

Chairman's Statement 主席報告書

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辜成允 董事長



I am pleased to report that the consolidated revenue of TCC International Holdings Limited and its subsidiaries for the year ended 31 December 2005 achieved a satisfactory growth of 32.5% to HK\$418.0 million, mainly attributable to the commencement of contribution to the Group's revenue by its cement grinding plant in Fuzhou and slag powder grinding plant in Liuzhou. Profit attributable to shareholders of the Company for the year was HK\$50.0 million, as compared to HK\$328.1 million for the prior year. There was an unrealised gain on shares of Far EastTone Telecommunications Co., Ltd. ("FET") of HK\$4.9 million and HK\$231.1 million for 2005 and 2004, respectively, and a gain on the merger of KG Telecommunications Co., Ltd. ("KGT") and FET of HK\$75.6 million in 2004.

本人欣然報告，於截至二零零五年十二月三十一日止年度，台泥國際集團有限公司及其附屬公司之綜合收益取得理想增長，較去年增長32.5%至418,000,000港元，主要由於福州的水泥研磨廠及柳州的礦渣粉研磨廠開始對本集團之收益作出貢獻。年內本公司股東應佔溢利達50,000,000港元，而去年則為328,100,000港元。於二零零五年，遠傳電信股份有限公司（「遠傳電信」）股份之未變現利潤為4,900,000港元（二零零四年：231,100,000港元）。有關和信電訊股份有限公司（「和信電訊」）與遠傳電信合併於二零零四年之利潤為75,600,000港元。



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The Board of Directors had declared and paid an interim dividend of HK 1.5 cents for the year. A final dividend of HK 1 cent per share for the year is recommended to be paid, bringing the amount of total dividends to HK 2.5 cents. The final dividend will be paid on or before 5 June 2006 following approval by shareholders at the forthcoming Annual General Meeting.

Review and prospects of the Group's existing businesses

- The Group's cement distribution business in Hong Kong continued to face tough market conditions during the year. While sales volume has remained steady, the effect of selling price increments was more than offset by increased cost of imported cement. Prices for ready-mixed concrete in Hong Kong have been rising during the year and benefited the Group's associates carrying on ready-mixed concrete businesses in Hong Kong. The increases in prices in cement and ready-mixed concrete are expected to continue in the coming year, thereby generating a higher profit.
- Anhui King Bridge Cement Co. Ltd., the Group's 60%-owned subsidiary which operates a slag powder grinding plant in Wuhu, reported a significant reduction of selling prices and profit due to the recent macroeconomic austerity measures. We are in the process of expanding sales to other countries as well as in the Anhui Province to mitigate keener competition in Shanghai, currently a major market of this subsidiary's slag powder.



董事會於年內宣派及派付中期股息1.5港仙。現建議就年內派付末期股息1港仙，令正常總股息達2.5港仙。待股東於應屆股東週年大會批准後，末期股息將於二零零六年六月五日或之前派付。

本集團現有業務之回顧及前景

年內，本集團於香港之水泥分銷業務市況持續艱鉅。雖然銷量保持平穩，惟售價的增長被上升之進口水泥價所抵銷。香港的預拌混凝土之價格於年內一直上調，使本集團從事預拌混凝土業務之聯營公司受惠。預期來年之水泥及預拌混凝土的價格將持續上升，帶來更高的利潤。



- 本集團擁有60%權益之附屬公司朱家橋水泥有限公司於蕪湖經營礦渣粉研磨廠，因嚴謹的宏觀調控措施令售價及純利大幅下挫。現時彼等正同時擴充國外及安徽省的銷售業務，以緩和此附屬公司生產之礦渣粉的主要市場 - 上海的惡性競爭。

