrete, as compared with 1,003,000 m<sup>3</sup> in 2004. Our concrete prices in the Chinese Mainland dropped by approximately 6.1% during the year.

## ANALYSIS OF CONCRETE SALES VOLUME BY TYPE 混凝土銷售量分析（按種類）



## 管理層討論及分析 Management Discussion and Analysis

本年度混凝土業務(不含預製件產品業務)的綜合營業額及經營盈利分別為672,900,000港元及42,900,000港元,較去年的499,900,000港元及31,800,000港元分別增加34.6%及34.9%。

二零零五年十二月三十一日,本集團於香港及中國內地的混凝土總年產能分別約達1,500,000立方米及2,900,000立方米。

The consolidated turnover and profit from operations of our Concrete Business, excluding our Precast Products Business, for the year amounted to HK\$672.9 million and HK\$42.9 million, representing increases of 34.6% and 34.9% from HK\$499.9 million and HK\$31.8 million respectively for the last year.

As at 31 December 2005, the Group's total annual concrete production capacity in Hong Kong and in the Chinese Mainland were approximately 1.5 million m<sup>3</sup> and 2.9 million m<sup>3</sup> respectively.



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

為擴大本集團在中國內地預拌混凝土市場的佔有率,本集團已於廣西南寧市的西鄉塘、北海市以及廣東佛山市設立三家附屬公司,以便在該等地區建造攪拌站。預期該等地區的總年產能可達1,600,000立方米,並於二零零六年四月至九月投入運作。

In order to expand our market share of ready mixed concrete in the Chinese Mainland, the Group has established three subsidiaries in Xixiangtang of Nanning and Beihai of Guangxi, and in Foshan of Guangdong for the purpose of building new concrete batching plants in these areas. It is expected that annual production capacity of 1.6 million m<sup>3</sup> in total will be set up and put into operations from April to September 2006 in these areas.

### 預製件產品業務

二零零五年內,本集團預製件產品業務製造合共242,000噸預製件產品,比二零零四年增加18.1%,仍為香港最大的預製件產品供應商,市場佔有率約35%。年內的總營業額約為198,100,000港元,比去年的214,000,000港元減少7.4%。

### Precast Products Business

During 2005, our Precast Products Business manufactured a total of 242,000 tonnes of precast products. This represents an increase of 18.1% over 2004 and the business remains as the largest precast product supplier in Hong Kong with a market share of approximately 35%. Total turnover amounted to approximately HK\$198.1 million during the year, representing a decrease of 7.4% from HK\$214.0 million for the last year.



八號幹線(荔枝角道) – 本集團製造的預製混凝土高架橋段樑  
Route 8 (Lai Chi Kok Viaduct) – precast concrete bridge viaduct produced by the Group

由於預製件產品銷售訂單製造期和付運期較長，年內完成的大部份銷售訂單於二零零三年確認，而近兩年來，鋼材及燃油價格不斷上揚，導致生產及運輸成本增加，亦對預製件產品業務造成重大影響，致使年內錄得來自本集團預製件產品業務的本公司股東應佔虧損總額33,900,000港元，去年虧損為1,100,000港元。

於二零零五年十二月三十一日，本集團的預製件產品業務的未完成訂單價值約達221,100,000港元，其中約130,000,000港元及88,900,000港元分別為澳門及香港的項目。該等合同大部份於二零零五年獲得，而預期其中價值共183,400,000港元的訂單將於二零零六年交付，價值共37,700,000港元的訂單將於二零零七年交付。

#### 流動資金及財政資源

於二零零五年一月十三日，本集團以現金方式向華潤集團的全資附屬公司首成投資有限公司發行由本公司擔保並可以最初兌換價每股2.00港元兌換本公司400,000,000股股份，價值為800,000,000港元並於二零一零年到期的零息可兌換債券。債券自二零零五年三月二日起在聯交所上市。於二零零五年十二月三十一日，合共112,000港元的債券已兌換為本公司56,000股股份。

於二零零五年十二月三十一日，本集團的現金及銀行結餘總額為221,400,000港元（二零零四年十二月三十一日：257,200,000港元），其中包括59,300,000港元及人民幣168,000,000元（二零零四年十二月三十一日：133,800,000港元及人民幣131,300,000元）。

The production and delivery schedules of precast products are relatively long. Most orders completed in the year were confirmed in 2003. Production and transportation cost increases in the last two years, caused by the continuing increase in the price of steel and oil, have had a significant impact on the Precast Products Business. This has resulted in a total loss attributable to shareholders of the Company of HK\$33.9 million from the Group's Precast Products Business during the year, as compared with HK\$1.1 million loss for the last year.

