



# **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 2007**

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The Board of Directors of TCC International Holdings Limited (the "Company") is pleased to announce the condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007, which are unaudited but reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2006, as follows:

台泥國際集團有限公司（「本公司」）之董事會欣然宣佈，本公司及其附屬公司（「本集團」）截至二零零七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，連同二零零六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	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Notes 附註		
Revenue	3	<b>716,156</b>	347,475
Cost of sales		<b>(622,341)</b>	(323,621)
Gross profit		<b>93,815</b>	23,854
Other income and gains		<b>58,911</b>	37,149
Selling and distribution expenses		<b>(7,055)</b>	(10,147)
General and administrative expenses		<b>(33,669)</b>	(34,766)
Other operating expenses		–	(9,654)
Finance costs	4	<b>(44,117)</b>	(31,049)
		<b>67,885</b>	(24,613)
Share of results of associates		<b>5,183</b>	10,263
Profit (loss) before tax	5	<b>73,068</b>	(14,350)
Income tax expense	6	<b>(1,561)</b>	(2,088)
Profit (loss) for the period		<b>71,507</b>	(16,438)
Attributable to:			
Shareholders of the Company		<b>60,058</b>	(24,155)
Minority interests		<b>11,449</b>	7,717
		<b>71,507</b>	(16,438)
Earnings (loss) per share			
– Basic	7	<b>7.8 cents 仙</b>	(3.1) cents 仙
– Diluted		<b>7.7 cents 仙</b>	N/A不適用

## CONDENSED CONSOLIDATED BALANCE SHEET

## 簡明綜合資產負債表

			30 June 2007 二零零七年 六月 三十日 HK\$'000 千港元	31 December 2006 二零零六年 十二月 三十一日 HK\$'000 千港元
		Notes 附註	(Unaudited) (未經審核)	(Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	1,783,911	1,611,004
Prepaid lease payments	預付租賃款項		66,008	64,728
Intangible assets	無形資產	9	60,980	18,602
Interests in associates	聯營公司權益		100,704	101,838
Loan to an associate	聯營公司貸款		25,946	28,746
Long term deposits	長期存款		720	1,756
Deposits for the acquisition of property, plant and equipment	收購物業、廠房及設備之按金		352,813	157,715
Available-for-sale investments	可供出售投資		71,565	71,564
Deferred tax asset	遞延稅項資產		42	42
			<b>2,462,689</b>	<b>2,055,995</b>
Current assets	流動資產			
Inventories	存貨	10	104,793	103,268
Prepaid lease payments	預付租賃款項		1,486	1,424
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		130,256	50,465
Loan receivable	應收貸款		8,163	7,921
Trade receivables	應收貿易賬款	11	200,669	131,721
Held-for-trading investments	持作交易用途之投資		317,923	540,255
Pledged bank deposits	已抵押銀行存款		3,502	27,523
Time deposits	定期存款		2,551	3,466
Cash and bank balances	現金及銀行結餘		305,936	255,290
			<b>1,075,279</b>	<b>1,121,333</b>

			<b>30 June</b>	31 December
			<b>2007</b>	2006
			二零零七年	二零零六年
			六月	十二月
			三十日	三十一日
			<b>HK\$'000</b>	HK\$'000
			千港元	千港元
		Notes	<b>(Unaudited)</b>	(Audited)
		附註	(未經審核)	(經審核)
Current liabilities	流動負債			
Trade payables	應付貿易賬款	12	<b>123,390</b>	139,135
Other payables and accrued liabilities	其他應付款項及應計負債		<b>181,134</b>	115,862
Tax payable	應付稅項		<b>3,900</b>	5,076
Short term portion of bank loans	銀行貸款之短期部分	13	<b>932,988</b>	638,065
Amount due to minority shareholders	應付少數股東款項		<b>17,567</b>	17,567
			<b>1,258,979</b>	915,705
Net current (liabilities) assets	流動（負債）資產淨值		<b>(183,700)</b>	205,628
Total assets less current liabilities	總資產減流動負債		<b>2,278,989</b>	2,261,623
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		<b>2,834</b>	2,834
Long term portion of bank loans	銀行貸款之長期部分	13	<b>836,186</b>	941,426
			<b>839,020</b>	944,260
			<b>1,439,969</b>	1,317,363
Capital and reserves	股本及儲備			
Share capital	股本		<b>77,292</b>	77,292
Reserves	儲備		<b>1,215,884</b>	1,108,905
Equity attributed to shareholders of the Company	本公司股東應佔權益		<b>1,293,176</b>	1,186,197
Minority interests	少數股東權益		<b>146,793</b>	131,166
			<b>1,439,969</b>	1,317,363

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動表

Attributable to shareholders of the Company  
本公司股東權益

	Share capital	Share premium	Share options reserve	Contributed surplus	Capital reserve	Capital redemption reserve	Building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	Proposed dividend	Accumulated losses	Total equity
	股本	股份溢價	購股權儲備	撥入盈餘	資本儲備	贖回儲備	土地及樓宇重估儲備	外匯浮盈儲備	法定儲備基金	派派股息	累計虧損	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
	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
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
As at 1 January 2006	77,292	1,035,005	-	208,263	2,076	3,678	24,187	(8,374)	1,728	7,729	(175,593)	1,271,938
Share of changes in equity of associates	-	-	-	-	-	-	-	50	34	-	-	84
Recognition of equity settled share-based payment expenses	-	-	1,700	-	-	-	-	-	-	-	-	1,700
Exchanges differences arising on translation of foreign operations	-	-	-	-	-	-	-	(850)	-	-	-	(889)
Net income recognised directly in equity	77,292	1,035,005	1,700	208,263	2,076	3,678	24,187	(9,174)	1,762	7,729	(175,593)	1,272,853
(Loss/profit) for the period	-	-	-	-	-	-	-	-	-	-	(24,155)	(16,438)
Total recognised income for the period	77,292	1,035,005	1,700	208,263	2,076	3,678	24,187	(9,174)	1,762	7,729	(199,748)	1,256,415
2005 final dividend paid	-	-	-	-	-	-	-	-	-	(7,729)	-	(7,729)
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(385)	(3,845)
Transfer to statutory reserve fund	-	-	-	-	-	-	-	-	385	-	-	-
At 30 June 2006	77,292	1,035,005	1,700	208,263	2,076	3,678	24,187	(9,174)	2,147	(200,133)	1,145,041	1,244,841

