



# **TCC International Holdings Limited**

台泥國際集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1136)

**Interim Report 2008**

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## RESULTS

The Board of Directors of TCC International Holdings Limited (the "Company") is pleased to announce the condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008, which are unaudited but reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2007, as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

## 業績

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」）截至二零零八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業績，連同二零零七年同期之未經審核比較數字如下：

### 簡明綜合收益表

		Six months ended 30 June 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Revenue	收益	3	1,170,324
Cost of sales	銷售成本		(999,561)
Gross profit	毛利		170,763
Other income and gains	其他收入及利潤		101,467
Selling and distribution expenses	銷售及分銷開支		(75,549)
General and administrative expenses	一般及行政開支		(68,651)
Finance costs	融資成本	4	(61,124)
Share of results of associates	應佔聯營公司之業績		66,906
			18,224
Profit before tax	除稅前溢利	5	85,130
Income tax expense	所得稅支出	6	(5,446)
Profit for the period	期內溢利		79,684
Attributable to:	以下應佔：		
Shareholders of the Company	本公司股東		54,351
Minority interests	少數股東權益		25,333
			79,684
Earnings per share	每股盈利	7	
– Basic	– 基本		4.2 cents 港仙
– Diluted	– 攤薄		7.8 cents 港仙
			4.2 cents 港仙
			7.7 cents 港仙

## CONDENSED CONSOLIDATED BALANCE SHEET

## 簡明綜合資產負債表

			30 June 六月三十日 2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 十二月三十一日 2007 二零零七年 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	4,104,141	3,873,850
Prepaid lease payments	預付租賃款項		712,071	714,897
Intangible assets	無形資產		92,854	95,720
Interests in associates	聯營公司權益		120,089	104,253
Loan to an associate	聯營公司貸款		25,946	25,946
Long term deposits	長期存款		720	720
Deposits for the acquisition of property, plant and equipment	採購物業、廠房及設備之訂金		934,527	645,713
Available-for-sale investments	可供出售投資		63,382	71,564
Deferred tax asset	遞延稅項資產		35	33
			<b>6,053,765</b>	<b>5,532,696</b>
Current assets	流動資產			
Inventories	存貨	9	390,895	272,761
Prepaid lease payments	預付租賃款項		20,376	20,137
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		191,664	125,086
Loan receivables	應收貸款		61,219	27,291
Trade receivables	應收貿易賬款	10	275,131	320,223
Held-for-trading investments	持作交易用途之投資		344,266	335,038
Pledged bank deposits	已抵押銀行存款		5,920	3,651
Time deposits with original maturities over three months	原到期日超過三個月的定期存款		159,500	112,952
Time deposits	定期存款		17,050	-
Cash and bank balances	現金及銀行結餘		534,988	725,937
			<b>2,001,009</b>	<b>1,943,076</b>

			30 June 六月三十日 2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 十二月三十一日 2007 二零零七年 HK\$'000 千港元 (Audited) (經審核)
Current liabilities	流動負債			
Trade payables	應付貿易賬款	11	337,651	130,211
Other payables and accrued liabilities	其他應付款項及應計負債		236,604	226,614
Tax payable	應付稅項		8,932	11,424
Short term portion of bank loans	銀行貸款之短期部分	12	1,215,445	1,005,362
Amount due to minority shareholders	應付少數股東款項		17,619	17,567
Amount due to ultimate holding company	應付最終控股公司款項		62,500	–
			<b>1,878,751</b>	1,391,178
Net current assets	流動資產淨值		<b>122,258</b>	551,898
Total assets less current liabilities	總資產減流動負債		<b>6,176,023</b>	6,084,594
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		145,235	147,885
Long term portion of bank loans	銀行貸款之長期部分	12	1,910,326	2,017,728
			<b>2,055,561</b>	2,165,613
			<b>4,120,462</b>	3,918,981
Capital and reserves	股本及儲備			
Share capital	股本		129,682	128,159
Reserves	儲備		3,802,824	3,629,569
Equity attributed to shareholders of the Company	本公司股東應佔權益		<b>3,932,506</b>	3,757,728
Minority interests	少數股東權益		187,956	161,253
			<b>4,120,462</b>	3,918,981

