



# **TCC International Holdings Limited**

台泥國際集團有限公司

*(Incorporated in Cayman Islands with limited liability)*

(Stock Code: 1136)

**Interim Report 2006**

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The Board of Directors of TCC International Holdings Limited (the "Company") is pleased to present the condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for six months ended 30 June 2006, which are unaudited but reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2005, as follows:

台泥國際集團有限公司（「本公司」）之董事會欣然呈報，本公司及其附屬公司（「本集團」）截至二零零六年六月三十日止六個月之未經審核但已由本公司審核委員會審閱之簡明綜合中期財務報表，連同二零零五年同期之未經審核比較數字如下：

## CONDENSED CONSOLIDATED INCOME STATEMENT

## 簡明綜合收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)
	Notes 附註		
Revenue	3	347,475	143,057
Cost of sales		<b>(323,621)</b>	(123,140)
Gross profit		<b>23,854</b>	19,917
Other income and gains		<b>37,149</b>	79,596
Selling and distribution expenses		<b>(10,147)</b>	(4,722)
General and administrative expenses		<b>(34,766)</b>	(13,607)
Other operating expenses		<b>(9,654)</b>	(1,872)
Finance costs	4	<b>(31,049)</b>	(9,387)
		<b>(24,613)</b>	69,925
Share of results of associates		<b>10,263</b>	2,581
(Loss) Profit before tax	5	<b>(14,350)</b>	72,506
Income tax expense	6	<b>(2,088)</b>	486
(Loss) Profit for the period		<b>(16,438)</b>	72,992
Attributable to:			
Shareholders of the Company		<b>(24,155)</b>	71,384
Minority interests		<b>7,717</b>	1,608
		<b>(16,438)</b>	72,992
Dividend		-	11,594
(Loss) Earnings per share			
- Basic	7	<b>(3.1) cents</b> 仙	9.2 cents 仙
- Diluted		<b>N/A</b> 不適用	N/A 不適用



## CONDENSED CONSOLIDATED BALANCE SHEET

## 簡明綜合資產負債表

			30 June 2006 二零零六年 六月 三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2005 二零零五年 十二月 三十一日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	1,478,317	1,410,042
Prepaid lease payments	預付租賃款項		62,318	50,611
Intangible assets	無形資產		18,041	10,811
Interests in associates	聯營公司權益		101,440	93,036
Loans to associates	聯營公司貸款		27,246	30,877
Long term deposits	長期存款	9	1,943	1,943
Available-for-sale investments	可供出售投資		71,565	77,741
Long term loan receivable	長期應收貸款		7,690	7,690
			<b>1,768,560</b>	<b>1,682,751</b>
Current assets	流動資產			
Inventories	存貨	10	78,236	28,401
Prepaid lease payments	預付租賃款項		1,162	1,110
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項		99,426	37,893
Trade receivables	應收貿易賬款	11	69,491	68,530
Held-for-trading investments	持作交易用途之投資		628,037	628,213
Pledged bank deposits	已抵押銀行存款		32,668	13,374
Time deposits	定期存款		2,403	-
Cash and bank balances	現金及銀行結餘		246,598	185,676
			<b>1,158,021</b>	<b>963,197</b>
Current liabilities	流動負債			
Trade payables	應付貿易賬款	12	83,349	78,132
Other payables and accrued liabilities	其他應付款項及應計負債		58,982	43,419
Tax payable	應付稅項		5,500	4,635
Bank overdrafts and short term portion of bank loans	銀行透支及銀行貸款之短期部分	13	635,454	574,964
Amount due to minority interests	應付少數股東權益款項		16,967	8,946
			<b>800,252</b>	<b>710,096</b>
Net current assets	流動資產淨值		<b>357,769</b>	<b>253,101</b>
Total assets less current liabilities	總資產減流動負債		<b>2,126,329</b>	<b>1,935,852</b>
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		4,815	4,815
Long term portion of bank loans	銀行貸款之長期部分	13	876,673	659,079
			<b>881,488</b>	<b>663,894</b>
Net assets	資產淨值		<b>1,244,841</b>	<b>1,271,958</b>
Capital and reserves	股本及儲備			
Share capital	股本		77,292	77,292
Reserves	儲備		1,067,749	1,098,699
Equity attributed to shareholders of the Company	本公司股東應佔權益		<b>1,145,041</b>	<b>1,175,991</b>
Minority interests	少數股東權益		99,800	95,967
			<b>1,244,841</b>	<b>1,271,958</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

# 簡明綜合權益變動表

		Share capital	Share premium	Contributed surplus	Capital reserve	Capital redemption reserve	Land & Building revaluation reserve	Exchange fluctuation reserve	Statutory reserve	Proposed dividend	Acc-umulated losses	Total	Minority interests	Total equity	
		股本	股份溢價	繳入盈餘	資本儲備	贖回儲備	土地及樓宇重估儲備	外匯浮動儲備	儲備基金	擬派股息	累計虧損	總計	少數股東權益	權益總額	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January 2005	於二零零五年一月一日	77,292	1,054,328	208,263	2,076	3,678	19,589	(22,653)	129	30,917	(224,817)	1,148,802	100,648	1,249,450	
Exchange realignment on translation of the financial statements of overseas subsidiaries	折算海外附屬公司財務報表之滙兌調整	-	-	-	-	-	-	19,512	-	-	-	19,512	-	19,512	
Movement of deferred tax	遞延稅項變動	-	-	-	-	-	(1,899)	-	-	-	-	(1,899)	-	(1,899)	
Net gains and losses not recognised in the profit and loss account	未於損益賬中確認之收益及虧損淨額	-	-	-	-	-	(1,899)	19,512	-	-	-	17,613	-	17,613	
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	-	71,384	71,384	1,608	72,992	
2004 final dividend	二零零四年末期股息	-	-	-	-	-	-	-	-	(30,917)	-	(30,917)	-	(30,917)	
2005 interim dividend proposed	二零零五年建議中期股息	-	(11,594)	-	-	-	-	-	-	11,594	-	-	-	-	
At 30 June 2005	於二零零五年六月三十日	77,292	1,042,734	208,263	2,076	3,678	17,690	(3,141)	129	11,594	(153,433)	1,206,882	102,256	1,309,138	
		Share capital	Share premium	Share options reserve	Contributed surplus	Capital reserve	Capital redemption reserve	Land & Building revaluation reserve	Exchange fluctuation reserve	Statutory reserve	Proposed dividend	Acc-umulated losses	Total	Minority interests	Total equity
		股本	股份溢價	購股權儲備	繳入盈餘	資本儲備	贖回儲備	土地及樓宇重估儲備	外匯浮動儲備	儲備基金	擬派股息	累計虧損	總計	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
As at 1 January 2006	於二零零六年一月一日	77,292	1,035,005	-	208,263	2,076	3,678	24,187	(8,374)	1,728	7,729	(175,593)	1,175,991	95,967	1,271,958
Share of reserves from associates	應佔聯營公司儲備	-	-	-	-	-	-	-	50	34	-	-	84	-	84
Exchanges differences arising on translation of foreign operations	國外業務產生之滙兌差額	-	-	-	-	-	-	-	(850)	-	-	-	(850)	(39)	(889)
Net income recognised directly in equity	直接確認為權益收入的淨額	77,292	1,035,005	-	208,263	2,076	3,678	24,187	(9,174)	1,762	7,729	(175,593)	1,175,225	95,928	1,271,153
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	-	-	(24,155)	(24,155)	7,717	(16,438)
Total recognised income for the period	期內確認之收入總額	77,292	1,035,005	-	208,263	2,076	3,678	24,187	(9,174)	1,762	7,729	(199,748)	1,151,070	103,645	1,254,715
2005 final dividend paid	二零零五年已派末期股息	-	-	-	-	-	-	-	-	-	(7,729)	-	(7,729)	-	(7,729)
Dividend paid to minority interest shareholders	已付少數股東股息	-	-	-	-	-	-	-	-	-	-	-	(3,845)	(3,845)	
Transfer to statutory reserve fund	轉撥至法定儲備基金	-	-	-	-	-	-	-	-	385	-	(385)	-	-	
Recognition of equity-settled share-based payment expenses	確認以股權結算以股份支付之開支	-	-	1,700	-	-	-	-	-	-	-	-	1,700	-	1,700
At 30 June 2006	於二零零六年六月三十日	77,292	1,035,005	1,700	208,263	2,076	3,678	24,187	(9,174)	2,147	-	(200,133)	1,145,041	99,800	1,244,841

