



The theme of this annual report is "Riding on opportunities, striving forward". In 2006, cement enjoyed continued and rapid growth. With structural consolidation progressing further and the industry bottoming out the Group seized upon the opportunity to make active moves. As a result, the Group successfully developed its export market while addressing the optimization and efficiency of the domestic market. Also, the Group expanded its production capacity by various mean, including acquisitions to capture the new waves of opportunities arising in the cement industry.

Looking forward, the overall condition of the cement industry in 2007 will see further improvement, while merger and acquisition will continue to be in the spotlight of the industry. Growth in export sales may somewhat slow down, but the Group will seize opportunities arising from industry consolidation and to gain attractive returns for shareholders.