## 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 股本	Share premium 股份溢價	Shares to be issued 將予發行之股份	Share options reserve 購股權儲備	Contributed surplus 溢入盈餘	Capital reserve 資本儲備	Capital redemption reserve 贖回儲備	Land & building revaluation reserve 土地及樓宇重估儲備	Exchange fluctuation reserve 外匯浮盈儲備	Statutory reserve fund 法定儲備基金	Proposed dividend 擬派股息	(Accumulated losses) Retained profits (累計虧損) 保留溢利	Total 總計	Minority interests 少數股東權益
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2007		77,292	1,035,005	-	3,400	208,263	2,076	3,678	26,443	22,202	2,130	-	1,186,197	131,166	1,317,363
Share of changes in equity of associates	應佔聯營公司之權益變動	-	-	-	-	-	-	-	-	(3,066)	90	-	(2,976)	45	(2,931)
Exchanges differences arising on translation of foreign operations	匯兌差額	-	-	-	-	-	-	-	-	49,897	-	-	-	-	49,897
Net income recognised directly in equity	直接歸認為權益之收入淨額	-	-	-	-	-	-	-	-	46,831	90	-	-	4,178	51,099
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	-	-	60,058	-	11,449	71,507
Total recognised income for the period	期內確認為收入總額	-	-	-	-	-	-	-	-	46,831	90	-	60,058	15,627	122,606
Transfer to statutory reserve fund	轉撥法定儲備基金	-	-	-	-	-	-	-	-	-	1,897	-	(1,897)	-	-
At 30 June 2007	於二零零七年六月三十日	77,292	1,035,005	-	3,400	208,263	2,076	3,678	26,443	69,033	4,117	-	1,293,176	146,793	1,439,969
As at 1 January 2008	於二零零八年一月一日	128,159	6,745,816	152,894	2,655	208,263	2,076	3,678	31,380	184,693	17,868	-	3,757,728	161,253	3,918,981
Share of changes in equity of associates	應佔聯營公司之權益變動	-	-	-	-	-	-	-	-	(1,720)	(672)	-	(3,719,754)	-	(2,392)
Exchanges differences arising on translation of foreign operations	匯兌差額	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income recognised directly in equity	直接歸認為權益之收入淨額	-	-	-	-	-	-	-	-	120,381	-	-	-	5,770	126,151
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	118,661	(672)	-	54,351	25,333	123,759
Total recognised income for the period	期內確認為收入總額	-	-	-	-	-	-	-	-	118,661	(672)	-	54,351	31,103	203,443
Issue of share capital	股本發行	1,330	151,564	(152,894)	-	-	-	-	-	-	-	-	-	-	-
Exercise of Share options	行使購股權	193	2,824	(574)	-	-	-	-	-	-	-	-	-	-	2,443
Share issue expenses	股本發行開支	-	(5)	-	-	-	-	-	-	-	-	-	-	-	(5)
Dividend paid to minority shareholders	派付少數股東股息	-	-	-	-	-	-	-	-	-	-	-	-	(4,400)	(4,400)
Elimination of accumulated losses as at 31 December 2007 against share premium account (note a)	取消以往累積虧損抵銷二零零七年十二月三十一日之累計虧損(附註a)	-	(3,719,754)	-	-	-	-	-	-	-	-	3,719,754	-	-	-
Transfer to statutory reserve fund	轉撥法定儲備基金	-	-	-	-	-	-	-	-	-	1,725	-	(1,725)	-	-
At 30 June 2008	於二零零八年六月三十日	129,682	3,180,445	2,081	2,081	208,263	2,076	3,678	31,380	303,354	18,921	-	52,626	187,956	4,120,462

#### Note:

附註:

- a. Pursuant to a special resolution passed at the annual general meeting of the Company held on 27 May 2008, the amount of HK\$3,719,754,000 standing to the credit of the share premium account of the Company was set off in full the accumulated losses in accordance with the articles of association of the Company and all applicable laws.
- 本公司於二零零八年五月二十七日舉行股東週年大會，根據會上通過之特別決議案，入賬至本公司股份溢價賬目之3,719,754,000港元，已按照本公司之組織章程細則及所有適用法律悉數抵銷累計虧損。

## 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	
		2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash inflow from operating activities	經營活動之現金流入淨額	227,570	38,741
Net cash outflow from investing activities	投資活動之現金流出淨額	(431,443)	(112,531)
Net cash inflow from financing activities	融資活動之現金流入淨額	29,974	124,436
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值 (減少) 增加淨額	(193,899)	50,646
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	725,937	255,290
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, REPRESENTED BY CASH AND BANK BALANCES	期末之現金及現金等值，即現金及銀行結餘	552,038	305,936

## 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 with 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 condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at revalued amounts or fair values.

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 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations (“new interpretations”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2008. The adoption of these new Interpretations 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 recognised.

HK(IFRIC) - INT 11	HKFRS 2 – Group and Treasury Share Transactions <sup>1</sup>
HK(IFRIC) - INT 12	Service Concession Arrangements <sup>2</sup>
HK(IFRIC) - INT 14	HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <sup>2</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 March 2007.

<sup>2</sup> Effective for accounting periods beginning on or after 1 January 2008.

## 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（「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

本簡明綜合中期財務報表乃按過往成本法編製，惟若干物業及金融工具乃按重估金額或公平值計算。

本簡明財務報表採用之會計政策與編製本集團截至二零零七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，本集團首次採納由會計師公會頒佈於二零零八年一月一日開始之會計期間生效之多項新詮釋（「新詮釋」）。採納此等新詮釋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，無須作出前期調整。

香港（國際財務報告詮釋委員會） — 詮釋第11號	香港財務報告準則第2號— 集團及庫存股票交易 <sup>1</sup>
香港（國際財務報告詮釋委員會） — 詮釋第12號	服務特許權安排 <sup>2</sup>
香港（國際財務報告詮釋委員會） — 詮釋第14號	香港會計準則第19號— 界定福利資產之限制、 最低資金要求及兩者之 互動關係 <sup>2</sup>

<sup>1</sup> 於二零零七年三月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零零八年一月一日或之後開始之年度期間生效。

## 2. Principal Accounting Policies (Continued)

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 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>2</sup>
HKFRS 8 HK(IFRIC) – Int 13	Operating Segments <sup>1</sup> Customer Loyalty Programmes <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009.

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2009.

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2008.