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

## 簡明綜合現金流量表

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash outflow from operating activities	經營活動之現金流出淨額	(68,019)	(5,923)
Net cash outflow from investing activities	投資活動之現金流出淨額	(115,998)	(185,998)
Net cash inflow from financing activities	融資活動之現金流入淨額	244,939	182,815
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	現金及現金等值增加／(減少)淨額	<b>60,922</b>	(9,106)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	185,676	209,202
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	期末之現金及現金等值	<b>246,598</b>	200,096

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### 2. Principal Accounting policies

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2005 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations (new "HKFRSs") issued by the HKICPA, which are effective for accounting periods beginning either on or after 1 December 2005 or 1 January 2006. The application of these new HKFRSs has had no material effect on how the results for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and financial positions of the Group.

HKAS 1 (Amendment)	Capital Disclosures <sup>1</sup>
HKFRS 7	Financial Instruments: Disclosures <sup>1</sup>
HK(IFRIC)-Int 7	Applying the restatement approach under HKAS 29 "Financial Reporting in Hyperinflationary Economies" <sup>2</sup>
HK(IFRIC)-Int 8	Scope of HKFRS 2 <sup>3</sup>
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives <sup>4</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.
- <sup>2</sup> Effective for annual periods beginning on or after 1 March 2006.
- <sup>3</sup> Effective for annual periods beginning on or after 1 May 2006.
- <sup>4</sup> Effective for annual periods beginning on or after 1 June 2006.

## 簡明綜合中期財務報表附註

### 1. 編製基準

本簡明綜合中期財務報表按照香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十六之適用披露規則及香港會計師公會頒佈之香港會計準則（「會計準則」）第34號「中期財務報告」編制。

### 2. 主要會計政策

本簡明財務報表採用之會計政策與編製本集團截至二零零五年十二月三十一日止年度之綜合財務報表採用之會計政策一致，惟下文所述者除外。

於本中期期間，本集團首次採納由香港會計師公會頒佈於二零零五年十二月一日或於二零零六年一月一日或之後開始之會計期間生效之多項新準則、修訂及詮釋（新「香港財務報告準則」）。採用此等新香港財務報告準則對本期間及以往會計期間之業績之編製及呈列方式並無重大影響。因此，無須作出前期調整。

本集團並未提早採納以下已頒佈但尚未生效之新準則、修訂及詮釋。本公司董事預期應用該等準則、修訂及詮釋將不會對本集團之業績及財務狀況造成重大影響。

會計準則第1號（修訂本）	資本披露 <sup>1</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港（國際財務報告詮釋委員會）—詮釋第7號	根據會計準則第29號「惡性通貨膨脹經濟下之財務報告」之重列法 <sup>2</sup>
香港（國際財務報告詮釋委員會）—詮釋第8號	香港財務報告準則第2號之範圍 <sup>3</sup>
香港（國際財務報告詮釋委員會）—詮釋第9號	重新評估嵌入式衍生工具 <sup>4</sup>

- <sup>1</sup> 於二零零七年一月一日或之後開始之年度期間生效。
- <sup>2</sup> 於二零零六年三月一日或之後開始之年度期間生效。
- <sup>3</sup> 於二零零六年五月一日或之後開始之年度期間生效。
- <sup>4</sup> 於二零零六年六月一日或之後開始之年度期間生效。

### 3. Segment information

#### Business segments

The following tables present unaudited revenue and (loss)/profit for the Group's business segments.

### 3. 分類資料

#### 業務分類

下表呈列本集團業務分類之未經審核收益及(虧損)／溢利。

		Import, distribution and handling of cement 入口、分銷及處理水泥		Manufacturing and distribution of cement and slag powder 製造及分銷水泥及礦渣粉		Production and distribution of ready-mixed concrete 生產及分銷預拌混凝土		Investment holding 投資控股		Consolidated 綜合	
		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2005 二零零五年 HK\$'000 千港元
Segment revenue:	分類收益：										
Sales and services to external customers	銷售及提供服務予外界客戶	89,363	69,242	258,112	73,815	-	-	-	-	347,475	143,057
Other revenue	其他收益	2,272	5,042	852	208	-	-	99	67,450	3,223	72,700
Total	總計	91,635	74,284	258,964	74,023	-	-	99	67,450	350,698	215,757
Segment results	分類業績	16,578	16,239	(24,489)	(12,751)	-	-	(19,580)	68,928	(27,491)	72,416
Interest income, dividend income and unallocated gains	利息收入、股息收入及未分配利潤									33,927	6,896
Finance costs	融資成本									6,436	79,312
Share of results of associates	應佔聯營公司之業績					10,263	2,581			(31,049)	(9,387)
		-	-	-	-			-	-	10,263	2,581
(Loss) Profit before tax	除稅前(虧損)溢利									(14,350)	72,506
Income tax expense	所得稅支出	(1,219)	(972)	(193)	(369)	-	-	(676)	1,827	(2,088)	486
(Loss) Profit for the period	期內(虧損)溢利									(16,438)	72,992

### 3. Segment information (Continued)

#### Geographical segments

The following table presents unaudited revenue for the Group's geographical segments.

		Hong Kong 香港		Mainland China 中國大陸		Philippines 菲律賓		Taiwan 台灣		Consolidated 綜合	
		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年	二零零六年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Segment revenue:	分類收益：										
Sales and services to external customers	銷售及提供服務予外界客戶	77,702	57,542	258,112	73,815	11,661	11,700	-	-	347,475	143,057
Other revenue	其他收益	2,398	5,935	814	208	-	456	11	66,101	3,223	72,700
Total	總計	80,100	63,477	258,926	74,023	11,661	12,156	11	66,101	350,698	215,757

### 3. 分類資料

#### 地區分類

下表呈列本集團地區分類之未經審核收益。

### 4. Finance costs

### 4. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest on:	以下之利息：		
Bank loans wholly repayable	須於以下期間全數償還之銀行貸款		
- within five years	- 五年內	26,036	9,387
- over five years	- 超過五年	9,986	-
Total borrowing costs	總借貸成本	36,022	9,387
Less: amounts capitalised in construction in progress	減：於在建工程中資本化金額	(4,973)	-
		31,049	9,387



## 5. (Loss) Profit before tax

(Loss) Profit before tax has been arrived at after charging (crediting) the following:

## 5. 除稅前（虧損）溢利

除稅前（虧損）溢利已扣除（計入）下列各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)	2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)
Depreciation and amortisation of property, plant and equipment and prepaid lease payments	物業、廠房及設備與預付租賃款項之折舊及攤銷	37,495	12,897
Realised gain on disposal of available-for-sale investments	出售可供出售投資之已變現利潤	-	(1,763)
Realised gain on disposal of held-for-trading investments	出售持作交易用途之投資之已變現利潤	(81)	(4,464)
Change in fair value of held-for-trading investments (included in other operating expenses)	持作交易用途之投資之公平值轉變 (已計入其他經營開支)	9,654	(67,308)
Dividend income from listed investments	上市投資之股息收入	(32,636)	(68)
Share of tax of associates (included in share of results of associates)	應佔聯營公司稅項（已計入應佔聯營公司業績）	1,872	876

## 6. Income tax expense

Hong Kong Profits Tax is calculated at 17.5% (2005:17.5%) of the estimated assessable profits for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 6. 所得稅支出

香港利得稅乃根據期內之估計應課稅溢利按17.5%（二零零五年：17.5%）之稅率計算。其他司法權區之稅項乃根據相關司法權區現行稅率計算。

## 7. (Loss) Earnings per share

The calculation of basic (loss)/earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

### (Loss)/Earnings

(Loss)/Earnings for the purposes of basic (loss)/earnings per share ((loss)/profit for the period attributable to shareholders of the Company)

計算每股基本(虧損)/盈利所用之(虧損)/盈利(本公司之股東應佔期內(虧損)/溢利)

### Number of Shares

Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share

計算每股基本(虧損)/盈利所用之普通股加權平均股數

No dilutive loss per share figure have been presented for the period ended 30 June 2006 because the exercise of the share options would result in a decrease in the loss per share in 2006.

Diluted earnings per share accounts have not been presented for the periods ended 30 June 2005 as the exercise price of the Company's share options was higher than the average market price for the shares for that period.

## 8. Property, plant and equipment

During the period, the Group acquired property, plant and equipment at a cost of approximately HK\$123,349,000.

## 9. Long term deposits

Included in long term deposits were HK\$720,000 (31 December 2005: HK\$720,000) paid to a fellow subsidiary by the Group relating to the leasing of a site on Tsing Yi Island, Hong Kong, and HK\$1,080,000 (31 December 2005: HK\$1,080,000) paid to a related company by the Group in respect of the leasing of a site in Manila, the Philippines (see note 15).

## 7. 每股(虧損)盈利

母公司之普通股股本持有人應佔每股基本(虧損)/盈利乃根據以下數據計算:

### (虧損)/盈利

#### Six months ended 30 June

截至六月三十日止六個月

2006	2005
二零零六年	二零零五年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

(24,155)

71,384

### 股份數目

30 June	30 June
2006	2005
二零零六年	二零零五年
六月三十日	六月三十日
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

772,922

772,922

由於行使購股權將引致二零零六年之每股虧損減少，故並無呈列截至二零零六年六月三十日止期間之每股攤薄虧損數字。

由於本公司購股權之行使價於截至二零零五年六月三十日止期間高於股份之平均收市價，故並無呈列該段期間之每股攤薄盈利。

## 8. 物業、廠房及設備

於期內，本集團以成本約123,349,000港元購買物業、廠房及設備。

## 9. 長期存款

長期存款已包括本集團就租賃香港青衣島一幅地皮而向一間同系附屬公司支付之720,000港元(二零零五年十二月三十一日:720,000港元)以及本集團就租賃菲律賓馬尼拉一幅地皮而向一間關連公司支付之1,080,000港元(二零零五年十二月三十一日:1,080,000港元)(見附註15)。

## 10. Inventories

Raw materials and consumables	原材料及易耗品
Work in progress	在製品
Finished goods	製成品

The inventories are carried at cost.

## 11. Trade receivables

The Group's policy is to allow an average credit period of 90 days to its trade customers. The following is an aged analysis of the trade receivables at the balance sheet date:

Less than 90 days	不足90日
91 – 180 days	91-180日
181 – 365 days	181-365日

As at 30 June 2006, trade receivables of the Group included a trade balance due from an associate of HK\$7,729,000 (31 December 2005: HK\$19,221,000) which is unsecured, interest-free and repayable in accordance with normal trading terms (see note 15).

## 10. 存貨

<b>30 June</b>	31 December
<b>2006</b>	2005
二零零六年	二零零五年
六月三十日	十二月三十一日
<b>HK\$'000</b>	<b>HK\$'000</b>
千港元	千港元

<b>37,142</b>	14,856
<b>21,105</b>	2,053
<b>19,989</b>	11,492
<b>78,236</b>	28,401

存貨以成本列賬。

## 11. 應收貿易賬款

本集團政策給予貿易客戶平均90日之除賬期。以下為結算日應收貿易賬款之賬齡分析：

<b>30 June</b>	31 December
<b>2006</b>	2005
二零零六年	二零零五年
六月三十日	十二月三十一日
<b>HK\$'000</b>	<b>HK\$'000</b>
千港元	千港元
<b>(Unaudited)</b>	<b>(Audited)</b>
<b>(未經審核)</b>	<b>(經審核)</b>

<b>62,582</b>	68,383
<b>6,429</b>	147
<b>480</b>	–
<b>69,491</b>	68,530

於二零零六年六月三十日，本集團之應收貿易賬款包括應收一家聯營公司之貿易結餘7,729,000港元（二零零五年十二月三十一日：19,221,000港元）。該貿易結餘為無抵押、免息及須按一般貿易條款償還（見附註15）。

## 12. Trade payables

The following is an aged analysis of trade payables at the balance sheet date:

Less than 90 days	不足90日
91 – 180 days	91-180日
181 – 360 days	181-360日
Over 360 days	360日以上

	30 June 2006 二零零六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2005 二零零五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	69,991	77,628
	11,038	98
	288	16
	2,032	390
	<b>83,349</b>	<b>78,132</b>

## 13. Bank loans

Bank loans	銀行貸款	1,512,127	1,234,043
Secured	已抵押	1,452,127	1,202,693
Unsecured	無抵押	60,000	31,350
		<b>1,512,127</b>	<b>1,234,043</b>
The borrowings are repayable as follows: 款項償還期如下:			
On demand or within one year	一年內或按要求償還	635,454	574,964
In the second to fifth years	第二至第五年	409,029	606,593
After fifth year	第五年後	467,644	52,486
		<b>1,512,127</b>	<b>1,234,043</b>
Less: Amount due for settlement within one year (shown under current liabilities)	減: 須於一年內償還之款項 (列於流動負債項下)	(635,454)	(574,964)
Amount due for settlement after one year	須於一年後償還之款項	<b>876,673</b>	<b>659,079</b>

The Company's bank loan amounting to HK\$566,848,000 was secured by a corporate guarantee from certain subsidiaries.

Apart from the above, certain of the Group's other bank loans amounting to HK\$885,279,000 were secured by a corporate guarantee from the Company.

## 14. Contingent liabilities

The Group did not have any significant contingent liabilities as at the balance sheet date (31 December 2005: Nil).

