

## 年度業績

期間的綜合營業額、綜合股東應佔盈利及每股基本盈利分別為543,700,000港元、23,600,000港元及0.114港元。

## 公司策略

二零零三年是充滿挑戰的一年，也是中國經濟及中國水泥業蓬勃發展的一年。非典型肺炎及華南出現嚴重旱情，對整體經濟及人民生活造成重大影響，然而在此等困境及挑戰下，中國內地的國民生產總值及資本開支於二零零三年仍分別達人民幣116,000億元及人民幣55,000億元，年增長分別為9.1%及26.7%。中國內地經濟強勁增長，更多的資本開支投放在基建及房地產開發項目，繼而對一般建材（包括水泥）產生龐大需求。中國內地水泥業在二零零三年經歷快速增長及整合，水泥的總生產量約862,000,000噸（資料來源：中國國家統計局），較二零零二年增長約18.9%。二零零三年，新型乾法水泥佔中國內地水泥總產能約23%。

本公司銳意參與行業整合、提高水泥業技術及管理水平，為中國建築業提供優質建材，支持中國建築業的發展。本公司為中國少數水泥及混凝土產業鏈一體化的製造商之一，業務範圍涵蓋礦山開採、熟料及水泥生產、預拌混凝土攪拌及預製混凝土產品生產。本公司亦將致力於廣東省及廣西自治區的水泥業市場建立領導地位，並成為中國最具競爭力的水泥及混凝土生產商之一。

## FINAL RESULTS

The consolidated turnover, consolidated profit attributable to shareholders and basic earnings per share for the Period amounted to HK\$543.7 million, HK\$23.6 million and HK\$0.114 respectively.

## CORPORATE STRATEGY

Year 2003 was a challenging year, yet a prosperous year for the Chinese economy and the Chinese cement industry. Severe Acute Respiratory Syndrome, followed by serious drought in Southern China, had a significant impact on the general economy and people's life. Despite of the troubles and challenges, the Chinese Mainland's Gross Domestic Products and capital expenditures reached RMB11,600 billion and RMB5,500 billion respectively in 2003, representing annual growth of 9.1% and 26.7% respectively. With the strong economic growth of the Chinese Mainland, more capital expenditure has been made for infrastructural and housing development projects resulting in a greater demand for general building materials including cement. The cement industry in the Chinese Mainland experienced rapid growth and consolidation in 2003. Total cement production was approximately 862 million tonnes (Source: National Bureau of Statistics of China) representing growth of about 18.9% as compared with 2002. For the year 2003, NSP cement in the Chinese Mainland accounted for about 23% of its total cement production capacity.

Our Company's objective is to be a leading participant in the consolidation of the industry and the improvement in the technology available to and management of the cement industry in order to support the construction industry in China by supplying high quality building materials. As one of the few vertically integrated cement and concrete manufacturers in China with its operations extending from limestone mining, clinker and cement production, ready mixed concrete batching to the manufacture of precast concrete products, we are also keen to establish a leadership position in the cement industry in the Guangdong Province and the Guangxi ZAR and become one of the most competitive cement and concrete producers in China.

本公司水泥業務的主要策略概稱為「兩點一線」。第一點為本公司的目標市場—珠江三角洲，該地區為中國最龐大而且增長最迅速的水泥市場之一，水泥年消耗量逾60,000,000噸。第二點是廣西自治區，該區是中國石灰岩最優質、蘊藏量最豐富的地區之一，更為本公司主要生產基地的所在地。一線乃指為本公司提供最廉宜運輸方式的西江，該河流使本公司可將水泥產品自廣西自治區生產基地，以最廉價運輸方式運往珠江三角洲的目標市場。本公司將集中生產42.5及以上的高標號水泥，此等高標號水泥在本公司於廣西自治區的廠房生產，並循水路運往沿西江而設的粉磨站或中轉庫，再加工及直接售予本公司於廣東省的客戶。除上述地區以外，本公司亦將在適當時機在中國內地其他省份尋求發展機會，參與中國水泥行業的整合與發展。

混凝土業務方面，我們將致力維持在香港的市場佔有率，穩定銷售，並待適當時機，利用先進的技術及管理，向中國內地其他城市發展預拌混凝土及其他高附加值混凝土產品業務。本公司亦將沿着我們廣泛的水泥分銷渠道，發展預拌混凝土業務，並透過進一步收購及興建新廠房擴展市場。

本公司現時擬於未來三年內將其水泥及預拌混凝土的產能分別擴大至10,000,000噸及5,000,000立方米以上，而目前本公司產能則為3,300,000噸水泥及3,200,000立方米預拌混凝土。本公司將透過擴充現有生產及銷售設施、收購現有生產線以及取得原材料礦山以擴大產量。成功達致上述目標將可使本公司成為廣東省及廣西自治區內具領導地位的水泥及混凝土供應商，以及中國內地最具競爭力的水泥及混凝土供應商之一。