## 2. 主要會計政策 (續)

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1號 (經修訂)	財務報表呈列 <sup>1</sup>
香港會計準則第23號 (經修訂)	借貸成本 <sup>1</sup>
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 <sup>2</sup>
香港財務報告準則第2號 (修訂本)	以股份為基礎的付款— 歸屬條件及取消 <sup>1</sup>
香港財務報告準則第3號 (經修訂)	業務合併 <sup>2</sup>
香港財務報告準則第8號	營運分部 <sup>1</sup>
香港(國際財務報告 詮釋委員會) —詮釋第13號	客戶忠誠計劃 <sup>3</sup>

<sup>1</sup> 於二零零九年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零零九年七月一日或之後開始之年度期間生效。

<sup>3</sup> 於二零零八年七月一日或之後開始之年度期間生效。



### 3. Segment Information

#### Business Segments

The following table presents unaudited revenue and 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溢利。

		Import, distribution and handling of cement Six months ended 30 June 入口、分銷 及處理水泥 截至六月三十日止 六個月		Manufacturing and distribution of cement and slag powder Six months ended 30 June 製造及分銷水泥 及礦渣粉 截至六月三十日止 六個月		Investment holding Six months ended 30 June 投資控股 截至六月三十日止 六個月		Consolidated Six months ended 30 June 綜合 截至六月三十日止 六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 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	64,215	72,921	1,106,109	643,235	-	-	1,170,324	716,156
Other revenue	其他收益	1,119	1,191	7,549	-	33,377	47,922	42,045	49,113
Total	總計	65,334	74,112	1,113,658	643,235	33,377	47,922	1,212,369	765,269
Segment results	分類業績	2,967	13,950	40,853	47,180	27,883	43,124	71,703	104,254
Unallocated corporate expenses	未分配公司開支							(3,095)	(2,050)
Unallocated other income	未分配其他收入							59,422	9,798
Finance costs	融資成本							128,030	112,002
Share of results of associates	應佔聯營公司之 業績							(61,124)	(44,117)
								18,224	5,183
Profit before tax	除稅前溢利							85,130	73,068
Income tax expense	所得稅支出							(5,446)	(1,561)
Profit for the period	期內溢利							79,684	71,507

### 3. Segment Information (Continued)

### 3. 分類資料 (續)

#### Geographical Segments

#### 地區分類

The following table presents unaudited revenue for the Group's geographical segments. 下表呈列本集團地區分類之未經審核收益。

Segment revenue:	Hong Kong		Mainland China		Philippines		Taiwan		Japan		Europe		Others		Consolidated	
	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		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年	二零零八年	二零零七年
	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	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	千港元	千港元
	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止	截至六月三十日止
	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月	六個月
Segment revenue:	分類收益:															
Sales and services to external customers	銷售及提供服務予 外界客戶	81,992	61,296	1,038,298	643,235	-	11,625	-	21,659	-	20,693	-	7,682	-	1,170,324	716,156
Other revenue	其他收益	1,132	1,233	389	16,257	3	53	40,521	-	-	-	-	-	-	42,045	49,113
Total	總計	83,124	62,529	1,038,687	659,492	3	11,678	40,521	21,659	20,693	7,682	-	7,682	-	1,212,369	765,269

#### 4. Finance Costs

#### 4. 融資成本

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
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	80,959	25,895
– over five years	– 超過五年	–	20,820
Total borrowing costs	總借貸成本	<b>80,959</b>	46,715
Less: Amounts capitalised in construction in progress	減：於在建工程中資本化金額	<b>(19,835)</b>	(2,598)
		<b>61,124</b>	44,117

#### 5. Profit Before Tax

#### 5. 除稅前溢利

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

除稅前溢利已扣除（計入）下列各項：

		<b>Six months ended 30 June</b>	
		截至六月三十日止六個月	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		千港元	千港元
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
		<b>(未經審核)</b>	<b>(未經審核)</b>
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	116,934	58,742
Amortisation of intangible assets	無形資產之攤銷	5,042	1,468
Gain on disposal of held-for-trading investments	出售持作交易用途之投資之收益	(7,219)	(5,355)
Change in fair value of held-for-trading investments	持作交易用途之投資公平值變動	(17,593)	(40,342)
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	(8,185)	–
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）	3,442	1,802

## 6. Income Tax Expense

Hong Kong Profits Tax is calculated at 17.5% (2007:17.5%) of the estimated assessable profits for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 7. Earnings per Share

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

### Earnings

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

計算每股基本及攤薄盈利所用之盈利  
(本公司之股東應佔期內溢利)

### Number of Shares

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

計算每股基本盈利所用之  
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

## 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% (二零零七年: 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。

## 7. 每股盈利

本公司之股東應佔每股基本及攤薄盈利乃根據以下數據計算:

### 盈利

#### Six months ended 30 June

截至六月三十日止六個月

2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)
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54,351

60,058

### 股份數目

30 June 2008 二零零八年 六月三十日 '000 千股 (Unaudited) (未經審核)	30 June 2007 二零零七年 六月三十日 '000 千股 (Unaudited) (未經審核)
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1,295,585

772,922

4,846

11,500

1,300,431

784,422



## 8. Property, Plant and Equipment

During the period, the Group acquired property, plant and equipment at a cost of approximately HK\$214,094,000 (2007: HK\$181,303,000).

## 9. Inventories

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

## 10. 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:

0-90 days	0-90日
91-180 days	91-180日
181-365 days	181-365日

As at 30 June 2008, trade receivables of the Group included a trade balance due from an associate of HK\$5,430,000 (31 December 2007: HK\$6,298,000) which is unsecured, interest-free and repayable in accordance with normal trading terms (see note 15).