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 簡明綜合權益變動表

Attributable to shareholders of the Company  
本公司股東應佔

	Share capital	Share premium	Share options reserve	Contributed surplus	Capital reserve	Capital redemption reserve	Land & Building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	Proposed dividend	Accumulated losses	Total	Minority interests	Total equity
	股本	股份溢價	購股權儲備	撥入盈餘	資本儲備	贖回儲備	土地及樓宇重估儲備	外匯浮盈儲備	法定儲備基金	派派股息	累計虧損	權益總額	少數股東	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
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
As at 1 January 2007	77,292	1,035,005	3,400	208,263	2,076	3,678	26,443	22,202	2,130	-	(194,292)	1,186,197	131,166	1,317,363
Share of changes in equity of associates	-	-	-	-	-	-	-	(3,066)	90	-	-	(2,976)	45	(2,931)
Exchanges differences arising on translation of foreign operations	-	-	-	-	-	-	-	49,897	-	-	-	49,897	4,133	54,030
Net income recognised directly in equity	77,292	1,035,005	3,400	208,263	2,076	3,678	26,443	69,033	2,220	-	(194,292)	1,233,118	135,344	1,368,462
Profit for the period	-	-	-	-	-	-	-	-	-	-	60,058	60,058	11,449	71,507
Total recognised income for the period	77,292	1,035,005	3,400	208,263	2,076	3,678	26,443	69,033	2,220	-	(134,234)	1,293,176	146,793	1,439,969
Transfer to statutory reserve fund	-	-	-	-	-	-	-	-	1,897	-	(1,897)	-	-	-
At 30 June 2007	77,292	1,035,005	3,400	208,263	2,076	3,678	26,443	69,033	4,117	-	(136,131)	1,293,176	146,793	1,439,969

於二零零七年一月一日  
應佔聯營公司之權益變動  
匯外幣所產生之  
匯兌差額

直接歸認為權益之收入總額  
期內溢利

期內確認為收入總額  
轉撥至法定儲備基金

於二零零七年六月三十日

## 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	
		2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash inflow (outflow) from operating activities	經營活動之現金流入 (流出) 淨額	<b>38,741</b>	(68,019)
Net cash outflow from investing activities	投資活動之現金流出淨額	<b>(112,531)</b>	(115,998)
Net cash inflow from financing activities	融資活動之現金流入淨額	<b>124,436</b>	244,939
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值增加 淨額	<b>50,646</b>	60,922
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	<b>255,290</b>	185,676
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末之現金及現金等值	<b>305,936</b>	246,598

## 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 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 2006.

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 on or after 1 January 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current and prior accounting periods. Accordingly, no prior period adjustment has been required.

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>
HK(IFRIC)-INT 10	Interim Financial Reporting and Impairment <sup>5</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.
- <sup>5</sup> Effective for annual periods beginning on or after 1 November 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證券上市規則附錄十六之適用披露規定及香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

### 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二零零六年十二月三十一日止年度之年度綜合財務報表採用之會計政策一致。

於本中期期間，本集團首次採納由香港會計師公會頒佈於二零零七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」）。採納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或本集團之財務狀況並無重大影響。因此，毋須作出前期調整。

香港會計準則第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	根據香港會計準則第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	重新評估勘入式衍生工具 <sup>4</sup>
香港（國際財務報告詮釋委員會）－詮釋第10號	中期財務報告及減值 <sup>5</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。
- <sup>5</sup> 於二零零六年十一月一日或之後開始之年度期間生效。



The Group has not early applied the following new standards amendments or 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 23 (Revised)	Borrowing Cost <sup>1</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC) - INT 11	HKFRS 2 – Group and Treasury Share Transactions <sup>2</sup>
HK(IFRIC) - INT 12	Service Concession Arrangements <sup>3</sup>

- <sup>1</sup> Effective for accounting periods beginning on or after 1 January 2009.
- <sup>2</sup> Effective for accounting periods beginning on or after 1 March 2007.
- <sup>3</sup> Effective for accounting periods beginning on or after 1 January 2008.

本集團並未提早採納下列已頒佈但尚未生效之新準則、修訂或詮釋。本公司董事預期應用該等準則、修訂或詮釋將不會對本集團業績及財務狀況造成重大影響。

香港會計準則第23號 (修訂本)	借貸成本 <sup>1</sup>
香港財務報告準則第8號 香港（國際財務報告詮釋 委員會）－詮釋第11號	經營分類 <sup>1</sup> 香港財務報告準則 第2號－集團及庫存 股份交易 <sup>2</sup>
香港（國際財務報告詮釋 委員會）－詮釋第12號	服務經營權安排 <sup>3</sup>

- <sup>1</sup> 於二零零九年一月一日或以後開始之會計期間生效。
- <sup>2</sup> 於二零零七年三月一日或以後開始之會計期間生效。
- <sup>3</sup> 於二零零八年一月一日或以後開始之會計期間生效。

### 3. Segment information

#### Business Segments

The following table presents unaudited revenue and profit (loss) 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溢利（虧損）。

		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	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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	72,921	89,363	643,235	258,112	-	-	-	-	716,156	347,475
Other revenue	其他收益	1,191	1,521	-	-	-	-	47,922	33,927	49,113	35,448
Total	總計	74,112	90,884	643,235	258,112	-	-	47,922	33,927	765,269	382,923
Segment results	分類業績	13,950	15,827	47,180	(25,340)	-	-	41,074	14,247	102,204	4,734
Unallocated other income	未分配其他收入									9,798	1,702
Finance costs	融資成本									112,002	6,436
Share of results of associates	應佔聯營公司之業績	-	-	-	-	5,183	10,263	-	-	(44,117)	(31,049)
Profit (loss) before tax	除稅前溢利（虧損）									5,183	10,263
Income tax expense	所得稅支出									73,068	(14,350)
Profit (loss) for the period	期內溢利（虧損）									(1,561)	(2,088)
										71,507	(16,438)