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- The Group's wholly-owned cement grinding plant and related berth facilities in Fuzhou, Fujian Province, began to run in during the year and generated profit by the end of the year, having developed and expanded its distribution channels. Production and sales are picking up and thus the Fuzhou operations are expected to have better performance in 2006. An additional cement production line with an annual production capacity of 750,000 metric tonnes will be constructed and it will be complete by the fourth quarter of 2007.
- The slag powder grinding plant in Liuzhou with an annual production capacity of 700,000 metric tonnes commenced commercial production in October 2005 and it already generated profit in the first month. Promising prospect is expected from this operation, as competition from other market players in Guangxi and Guangzhou Provinces is not high and demand for construction materials in Guangxi and the Pearl River Delta region is continuously increasing. Accordingly, the Group plans to construct an additional slag powder production line with an annual production capacity of 700,000 metric tonnes, which is expected to complete by the third quarter of 2007.
- 本集團於福建省福州之全資水泥研磨廠及有關之碼頭配套設施於年內開始運作，並成功發展及擴充分銷渠道令年末產生利潤。生產及銷售正漸上軌道，預期於二零零六年福州的經營將有更佳表現。本集團將興建一條年產能達750,000公噸的額外生產線，並預期於二零零七年第四季竣工。
- 年產能達700,000公噸的柳州礦渣粉研磨廠於二零零五年十月正式投產，並於首月獲得利潤。預期此業務將有美好前景，原因是來自廣西及廣州市內市場其它對手之競爭並不激烈，以及廣西及珠江三角洲地區對建築材料之需求將不斷增加所致。據此，本集團計劃額外興建一條年產能達700,000公噸之礦渣粉生產線，預期該生產線將於二零零七年第三季竣工。



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- Construction of the two cement production lines in Yingde, Guangdong Province, which will have an annual cement production capacity of approximately 4.5 million metric tonnes has been completed at the end of 2005. Two additional cement production lines will be constructed within the same site with an annual cement production capacity of 4.5 million metric tonnes, expecting to complete by the fourth quarter of 2007. Upon completion of the latter, the Yingde plant will become a large-scale cement manufacturing base. Continuing prosperity of the Pearl River Delta region and the government policy of eliminating vertical kiln cement production plants which currently constitute more than 60% of Guangdong's cement production capacity will provide the Yingde base significant room to develop its business, and the base will become the major source of profit in the future.
- The Group's operations in the Philippines continued to generate at a steady stream of cash inflow and profit to the Group from rendering cement handling services.



主要的收入來源。

- 於廣東省英德，年產能約為4,500,000公噸之兩條水泥生產線的興建過程已於二零零五年年末竣工。額外兩條年產能約為4,500,000公噸之水泥生產線將於同一地點興建，預期該生產線於二零零七年第四季竣工。當後者完成後，英德廠房將成為大型水泥生產基地。隨著珠江三角洲地區持續繁榮及政府實行取締佔廣東水泥產能多於60%的直焰窯廠房，英德基地將會有更大的發展空間及成為將來主要的收入來源。
- 本集團於菲律賓之經營繼續透過提供水泥處理服務為本集團取得穩定之現金流入及溢利。

At present, the Group has an annual cement and slag powder production capacity of approximately 7 million metric tonnes in Mainland. Given the current progress, an annual production capacity of approximately 13 million metric tonnes can be achieved by 2007, which exceeded the previously reported goal. We are seeking other investment opportunities in construction materials businesses in southern China, where we believe have a high growth potential.

Acknowledgement

On behalf of the Board of Directors, I would like to take this opportunity to express our sincere gratitude to our shareholders for their support and to our staff for their commitment and hard work during the year.

現時，本集團於國內之水泥及礦渣粉年產能約為7,000,000公噸。根據現時進度，於二零零七年將可達到年產能達約13,000,000公噸，比預期訂立之目標為高。彼等相信，建材業務之增長前景可觀，現時正積極物色於南中國之建材業務的投資機會。

致謝

本人謹藉此機會代表董事會，向年內鼎力支持本集團之股東及努力不懈之全體員工致以由衷感謝。