## 8. 物業、廠房及設備

於期內，本集團以成本約214,094,000港元（二零零七年：181,303,000港元）購買物業、廠房及設備。

## 9. 存貨

30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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240,917	221,933
57,226	15,903
92,752	34,925
<b>390,895</b>	<b>272,761</b>

## 10. 應收貿易賬款

本集團政策給予貿易客戶平均90日之賒賬期。以下為資產負債表日應收貿易賬款之賬齡分析：

30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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235,676	281,158
39,455	39,065
-	-
<b>275,131</b>	<b>320,223</b>

於二零零八年六月三十日，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5,430,000港元（二零零七年十二月三十一日：6,298,000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）。

## 11. Trade Payables

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

		30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0-90日	317,256	116,769
91-180 days	91-180日	4,348	10,225
181-360 days	181-360日	1,623	467
Over 360 days	360日以上	14,424	2,750
		<b>337,651</b>	<b>130,211</b>

As at 30 June 2008, trade payables of the Group include a trade balances due to a fellow subsidiary of approximately HK\$492,000 (31 December 2007: HK\$467,000) and a trade balances due to minority shareholder of a subsidiary of approximately HK\$3,252,000 (31 December 2007: HK\$2,750,000). 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.

## 12. Bank Loans

		30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Secured	已抵押	958,058	675,885
Unsecured	無抵押	2,167,713	2,347,205
		<b>3,125,771</b>	<b>3,023,090</b>
The loans are repayable as follows:	貸款償還期如下：		
On demand or within one year	一年內或按要求償還	1,215,445	1,005,362
In the second to fifth years	第二至第五年	933,169	912,030
After fifth year	第五年後	977,157	1,105,698
		<b>3,125,771</b>	<b>3,023,090</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)	<b>(1,215,445)</b>	<b>(1,005,362)</b>
Amount due for settlement after one year	須於一年後償還之款項	<b>1,910,326</b>	<b>2,017,728</b>

## 13. Contingent Liabilities

The Group did not have any significant contingent liabilities as at the balance sheet date (31 December 2007: Nil).

## 11. 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 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0-90日	317,256	116,769
91-180 days	91-180日	4,348	10,225
181-360 days	181-360日	1,623	467
Over 360 days	360日以上	14,424	2,750
		<b>337,651</b>	<b>130,211</b>

於二零零八年六月三十日，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492,000港元（二零零七年十二月三十一日：467,000港元）以及應付一間附屬公司少數股東之貿易結餘約3,252,000港元（二零零七年十二月三十一日：2,750,000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。

## 12. 銀行貸款

		30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Secured	已抵押	958,058	675,885
Unsecured	無抵押	2,167,713	2,347,205
		<b>3,125,771</b>	<b>3,023,090</b>
The loans are repayable as follows:	貸款償還期如下：		
On demand or within one year	一年內或按要求償還	1,215,445	1,005,362
In the second to fifth years	第二至第五年	933,169	912,030
After fifth year	第五年後	977,157	1,105,698
		<b>3,125,771</b>	<b>3,023,090</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)	<b>(1,215,445)</b>	<b>(1,005,362)</b>
Amount due for settlement after one year	須於一年後償還之款項	<b>1,910,326</b>	<b>2,017,728</b>

## 13. 或然負債

本集團於資產負債表日並無任何重大或然負債（二零零七年十二月三十一日：無）。

#### 14. 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 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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<b>1,257,600</b>	<b>760,274</b>
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#### 15. Related Party Transactions

Purchases of cement and clinker from the ultimate holding company  
Rental expenses payable to a fellow subsidiary  
Rental expenses payable to a related company\*<sup>1</sup>  
Logistic and unloading services fee payable to a fellow subsidiary  
Maintenance service fee of a computer software system payable to fellow subsidiaries  
Implementation service fee of a computer software system payable to a fellow subsidiary  
Sales of cement to an associate  
Sales of cement to a related party\*\*<sup>2</sup>  
Purchases of clinker from a related party\*\*<sup>2</sup>

向最終控股公司購買水泥及熟料  
應付一間同系附屬公司之租金  
應付一間關連公司之租金\*<sup>1</sup>  
應付一間同系附屬公司之物流及卸貨服務費  
應付同系附屬公司之電腦軟件系統之維護服務費  
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  
向一名關連人士銷售水泥\*\*<sup>2</sup>  
向一名關連人士購買熟料\*\*<sup>2</sup>

Notes  
附註

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

2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)
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<b>7,199</b>	16,931
<b>2,160</b>	2,160
<b>608</b>	881
<b>1,826</b>	2,611
<b>1,352</b>	2,110
-	8,340
<b>19,226</b>	12,970
<b>30,198</b>	-
<b>50,978</b>	-

\*<sup>1</sup> The related company is an associate of the ultimate holding company.

\*\*<sup>2</sup> The related party is the subsidiary of the major shareholder of the Company.

Notes:

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

\*<sup>1</sup> 該關連公司乃最終控股公司之聯營公司。

\*\*<sup>2</sup> 該關連人士乃本公司主要股東之附屬公司。

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。

## 16. 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 2007 Annual Report published in March 2008.

As at 30 June 2008, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 7,050,000. 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 董事姓名／僱員		Outstanding at 1 January 2008 於二零零八年 一月一日 尚未行使	Exercised during period 於期內已行使	Outstanding at 30 June 2008 於二零零八年 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	4,400,000 900,000 3,680,000	210,000 450,000 1,270,000	4,190,000 450,000 2,410,000
Total	總計	8,980,000	1,930,000	7,050,000

Note: The 7,050,000 share options outstanding at 30 June 2008, were held by Directors and employees who were originally seconded from Taiwan Cement Corporation ("T'Cement"), 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 T'Cement; and their termination is determined by reference to the date when the Director/employee subsequently ceases to be employed by T'Cement.

## 16. 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二零零八年三月刊發之二零零七年年報內。

於二零零八年六月三十日，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7,050,000股，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：於二零零八年六月三十日，7,050,000份尚未行使購股權，乃由原由本公司最終控股公司台灣水泥股份有限公司（「T'Cement」）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T'Cement之原工作崗位而失效；及其終止乃按董事／僱員其後於T'Cement終止受僱之日期釐定。



## 16. 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 2008.

## 17. Approval of the Interim Financial Statements

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 21 August 2008.