As at 31 December 2005, our Precast Products Business had backlog orders with value of approximately HK\$221.1 million of which approximately HK\$130.0 million and HK\$88.9 million are related to projects in Macau and Hong Kong respectively. These contracts were substantially awarded during 2005 and it is expected that these orders with values of HK\$183.4 million and HK\$37.7 million will be delivered in 2006 and 2007 respectively.

#### Liquidity and Financial Resources

On 13 January 2005, the Group issued HK\$800.0 million zero coupon convertible bonds due 2010 guaranteed by and convertible into 400.0 million shares of the Company at the initial conversion price of HK\$2.00 per share for cash to Firstsuccess Investments Limited, a wholly owned subsidiary of CR Holdings. The Bonds have been listed on the Stock Exchange since 2 March 2005. At 31 December 2005, a total of HK\$112,000 of the Bonds has been converted into 56,000 shares of the Company.

As at 31 December 2005, the Group's cash and bank balances totaling HK\$221.4 million (31/12/2004: HK\$257.2 million) included amounts held as follows: HK\$59.3 million and RMB168.0 million (31/12/2004: HK\$133.8 million and RMB131.3 million).

於二零零五年十二月三十一日，本集團共獲總數3,143,800,000港元由若干銀行提供的銀行額度，尚餘未用的額度合共為1,081,200,000港元。根據若干融資額度合共1,100,000,000港元的銀行協議的條款，本公司的控股公司華潤集團須持有本公司不少於51%具投票權的股本。

於二零零五年十二月三十一日，本集團的銀行貸款總額為1,985,900,000港元（二零零四年十二月三十一日：691,600,000港元），包括726,700,000港元及人民幣1,310,300,000元的貸款（二零零四年十二月三十一日：2,200,000美元、379,500,000港元及人民幣314,000,000元）。在該等銀行貸款中，合共528,800,000港元（二零零四年十二月三十一日：168,100,000港元）乃按固定息率計算利息；合共244,400,000港元乃以本集團的資產作抵押（二零零四年十二月三十一日：282,700,000港元以本集團的資產作抵押，另45,200,000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）。二零零五年十二月三十一日的借貸比率為212.3%（二零零四年十二月三十一日：68.3%）。

本集團的業務交易主要以港元、人民幣及美元進行，由於這些貨幣的聯繫關係，本公司須承擔之外匯風險乃微不足道。本集團政策為不從事任何投機活動。於二零零五年十二月三十一日，本集團並無進行任何對沖交易。

#### 資產抵押

於二零零五年十二月三十一日，本公司的附屬公司賬面值合共351,200,000港元（二零零四年十二月三十一日：532,300,000港元）的若干資產已抵押予銀行，以獲取該等附屬公司所使用的銀行融資額度。

#### 僱員

於二零零五年十二月三十一日，本集團共聘用了4,757名（二零零四年十二月三十一日：3,070名）全職僱員，其中230名（二零零四年十二月三十一日：263名）在香港工作，其餘4,527名（二零零四年十二月三十一日：2,807名）在中國內地工作。本集團293名（二零零四年十二月三十一日：184名）高中級管理人員的平均年齡約為38歲（二零零四年十二月三十一日：38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福利待遇。本公司已設立認股權計劃，本集團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及財務報表附註29。

At 31 December 2005, the Group has total banking facility from certain banks to the extent of HK\$3,143.8 million and total amount of HK\$1,081.2 million remains unused and is available for draw down. Under the terms of certain agreements for total banking facility of HK\$1.1 billion, CR Holdings, the Company's holding company is required to hold not less than 51% of the voting share capital in the Company.

As at 31 December 2005, total bank loans of the Group, which amounted to HK\$1,985.9 million (31/12/2004: HK\$691.6 million), comprised loans of HK\$726.7 million and RMB1,310.3 million (31/12/2004: US\$2.2 million, HK\$379.5 million and RMB314.0 million). Bank loans totaling HK\$528.8 million (31/12/2004: HK\$168.1 million) carried interests at fixed rates. Of these bank loans, total amount of HK\$244.4 million was secured by assets of the Group (31/12/2004: HK\$282.7 million secured by assets of the Group and HK\$45.2 million was unsecured but covered by guarantees provided by minority shareholders of subsidiaries on a no fee basis). The gearing ratio as at 31 December 2005 was 212.3% (31/12/2004: 68.3%).