## 12. 應付貿易賬款

以下為結算日應付貿易賬款之賬齡分析:

## 13. 銀行貸款

	30 June 2006 二零零六年 六月三十日 HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 HK\$'000 千港元
	1,512,127	1,234,043
	1,452,127	1,202,693
	60,000	31,350
	<b>1,512,127</b>	<b>1,234,043</b>
The borrowings are repayable as follows: 款項償還期如下:		
On demand or within one year	635,454	574,964
In the second to fifth years	409,029	606,593
After fifth year	467,644	52,486
	<b>1,512,127</b>	<b>1,234,043</b>
Less: Amount due for settlement within one year (shown under current liabilities)	(635,454)	(574,964)
Amount due for settlement after one year	<b>876,673</b>	<b>659,079</b>

本公司為數566,848,000港元之銀行貸款由若干附屬公司作出公司擔保。

除上述者外，本集團為數885,279,000港元之若干其他銀行貸款由本公司之公司擔保作抵押。

## 14. 或然負債

本集團於結算日並無任何重大或然負債 (二零零五年十二月三十一日: 無)。





## 17. Share based payment transaction

### Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors, independent non-executive directors, and employees of the Company and any of its subsidiaries and associates. The Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 5 October 1997 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The key terms of the Scheme had been summarised in the Company's 2005 Annual Report published in March 2006.

As at 30 June 2006, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 11,500,000, representing 1.49% of the shares of the Company in issue at that date. Options may be exercised at any time from six months from the date of grant of the share option, 1 October 2006 to 30 October 2011.

Details of specific category of share options are as follows:

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價
31 March 2006 二零零六年三月三十一日	6 months 六個月	1 October 2006 to 30 October 2011 二零零六年十月一日至二零一一年十月三十日	HK\$1.266 1.266港元

The following table discloses movements of the Company's share options held by directors and certain employees during the period:

Name of directors/employees 董事／僱員姓名	Outstanding at 1 January 2006 於二零零六年 一月一日 尚未行使	Granted during period 於期內已授出	Exercised during period 於期內已行使	Outstanding at 30 June 2006 於二零零六年 六月三十日 尚未行使
Koo Cheng Yun, Leslie Wu Yih Chin Employees	辜成允 吳義欽 僱員	- - 5,000,000	5,000,000 1,500,000 5,000,000	- - 5,000,000
Total	總計	-	11,500,000	11,500,000

During the period, options were granted on 31 March 2006. The estimated fair value of the options granted was HK\$3,400,000 under the Scheme.

## 17. 以股份支付款項之交易

### 以股權結算之購股權計劃

本公司設有購股權計劃（「該計劃」）藉以鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。該計劃合資格參與者包括本公司及其任何附屬公司及聯營公司之董事、獨立非執行董事及僱員。該計劃於一九九七年十月五日（即本公司股份於聯交所上市日）正式開始生效，除非取消或修改，否則該日起計十年仍具有效力。該計劃之主要條款已概述於本公司在二零零六年三月刊發之二零零五年年報內。

於二零零六年六月三十日，根據該計劃已授出但尚未行使購股權所涉及之股份數目為11,500,000股，佔本公司於當日已發行股份之1.49%。購股權可於其授出之日起計六個月後，即由二零零六年十月一日起至二零一一年十月三十日止之任何時間行使。

具體類別購股權之詳情如下：

下表披露於期內董事及若干僱員所持本公司購股權之變動情況：

於期內，本公司曾於二零零六年三月三十一日授出購股權，按該計劃，其估計公平值為3,400,000港元。

## 17. Share based payment transaction (Continued)

### Equity-settled share option scheme (Continued)

The fair value of options granted under the Scheme was calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Weighted average share price	HK\$1.24
Exercise price	HK\$1.266
Expected volatility	25%
Expected life	5 years
Risk-free rate	4.468%
Expected dividend yield	1.96%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous one year.

Because the Black-Scholes pricing model requires the input of highly substantive assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

The Group recognised the total expense of HK\$1,700,000 for the period ended 30 June 2006 (six months ended 30 June 2005: nil) in relation to share options granted under the Scheme by the Company.

The Scheme was cancelled at the annual general meeting held on 23 May 2006 and a new share option scheme (the "New Share Option Scheme") was adopted by the Company at the annual general meeting held on 23 May 2006. No option was granted under the New Share Option Scheme for the period from its first adoption to 30 June 2006.

## 18. Approval of the interim financial statements

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 8 September 2006.

## INTERIM DIVIDEND

The Board of Directors does not recommend the payment of interim dividend for the six months ended 30 June 2006.

## 17. 以股份支付款項之交易 (續)

### 以股權結算之購股權計劃 (續)

根據該計劃之已授出購股權之公平值乃根據柏力克一舒爾斯定價模式計算。此模式之數據如下：

加權平均股價	1.24港元
行使價	1.266港元
預計波幅	25%
預計期限	5年
無風險利率	4.468%
預計股息率	1.96%

預計波幅乃依據本公司股價於過往一年內之歷史波幅測算。

由於柏力克一舒爾斯定價模式要求輸入較多之假設數據，包括股價之波幅，任何已採用之主觀假設數據倘出現變化，可能對公平值之估算產生重大影響。

本集團確認截至二零零六年六月三十日止期間與本公司根據該計劃所授出之購股權有關之總支出為1,700,000港元（截至二零零五年六月三十日止六個月：無）。

該計劃於二零零六年五月二十三日舉行之股東週年大會上予以終止。本公司於二零零六年五月二十三日舉行之股東週年大會上採納一項新購股權計劃（「新購股權計劃」），於新購股權計劃獲首度採納至二零零六年六月三十日止期間，本公司概無根據新購股權計劃授出任何購股權。

## 18. 中期財務報表之批准

本簡明綜合中期財務報表已於二零零六年九月八日經董事會批准及授權刊發。

## 中期股息

董事會不建議派付截至二零零六年六月三十日止六個月之中期股息。

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operations review

#### Overall results

For the six months ended 30 June 2006, the Group reported an unaudited consolidated revenue of HK\$347 million, representing a 1.4 times growth from that of the corresponding period of 2005. The turnover upsurge was mainly attributable to the full commercial operation of the Group's slag powder plant in Liuzhou and the cement grinding plant in Fuzhou, and commencement of trial run operation of the Group's cement manufacturing base in Yingde. The Group's new cement plant in Yingde, Guangdong Province, commenced trial run during the period. As the plant incurred significant initial start up costs and had yet to reach its design capacity, the Group experienced losses attributable to shareholders of HK\$24.16 million for the period. Excluding the effect of the Yingde plant, the Group would have an unaudited profit attributable to shareholders of HK\$9.9 million compared to the previous period's unaudited profits of HK\$4 million, before an unrealized gain of HK\$67.3 million on book value for the Group's equity investment in Far EastOne Telecommunications Co., Limited.

#### Hong Kong

During the period, the Group's cement and ready-mixed concrete operations in Hong Kong continued to generate favorable results, supported by a recovery in private sector development. With a modest increase in selling price and stable cement cost, the Group reported a mild growth in profits from the cement operations. The Group's ready-mixed concrete activities, which were carried out through its associated companies, provided a profit contribution of HK\$10.3 million, which was 298% higher than that of the same period in the past year.

#### Mainland China

During the six-month period, Anhui King Bridge Cement Co., Ltd. ("AKB"), the Group's 60%-owned slag powder grinding plant in Anhui, reported a slight decline in profit. Despite improvement in selling price, AKB's gross margin was affected by surging raw material costs. In light of intensified competition in Shanghai, the Group managed to diversify its sales of slag powder. Given its market proximity, the Group gradually increased its sales of slag powder in Anhui province. The Group also lifted its slag powder export to overseas market.