### 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	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年	二零零七年	二零零六年
		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	61,296	77,702	643,235	258,112	11,625	11,661	-	-	716,156	347,475
Other revenue	其他收益	1,233	1,553	16,257	670	53	56	31,570	33,169	49,113	35,448
Total	總計	62,529	79,255	659,492	258,782	11,678	11,717	31,570	33,169	765,269	382,923

### 3. 分類資料 (續)

#### 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	
		2007	2006
		二零零七年	二零零六年
		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	25,895	26,036
- over five years	- 超過五年	20,820	9,986
Total borrowing costs	總借貸成本	46,715	36,022
Less: amounts capitalised in construction in progress	減：於在建工程中資本化金額	(2,598)	(4,973)
		44,117	31,049

## 5. Profit (loss) Before Tax

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

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
Amortisation of intangible assets	無形資產之攤銷
(Gain) Loss on held-for trading investments:	持作交易用途之投資之(利潤)虧損:
– realised	– 已變現
– unrealised	– 未變現
Dividend income from listed investments	上市投資之股息收入
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之業績)

## 6. Income tax expense

Hong Kong Profits Tax is calculated at 17.5% (2006:17.5%) of the estimated assessable profits for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, certain of the Company's PRC subsidiaries are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years.

On 16 March 2007, the National People's Congress promulgated the Corporate Income Tax Law of the PRC (the new "CIT") which will be effective from 1 January 2008. The new CIT will impose a single income tax rate of 25% for both domestic and foreign invested enterprises. The existing Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises (the "FIE and FE tax laws") and Provisional Regulations of the PRC on Enterprise Income Tax (collectively referred to as the "existing tax laws") will be abolished simultaneously. Currently, the Company's subsidiaries in PRC applied tax rates under the existing tax laws to provide for current tax. The Corporate Income Tax Law detailed implementation rulings have not been released. It is uncertain for the Company, at this stage, to access the impact of such new law. The Directors of the Company will continue to access the future financial impact on the Group upon release of detailed implementation rulings.

## 5. 除稅前溢利(虧損)

除稅前溢利(虧損)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	
2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)

	58,742	37,495
	1,468	-
	(5,355)	(81)
	(40,342)	9,654
	-	(32,636)
	1,802	1,872

## 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%(二零零六年:17.5%)之稅率計算。其他司法權區之稅項乃按相關司法權區之現行稅率計算。

根據中國相關法例及法規,若干本公司於國內之附屬公司自首個獲利年度起計兩年可獲豁免繳交中國企業所得稅,而隨後三年可獲減半寬免。

於二零零七年三月十六日,全國人民代表大會頒佈《中國企業所得稅法》(新「企業所得稅法」),並自二零零八年一月一日起生效。新企業所得稅法將對內資企業與外商投資企業統一徵收25%之所得稅稅率。現行之《中國外商投資企業和外國企業所得稅法》和《中國企業所得稅暫行條例》(以下統稱「現行稅法」)將同時廢除。現時,本公司於國內之附屬公司應用現行稅法之稅率,以對現有稅項進行撥備。《中國企業所得稅法》之具體實施規定尚未頒佈。於現階段,本公司未能確定評估該新稅法之影響。本公司董事將繼續評估頒佈具體實施規定對本集團之未來財務影響。

## 7. Earnings (loss) per share

The calculation of the basic and diluted earnings (loss) per share attributable to the shareholders of the Company is based on the following data:

### Earnings (loss)

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

計算每股基本及攤薄盈利（虧損）所用之盈利（虧損）（本公司之股東應佔期內溢利（虧損））

### Number of Shares

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

計算每股基本盈利（虧損）所用之普通股加權平均股數

Effect of dilutive potential ordinary shares – share options

普通股之潛在攤薄影響  
— 購股權

Weighted average number of ordinary shares for the purposes of diluted earnings per share

計算每股攤薄盈利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.

## 7. 每股盈利（虧損）

本公司之股東應佔每股基本及攤薄盈利（虧損）乃根據以下數據計算：

### 盈利（虧損）

#### Six months ended 30 June

截至六月三十日止六個月

2007

2006

二零零七年

二零零六年

HK\$'000

HK\$'000

千港元

千港元

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

60,058

(24,155)

### 股份數目

30 June

30 June

2007

2006

二零零七年

二零零六年

六月三十日

六月三十日

'000

'000

千股

千股

(Unaudited)

(Unaudited)

(未經審核)

(未經審核)

772,922

772,922

11,500

—

784,422

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。

## 8. Property, plant and equipment

During the period, the Group acquired property, plant and equipment at a cost of approximately HK\$181,303,000.

## 9. Intangible Assets

During the period, the Group acquired mining rights and computer software at a costs of approximately HK\$34,580,000 and HK\$8,700,000 respectively.

## 10. Inventories

	30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Raw materials and consumables	原材料及易耗品	63,421
Work in progress	在製品	14,091
Finished goods	製成品	25,756
	<b>104,793</b>	<b>103,268</b>

## 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:

	30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0-90日	120,476
91-180 days	91-180日	10,943
181-365 days	181-365日	302
	<b>200,669</b>	<b>131,721</b>

As at 30 June 2007, trade receivables of the Group included a trade balance due from an associate of HK\$6,479,000 (31 December 2006: HK\$9,219,000) which is unsecured, interest-free and repayable in accordance with normal trading terms (see note 16).

## 8. 物業、廠房及設備

於期內，本集團以成本約181,303,000港元購買物業、廠房及設備。

## 9. 無形資產

於期內，本集團分別以成本約34,580,000港元及8,700,000港元購買探礦權及電腦軟件。

## 10. 存貨

	30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Raw materials and consumables	58,556	63,421
Work in progress	16,799	14,091
Finished goods	29,438	25,756
	<b>104,793</b>	<b>103,268</b>

## 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。以下為資產負債表日應收貿易賬款之賬齡分析：

	30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	176,086	120,476
91-180 days	24,583	10,943
181-365 days	-	302
	<b>200,669</b>	<b>131,721</b>

於二零零七年六月三十日，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6,479,000港元（二零零六年十二月三十一日：9,219,000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16）。

## 12. Trade payables

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

0-90 days	0-90日
91-180 days	91-180日
181-360 days	181-360日
Over 360 days	360日以上

As at 30 June 2007, trade payables of the Group include a trade balances due to a fellow subsidiary of approximately HK\$470,000 (31 December 2006: HK\$524,000) and a trade balances due to minority shareholder of a subsidiary of approximately HK\$2,922,000 (31 December 2006: HK\$2,319,000). These trade balances due to a fellow subsidiary and the minority shareholder of a subsidiary are unsecured, interest-free and repayable in accordance with normal trading terms.