The Group's business transactions were mainly carried out in Hong Kong dollars, Renminbi and United States dollars and given the linkage between these currencies, its exposure to exchange risk is insignificant. It is the policy that the Group will not engage in any speculative activity. As at 31 December 2005, the Group did not engage in any hedging transaction.

#### Charges on Assets

As at 31 December 2005, certain assets of subsidiaries of the Company with an aggregate carrying value of HK\$351.2 million (31/12/2004: HK\$532.3 million) were pledged with banks for banking facilities used by these subsidiaries.

#### Employees

As at 31 December 2005, the Group employed a total of 4,757 (31/12/2004: 3,070) full time employees of which 230 (31/12/2004: 263) are based in Hong Kong and the remaining 4,527 (31/12/2004: 2,807) are based in the Chinese Mainland. The average age of the 293 (31/12/2004: 184) senior and middle managerial staff of the Group is about 38 (31/12/2004: 38) years. 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 shown in the section on the Share Option Scheme contained in the Report of the Directors and Note 29 to the financial statements.

## 資本開支

誠如二零零四年年報所載，本集團於二零零四年十二月三十一日尚需投資的拓展計劃的結餘約為836,600,000港元。於二零零五年十二月三十一日的計劃進度及其他資本開支計劃的情況如下：

## CAPITAL EXPENDITURE

The residual balance of the Group's expansion plans to be invested at 31 December 2004 as stated in the Annual Report for 2004 was approximately HK\$836.6 million. The status of these plans and other planned capital expenditure at 31 December 2005 are as follows:

二零零四年年報 所載的拓展計劃	Expansion plan stated in Annual Report 2004	於二零零四年	於年度內	於年度內	於二零零五年
		十二月三十一日 尚需投資的結餘 百萬港元 Balance to be invested at 31/12/2004 HK\$ million	批准(取消)投資 百萬港元 Authorised (cancelled) during the year HK\$ million	實際投資 百萬港元 Invested during the year HK\$ million	十二月三十一日 尚需投資的結餘 百萬港元 Balance to be invested at 31/12/2005 HK\$ million
於廣西興建乾法水泥 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 in Guangxi	36.9	(36.8)	0.1	–
擴充東莞廠房的 水泥生產能力	Expansion of cement production capacity at our site in Dongguan	56.3	9.4	65.7	–
於廣西貴港市興建兩條 乾法水泥生產線	Construction of two NSP cement production lines at Guigang, Guangxi	572.0	384.4	632.4	<b>324.0</b>
收購華潤平南水泥	Acquisition of CR Pingnan Cement	151.7	–	151.7	–
於廣西平南興建一條日產 5,000噸新型乾法 水泥熟料生產線	Construction of a 5,000 tonnes per day NSP clinker production line at Pingnan, Guangxi	–	497.7	377.5	<b>120.2</b>
於廣西紅水河水泥基地興建 一條日產3,200噸新型乾法水泥 熟料生產線	Construction of a 3,200 tonnes per day NSP clinker production line at Hongshuihe cement plant in Guangxi	–	216.0	136.8	<b>79.2</b>
窯尾餘熱發電設備	Waste heat generation facilities	–	86.5	0.2	<b>86.3</b>
		<b>816.9</b>	<b>1,157.2</b>	<b>1,364.4</b>	<b>609.7</b>
其他已訂約但未撥備的 資本開支	Other capital expenditure contracted but not provided for	19.7	257.8	113.9	<b>163.6</b>
		<b>836.6</b>	<b>1,415.0</b>	<b>1,478.3</b>	<b>773.3</b>

除了上述項目外，本集團於二零零五年十二月三十一日並無其他已計劃的重大資本開支。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、借貸、引入策略投資者或發行新股償付。

Apart from the foregoing, the Group has no other significant planned capital expenditure as at 31 December 2005. These planned and intended capital expenditures and any other future expansion will be financed by internally generated funds, borrowings, introduction of strategic investors or new equity.