

總裁報告書

President's Statement

本人謹此代表董事會（「董事會」）向全體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」）之截至二零零六年十二月三十一日止年度之業績。

業績

二零零六年業績有明顯回升，主要得益於本集團之附屬公司運轉正常，產品產銷量比上年明顯增長，銷售價格有所回升。本集團已走出低谷，有機會進入新的增長期。對此本集團深感欣慰。然而，水泥市場供過於求的狀態將持續存在，管理層應有足夠思想準備。



二零零六年本集團來自持續經營業務之營業額為港幣384,931,000元，較上年增長11%。本公司股東應佔溢利為港幣387,000元，上年則為虧損港幣35,233,000元。

股息

董事會決議不派發截至二零零六年十二月三十一日止年度之末期股息（二零零五年：無）。

On behalf of the board of directors (the "Board"), 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, 2006.

RESULTS

The Group's 2006 results showed marked recovery, mainly because the operations of its subsidiaries returned to normal. Both production and sales of its products demonstrated evident growth as compared to the previous year, and selling prices increased. The Group has passed its hardest time and is well positioned to enter into a new growth period. The Group is delighted at such achievement. However, the management should bear in mind that over-supply condition in cement market will continue to exist.

The Group's turnover from continuing operations for 2006 amounted to HK\$384,931,000, representing an increase of 11% as compared to the previous year. Profit attributable to equity holders of the Company was HK\$387,000 as compared to the loss of HK\$35,233,000 in the previous year.

DIVIDEND

The Board resolved not to recommend any final dividend for the year ended 31st December, 2006 (2005: nil).

展望

據中國建材報資料「二零零六年中國內地水泥產量達12.4億噸，比上年增長17%，增速比上年提升7.7個百分點。」二零零七年初，國家發改委、國土資源部及中國人民銀行公佈重點支持的六十家水泥企業集團名單，本集團有幸列入其中。國家此舉意在支持技術、管理較先進、規模較大的水泥企業集團去兼併、收購、改造落後水泥企業，並且在融資、土地審批、項目立項方面給予優惠，從而促進水泥行業健康有序發展。

另一方面，國家強調循環經濟對水泥企業既是挑戰、又是機會。所謂挑戰是因為水泥是一種高能耗產業，其資源消耗也是很大的，水泥企業如果不能與時俱進，將受到限制和打擊；然而，由於水泥的生產工藝適合於處理廢棄物用工業廢料代替部分原料，同時用城市垃圾及工廠廢料代替部分燃料，由此水泥企業有機會在國家戰略中扮演重要角色。

新一輪宏觀調控，特別是土地增值稅從二零零七年二月一日開始清算，使房地產業出現不明朗因素。對此本集團需謹慎評估其對本集團之不利影響，以便在不斷變化的環境中處於有利地位。

PROSPECTS

According to the China Building Materials News, "in 2006, the cement production in Mainland China reached 1.24 billion tonnes, representing a 17% year-on-year increase and a 7.7 percentage point rise in growth rate as compared to the year before". In early 2007, 60 cement enterprises were listed jointly by the State Development and Reform Commission, the Ministry of Land and Resources and the People's Bank of China to obtain special supports, and the Group is luckily one of them. The initiative from the government aims at supporting a number of large-scale, technologically advanced and well managed cement enterprises to merge, acquire and transform those outdated cement enterprises, and in the meantime offering the former with preferential treatment in financing, land approval and project initiation, so as to boost the nation's cement industry to develop in a healthy and orderly way.

On the other hand, the nation's emphasis on recycling economy presents both challenge and opportunity to cement enterprises. It is a challenge because the cement industry is an energy-consuming industry that consumes large quantity of resources. Cement enterprises that fail to advance with times will face some limitations and obstacles. However, the cement industry is also a waste-recycling industry where, in the production of cement, industry scraps can be used to substitute some of the raw materials and city wastes and factory scraps can be used to substitute some of the fuels. Therefore, it is also an opportunity for cement enterprises as they may hopefully play an important role in the government's development strategy.

The new macro-economic adjustments, in particular the land appreciation tax assessment that came into effect on 1st February, 2007, may cast uncertainties on the real estate industry. We shall make a careful assessment on what adverse effect this may cause to us so as to place the Group in a favourable position in the changing environment.



致謝

謹此感謝社會各界、客戶、股東及員工對本集團的理解和支持。

總裁
黃清海

香港，二零零七年三月二十二日

APPRECIATION

We would like to extend our sincere thanks to all sectors of the society, our customers, shareholders and staff for their understanding and support.

Ng Qing Hai
President

Hong Kong, 22nd March, 2007