## 13. Bank loans

Secured	已抵押
Unsecured	無抵押
The loans are repayable as follows:	
On demand or within one year	一年內或按要求償還
In the second to fifth years	第二至第五年
After fifth year	第五年後
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)
Amount due for settlement after one year	須於一年後償還之款項

The Company's bank loans amounting to HK\$510,000,000 (31 December 2006: HK\$615,770,000) was secured by a corporate guarantee from certain subsidiaries.

Apart from the above, certain of the Group's other bank loans amounting to HK\$888,844,000 (31 December 2006: HK\$903,721,000) were secured by a corporate guarantee from the Company.

## 12. 應付貿易賬款

以下為資產負債表日應付貿易賬款之賬齡分析：

	30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	120,954	135,072
91-180 days	758	1,725
181-360 days	481	1,357
Over 360 days	1,197	981
	<b>123,390</b>	<b>139,135</b>

於二零零七年六月三十日，本集團之應付貿易賬款包括應付一間同系附屬公司之貿易結餘約470,000港元（二零零六年十二月三十一日：524,000港元）以及應付一間附屬公司少數股東之貿易結餘約2,922,000港元（二零零六年十二月三十一日：2,319,000港元）。該等應付一間同系附屬公司以及一間附屬公司少數股東之貿易結餘為無抵押、免息及須按一般貿易條款償還。

## 13. 銀行貸款

	30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Secured	1,398,844	1,519,491
Unsecured	370,330	60,000
	<b>1,769,174</b>	<b>1,579,491</b>
The loans are repayable as follows:		
On demand or within one year	932,988	638,065
In the second to fifth years	760,850	380,545
After fifth year	75,336	560,881
	<b>1,769,174</b>	<b>1,579,491</b>
Less: Amount due for settlement within one year (shown under current liabilities)	(932,988)	(638,065)
Amount due for settlement after one year	<b>836,186</b>	<b>941,426</b>

本公司為數510,000,000港元（二零零六年十二月三十一日：615,770,000港元）之銀行貸款由若干附屬公司之公司擔保作抵押。

除上述者外，本集團為數888,844,000港元（二零零六年十二月三十一日：903,721,000港元）之若干其他銀行貸款由本公司之公司擔保作抵押。

#### 14. Contingent liabilities

The Group did not have any significant contingent liabilities as at the balance sheet date (31 December 2006: Nil).

#### 15. Capital commitments

Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements

已訂約但未於綜合財務報表撥備之購買物業、廠房及設備之資本支出

30 June 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
266,355	217,669

#### 16. Related party transactions

Purchases of cement from the ultimate holding company  
Rental expenses payable to a fellow subsidiary  
Rental expenses payable to a related company\*  
Logistic and unloading services fee payable to a fellow subsidiary  
Maintenance service fee of a computer software system payable to a fellow subsidiary  
Implementation service fee of a computer software system payable to a fellow subsidiary  
Sales of cement to an associate

向最終控股公司購買水泥  
應付一間同系附屬公司之租金  
應付一間關連公司之租金\*  
應付一間同系附屬公司之物流及卸貨服務費  
應付一間同系附屬公司之電腦軟件系統保養服務費  
應付一間同系附屬公司之電腦軟件系統實施服務費  
向一間聯營公司銷售水泥

(i)

(i)

(i)

(i)

(i)

(i)

(i)

(ii)

Six months ended 30 June  
截至六月三十日止六個月

2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)
16,931	29,725
2,160	2,160
881	1,015
2,611	1,806
2,110	-
8,340	-
12,970	18,909

\* The related company is an associate of the ultimate holding company.

Notes:

- (i) The prices of these transactions were determined between the parties with reference to the agreements signed.
- (ii) The price of these transactions were determined between the parties with reference to market prices

#### 14. 或然負債

本集團於資產負債表日並無任何重大或然負債（二零零六年十二月三十一日：無）。

#### 15. 資本承擔

#### 16. 關連人士交易

\* 該關連公司乃最終控股公司之聯營公司。

附註：

- (i) 該等交易之價格由訂約雙方參考已簽訂之協議釐定。
- (ii) 該等交易之價格由訂約雙方參考市場價格釐定。



## 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 key terms of the Scheme had been summarised in the Company's 2006 Annual Report published in March 2007.

As at 30 June 2007, 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. (See Note below)

Details of specific category of share options are as follows:

Date of grant 授出日期	Vesting period 歸屬期	Exercise period (Note) 行使期 (附註)	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 2007 於二零零七年 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 2007 於二零零七年 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 1,500,000 5,000,000	- - -	5,000,000 1,500,000 5,000,000
Total	總計	11,500,000	-	11,500,000

Note: Of the 11,500,000 share options outstanding at 30 June 2007, 11,200,000 were held by directors and employees who were originally seconded from Taiwan Cement Corporation ("TCC"), the ultimate holding company of the Company. These share options are subject to special restrictions on their exercise period: up to 40% of the share option held by each director/employee may be exercised in 2007, a further 30% in 2008 and the entire balance from 2009 onwards. These share options will not lapse when the director/employee leaves the Group and returns to his original employment with TCC; their termination is determined by reference to the date when the director/employee subsequently ceases to be employed by TCC.

## 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。該計劃之主要條款已概述於本公司在二零零七年三月刊發之二零零六年年報內。

於二零零七年六月三十日，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。（見以下附註）

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：

附註：於二零零七年六月三十日，11,500,000份尚未行使購股權中之11,200,000份，乃由原由本公司最終控股公司台灣水泥股份有限公司（「台泥」）臨時調任之董事及僱員持有。該等購股權之行使期須受特別限制：各董事／僱員可於二零零七年行使其所持有之購股權最多40%，於二零零八年可行使另外30%，由二零零九年開始則可行使全部餘額。該等購股權將不會因董事／僱員離任本集團並返回台泥之原工作崗位而失效；其終止乃按董事／僱員其後於台泥終止受僱之日期釐定。

## 17. Share based payment transaction (Continued)

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

On 23 May 2006, the Scheme was cancelled and a new share option scheme (the "New Share Option Scheme") was adopted by the Company. No option was granted under the New Share Option Scheme for the period ended 30 June 2007.