## 管理層討論及分析

### 業務回顧

#### 整體業績

截至二零零六年六月三十日止六個月，本集團錄得未經審核綜合收益為347,000,000港元，較二零零五年同期增加1.4倍。營業額急升，主要由於本集團於柳州之礦渣粉廠及福州之水泥研磨廠全面投入商業運作，及本集團於英德之水泥生產基地投入試產。本集團於廣東省英德市之新水泥廠於期內開始試產。由於該廠產生龐大開業成本，且並未達到其設計之生產量，本集團期內錄得股東應佔虧損24,160,000港元。撇除英德廠房之影響後，本集團錄得未經審核股東應佔溢利9,900,000港元，而去年同期之未經審核溢利為4,000,000港元，當中未計入本集團於遠傳電信股份有限公司之股權投資之未變現利潤賬面值67,300,000港元。

#### 香港

於期內，由於私人機構發展項目增加，本集團於香港之水泥及預拌混凝土業務持續錄得佳績。水泥售價之微升，加上水泥成本價格穩定，本集團水泥業務之溢利錄得輕微增長。本集團聯營公司經營之預拌混凝土業務錄得溢利貢獻10,300,000港元，較去年同期增加298%。

#### 中國大陸

於此六個月期間，本集團擁有60%權益之附屬公司安徽朱家橋水泥有限公司（「朱家橋」）於安徽經營之礦渣粉研磨廠之溢利錄得輕微跌幅。儘管售價上升，惟朱家橋之毛利率仍受原材料成本上升所影響。由於上海市場競爭激烈，本集團因而將其礦渣粉銷售地區多元化。鑑於擁有鄰近市場之位置，本集團逐步增加於安徽省之礦渣粉銷售。本集團亦增加向海外市場出口礦渣粉。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Operations review (Continued)

#### Overall results (Continued)

##### Mainland China (Continued)

Healthy economic development in Southern China led to strong demand for slag powder in Guangdong and Guangxi Provinces during the period. The Group's 60%-owned slag powder joint venture with Guangxi Liuzhou Steel (Group) Corporation, achieved outstanding performance in its first half-year results, with sales volume amounting to approximately 250,000 metric tonnes.

The Group's cement grinding plant in Fuzhou, Fujian province, continued to improve its efficiency. The Fuzhou plant, which only started commercial operation in March 2005, significantly reduced its loss to nearly a breakeven in the six-month period. The plant achieved a sales volume of over 400,000 metric tonnes for the period, which was the rainy season in Southern China.

In Yingde, Guangdong province, the Group's cement manufacturing base which was, by far, the Group's most significant business commitment in China, commenced trial run in the six-month period. With depreciation charges of HK\$19.5 million and finance cost of HK\$5 million, and under-utilization in the initial start up stage, the Yingde venture incurred a loss.

The Group's Yingde plant basically completed its trial run and commenced commercial production in July, in which month, the Yingde plant achieved a sales volume of 240,000 metric tonnes of cement and clinker. Continued improvement in output and sales volume is expected to further enhance the plant's cost-efficiency. In addition, the Group will keep strengthening its distribution network in Southern China to lay a solid platform for the sales of the Yingde plant's output.

##### The Philippines

The Group owns cement distribution facilities in Manila and renders cement handling services. The Philippines operations continued to produce a steady stream of cash inflow and profits to the Group during the period under review.

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 整體業績 (續)

##### 中國大陸 (續)

由於華南經濟穩健發展，故期內廣東省及廣西省對礦渣粉之需求甚殷。本集團與廣西柳州鋼鐵(集團)公司合作成立之礦渣粉合營企業(本集團擁有60%權益)於上半年錄得驕人業績，其銷量約為250,000公噸。

本集團位於福建省福州之水泥研磨廠之效率持續提升。於二零零五年三月方開始商業運轉之福州廠房於此六個月期間將虧損大幅減少至接近損益平衡。期內，華南正值雨季，該廠房錄得超過400,000公噸之銷量。

本集團位於廣東省英德市之水泥生產基地為本集團目前於中國進行之最大型投資，於此六個月間內開始試產。由於錄得折舊支出19,500,000港元及融資成本5,000,000港元，以及初始階段時未達致最高使用率，故英德企業錄得虧損。

本集團之英德廠房基本上已完成試產，並於本年七月開始其商業生產。同月，英德廠房之水泥及熟料之銷量達240,000公噸。產量及銷量之持續增長預料將有助提高廠房之成本效益。此外，本集團將繼續擴充華南之分銷網絡，以鞏固英德廠房產出之銷量。

##### 菲律賓

本集團於馬尼拉擁有水泥分銷設施，並提供水泥處理服務。於此段期間，菲律賓之業務繼續為本集團帶來穩定之現金流量及溢利。





## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Charge on assets

As at 30 June 2006, a time deposit of HK\$32.7 million was pledged by the Group as margin for issuance of letter of credit for the purchase of plant and equipment.

### Foreign currency exposures

The Group utilized various methods to mitigate foreign currency exposures arising from the currency mismatch of construction material purchases and sales. To protect the benefits of shareholders, cost-efficient hedging methods will be considered in future foreign currency transactions.

No foreign exchange contracts were outstanding as at 30 June 2006.

### Major Capital Commitments

As at 30 June 2006, the Group's capital expenditure in respect to the acquisition of property, plant and equipment contracted but not provided for in the financial statements amounted to approximately HK\$208 million. Investment costs to be injected into the subsidiaries amounted to approximately HK\$305 million. The Group anticipates funding those commitments from its future operating revenue, bank borrowings and other sources of finance when appropriate.

### Employees

As at 30 June 2006, the Group had 508 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2006 amounted to HK\$9.3 million. Discretionary bonuses, recommended by management and reviewed by the remuneration committee, are payable to employees in Hong Kong and senior management of overseas subsidiaries based on performance. In addition, the Company's directors may invite employees, including executive directors (in which case approval of independent non-executive directors is required), of the Company or any of its subsidiaries and associates to take up options to subscribe for shares of the Company. During the period, 11,500,000 share options were granted to Executive Directors and senior management under the share option scheme adopted on 6 October 1997.

## 管理層討論及分析 (續)

### 質押資產

於二零零六年六月三十日，32,700,000港元之定期存款已由本集團質押作為發出購置廠房及設備信用證之保證金。

### 外幣風險

本集團運用不同方法以避免因買賣建材之不同貨幣所產生之外幣風險。為保障股東利益，日後外幣交易將考慮具有成本效益之對沖方法。

於二零零六年六月三十日，並無任何未完成之外匯兌換合約。

### 主要資本承擔

於二零零六年六月三十日，本集團之已訂約但未於財務報表撥備之購買物業、廠房及設備之資本支出約達208,000,000港元。注資附屬公司之投資成本約達305,000,000港元。本集團預期於適當時以未來之經營收益、銀行借貸及其他融資來源撥付該等承擔。

### 僱員

於二零零六年六月三十日，本集團共有508名全職僱員。本集團於截至二零零六年六月三十日止期間之工資及薪金總額達9,300,000港元。管理層可向香港僱員及海外附屬公司之高級管理層按彼等之表現建議發放酌情花紅，並由薪酬委員會進行審閱。此外，本公司董事可邀請本公司或其任何附屬公司及聯營公司之僱員，包括執行董事（在此情況下須由獨立非執行董事批准），收取可認購本公司股份之購股權。期內，11,500,000份購股權根據一九九七年十月六日採用之購股權計劃授予執行董事及高級管理層。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Prospects and future plans

Cement price is expected to be further stabilized in the second half of the year with the arrival of the industry's peak season in the third quarter. In Southern China, demand for slag powder and cement remains strong, driven by massive infrastructure and urban development.

