上海聯合水泥股份有限公司
Shanghai Allied Cement Limited

(Stock Code : 1060)

Interim Report 2008

The board of directors (the "Board") of Shanghai Allied Cement Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2008 were as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Notes	Six months ended 30 June 2008 HK$'000 (unaudited)	2007 HK$'000 (unaudited)
Continuing operation:			
Turnover	3	**242,320**	185,506
Cost of sales		**(227,908)**	(169,425)
Gross profit		**14,412**	16,081
Other income		**18,980**	12,963
Distribution costs		**(4,088)**	(4,085)
Administrative expenses		**(18,159)**	(13,640)
Reversal of (impairment loss on) trade and other receivables		**2,457**	(1,914)
Finance costs	4	**(43,155)**	(8,284)
Gain on disposal of subsidiaries	17	**–**	2,330
(Loss) profit before taxation		**(29,553)**	3,451
Taxation (charge) credit	5	**(259)**	3,045
(Loss) profit from continuing operation		**(29,812)**	6,496
Discontinued operation:			
Loss for the period from discontinued operation	6	**(119)**	(1,127)
(Loss) profit for the period	7	**(29,931)**	5,369
Attributable to:			
Equity holders of the Company		**(30,357)**	1,002
Minority interests		**426**	4,367
		(29,931)	5,369
		HK cents	HK cents
(Loss) earnings per share	9		
From continuing and discontinued operations			
– Basic		**(4.16)**	0.14
– Diluted		**N/A**	0.14
From continuing operation			
– Basic		**(4.15)**	0.26
– Diluted		**N/A**	0.26

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2008

	Notes	At 30 June 2008 HK$'000 (unaudited)	At 31 December 2007 HK$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**481,870**	465,024
Prepaid lease payments on land use rights		**16,729**	15,867
Goodwill		**69,479**	69,479
Mining right		**7,857**	7,436
Interest in a jointly controlled entity		**–**	–
Interest in an associate		**–**	–
Deposit and loan receivable	11	**205,262**	202,556
		781,197	760,362
CURRENT ASSETS			
Properties held for sale		**1,333**	1,248
Prepaid lease payments on land use rights		**439**	411
Inventories		**54,693**	39,473
Trade and other receivables	12	**235,151**	253,971
Deposits and prepayments		**10,572**	8,615
Amount due from a minority shareholder		**–**	1,281
Pledged short-term bank deposits		**13,640**	26,391
Bank balances and cash		**44,583**	41,269
		360,411	372,659
Assets classified as held for sale		**27,227**	–
		387,638	372,659
CURRENT LIABILITIES			
Trade and other payables and deposits received	13	**117,578**	142,118
Dividend payable to a minority shareholder		**7,731**	738
Amount due to a minority shareholder		**11,407**	–
Amount due to the then ultimate holding company		**14,370**	12,841
Amount due to a related company	18	**777**	777
Tax liabilities		**2,074**	3,329
Borrowings due within one year	14	**222,590**	242,310
		376,527	402,113
Liabilities associated with assets classified as held for sale		**9,128**	–
		385,655	402,113
NET CURRENT ASSETS (LIABILITIES)		**1,983**	(29,454)
TOTAL ASSETS LESS CURRENT LIABILITIES		**783,180**	730,908

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

AT 30 JUNE 2008

	Note	At 30 June 2008 HK$'000 (unaudited)	At 31 December 2007 HK$'000 (audited)
CAPITAL AND RESERVES			
Share capital		**182,349**	182,349
Reserves		**101,007**	112,736
Equity attributable to equity holders of the Company		**283,356**	295,085
Minority interests		**186,676**	186,677
TOTAL EQUITY		**470,032**	481,762
NON-CURRENT LIABILITIES			
Amount due to a minority shareholder		**602**	400
Borrowings due after one year	14	**282,457**	220,000
Deferred taxation		**30,089**	28,746
		313,148	249,146
		783,180	730,908