## 18. Events after balance sheet date

On 14 June 2007, the Group has announced a proposed offer to acquire all of the issued shares in the share capital of Chia Hsin Cement Greater China Holding Corporation ("CHCGC"), the shares of which are listed on the Stock Exchange. The offer has been approved by the Shareholders at an extraordinary general meeting of the Company held on 23 August 2007, but is still subject to the valid acceptances from CHCGC shareholders and the approval by relevant authorities.

In July 2007, the Group entered into an agreement regarding a planned investment of RMB500 million for the construction of a new clinker and cement transit centre and four cement grinding production lines with a total annual capacity of 4 million metric tonnes in Foshan, Guangdong province.

## 19. Approval of the interim financial statements

The condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 24 August 2007.

## 17. 以股份支付款項之交易 (續)

### 以股權結算之購股權計劃 (續)

該計劃已於二零零六年五月二十三日終止，以及本公司已採納一項新購股權計劃（「新購股權計劃」），於截至二零零七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. 資產負債表日後事項

於二零零七年六月十四日，本集團宣佈收購股份於聯交所上市之嘉新水泥（中國）控股股份有限公司（「CHCGC」）股本中全部已發行股份之建議要約。該項要約已於二零零七年八月二十三日舉行之本公司股東特別大會上獲股東通過，惟仍須受CHCGC股東有效接納及政府有關當局批准所規限。

於二零零七年七月，本集團就計劃投資人民幣500,000,000元建立一個新熟料及水泥轉運中心及四條水泥粉磨生產線而訂立協議，上述設備位於廣東省佛山，總年產4,000,000公噸。

## 19. 中期財務報表之批准

本簡明綜合中期財務報表已於二零零七年八月二十四日經董事會批准及授權刊發。

## INTERIM DIVIDEND

The Board of Directors does not recommend the payment of interim dividend for the six months ended 30 June 2007.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operations review

#### *Overall results*

The Group's massive investment in capacity expansion began to pay off and contributed to a significant improvement in performance in the first half of the current financial year. For the six months ended 30 June 2007, the Group reported an unaudited consolidated revenue of HK\$716.2 million, which represented a 106.1 per cent upsurge from that of the corresponding period last year. This was mainly attributable to a substantial increase in sales volume resulting from enlarged capacity. The Group's Yingde and Fuzhou plants operated smoothly during the period under review, and had led to a 1.8 fold leap in the Group's sales volume from that of the same period last year.

Increased sales volume and improved cement selling prices, along with enhanced cost efficiency of Yingde and Fuzhou plants had enabled the Group to return to profitability and reported a profit attributable to shareholders for the period of HK\$60.1 million, as compared to a loss of HK\$24.2 million for the same period of 2006.

#### *Hong Kong*

The Group's cement trading and concrete businesses in Hong Kong reported a modest adjustment in revenue due to slowdown in the territory's construction sector in the first half of 2007. Although the cement selling prices for the period rose over those of the corresponding period last year, this effect was offset by a reduced sales volume and led to a retreat in profit when compared with that of the first half of 2006.

## 中期股息

董事會不建議派付截至二零零七年六月三十日止六個月之中期股息。

## 管理層討論及分析

### 業務回顧

#### *整體業績*

本集團為提升產能所作出之巨額投資已開始取得回報，並為本財政年度上半年之業績帶來顯著改善。於截至二零零七年六月三十日止六個月，本集團錄得未經審核綜合收益為716,200,000港元，較去年同期飆升約106.1%，主要由於經擴大產能導致銷量激增所致。本集團之英德及福州廠於回顧期內運作暢順，為本集團之銷量帶來較去年同期躍升達1.8倍。

銷量上升及水泥售價改善，加上英德及福州廠更具成本效益，使本集團得以轉虧為盈，期內錄得股東應佔溢利60,100,000港元，二零零六年同期則為虧損24,200,000港元。

#### *香港*

本集團於香港之水泥貿易及混凝土業務錄得收益輕微調整，此乃由於當地建築業於二零零七年上半年發展放緩所致。儘管期內水泥售價較去年同期有所上升，此增長已為銷量下滑所抵銷，導致溢利較二零零六年上半年為低。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Operations review (Continued)

#### Mainland China

During the period under review, Anhui King Bridge Cement Co., Ltd. ("AKB"), the Group's 60%-owned slag powder grinding plant in Anhui, leveraged higher selling prices and a 13 per cent increase in revenue to realise an 18 per cent improvement in profit. In the six-month period, the plant had increased its sales volume to Anhui province and its peripheral markets, capitalising on stronger demand and lower transportation costs.

Benefited from stable supply of raw material from its joint venture partner, TCC Liuzhou Construction Materials Co., Ltd. ("TCC Liuzhou"), the Group's 60 per cent owned slag powder plant in Guangxi province, enjoyed an outstanding performance with sales volume increased by 25.5 per cent. The Guangxi venture reported an 80 per cent growth in profit when compared with that of the same period last year due to strong sales and effective cost control.

The Group's cement grinding plant in Fuzhou, Fujian province, also reported encouraging results for the period under review. Sales volume surged by 58 per cent during the first half of 2007 when compared with that of the corresponding period last year, as a result of strengthened sales network, enhanced brand recognition and the plant's effective capacity utilisation. As a result of surged sales volume and higher cement selling prices, the Fuzhou plant recorded a 70 per cent growth in revenue, and reported a favourable profit as compared to a loss in the corresponding period last year.

After its initial start up period in 2006, the Group's cement production base in Yingde began to operate at its designed efficiency in the six-month period. The plant achieved a sales volume of 2 million metric tonnes during a traditional low season of the industry.

The plant's improved performance has brought it back to the black. This was a result of enhanced operation efficiency and increase in the selling prices of cement and clinker.