The State's macroeconomic austerity measures, aiming at curbing excessive investment, continue to expedite the cement industry's consolidation. While discouraging the operation of inefficient vertical kiln, the State, on the other hand, stipulate measures to facilitate the development of large-scale cement conglomerates, with support in project approval, land grant and financing. In Eastern China, in particular the Yangtze River Delta, the cement manufactured from new dry process kiln accounts for over 60% of the region's overall capacity. In Southern China, with inauguration of major production plants, including the Group's Yingde facilities, it is expected that the market share of low efficient facilities will be gradually taken over by large-scale modern cement plants.

With stronger market demand and enhanced efficiency brought along by optimum utilization of its additional capacity, the directors expect an improvement in performance in the second half of the year.

- Rapid economic and urban development has led to stronger demand for slag powder for use in major infrastructure facilities and high-rise buildings. The Group aims to further expand its sales of AKB's slag powder in the more affluent cities in the Anhui province, and reduce its traditional reliance on the highly competitive Shanghai market. Exports sales from AKB will continue to play an important role in the second half of the year.
- To meet growing demand for slag powder in Guangdong and Guangxi provinces, the Group has commenced the construction of an additional production line with an annual capacity of 700,000 metric tonnes at its Liuzhou joint venture. Construction of the new production line is expected to be completed in the fourth quarter of 2007.

## 管理層討論及分析 (續)

### 展望及未來計劃

隨著第三季到來，行內踏入旺季，水泥價格預期將於下半年進一步穩定。華南地區進行大量基礎建設及城區發展，因此對礦渣粉及水泥之需求保持強勁。

國家為遏抑過度投資而實施之嚴謹的宏觀經濟調控措施，繼續推動水泥行業整合。國家一方面禁止欠缺效率之立窯營運，另一方面採取措施，支持項目審批、批地及融資，來促進大型水泥企業集團發展。華東方面，特別是長江三角洲，採用新型乾法生產之水泥佔該區整體產能超過60%。隨著華南主要生產廠房（包括本集團之英德廠房）啟用，預期大型現代水泥廠房將逐漸取代低效率廠房之市場佔有率。

由於市場需求增加，及增加產能之運作達到較佳效益，致使效率提高，董事預期下半年之表現將有所改善。

- 經濟及市區迅速發展，導致用於興建主要基建設施及高樓大廈之礦渣粉之需求增加。本集團致力進一步增加朱家橋於安徽省內較富裕之城市之礦渣粉銷售量，並減低其一向以來對競爭激烈之上海市場之依賴。朱家橋之出口銷售量將於下半年繼續擔當重要角色。
- 為配合廣東及廣西省對礦渣粉增長之需求，本集團已於其柳州之合營企業展開工程，額外興建一條年產能達700,000公噸之生產線。新生產線之興建工程預期將於二零零七年第四季竣工。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Prospects and future plans (Continued)

- Sales volume of the Group's Fuzhou operations is expected to reach 600,000 to 700,000 metric tonnes during peak season in the second half of the year, bringing the plant's capacity utilization to around 90%.

The Group is currently constructing a new production line. The production line, with an annual capacity of 750,000 metric tonnes, is expected to be completed in the fourth quarter of 2007. Upon completion, the Fuzhou plant's total annual capacity will reach 2,250,000 metric tonnes.

With enhanced capacity, the Group will further penetrate into other parts of the Fujian province, in particular the buoyant cities of Quanzhou and Xiamen.

- During the first half of the year, the Yingde plant's turnover was concentrated on sales of clinker. Following its commencement of commercial operation, the plant began to accelerate the sales volume of cement, which offered higher selling prices. Given its enhanced output and increased proportion of cement in sales volume, the Yingde plant is expected to become profitable in the fourth quarter of the year.

The Yingde plant is strategically located with convenient access to major traffic routes and adjacent to an abundant limestone reserve. Such factors have contributed to the plant's high level of cost-effectiveness. In order to further capitalise on its favourable location and to establish a leading position in Southern China's cement market, the Group will commence the Yingde plant's second phase expansion in the third quarter of this year. Two new production lines with a total annual capacity of 4.5 million metric tonnes will be added by early 2008.

Following the completion of the Group's various capacity expansion plans, the Group will have an annual cement and slag powder capacity of 13 million metric tonnes in Mainland China, making it one of the major players in the fast growing China market.

## 管理層討論及分析 (續)

### 展望及未來計劃 (續)

- 本集團於福州經營之業務之銷售額預期將於下半年旺季達至600,000至700,000公噸，致使廠房使用率能達約90%。

本集團現正興建新生產線，年產能達750,000公噸，預期將於二零零七年第四季竣工。於工程完成後，福州廠房之總年產能將達2,250,000公噸。

隨著產能提高，本集團將進一步拓展業務至福建省其他地區，尤其是泉州及廈門等富庶城市。

- 於上半年，英德廠房之營業額集中於銷售熟料。隨著其開展商業運作，該廠房開始增加售價較高之水泥銷量。由於產量有所改善及水泥之銷量比重增加，預期英德廠房將於本年度第四季錄得溢利。

英德廠房毗鄰主要交通路線，交通便利，並鄰近豐富之石灰石資源，擁有策略性之地利位置。此等因素令廠房之成本效益較高。為進一步利用其地利優勢及於華南水泥市場建立領導地位，本集團將於本年度第三季開展英德廠房之第二期擴建工程。於二零零八年初將加入兩條總年產能達4,500,000公噸之新生產線。

隨著本集團多項產能擴展計劃完成，本集團於中國大陸之水泥及礦渣粉年產能將達13,000,000公噸，並成為快速增長之中國市場之主要生產商之一。

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2006, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

### Long positions in ordinary shares of the Company

Name of director	Capacity and nature of interest	Number of shares held	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
董事姓名	持有權益之身份及性質	所持股份數目	
KOO Cheng Yun, Leslie 辜成允	Directly beneficially owned 直接實益擁有	1,700,000	0.22
WU Yih Chin 吳義欽	Directly beneficially owned 直接實益擁有	2,500,000	0.32
		4,200,000	0.54

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include directors, including independent non-executive directors, and employees of the Company and any of its subsidiaries and associates. The Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 5 October 1997 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

## 董事於股份及相關股份之權益及淡倉

於二零零六年六月三十日，本公司董事於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之該等條文董事被視作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄於本公司存置之登記冊內之權益及淡倉；或根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

### 於本公司普通股之好倉

本公司設有購股權計劃（「該計劃」）藉以鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。該計劃合資格參與者包括本公司及其任何附屬公司及聯營公司之董事（包括獨立非執行董事）及僱員。該計劃於一九九七年十月五日（即本公司股份於聯交所上市日）正式開始生效，除非取消或修改，否則該日起計十年仍具有效力。

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

### Long positions in ordinary shares of the Company (Continued)

Subsequent to the adoption of the Scheme on 5 October 1997, the Stock Exchange has introduced a number of changes to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") on share option schemes. These new rules came into effect on 1 September 2001, since then 11,500,000 share options have been granted under the Scheme on 31 March 2006 and the options granted were subject to the new rules.