## 社會責任

本公司以減低業務對其所處社區的環境影響為己任，例如本公司於全部生產廠房均裝置吸塵設備，使粉塵排放量遠較政府所訂的標準為低。

We summarise our principal cement business strategy with the expression "Two points, one stroke (兩點一線)". The first point refers to the PRD, our target market which is one of China's largest and fastest growing cement markets with an annual cement consumption of over 60 million tonnes. The second point refers to the Guangxi ZAR which possesses one of the best quality and the most abundant reserves of limestone in China and where our major production base is located. One stroke represents the Xijiang River which provides the cheapest means of transportation for the delivery of our cement products from our production base in Guangxi ZAR to our target market in the PRD. We intend to concentrate our production on high grade cement, being grade 42.5 and above, which is manufactured at our plants in the Guangxi ZAR and shipped to the grinding factories or silos built along the Xijiang River for further processing and sale to our customers in Guangdong Province. Other than the above region, we will explore development opportunities in other provinces in the Chinese Mainland so as to participate in the industry consolidation and development.

With regard to concrete business, we will strive to maintain our proportionate market share in Hong Kong and stabilise our sales position. When the right opportunity arises, we will utilise our advanced technology and management to expand the ready mixed concrete and other high value added concrete products business in other cities of the Chinese Mainland. We intend to develop our ready mixed concrete operations alongside our extensive cement distribution channels and to expand out the markets we reserve by further acquisition and building new plants.

We presently aim to expand our manufacturing capacity to over 10 million tonnes of cement and 5 million m<sup>3</sup> of ready mixed concrete over the next three years. This compares with our current capacity of 3.3 million tonnes of cement and 3.2 million m<sup>3</sup> of ready mixed concrete. This expansion will be achieved through both the expansion of our existing production and distribution facilities and through the acquisition of existing production lines and access to raw material reserves. The successful achievement of these goals will result the Company becoming the leading cement and concrete supplier in the Guangdong Province and Guangxi ZAR area and one of the most competitive cement and concrete providers in the Chinese Mainland.

## SOCIAL RESPONSIBILITY

The Company has a social obligation to minimise the environmental impact of its operations on the communities they are located. As an example of our commitment to this, we have installed dust absorption facilities at all our production plants so that dust emissions are materially lower than those specified by the government.

二零零三年十月，四個中國政府部門（包括建設部及商務部）發出聯合通告，於中國內地124個主要城市禁止在工地內進行混凝土現場攪拌，自二零零四年一月一日起生效。本公司預期此項措施將對中國內地的預拌混凝土行業有正面影響。於二零零三年十二月，東莞市政府頒佈關閉令，下令東莞市48家水泥廠中的47家，須於二零零五年前關閉，其中33家廠房更須於二零零四年三月前關閉。本公司設在東莞的水泥廠房因技術先進、質量管理嚴謹、排放標準高而成為東莞唯一一家獲准繼續經營的水泥廠。

本公司預期中國政府將繼續收緊環保標準，此舉將有利本公司及已裝設適當的排放控制設施的生產商。

## 前景

誠如上文所述，本公司將透過內部擴充及收購以擴展業務。儘管現時尚未落實任何收購，本公司已物色若干潛在收購目標，本公司將及時知會股東有關此方面的任何實質進展。除了招股說明書所載有關本公司位於東莞的生產基地擴建及可能收購平南魚峰的合資企業外，本公司亦計劃於中國內地設置新生產基地。二零零四年一月，本公司已於廣西自治區貴港市成立一家全資附屬公司，並擬投資合共1,300,000,000港元，於二零零六年底前分兩期興建兩條日產5,000噸的新型乾法水泥生產線。首條生產線的工程預期於二零零四年六月展開。

近期物業價格上升，顯示香港整體經濟氣氛及環境有所改善。倘對於物業及基建行業的信心持續增強及香港經濟復甦，訂單增加，本集團的混凝土業務將因而受惠。本公司亦可能會於廣西自治區及珠江三角洲主要城市興建多個預拌混凝土攪拌站，以發展本公司於該區的預拌混凝土市場。

為增強本公司產品的競爭力及提高運作效率，我們將於不久將來優化組織架構，統一市場銷售及推廣、物料採購、人力資源管理及物流管理等數個功能部門，以提高整體的盈利能力。

In October 2003, four ministries of the Chinese government including the Ministry of Construction and Ministry of Commerce issued a joint notice banning on-site concrete batching at construction sites in 124 major cities in the Chinese Mainland effective 1 January 2004. We expect this measure will have a positive effect on the ready mixed concrete industry in the Chinese Mainland. In December 2003, the government of Dongguan issued closure orders on 47 out of the 48 cement plants in Dongguan by 2005 with 33 plants to be closed by March 2004. Our cement plant in Dongguan is the only plant that will continue to be permitted to operate due to advanced technology, strict quality control and high emission standards it has adopted on its operations.