#### The Philippines

The Group's cement distribution and handling services facilities in Manila, the Philippines, continued to provide a steady stream of cash flow to the Group in the six-month period.

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 中國大陸

於回顧期內，本集團擁有60%權益之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，透過較高售價及13%收益增長實現溢利增長達18%。於六個月期內，該廠利用較強勁之需求及較低之運輸成本，提高其於安徽省及其週邊市場之銷量。

本集團擁有60%權益之柳州台泥新型建材有限公司（「柳州台泥」）於廣西省經營之礦渣粉廠，受惠於其合營夥伴穩定供應原料，銷量上升25.5%，業績表現突出。由於銷售強勁及有效控制成本，該廣西省合營公司之利潤較去年同期錄得80%增長。

本集團位於福建省福州之水泥研磨廠於回顧期內之業績同樣令人鼓舞。二零零七年上半年之銷量較去年同期急升58%，此乃由於銷售網絡更為完善，品牌認知度提高以及該廠之有效產能使用率所致。由於銷量上升，水泥售價上漲，故福州廠錄得70%收益增長，較去年同期錄得虧損而言，期內錄得可觀溢利。

於二零零六年起始期後，本集團於英德之水泥製造基地於六個月期內按照既定效能開始運作。該廠於行內傳統低潮期內之銷量達2,000,000公噸。

該廠之運作效能提升，水泥及熟料之售價亦上漲，使該廠表現有所改善，轉虧為盈。

#### 菲律賓

本集團於菲律賓馬尼拉之水泥分銷及處理服務設施繼續為本集團於六個月期內帶來穩定之現金流量。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Operations review (Continued)

#### Other Investments

The Group disposed of a portion of its equity investment during the period under review and realised a gain of HK\$5.4 million.

#### Liquidity, financial resources and capital structure

The Group adopts prudent treasury policies in managing cash resources and bank borrowings.

Total unrestricted cash and bank balances of the Group as at 30 June 2007 amounted to HK\$308.5 million, of which 6.1%, 47.9% and 45.3% were denominated in HK\$, US\$ and RMB respectively. Highly liquid short term investments, classified as held-for-trading investments, with a market value of HK\$317.9 million as at 30 June 2007, were also held by the Group.

The maturity profile of the Group's bank borrowings as at 30 June 2007 are as follows:

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 其他投資

本集團於回顧期內出售一部分股本投資，並變現利潤5,400,000港元。

#### 流動資金、財務資源及資本架構

本集團採用審慎之庫務政策，管理現金資源及銀行借貸。

於二零零七年六月三十日，本集團無限制現金及銀行結餘總額為308,500,000港元，其中6.1%、47.9%及45.3%分別以港元、美元及人民幣為貨幣單位。於二零零七年六月三十日，本集團亦持有高流通之短期投資，市值達317,900,000港元，並已分類為持作交易用途之投資。

於二零零七年六月三十日，本集團銀行借貸之到期詳情如下：

		30 June 2007 二零零七年 六月 三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2006 二零零六年 十二月 三十一日 HK\$'000 千港元 (Audited) (經審核)
<b>Amount repayable:</b>	須於以下期間償還之金額：		
Within one year	一年之內	932,988	638,065
Within two to five years	兩至五年之內	760,850	380,545
Beyond five years	五年之後	75,336	560,881
<b>Total bank loans</b>	<b>銀行貸款總額</b>	<b>1,769,174</b>	<b>1,579,491</b>

As at 30 June 2007, HK\$1,117.5 million of the bank loans was denominated in HK\$, HK\$54.4 million in US\$ and HK\$597.3 million in RMB. All of the bank loans are of floating rate structures.

於二零零七年六月三十日之銀行貸款，其中1,117,500,000港元以港元為貨幣單位，54,400,000港元以美元為貨幣單位，597,300,000港元以人民幣為貨幣單位。所有銀行貸款均為浮動利率模式。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Charge on assets

As at 30 June 2007, deposits amounting to HK\$3.5 million have been pledged by the Group as margin for issuance of letter of credit for the purchase of plant and equipments.

### 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 2007.

### Major Capital Commitments

As at 30 June 2007, 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\$266.4 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 2007, the Group had 651 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2007 amounted to HK\$21.6 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, no share options were granted to directors or employees.

## 管理層討論及分析 (續)

### 質押資產

於二零零七年六月三十日，3,500,000港元之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。

於二零零七年六月三十日，並無任何未完成之外匯兌換合約。

### 主要資本承擔

於二零零七年六月三十日，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266,400,000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

於二零零七年六月三十日，本集團共有651名全職僱員。本集團於截至二零零七年六月三十日止期間之工資及薪金總額達21,600,000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，董事或僱員並無獲授任何購股權。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Prospects and future plans

With the healthy development of the property sector, particularly in Southern and Eastern China, and the State's massive infrastructure and industrial development projects, domestic clinker and cement prices continue to improve in the Southeast region.

The cement industry's consolidation is expected to be further expedited by the State's policy of lifting the industry's overall efficiency through eliminating obsolete capacity and supporting development of large scale cement plants. Out of the 250 million metric tonnes of inefficient cement capacity to be replaced by 2010 under the state policy, 10 million metric tonnes and 30 million metric tonnes will be from Fujian and Guangdong provinces respectively, in which the Group's major facilities are located.

AKB is already running at its design capacity. The Group expects it will continue to generate stable revenue and profit. Following the realignment of its sales strategy, AKB is now focusing on domestic sales, with the Anhui, Jiangsu, Zhejiang and Shanghai being its primary target markets.

The shortfall in slag powder supply in Guangdong and Guangxi provinces will continue to drive demand, as well as the selling price of the product. Being one of the two major slag powder suppliers in the two provinces, TCC Liuzhou will be able to further enhance its outstanding performance in the second half of the year. The plant's new production line with a capacity of 700,000 metric tonnes will be completed in the fourth quarter of this year. The additional capacity will provide a driving force for the Liuzhou plant's profitability in 2008.

Judging from the strong sales in July and August, the Group expects its Fuzhou plant to maintain favourable results in the second half of the year, capitalising on heavy demand from its nearby markets and its enhanced operation efficiency. An additional capacity of 750,000 metric tonnes will be added to the plant by the fourth quarter of 2007. This will serve to sustain the plant's growth momentum into the year 2008.