The Company does not intend to amend the terms of the Scheme to comply with the requirements of the amended Listing Rules on share option schemes. However, the Company shall ensure that future grants of share options shall comply with such requirements.

Details of options granted to the directors of the Company under the Scheme and outstanding as at 30 June 2006 are as follows:

Name of Directors	Date of grant	Exercise price	Exercisable period	Outstanding at beginning of year and up to the Latest Practicable Date 於年初直至最後實際可行日期尚未行使	Approximate percentage of shareholding 概約持股百分比
董事姓名	授出日期	行使價 HK\$ 港元	行使期 (Note) (附註)		
KOO Cheng Yun, Leslie 辜成允	31 March 2006 二零零六年 三月三十一日	1.266	1 October 2006 to 30 March 2011 二零零六年十月一日至 二零一一年三月三十日	5,000,000	0.65%
WU Yih Chin 吳義欽	31 March 2006 二零零六年 三月三十一日	1.266	1 October 2006 to 30 March 2011 二零零六年十月一日至 二零一一年三月三十日	1,500,000	0.19%
<b>Total 總計</b>				<b>6,500,000</b>	

Note: the exercisable period commences on the date falling 6 months after the date of grant of an option and expiring at the close of business on the day falling immediately prior to the fifth anniversary of the date of grant in respect of such option.

## 董事於股份及相關股份之權益及淡倉 (續)

### 於本公司普通股之好倉 (續)

繼於一九九七年十月五日採納該計劃後，聯交所證券上市規則（「上市規則」）對購股權計劃作出數項修改。此等新規則於二零零一年九月一日起生效。自此日期後，為數11,500,000之購股權根據該計劃授出。於二零零六年三月三十一日及該等授出之購股權均受到新訂之規則所限制。

本公司不擬修訂該計劃之條款，以符合經修訂上市規則有關購股權計劃之規定。然而，本公司將確保日後在授出購股權時，會符合該等規定。

有關根據該計劃授予本公司之董事而於二零零六年六月三十日尚未行使購股權之詳情載列如下：

附註：行使期由購股權授出日期起計六個月之日至緊接該購股權授出日期五週年前之日營業結束時屆滿。



## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

## 董事於股份及相關股份之權益及淡倉 (續)

### Long positions in ordinary shares of the Company (Continued)

### 於本公司普通股之好倉 (續)

The Scheme was cancelled at the annual general meeting held on 23 May 2006 and a new share option scheme (the "New Share Option Scheme") was adopted by the Company at the annual general meeting held on 23 May 2006. No option was granted under the New Share Option Scheme for the period from its first adoption to 30 June 2006.

該計劃於二零零六年五月二十三日舉行之股東週年大會上予以終止。本公司於二零零六年五月二十三日舉行之股東週年大會上採納一項新購股權計劃（「新購股權計劃」），於新購股權計劃獲首度採納至二零零六年六月三十日止期間，本公司概無根據新購股權計劃授出任何購股權。

### Long positions in shares and underlying shares of associated corporations

### 於相聯法團股份及相關股份之好倉

#### (i) Taiwan Cement Corporation ("TCC") \*

#### (i) 台灣水泥股份有限公司（「台泥」）\*

#### Number of shares held, capacity and nature of interest 持有股份之數目、身份及權益性質

Name of director 董事姓名	Directly beneficially owned 直接實益擁有	Through spouse or minor children 透過配偶或未成年子女	Through controlled corporation 透過受控制法團	Total 總計	Percentage of the associated corporation's issued share capital 佔相聯法團已發行股本之百分比
KOO Cheng Yun, Leslie 辜成允	28,101,468	90 (Note 1) (附註1)	61,335,982 (Note 2) (附註2)	89,437,540	2.96
WU Yih Chin 吳義欽	237,124	-	-	237,124	0.01
LIAO Poon Huai, Donald 廖本懷	159,794	694,352 (Note 1) (附註1)	-	854,146	0.03
				90,528,810	3.00

\* The ultimate holding company of the Company

\* 本公司之最終控股公司

Notes:

附註：

- (1) The shares are held by the respective directors' spouse as the registered and beneficial shareholder.
- (2) KOO Cheng Yun, Leslie, together with his spouse, hold 44% of the issued capital of a company which holds 61,335,982 shares of TCC.

- (1) 該等股份由有關董事之配偶（作為登記及實益股東）持有。
- (2) 辜成允及其配偶擁有一間持有61,335,982股台泥股份之公司已發行股本之44%權益。

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (CONTINUED)

Long positions in shares and underlying shares of associated corporations (Continued)

### (ii) Prosperity Dielectrics Company Limited \*\*

Name of director	Capacity and nature of interest	Number of shares held	Percentage of the associated corporation's issued share capital
董事姓名	持有權益之身份及性質	所持股份數目	佔相聯法團已發行股本之百分比
KOO Cheng Yun, Leslie 辜成允	Directly beneficially owned 直接實益擁有	1,040	—

\*\* Subsidiaries of the ultimate holding company of the Company

In addition to the above, certain directors have non-beneficial personal equity interests in certain subsidiaries of the Group held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements.

Save as disclosed above, none of the directors had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code at the balance sheet date.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Directors' interests and short positions in shares and underlying shares" above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

## 董事於股份及相關股份之權益及淡倉 (續)

於相聯法團股份及相關股份之好倉 (續)

### (ii) 信昌電陶公司\*\*

Name of director	Capacity and nature of interest	Number of shares held	Percentage of the associated corporation's issued share capital
董事姓名	持有權益之身份及性質	所持股份數目	佔相聯法團已發行股本之百分比
KOO Cheng Yun, Leslie 辜成允	Directly beneficially owned 直接實益擁有	1,040	—

\*\* 本公司之最終控股公司之附屬公司

除上述者外，若干董事純為符合公司股東人數下限之規定，代本公司持有本集團若干附屬公司之非實益個人股本權益。

除上文所披露者外，於結算日，董事概無已登記根據證券及期貨條例第352條須予記錄於本公司或其任何相聯法團之股份或相關股份之權益或淡倉，或根據標準守則而須知會本公司及聯交所之權益或淡倉。

## 董事收購股份或債券之權利

除上文「董事於股份及相關股份之權益及淡倉」所披露之詳情外，本年度內概無向任何董事、彼等之配偶或未成年子女授出可藉購入本公司之股份或債券而得益之權利，彼等亦無行使任何有關權利；而本公司、其任何控股公司、同系附屬公司及附屬公司概無訂立任何安排，致使董事可於任何其他法人團體取得有關權利。

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2006, the following interests of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity and nature of interest	Number of ordinary shares held	Company's issued share capital 佔本公司 已發行股本 之百分比	Percentage of the Number of share options held
名稱	持有權益之 身份及性質	所持 普通股數目		所持 購股權數目
TCC International Limited	Directly beneficially owned 直接實益擁有	565,094,000	73.11%	–
TCC* 台泥*	Through a controlled corporation 透過受控制法團	565,094,000	73.11%	–

\* TCC is interested in the shares of the Company by virtue of its beneficial ownership of the entire issued share capital of TCC International Limited.

## 主要股東及其他人士於股份及相關股份之權益

於二零零六年六月三十日，根據本公司按證券及期貨條例第336條置存之權益登記冊所示，下列公司擁有本公司已發行股本及購股權5%或以上權益：

\* 台泥因實益擁有TCC International Limited全部已發行股本而擁有本公司股份之權益。

All the interests stated above represent long positions.