It is expected that the Chinese government will continue to tighten environmental management standards, which is likely to benefit the Company and producers who have installed appropriate emission controls.

## PROSPECTS

As stated above, the expansion of our business will be achieved through both internal expansion and acquisition. We have identified a number of potential acquisition candidates, although no acquisition has yet been concluded. We will inform shareholders of any concrete developments in this regard. Other than the expansion of our existing facility at Dongguan and the possible acquisition of the Ping Nan Yu Feng Joint Venture as mentioned in the Prospectus, the Company will also plan for additional sites in the Chinese Mainland in the future. In January 2004, we established a wholly owned subsidiary in the Guigang city of Guangxi ZAR which we intend to invest a total of HK\$1.3 billion to build two 5,000 tonnes per day NSP lines in two stages by 2006. The construction of the first production line is expected to commence in June 2004.

The general economic sentiment and environment in Hong Kong has improved recently as shown by recent property price increases. Should the confidence in the property and infrastructure sectors continue to grow and Hong Kong economy recover, the Group's concrete business will be able to benefit through increased orders. We are also likely at the possibility of building a number of ready mixed concrete batching plants located in major cities in the Guangxi ZAR and the PRD so that we can expand our market for ready mixed products to this region.

In order to strengthen the competitiveness of our products and to enhance the efficiency of our operations, we will streamline our organisational structure and centralise various functions of sales and marketing, procurement of raw materials, human resources management and logistic management in the near future so as to improve our overall profitability.

展望將來，本公司預期中國經濟以及資本及基建開支於本年度將有可觀的增長。我們相信中國內地的水泥及混凝土需求於可見的未來仍會持續強勁，而本公司初步的增長及股東所獲的滿意回報將會反映此情況。

## 公司管治

本公司已於二零零三年六月二十日成立審核委員會。審核委員會由三名獨立非執行董事及兩名非執行董事組成，並由陳茂波先生擔任主席。審核委員會的主要職能為審閱及監督本公司的財務報告過程及內部監控系統。審核委員會於期間已舉行兩次會議。

本公司已於二零零三年七月二十九日成立薪酬委員會及策略發展委員會。薪酬委員會由兩名獨立非執行董事呂培基先生及陳茂波先生及本公司副主席兼總經理石善博先生組成，並由呂培基先生擔任主席。薪酬委員會的主要工作為檢討及批准本集團高級管理人員（包括董事）的薪酬待遇。薪酬委員會於期間已舉行一次會議。策略發展委員會由林宗壽先生及五名執行董事組成，其主要職能包括訂立及檢討本公司的發展策略，以及確保本集團的業務符合董事會所制訂的發展策略。

## 致謝

本人謹此代表董事會，向曾參與本公司股份上市工作的同寅和朋友們表示衷心的感謝。本人亦謹此感謝股東們不懈的支持。最後，本人謹向為本集團作出貢獻及努力的管理人員及僱員致以最深謝意。

主席  
喬世波

香港，二零零四年三月十八日

Looking ahead, we expect the Chinese economy and capital and infrastructure spending to continue to grow strongly this year. We are confident that the cement and concrete demand in the Chinese Mainland will remain strong in the near future which will be reflected in the Company's initialled growth and in acceptable returns being achieved for our shareholders.

## CORPORATE GOVERNANCE

The Company established an Audit Committee on 20 June 2003. The Audit Committee comprises three independent non-executive Directors and two non-executive Directors, and is chaired by Mr. Chan Mo Po, Paul. The Audit Committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems. Two meetings were held during the Period.

The Company established a Remuneration Committee and a Strategic Development Committee on 29 July 2003. The Remuneration Committee comprises two independent non-executive Directors, Messrs. Lui Pui Kee, Francis and Chan Mo Po, Paul, and our Vice Chairman and General Manager, Mr. Shi Shanbo, and is chaired by Mr. Lui Pui Kee, Francis. The primary mandate for the Remuneration Committee is to review and approve the remuneration packages for the Group's senior management including Directors. One meeting was held during the Period. The Strategic Development Committee comprises Mr. Lin Zongshou and five executive Directors and its main duties include the establishment and review of the Company's strategic development and will ensure that the Group's activities are in line with the development strategies set out by the Board.

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank those who participated in obtaining listing of the Company's shares on the Stock Exchange. I would also like to thank our shareholders for their continuing support. Finally, I wish to pay tribute to the management and all the employees for their contribution and dedication to their work.

QIAO Shibo  
Chairman

Hong Kong, 18 March 2004