## 16. 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」），於截至二零零八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。

## 17. 中期財務報表之批准

本簡明綜合中期財務報表已於二零零八年八月二十一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 2008.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operations review

#### *Overall results*

During the first half of the current financial year, the Group's operations had been interrupted by extreme weather conditions and affected by rising coal costs. The Group's performance had been further impacted by the under-utilisation of newly completed additional facilities, which were in their tuning process, and extra expenses resulting from the acquisition of Chia Hsin Cement Greater China Holding Corporation ("CHCGC").

For the six months ended 30 June 2008, the Group reported an unaudited consolidated revenue of HK\$1,170 million, which represented a 63.4% upsurge from that of the corresponding period last year. This was mainly attributable to surge in output from newly acquired facilities and rise in the average selling price of cement. During the first half of the year, the Group reported a profit attributable to shareholders of HK\$54.4 million, representing a 9.5% downward adjustment from that of the corresponding period last year.

#### *Mainland China*

In Mainland China, the average selling prices ("ASP") of cement from most of the Group's facilities were higher than those of the corresponding period last year. The snow storm and heavy rain in Southern China during the first two quarters had severely interrupted the progress of construction works, and the consumption of cement had thus been affected. The backlog of cement due to slow sales in the first half of the year had forced cement price in Guangdong to go down in the second quarter.

## 中期股息

董事會不建議派付截至二零零八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*

於本財政年度上半年，本集團業務因惡劣天氣情況的干擾和煤炭成本的上漲而受影響。若干新近完工之新增設施因在調試階段而並未能發揮其產能，此外，收購嘉新水泥（中國）控股股份有限公司（「CHCGC」）產生額外開支，令本集團之業績進一步受到影響。

截至二零零八年六月三十日止六個月，本集團錄得未經審核綜合收益1,170,000,000港元，較去年同期飆升63.4%。這主要是由於新近收購設施使產量提升及水泥平均售價上漲所致。於上半年內，本集團錄得股東應佔溢利54,400,000港元，較去年同期下調9.5%。

#### *中國大陸*

在中國大陸，本集團大部分廠房所產水泥之平均售價較去年同期均有所上升。上半年華南地區遭遇雪災及暴雨，嚴重阻礙建築施工進度，因而影響水泥消耗量。上半年水泥滯銷造成存貨積壓，致使廣東地區於第二季度之水泥價格下降。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Operations review (Continued)

#### Mainland China (Continued)

##### Yingde

The Yingde plant's third and fourth production lines had been completed and commenced their trial run in the first half of the year. Since the new facilities were in their tuning and testing processes for most part of the period under review, the additional capacity had basically not been utilised during the first half of the year.

The aforementioned factor compounded with a slow down in property development in the Guangdong Province resulting from the State's macroeconomic austerity measures and adverse weather condition, sales volume of Yingde plant in the six months ended 30 June 2008, dropped to approximately 1.74 million metric tonnes, from about 2 million metric tonnes in the same period of 2007.

Despite substantial surge in coal prices, the higher ASP of cement in Guangdong, when compared with that of the same period last year, had contributed to a 52.3% increase in the Yingde plant's profit after tax.

##### Fuzhou

Sales volume of the cement grinding plant in Fuzhou, Fujian Province slightly retreated, during the first half of 2008, to approximately 613,000 metric tonnes of cement. This was partly due to continuous showery weather in the Southern China region. The increase in Fuzhou plant's ASP was not sufficient to cover the rise in clinker costs, as it had to rely on outside suppliers during the period under review, the Fuzhou plant reported a 45.3% decline in profit after tax. Although a new product line with an additional capacity of 750,000 metric tonnes commenced trial run in the six-month period, it had yet to contribute to the Fuzhou plant's performance due to requirement for equipment adjustment.

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 中國大陸 (續)

##### 英德

英德廠第三及第四條生產線已於期內竣工，並已於上半年開始試產。由於新廠房於回顧期內大部分時間均處於調試階段，上半年基本上未能發揮其新增產能。

由於上述因素，加上國家嚴格執行宏觀經濟調控措施，以及惡劣天氣狀況造成廣東省房地產開發放緩，英德廠截至二零零八年六月三十日止六個月之銷售量從二零零七年同期之約2,000,000公噸跌至約1,740,000公噸。

儘管煤炭價格飆升，但廣東省水泥平均售價較去年同期有所上漲，推動了英德廠除稅後溢利上升52.3%。

##### 福州

二零零八年上半年，位於福建省福州之水泥研磨廠之水泥銷售量輕微下降至約613,000公噸。部分原因歸咎於華南地區持續降雨。福州廠水泥之平均售價有所上揚，但由於回顧期內熟料供應須依賴外部供應商，而水泥售價上漲幅度仍不足以抵銷增加之熟料成本。福州廠之除稅後溢利下降45.3%。儘管一條額外產能為750,000公噸之新增生產線已於回顧期間投入試產，但由於須要進行設備調整，故未有對福州廠之業績作出貢獻。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Operations review (Continued)

#### Mainland China (Continued)

##### Jurong

The Group completed the acquisition of CHCGC, which operates a cement plant in Jurong, Jiangsu Province, in the last quarter of 2007. During the period, CHCGC adjusted its target market from export oriented to domestic focus, in reaction to State's suspension of rebate of value-added tax. The reduction in export along with the weather impact had affected the Jurong plant's sales volume which declined 31.8% to 1.33 million metric tonnes during the period under review. The Group incurred an additional expense of over HK\$14 million due to recognition of further depreciation and amortisation charges in property, plant and equipment, prepaid lease payment and intangible assets following the revaluation of fair value of CHCGC, and the streamlining of CHCGC's corporate structure, this had also cut into the bottom line of the Group.