## 管理層討論及分析 (續)

### 展望及未來計劃

由於物業市場穩健發展，特別是在華南及華東，加上國家亦進行大量基礎建設及工業發展項目，華東及華南地區之國內熟料及水泥價格持續向好。

水泥行業之整合預期將會因透過消除落後產能及促進大型水泥廠發展以提高業內整體效率之國家政策而進一步加速。根據國家政策，250,000,000公噸之低效率水泥產能將於二零一零年前被取締，其中10,000,000公噸以及30,000,000公噸將分別來自福建省及廣東省，該兩個地區乃本集團主要大型設施所在地。

朱家橋已按既定產能運作。本集團預期朱家橋將會持續產生穩定收益及溢利。在其重新整合其銷售策略後，朱家橋目前專注於國內銷售，並以安徽、江蘇、浙江及上海作為其主要目標市場。

廣東省及廣西省礦渣粉供應不足將會持續刺激需求，產品售價因而上升。作為兩省兩間最大型礦渣粉供應商之一，柳州台泥之出色表現可於本年下半年更上一層樓。該廠房產能達700,000公噸之新生產線將會於本年第四季落成。額外產能將會於二零零八年為柳州廠房之盈利能力帶來推動力。

根據七月及八月之強勁銷售額，本集團預期福州廠將會因其鄰近市場強烈需求以及經提升之營運效率而於下半年維持其優秀業績。於二零零七年第四季，該廠將增加額外750,000公噸之產能，將保持該廠於二零零八年之增長勢頭。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Prospects and future plans (Continued)

The Yingde plant has been operating at its designed efficiency, as reflected by the substantial reduction in unit costs and healthy gross margin during the first half of the year. Profitability of the plant is expected to be further improved when it enters the industry peak season in the fourth quarter, with cement selling prices continuing to improve in Guangdong.

The Yingde plant's third production line will be commissioned in December 2007, while the fourth production line will commence operation in the first quarter of 2008, bringing the plant's total annual capacity to 9 million metric tonnes of clinker and cement.

To continue its efficiency upgrading exercise, the Group announced in May 2007, a turnkey agreement for the construction of power generation units utilising residual heat energy generated by its production lines at Yingde plant. When completed in the second half of 2008, the facilities will serve to further lower Yingde plant's overall costs by optimising its production line's resource utilisation and lowering its energy expenses, through an environmental friendly approach.

The Yingde and Fuzhou plants are expected to be running at close to full capacity throughout the year, with their performance further improved, leveraging their optimum capacity utilisation, strong market demand and favourable selling prices.

With the arrival of the cement peak season in the fourth quarter and the continued upsurge in cement selling prices, particularly in Guangdong, the Group is confident in achieving better performance in the second half of the year.

On 14 June 2007, the Group has announced a proposed offer to acquire all of the issued shares in the share capital of Chia Hsin Cement Greater China Holding Corporation ("CHCGC"), the shares of which are listed on the Stock Exchange. The offer has been approved by the Shareholders at an extraordinary general meeting of the Company held on 23 August 2007, but is still subject to the valid acceptances from CHCGC shareholders and the approval by relevant authorities.

## 管理層討論及分析 (續)

### 展望及未來計劃 (續)

於上半年內，英德廠之單位成本大幅下降並保持毛利率穩健，反映其已按既定效率運作。廣東水泥售價持續上升，第四季為業內旺季，屆時該廠之盈利能力預期將進一步改善。

英德廠之第三條生產線將於二零零七年十二月開始運作，而第四條生產線將於二零零八年第一季投產，使該廠之熟料及水泥總年產能達9,000,000公噸。

為持續提升效率，本集團於二零零七年五月宣佈訂立一份總承包合同，內容有關建造利用英德廠生產線產生之剩餘熱能之發電機。工程將於二零零八年下半年竣工，屆時該等設備將透過環保方法，更有效地利用英德廠生產線資源並減低其能源開支，進一步降低英德廠整體成本。

英德廠及福州廠憑藉其進一步改善之表現、達致最佳效益之產能、強勁市場需求及售價向好之優勢，預計全年均以接近設計產能運作。

隨著第四季水泥旺季來臨及水泥售價持續上漲（特別是廣東），本集團有信心於下半年達致更理想之業績。

於二零零七年六月十四日，本集團宣佈收購股份於聯交所上市之嘉新水泥（中國）控股股份有限公司（「CHCGC」）股本中全部已發行股份之建議要約。該項交易已於二零零七年八月二十三日舉行之本公司股東特別大會上獲股東通過，惟仍須受CHCGC股東有效接納及政府有關當局批准所規限。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Prospects and future plans (Continued)

The completion of the Chia Hsin acquisition would signify a major strategic move of the Group, and can accelerate its expansion momentum.

Chia Hsin is a cement manufacturer with an established market presence in Eastern China. Its product sales currently cover Jiangsu, Zhejiang, Fujian and Shanghai. It also exports cement to the United States, Middle East, Africa and New Zealand.

Successful acquisition of Chia Hsin will help to immediately enhance the Group's scale of operation and to extend its market reach to Eastern China. The combined strength of the two companies will further elevate the Group's competitiveness during the industry's consolidation. The merger of these two sizeable operations will also create synergetic effect for the enlarged Group's procurement and supply chain management.

In July 2007, the Group entered into an agreement regarding a planned investment of RMB500 million for the construction of a new clinker and cement transit centre and four cement grinding production lines with a total annual capacity of 4 million metric tonnes in Foshan, Guangdong province. The plan forms an integral part of the Group's blueprint for becoming a leading cement manufacturer in Guangdong.

Following the completion of the Group's expansion at Liuzhou, Fuzhou and Yingde plants, and assuming the successful completion of Chia Hsin transaction, the Group will become one of the largest cement manufacturers in Southern and Eastern China.