上述所有權益均為好倉。

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO at the balance sheet date.

除上文所披露者外，於結算日，並無任何其他人士（本公司董事除外，其權益載於上文「董事於股份及相關股份之權益及淡倉」一節）已登記根據證券及期貨條例第336條須予記錄於本公司之股份或相關股份之權益或淡倉。

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2006.

## 購買、出售或贖回本公司之上市證券

截至二零零六年六月三十日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

## RULE 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of Rule 13.21 of the Listing Rules, the following disclosures are included in respect of the Company's loan agreements, which contain covenants requiring performance obligations of the controlling shareholder of the Company.

Pursuant to a loan agreement dated 23 June 2005 between the Company and certain banks relating to a five-year term loan facility of HK\$500,000,000, a termination event would arise if (i) Taiwan Cement Corporation ("TCC") ceases to own legally and beneficially, at least 51% of the shares in the Company's capital or (ii) the Group fails to meet the financial covenants stipulated in the loan facility. There were HK\$500,000,000 outstanding as at 30 June 2006.

Pursuant to a loan agreement dated 25 July 2005 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a termination event would arise if TCC ceases to own beneficially, directly or indirectly, at least 51% of the shares in the Company's capital. There were HK\$28,111,190 outstanding as at 30 June 2006.

Pursuant to a loan agreement dated 17 October 2005 between a subsidiary and a bank relating to a one-year loan facility of HK\$20,000,000, a termination event would arise if the Company ceases to be a subsidiary of TCC. There were HK\$20,000,000 outstanding as at 30 June 2006.

Pursuant to a loan agreement dated 27 March 2006 between a subsidiary and a bank relating to a one-year loan facility of HK\$50,000,000, a termination event would arise if TCC ceases to own beneficially, directly or indirectly, at least 51% of the shares in the Company's capital. There were HK\$50,000,000 outstanding as at 30 June 2006.

Pursuant to a loan agreement dated 24 April 2006 between the Company and a bank relating to a one-year loan facility of HK\$20,000,000, a termination event would arise if TCC ceases to own beneficially, directly or indirectly, at least 51% of the shares in the Company's capital. There were HK\$20,000,000 outstanding as at 30 June 2006.

## 上市規則第13.21條

根據上市規則第13.21條之披露規定，以下披露乃就本公司之貸款協議而提供，有關協議載有要求本公司控股股東履行責任之條款。

根據本公司與若干銀行於二零零五年六月二十三日訂立有關500,000,000港元之五年定期貸款協議，倘(i)台灣水泥股份有限公司（「台泥」）終止合法並實益擁有本公司股本中最少51%股權，或(ii)本集團不能符合該等融資貸款規定之財務條款，則會導致協議終止。截至二零零六年六月三十日，未償還之貸款為500,000,000港元。

根據本公司與一間銀行於二零零五年七月二十五日訂立有關40,000,000港元之一年貸款協議，倘台泥終止直接或間接實益擁有本公司股本中最少51%股權，則會導致協議終止。截至二零零六年六月三十日，未償還之貸款為28,111,190港元。

根據一間附屬公司與一間銀行於二零零五年十月十七日訂立有關20,000,000港元之一年貸款協議，倘本公司終止成為台泥之附屬公司，則會導致協議終止。截至二零零六年六月三十日，未償還之貸款為20,000,000港元。

根據一間附屬公司與一間銀行於二零零六年三月二十七日訂立有關50,000,000港元之一年貸款協議，倘台泥終止直接或間接實益擁有本公司股本中最少51%股權，則會導致協議終止。截至二零零六年六月三十日，未償還之貸款為50,000,000港元。

根據本公司與一間銀行於二零零六年四月二十四日訂立有關20,000,000港元之一年貸款協議，倘台泥終止直接或間接實益擁有本公司股本中最少51%股權，則會導致協議終止。截至二零零六年六月三十日，未償還之貸款為20,000,000港元。

## CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the period ended 30 June 2006, the Company has complied with the code provision of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that:

1. one of the independent non-executive director, Dr. Shan Weijian ("Dr. Shan") was redesignated as a non-executive director with effect from 9 June 2006 (the "Effective Date") after his appointment as an executive director of TCC, the ultimate holding company of the Company on 9 June 2006. As a result of such change, the number of the independent non-executive directors of the Company fell below the minimum number required under Rule 3.10(1) of the Listing Rules from the period between the Effective Date to 6 September 2006. The Company meets such requirement under Rule 3.10(1) of the Listing Rules after its appointment of a new independent non-executive director, Dr. Chih Ching Kang, Kenneth on 7 September 2006.

### 2. Code Provision A.4.1

Under this code provision, the non-executive directors should be appointed for a specific term, subject to re-election.

Currently, the non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Article of Association, and their appointment will be reviewed when they are due for re-election.

## 企業管治常規守則

截至二零零六年六月三十日止期間，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則（「守則」）之守則條文，惟：

1. 其中一位獨立非執行董事單偉建博士（「單博士」）於二零零六年六月九日獲委任為本公司之最終控股公司台泥之執行董事後，被調任為台泥之非執行董事，由二零零六年六月九日（「生效日期」）起生效。由於該變動，本公司之獨立非執行董事之數目於生效日期至二零零六年九月六日期間少於上市規則第3.10(1)條所規定之最少數目。本公司於二零零六年九月七日委任一名新獨立非執行董事池慶康博士後，則符合上市規則第3.10(1)條之有關規定。

### 2. 守則條文第A.4.1條

根據此守則條文，非執行董事須按特定任期委任及膺選連任。

目前，非執行董事並非按特定任期獲委任，惟根據本公司之組織章程細則條文須於本公司股東週年大會輪值告退及膺選連任，並於彼等到期膺選連任時審閱其委任。

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a Code for Securities Transactions by Directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (set out in Appendix 10 to the Listing Rules). Specific enquiries have been made with all Directors who have confirmed that they complied with the required standards set out in the Model Code for the period from 1 January 2006 to 30 June 2006 (both dates inclusive).

## AUDIT COMMITTEE

The Company has established an audit committee consisting of three independent non-executive directors in accordance with Rule 3.21 of the Listing Rules. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed its financial reporting matters, including a review of the unaudited interim financial statements of the Group for the six months ended 30 June 2006.

## ACKNOWLEDGEMENT

The Directors 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 period.

On behalf of the Board  
**Koo Cheng Yun, Leslie**  
*Chairman*

8 September 2006

## 董事進行證券交易的標準守則

本公司已採納董事進行證券交易的標準守則，其條款之嚴謹程度不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則。經作出特定查詢後所有董事已確認彼等由二零零六年一月一日起至二零零六年六月三十日止期間（包括首尾兩日）一直遵守標準守則所載之規定。

## 審核委員會

本公司已遵照上市規則第3.21條成立審核委員會，由三名獨立非執行董事組成。審核委員會已與管理層審閱本集團採納之會計原則及慣例，並商討其財務申報事宜，包括審閱本集團於截至二零零六年六月三十日止六個月之未經審核中期財務報表。

## 致謝

董事藉此向於本期間鼎力支持本集團之股東致以衷心感謝，並感激各員工為本集團作出之承擔及努力。

代表董事會  
董事長  
辜成允

二零零六年九月八日