##### Liuzhou

Capitalising on the commencement of commercial production of a new production line in the first quarter this year, the Group's 60% owned slag powder joint venture in Liuzhou reported a sales volume of approximately 430,000 metric tonnes of slag powder for the period under review. The sales volume represented a 36% increase from that of the same period of 2007. Strong selling prices and the Group's successful control of production cost led to a 79.2% surge in the Liuzhou venture's profit after tax, when compared with that of the corresponding period last year.

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 中國大陸 (續)

##### 句容

本集團於二零零七年第四季度完成收購CHCGC（該公司於江蘇省句容經營一家水泥廠）。鑒於國家終止增值稅退稅，期內CHCGC將其目標市場由出口導向轉為內銷為主。受出口減少及不利天氣之影響，回顧期內句容廠之銷售量下跌31.8%至1,330,000公噸。本集團於重估CHCGC之公平值後，增加認列物業、廠房及設備、預付租賃款項及無形資產之折舊及攤銷開支，以及精簡其公司架構，因而產生額外開支逾14,000,000港元，亦影響了本集團之盈利。

##### 柳州

藉一條新生產線於今年第一季度開始商業生產，本集團擁有60%權益之柳州礦渣粉合資企業於回顧期內錄得約430,000公噸礦渣粉銷售量，較二零零七年同期上升36%。售價上升及本集團對生產成本控制得宜，致使柳州企業之除稅後溢利較去年同期飆升79.2%。



## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Operations review (Continued)

#### Mainland China (Continued)

##### AKB

During the period under review, the ASP of slag powder of Anhui King Bridge Cement Company Limited ("AKB"), the Group's 60% owned slag powder grinding plant, increased by 7% from that of the same period last year, while the cost of slag declined noticeably. The sales volume of the AKB plant amounted to approximately 260,000 metric tonnes for the six-month period. The profit after tax from AKB more than doubled that of the corresponding period last year, despite a lower sales volume during the review period.

##### Hong Kong

The Group's cement trading and concrete businesses in Hong Kong reported a strong growth in profit after tax. This was mainly attributable to a significant improvement in the prices of concrete and cement in Hong Kong during the period under review, although the sales volumes of concrete and cement in Hong Kong basically remained stable when compared with that of the corresponding period last year.

##### The Philippines

The Group had been revamping the operations of its cement distribution and handling services facilities in Manila, the Philippines during the six-month period. As such there was no cash inflow from the Philippines.

## 管理層討論及分析 (續)

### 業務回顧 (續)

#### 中國大陸 (續)

##### 朱家橋

回顧期內，本集團擁有60%權益之礦渣粉研磨廠安徽朱家橋水泥有限公司（「朱家橋」）之礦渣粉平均售價較去年同期上漲7%，而作為原料的礦渣成本則明顯下降。朱家橋廠於六個月期間之銷量約達260,000公噸。儘管回顧期內之銷售量較低，但除稅後溢利較去年同期增長達一倍以上。

##### 香港

本集團於香港之水泥貿易及混凝土業務之除稅後溢利錄得強勁增長，主要由於回顧期內香港混凝土及水泥價格有較大幅度的改善，儘管香港混凝土及水泥銷量與去年同期基本相若。

##### 菲律賓

於六個月期間，本集團整頓其在菲律賓馬尼拉的水泥分銷及處理服務設施，因此並未從菲律賓獲得現金流入。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### 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 2008 amounted to HK\$711.5 million, of which 2.7%, 4.9% and 91.7% 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\$344.3 million as at 30 June 2008, were also held by the Group.

The maturity profile of the Group's bank borrowings as at 30 June 2008 are as follows:

#### Amount repayable:

On demand or within one year  
More than one year but not exceeding two years  
More than two years but not exceeding five years

須於以下期間償還之金額：

按要求或一年之內  
兩年之內

三至五年之內

#### Total bank loans

銀行貸款總額

As at 30 June 2008, HK\$1,052.7 million of the bank loans was denominated in HK\$, HK\$743.1 million in US\$ and HK\$1,330.0 million in RMB. All of the bank loans are of floating rate structures.

## 管理層討論及分析 (續)

### 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。

於二零零八年六月三十日，本集團無限制現金及銀行結餘總額為711,500,000港元，其中2.7%、4.9%及91.7%分別以港元、美元及人民幣為貨幣單位。於二零零八年六月三十日，本集團亦持有高流通之短期投資，市值達344,300,000港元，並已分類為持作交易用途之投資。

於二零零八年六月三十日，本集團銀行借貸之到期詳情如下：

30 June 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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**1,215,445**

1,005,362

**933,169**

912,030

**977,157**

1,105,698

**3,125,771**

3,023,090

於二零零八年六月三十日之銀行貸款，其中1,052,700,000港元以港元為貨幣單位，743,100,000港元以美元為貨幣單位，1,330,000,000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 2008, deposits amounting to HK\$5.9 million have been pledged by the Group as margin for issuance of letter of credit for the purchase of plant and equipments.

As at 30 June 2008, certain property, plant and equipment and prepaid lease payments have been pledged to secure bank borrowings of the Group with the carrying amount of HK\$1,800.8 million and HK\$628.5 million respectively.

### Foreign currency exposures

The Group utilised 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 2008.