## 管理層討論及分析 (續)

### 展望及未來計劃 (續)

完成收購CHCGC意味本集團一項主要策略性行動，同時可加速其擴展動力。

CHCGC是一個在華東具有穩定市場的水泥製造商，目前其產品銷售範圍覆蓋江蘇，浙江，福建及上海，並出口水泥至美國、中東、非洲及紐西蘭。

成功收購CHCGC將有助即時提高本集團之經營規模及擴展其市場至華東。兩間公司之優勢結合將提升本集團於行業整合期間之競爭力。該兩間大型公司之合併亦為經擴大集團之採購及供應鏈管理產生協同效益。

於二零零七年七月，本集團就計劃投資人民幣500,000,000元建立一個新熟料及水泥轉運中心及四條水泥粉磨生產線而訂立協議，上述設備位於廣東省佛山，總年產能4,000,000公噸。本集團銳意成為廣東主要水泥製造商，該計劃為該發展藍圖之重點。

本集團柳州廠、福州廠及英德廠擴展完成後，並假設成功完成收購CHCGC交易，本集團將成為華南及華東最大規模水泥製造商之一。

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

As at 30 June 2007, 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%

## 董事於股份及相關股份之權益及淡倉

於二零零七年六月三十日，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

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

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

Pursuant to a share option scheme adopted by the Company on 5 October 1997 (the "Scheme"), the Company had, on 31 March 2006, granted to certain the Company Directors the rights to subscribe for Company's shares at an exercise price of HK\$1.266 per share exercisable during the period from 1 October 2006 to 30 March 2011 (both days inclusive).

The following table discloses the details of the above grant of share options to the Directors under the Scheme:

Name of Directors	Date of Grant	Exercise Price (HK\$)	Exercise Period <sup>(Note)</sup>	Outstanding at Beginning of Year and Up to the Latest Practicable Date	Approximate Percentage of Shareholding
董事姓名	授出日期	行使價 (港元)	行使期 <sup>(附註)</sup>	於年初直至最後實際可行日期尚未行使	概約持股百分比
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>	<b>0.84%</b>

Note:

The exercisable period of an option granted under the scheme commences on the date falling six 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. As both of the Directors who hold the options set out above were originally seconded from Taiwan Cement Corporation, special restriction apply to the exercise period of these options. See the footnote to note 17 (on page 16).

## 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)

根據本公司於一九九七年十月五日採納之購股權計劃（「該計劃」），本公司於二零零六年三月三十一日授予若干本公司董事權利，可於二零零六年十月一日至二零一一年三月三十日（包括首尾兩日）期間行使，按每股股份行使價1.266港元認購本公司股份。

下表披露根據該計劃授予董事上述購股權之詳情：

附註：

根據該計劃授出購股權之行使期自授出購股權日期後滿六個月當日開始至緊接授出該購股權日期滿五週年當日前一日營業結束時屆滿。由於兩名持有上述購股權之董事原由台灣水泥股份有限公司臨時調任，故該等購股權之行使期須受特別限制。詳見載於第16頁附註17之註腳。

## 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)

On 23 May 2006, the Scheme was cancelled and a new share option scheme was adopted by the Company. No option under this new scheme have been granted.

該計劃已於二零零六年五月二十三日終止，以及本公司已採納一項新購股權計劃。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	30,579,298	91 (Note 1) (附註1)	63,127,084 (Note 2) (附註2)	93,706,473	2.922%
WU Yih Chin	吳義欽	240,828	-	-	240,828	0.008%
LIAO Poon Huai, Donald	廖本懷	11,274	705,198 (Note 1) (附註1)	-	716,472	0.022%

\* 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 63,127,084 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63,127,084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)**

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)**

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，於資產負債表日，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 2007, 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	567,518,000	73.43%	–
TCC* 台泥*	Through a controlled corporation 透過受控制法團	567,518,000	73.43%	–

\* 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

於二零零七年六月三十日，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：

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	567,518,000	73.43%	–
TCC* 台泥*	Through a controlled corporation 透過受控制法團	567,518,000	73.43%	–

\* 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，於資產負債表日，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 2007.

## 購買、出售或贖回本公司之上市證券

截至二零零七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.

Pursuant to a loan agreement dated 28 August 2006 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a loan agreement dated 12 December 2006 between the Company and a bank relating to a loan facility of HK\$65,000,000, a loan agreement dated 26 February 2007 between the Company and a bank relating to a uncommitted 1-year term loan facility of US\$15,000,000, a loan agreement dated 3 April 2007 between a subsidiary and a bank relating to a loan facility of HK\$50,000,000, a loan agreement dated 11 April 2007 between the Company and a bank relating to a one-year loan facility of HK\$20,000,000, and a loan agreement dated 12 April 2007 between the Company and a bank relating to a loan facility of US\$15,000,000, a termination event would arise if TCC, the Company's ultimate holding company, ceases to own beneficially, directly or indirectly, at least 51% of the shares in the Company's capital.

Pursuant to a loan agreement dated 20 February 2006 between a subsidiary and a bank relating to a one-year loan facilities of HK\$20,000,000, a termination event would arise if the Company ceases to be a subsidiary of TCC.

## 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。

根據本公司與一間銀行在二零零六年八月二十八日訂立有關40,000,000港元之一年期貸款融資之貸款協議、本公司與一間銀行在二零零六年十二月十二日訂立有關65,000,000港元之貸款融資之貸款協議、本公司與一間銀行在二零零七年二月二十六日訂立有關15,000,000美元之一年期無承擔貸款融資之貸款協議、一間附屬公司與一間銀行在二零零七年四月三日訂立有關50,000,000港元之貸款融資之貸款協議、本公司與一間銀行在二零零七年四月十一日訂立有關20,000,000港元之一年期貸款融資之貸款協議及本公司與一間銀行在二零零七年四月十二日訂立有關15,000,000美元貸款融資之貸款協議，如台泥（即本公司之最終控股公司）終止實益持有（直接或間接）本公司股本中最少51%股份，則會導致協議終止。

根據一間附屬公司與一間銀行在二零零六年二月二十日訂立有關20,000,000港元之一年期貸款融資之貸款協議，如本公司終止成為台泥之附屬公司，則會導致協議終止。

## CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the period ended 30 June 2007, 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:

### 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.

## 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 2007 to 30 June 2007 (both dates inclusive).

## 企業管治常規守則

截至二零零七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：

### 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。

## 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二零零七年一月一日起至二零零七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。



## 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 2007.

## 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*

24 August 2007

## 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二零零七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

二零零七年八月二十四日