### Major capital commitments

As at 30 June 2008, 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\$1,257.6 million. The Group anticipates funding those commitments from its future operating revenue, bank borrowings and other sources of finance when appropriate.

## 管理層討論及分析 (續)

### 質押資產

於二零零八年六月三十日，5,900,000港元之存款已由本集團質押作為購置機器及設備信用證之保證金。

於二零零八年六月三十日，若干物業、廠房及設備以及預付租賃款項已作為本集團取得為數分別1,800,800,000港元及628,500,000港元之銀行借款之抵押。

### 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。

於二零零八年六月三十日，並無任何未完成之外匯兌換合約。

### 主要資本承擔

於二零零八年六月三十日，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1,257,600,000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。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Employees

As at 30 June 2008, the Group had 1,420 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2008 amounted to HK\$78.6 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.

### Prospects and future plans

Entering into the second half of the year, the Group expects to experience improvement in both sales volume and cement prices with the arrival of the industry's peak season.

Although demand from the property sector will continue to be confined by the State's austerity measures and the pessimistic market sentiment, consumption of cement from escalated urbanisation and infrastructure development in Mainland China, which together account for a significant portion of China's domestic cement consumption, is expected to continue to support market growth.

With the completion of trial run of the new production lines and arrival of the peak season, the Yingde plant is expected to significantly increase its output in the second half of the year. Improved facility utilisation will contribute to enhanced cost-efficiency at the Yingde plant.

## 管理層討論及分析 (續)

### 僱員

於二零零八年六月三十日，本集團共有1,420名全職僱員。本集團於截至二零零八年六月三十日止期間之工資及薪金總額達78,600,000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。

### 展望及未來計劃

踏入下半年，本集團期望隨著行業旺季之來臨，銷量及水泥價格均會有所改善。

儘管來自房地產市場之需求將繼續受制於國內之宏觀調控措施及市場悲觀情緒，但構成佔中國國內水泥消耗重大比重的中國國內城市化進程及基礎建設發展所產生的需求預期可繼續帶動市場增長。

隨著新生產線試產完成及旺季來臨，預期英德廠在下半年之產量將顯著增加。新設施的使用率提升將有助提高英德廠之成本效益。

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

### Prospects and future plans (Continued)

Completion of the Yingde plant's power generation units using residual heat energy in the fourth quarter of 2008, will further lower Yingde plant's production costs, with one-third of its electricity consumption satisfied by its own power generation units. This will help to mitigate the impact of rising coal cost.

Phase III development of the Yingde plant, is in the process of seeking relevant government approvals. Upon completion, the plant's overall capacity will be lifted to 13.5 million tonnes.

Construction of the second production line of the Jurong plant, with an annual capacity of 2.25 million metric tonnes, has started in May this year. With an additional capacity, the Jurong plant can further strengthen its cost-efficiency with enhanced economies of scale.

The Fuzhou plant's additional capacity is expected to be partly reflected in the second half of the year, following the completion of the tuning and adjustment of its new production line.

Development of the Foshan project, which involves the development of a new clinker and cement transit centre and four cement grinding production lines, is awaiting the green light from the local government.

To further consolidate its leading position in Mainland China, the Group will continue to explore opportunities for expansion through acquisition or new plant development.

In response to challenges in the external operating environment, the Group will continue to place its emphasis on cost control and new market penetration. While ensuring stable and efficient operation of its facilities, the Group will focus on technical improvement projects in energy saving in order to strengthen its profitability.

## 管理層討論及分析 (續)

### 展望及未來計劃 (續)

英德廠餘熱發電之發電設備在二零零八年第四季度落成，進一步降低英德廠之生產成本，英德廠房之發電設備可提供該廠所需三分之一的電力消耗，從而舒緩煤炭成本上升之影響。

英德廠第三期之發展現正尋求有關政府之審批。當第三期擴展完成時，該廠之總產能將提升至13,500,000公噸。

句容廠第二條生產線已於本年度五月開始興建，其年產能為2,250,000公噸。新增產能使句容廠可提高規模經濟效益，從而進一步提升其成本效益。

在完成新生產線之調試及調整後，福州廠之部分新增產能預期可在本年度下半年發揮。

佛山項目之發展（包括一個新熟料及水泥轉運中心及四條水泥粉磨生產線）將待地方政府批准後動工。

為進一步鞏固於中國大陸之領導地位，本集團將繼續尋求併購或發展新廠房之擴展機會。

面對外部經營環境之挑戰，本集團將繼續致力成本控制及在新市場之滲透。在確保設備穩定及有效運作之同時，本集團將致力發展節省能源之技術改造項目，以提升盈利能力。

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

As at 30 June 2008, 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 ("Model Code"), to be notified to the Company and the Stock Exchange were as follows:

### Long positions in ordinary shares of the Company

## 董事於股份及相關股份之權益及淡倉

於二零零八年六月三十日，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（「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

Name of Directors	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	2,510,000	0.19%
Wu Yih Chin 吳義欽	Directly beneficially owned 直接實益擁有	3,550,000	0.27%
Chang, Kang-Lung, Jason 張剛綸	Directly beneficially owned 直接實益擁有	340,000	0.03%
		6,400,000	0.49%



## 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 Company's 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 1 January 2008	Exercised during Period	Outstanding at 30 June 2008	Approximate Percentage of Shareholding
董事姓名	授出日期	行使價 (港元)	行使期 <sup>(附註)</sup>	於二零零八年一月一日尚未行使	於期內已行使	於二零零八年六月三十日尚未行使	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二零零一年三月三十日	4,400,000	210,000	4,190,000	0.32%
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二零零一年三月三十日	900,000	450,000	450,000	0.03%
			<b>Total 總計</b>	<b>5,300,000</b>	<b>660,000</b>	<b>4,640,000</b>	<b>0.35%</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 T'Cement, special restriction apply to the exercise period of these options. See the footnote to note 17 (on page 15).

## 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二零零一年三月三十日（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T'Cement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15頁附註17之註腳。

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

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

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.

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

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.

## **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)*

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。

### 於相聯法團股份及相關股份之好倉

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。

## 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 period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors 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.

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

As at 30 June 2008, 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	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比	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	43.76%	–
T'Cement (Note 1) (附註1)	Through a controlled corporation 透過受控制法團	567,518,000	43.76%	–
Chia Hsin Pacific Limited	Directly beneficially owned 直接實益擁有	369,963,000	28.53%	–
International Chia Hsin Corporation	Directly beneficially owned 直接實益擁有	357,886	0.03%	–
Chia Hsin Cement Corporation (Note 2) 嘉新水泥股份有限公司 (附註2)	Through a controlled corporation 透過受控制法團	370,320,886	28.56%	–

## 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，本期內概無向任何董事、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。

## 主要股東及其他人士於股份及相關股份之權益

於二零零八年六月三十日，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：

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES** (Continued)

Notes:

- (1) T'Cement is interested in the shares of the Company by virtue of its beneficial ownership of the entire issued share capital of TCC International Limited.
- (2) Chia Hsin Cement Corporation is interested in the shares of the Company held by its subsidiaries, Chia Hsin Pacific Limited and International Chia Hsin Corporation.
- (3) All the interests stated above represent long positions.

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.

## **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 2008.

## **主要股東及其他人士於股份及相關股份之權益 (續)**

附註：

- (1) T'Cement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。
- (2) 嘉新水泥股份有限公司擁有其附屬公司Chia Hsin Pacific Limited及International Chia Hsin Corporation持有本公司股份之權益。
- (3) 上述之所有權益均指好倉。

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。

## **購買、出售或贖回本公司之上市證券**

截至二零零八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 and amendment to loan agreement dated 23 June 2005 and 6 September 2007 respectively 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) T'Cement ceases to own legally and beneficially, at least 30% 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 17 July 2007 between the Company and a bank relating to a loan facility of HK\$20,000,000, a loan agreement dated 6 December 2007 between the Company and a bank relating to a loan facility of HK\$40,000,000, a loan agreement dated 19 March 2008 between the Company and a bank relating to a loan facility of HK\$50,000,000, a loan agreement dated 2 April 2008 between the Company and a bank relating to a loan facility of HK\$50,000,000 and a loan agreement dated 24 April 2008 between the Company and a bank relating to a loan facility of HK\$40,000,000, a termination event would arise if T'Cement, the Company's ultimate holding company, ceases to own beneficially, directly or indirectly, at least 30% of the shares in the Company's capital.

## 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分別在二零零五年六月二十三日及二零零七年九月六日訂立有關500,000,000港元之五年期貸款融資之貸款協議及貸款協議修訂，如(i) T'Cement終止合法及實益持有至少本公司30%股權或(ii)本集團不能符合該等貸款所指定之財務條款，該等貸款協議將被視為發生終止事件。

根據本公司與一間銀行在二零零七年七月十七日訂立有關20,000,000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十二月六日訂立有關40,000,000港元之貸款融資之貸款協議、本公司與一間銀行在二零零八年三月十九日訂立有關50,000,000港元之貸款融資之貸款協議、本公司與一間銀行在二零零八年四月二日訂立有關50,000,000港元之貸款融資之貸款協議及本公司與一間銀行在二零零八年四月二十四日訂立有關40,000,000港元之貸款融資之貸款協議，如T'Cement（即本公司之最終控股公司）終止實益持有（直接或間接）至少本公司30%股權，該等貸款協議將被視為發生終止事件。

## CODE OF CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions throughout the period ended 30 June 2008, save for the exceptions that the Company has not fixed the terms of appointment for the non-executive Directors which deviates from the provision of A.4.1 of the Code on Corporate Governance Practices ("CG Code"). However, they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Company's articles of association, and their appointment will be reviewed when they are due for re-election. As such, in the opinion of the Directors, the principle of CG Code A.4 that all Directors should be subject to re-election at regular intervals has been upheld.

## 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 (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 2008 to 30 June 2008 (both dates inclusive).

## AUDIT COMMITTEE

The Company's audit committee has been established since 1999 and mainly comprises three independent non-executive Directors and a non-executive Director newly appointed on 1 January 2008. The audit committee has reviewed the accounting principles and policies adopted by the Company and discussed with management the internal control and financial reporting matters. The audit committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2008.

## 企業管治常規守則

截至二零零八年六月三十日止期間，本公司一直遵守守則條文，惟本公司並未訂下非執行董事之固定委任年期除外，此舉偏離企業管治常規守則（「企業管治守則」）之條文第A.4.1條。然而，該等非執行董事須根據本公司之組織章程細則條文於本公司之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。故此，根據董事之意見，本公司已遵從企業管治守則第A.4條所提出所有董事須於定期期間膺選連任之原則。

## 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二零零八年一月一日起至二零零八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

本公司之審核委員會於一九九九年成立，主要由三名獨立非執行董事及一名於二零零八年一月一日新委任之非執行董事組成。審核委員會已審閱本公司採納之會計原則及政策，並與管理層討論內部監控及財務報告之事宜。審核委員會已審閱本集團截至二零零八年六月三十日止六個月之未經審核中期財務報表。



## 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*

21 August 2008

## 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  
主席  
辜成允

二零零八年八月二十一日