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to equity holder of the Company										
	Share capital HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Translation reserve HK$'000	Merger reserve HK$'000 (Note a)	Capital reserve HK$'000	Other reserves HK$'000 (Note b)	Retained profits (accumulated loss) HK$'000	Total HK$'000	Minority interests HK$'000	Total HK$'000
At 1 January 2007 (audited)	182,349	918	44,203	10,493	1,799	824	14,108	45,953	300,647	173,093	473,740
Exchange difference arising on translation of presentation currency recognised directly in equity	–	–	–	5,146	–	–	–	–	5,146	3,454	8,600
Profit for the period	–	–	–	–	–	–	–	1,002	1,002	4,367	5,369
Total recognised income for the period	–	–	–	5,146	–	–	–	1,002	6,148	7,821	13,969
At 30 June 2007 (unaudited)	182,349	918	44,203	15,639	1,799	824	14,108	46,955	306,795	180,914	487,709
At 1 January 2008 (audited)	**182,349**	**918**	**44,203**	**26,589**	**1,799**	**824**	**14,108**	**24,295**	**295,085**	**186,677**	**481,762**
Exchange difference arising on translation of presentation currency recognised directly in equity	**–**	**–**	**–**	**18,628**	**–**	**–**	**–**	**–**	**18,628**	**12,536**	**31,164**
(Loss) profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(30,357)**	**(30,357)**	**426**	**(29,931)**
Total recognised income and expense for the period	**–**	**–**	**–**	**18,628**	**–**	**–**	**–**	**(30,357)**	**(11,729)**	**12,962**	**1,233**
Transfer to other reserves	**–**	**–**	**–**	**–**	**–**	**–**	**1,017**	**(1,017)**	**–**	**–**	**–**
Acquisition of additional interest in a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,232)**	**(5,232)**
Dividend paid to a minority shareholder	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(7,731)**	**(7,731)**
At 30 June 2008 (unaudited)	**182,349**	**918**	**44,203**	**45,217**	**1,799**	**824**	**15,125**	**(7,079)**	**283,356**	**186,676**	**470,032**

Notes:

(a) The merger reserve of the Group represents the difference between the nominal amount of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued by the Company as consideration for the acquisition under the reorganisations.

(b) Other reserves comprise reserve fund and enterprise expansion fund of Shanghai Allied Cement Co., Ltd. ("Shanghai SAC") and Shandong Shanghai Allied Cement Co., Ltd. and the effect of fair value adjustment at initial recognition of interest-free amount due to the then ultimate holding company. The reserve fund is to be used to expand the enterprise's working capital. When the enterprise suffers losses, the reserve fund may be used to make up unrecovered losses under special circumstances. The enterprise expansion fund is to be used for business expansion and, if approved, can also be used to increase capital.

The remittance outside the People's Republic of China (the "PRC") of retained profits of the subsidiaries established in the PRC is subject to approval of the local authorities and the availability of foreign currencies generated and retained by these subsidiaries.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
	(unaudited)	(unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**12,405**	15,530
INVESTING ACTIVITIES		
Decrease in pledged bank deposits	**14,550**	–
Acquisition of additional interest in a subsidiary	**(5,202)**	–
Other investing cash flows	**(10,945)**	1,115
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(1,597)**	1,115
FINANCING ACTIVITIES		
New loans raised	**133,845**	69,106
Repayments of loans	**(99,616)**	(66,797)
Other financing cash flows	**(43,893)**	(10,776)
NET CASH USED IN FINANCING ACTIVITIES	**(9,664)**	(8,467)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,144**	8,178
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**41,269**	42,192
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**2,170**	829
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	**44,583**	51,199

1. BASIS OF PREPARATION

The condensed consolidated 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 Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007 except for the following accounting policy which is applicable to the period ended 30 June 2008.

Disposal group classified as held for sale

Disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Disposal group's assets classified as held for sale is measured at the lower of the disposal group's previous carrying amount and fair value less costs to sell.

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.

HK(IFRIC) – INT 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) – INT 12	Service concession arrangements
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these new Interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

The Group has not early applied the following new or revised standards or amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendment)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC) – INT 13	Customer loyalty programmes[3]
HK(IFRIC) – INT 15	Agreements for the construction of real estate[1]
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation[4]

1 Effective for accounting periods beginning on or after 1 January 2009.
2 Effective for accounting periods beginning on or after 1 July 2009.
3 Effective for accounting periods beginning on or after 1 July 2008.
4 Effective for accounting periods beginning on or after 1 October 2008.

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards or amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

For management purposes, the Group is currently organised into two operating divisions – (1) distribution and manufacturing of cement and clinker and (2) distribution and manufacturing of slag powder. The Group's operations are principally located in the PRC. As mentioned in note 6 to the condensed consolidated financial statements, the distribution and manufacturing of slag powder is classified as discontinued operation. An analysis of the Group's revenue and segment results by business segments is as follows:

Business segments

	Continuing operation	Discontinued operation	
	Distribution and manufacturing of cement and clinker HK$'000 (unaudited)	Distribution and manufacturing of slag powder HK$'000 (unaudited)	Consolidated HK$'000 (unaudited)
For the six months ended 30 June 2008			
Segment revenue	**242,320**	**4,402**	**246,722**
Segment results	**12,253**	**(119)**	**12,134**
Unallocated income	**5,937**	**–**	**5,937**
Unallocated expenses	**(4,588)**	**–**	**(4,588)**
Finance costs	**(43,155)**	**–**	**(43,155)**
Loss before taxation	**(29,553)**	**(119)**	**(29,672)**
Taxation charge	**(259)**	**–**	**(259)**
Loss for the period	**(29,812)**	**(119)**	**(29,931)**
For the six months ended 30 June 2007			
Segment revenue	185,506	5,575	191,081
Segment results	13,887	(1,129)	12,758
Unallocated income	2,415	2	2,417
Unallocated expenses	(4,567)	–	(4,567)
Finance costs	(8,284)	–	(8,284)
Profit (loss) before taxation	3,451	(1,127)	2,324
Taxation credit	3,045	–	3,045
Profit (loss) for the period	6,496	(1,127)	5,369

4. FINANCE COSTS

	Continuing operation and consolidated	
	Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Interest on:		
Bank borrowings wholly repayable within five years	**5,933**	7,326
Other borrowing costs	**37,222**	–
Imputed interest on interest-free amount due to a minority shareholder	**–**	958
Total borrowings costs	**43,155**	8,284

5. TAXATION (CHARGE) CREDIT

	Continuing operation and consolidated	
	Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax	**(831)**	(615)
Deferred tax:		
Current period	**572**	1,275
Attributable to change in tax rate	**–**	2,385
	572	3,660
	(259)	3,045

No provision for Hong Kong Profits Tax is made as the group companies operating in Hong Kong do not have any assessable profit for both periods. On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which includes the reduction in corporate profit tax rate by 1% to 16.5% effective from the year of assessment 2008-2009.

5. TAXATION (CHARGE) CREDIT (continued)

The PRC Enterprise Income Tax is calculated at the rates applicable to respective subsidiaries. Shanghai SAC and Shandong Allied Wangchao Cement Limited ("Allied Wangchao"), subsidiaries of the Company, enjoy PRC Enterprise Income Tax rate of 27% since they are located in designated coastal cities engaging in the manufacturing business. On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 27% to 25% for Shanghai SAC and Allied Wangchao from 1 January 2008. At 31 December 2007, the deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled.

In accordance with the tax legislations applicable to foreign investment enterprises, one of the subsidiaries in the PRC is entitled to exemptions from the PRC Enterprise Income Tax for the two years commencing from the first profit-making year of operation and thereafter, entitled to a 50% relief from the PRC Enterprise Income Tax for the following three years. The subsidiary can continue to entitle such tax concession according to the New Law and the charge of PRC Enterprise Income Tax for the period has been provided for after taking these tax incentive into account.

6. DISCONTINUED OPERATION

On 20 June 2008, the Group entered into the share transfer agreement (the "Agreement") to sell the 80% interest in the registered and paid-up capital of Beijing Shanglian Shoufeng Construction Materials Limited ("BSSCML"), an indirect subsidiary of the Company which is beneficially owned as to 80% by the Group and 20% by the purchaser, for an aggregate consideration of RMB4,700,000 to be satisfied in cash. The completion of the disposal is conditional that the purchaser procures BSSCML to settle the amount of approximately RMB9,556,000 due by BSSCML to the Group as at 31 March 2008 and such condition has not been fulfilled as at 30 June 2008 and up to the date of this report. This transaction is expected to be completed within six months from date of the Agreement. The assets and liabilities of the disposal group have been classified as a disposal group held for sale and are presented separately in the balance sheet. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

6. DISCONTINUED OPERATION (continued)

BSSCML carries out all of the Group's distribution and manufacturing of slag powder and the disposal of the 80% interest in BSSCML represents a discontinued operation.

The results of the distribution and manufacturing of slag powder operation for the period were as follows:

	Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Turnover	**4,402**	5,575
Cost of sales	**(4,455)**	(5,213)
Other income	**466**	525
Distribution costs	**(236)**	(275)
Administrative expenses	**(296)**	(1,473)
Impairment loss on trade and other receivables	**–**	(266)
Loss before taxation	**(119)**	(1,127)
Taxation	**–**	–
Loss for the period	**(119)**	(1,127)

7. (LOSS) PROFIT FOR THE PERIOD

	Continuing operation		Discontinued operation		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)	**(unaudited)**	(unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):						
Amortisation of mining right (included in administrative expenses)	**86**	78	**–**	–	**86**	78
Depreciation of property, plant and equipment	**13,948**	12,440	**398**	360	**14,346**	12,800
Loss on disposal and write-off of property, plant and equipment	**–**	938	**–**	–	**–**	938
Release of prepaid lease payments on land use rights	**220**	197	**–**	–	**220**	197
Interest income	**(3,389)**	(441)	**(1)**	(1)	**(3,390)**	(442)
Gain on disposal of trading securities	**–**	(1,244)	**–**	–	**–**	(1,244)

8. DIVIDEND

No dividends were paid, declared or proposed during the period.

9. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
	(unaudited)	(unaudited)
(Loss) earnings for the purposes of calculating basic and diluted (loss) earnings per share	**(30,357)**	1,002
Weighted average number of ordinary share for the purpose of basic (loss) earnings per share	**729,395,043**	729,395,043
Effect of dilutive potential ordinary shares: Share options	**N/A**	751,351
Weighted average number of ordinary shares for the purposes of diluted (loss) earnings per share	**N/A**	730,146,394

From continuing operation

The calculation of the basic and diluted (loss) earnings per share from continuing operation attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2008	2007
	HK$'000	HK$'000
	(unaudited)	(unaudited)
(Loss) profit for the period attributable to equity holders of the Company	**(30,357)**	1,002
Less: Loss for the period from discontinued operation attributable to equity holders of the Company	**(95)**	(902)
(Loss) profit for the purposes of basic (loss) earnings per share from continuing operation	**(30,262)**	1,904

9. (LOSS) EARNINGS PER SHARE (continued)

From discontinued operation

For the six months ended 30 June 2008, basic loss per share from discontinued operation was HK0.01 cent per share (six months ended 30 June 2007: HK0.1 cent per share). For the six months ended 30 June 2007, diluted loss per share from discontinued operation was HK0.1 cent per share. The calculation of the basic and diluted loss per share was based on the loss for the period from the discontinued operation of HK$95,000 (six months ended 30 June 2007: HK$902,000) attributable to the ordinary equity holders of the Company. The denominators used are the same as those detailed above for both basic and diluted (loss) earnings per share.

No diluted loss per share was presented for the six months ended 30 June 2008 because all share options outstanding were lapsed in 2007.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment at a cost of approximately HK$11,632,000.

11. DEPOSIT AND LOAN RECEIVABLE

Included in deposit and loan receivable are refundable deposit of HK$150,000,000 paid to Sunnysino (B.V.I.) Limited ("Sunnysino", formerly known as Sunnysino Limited) for the acquisition of Redstone Gold Limited ("Redstone") with details as set out in note 16 to the condensed consolidated financial statements, loan receivable of HK$50,000,000 and interest receivable of HK$5,262,000 due from Redstone. The payments of the refundable deposit and the loan receivable were financed by other borrowings of the Group. The loan bears interest at Prime Rate plus 5% per annum and be repaid within six months after 31 December 2008. The loan is used to finance the operation of Redstone and its subsidiary. The deposit and the loan receivable are secured by share mortgages over 90% of the issued share capital of Redstone and personal guarantee given by the beneficial owner of such 90% issued share capital of Redstone.

12. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing its trade customers credit periods normally ranging from 120 days to 1 year. Included in trade and other receivables are trade receivables of approximately HK$217,830,000 (31 December 2007: HK$245,402,000). Trade receivables of a disposal group of approximately HK$13,964,000 has been separately disclosed in assets classified as held for sale as at 30 June 2008.

12. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade receivables, including those classified as part of disposal group held for sale, net of allowance for doubtful debts at the balance sheet date:

	At 30 June 2008 HK$'000 (unaudited)	At 31 December 2007 HK$'000 (audited)
0 – 90 days	**156,858**	187,538
91 – 180 days	**49,487**	32,575
181 – 365 days	**22,082**	19,935
Over 1 year	**3,367**	5,354
	231,794	245,402

As at 30 June 2008, discounted bills receivable with recourse of approximately HK$19,318,000 (31 December 2007: HK$50,321,000) was included in trade receivables.

13. TRADE AND OTHER PAYABLES AND DEPOSITS RECEIVED

Included in trade and other payables and deposits received are trade payables of approximately HK$64,789,000 (31 December 2007: HK$88,702,000). Trade payables of a disposal group of approximately HK$8,365,000 have been classified as part of a disposal group held for sale at 30 June 2008.

The following is an aged analysis of trade payables, including those classified as part of disposal group held for sale, at the balance sheet date:

	At 30 June 2008 HK$'000 (unaudited)	At 31 December 2007 HK$'000 (audited)
0 – 90 days	**58,963**	73,699
91 – 180 days	**4,091**	6,569
181 – 365 days	**5,300**	4,354
Over 1 year	**4,800**	4,080
	73,154	88,702

14. BORROWINGS

During the period, the Group obtained new borrowings of approximately HK$133,845,000 and repaid borrowings of approximately HK$99,616,000. The borrowings raised are used to finance the operations of the Group. Included in new bank borrowings is a total amount of approximately HK$19,318,000 which represents the proceeds from discounted bills receivable.

As at 30 June 2008, the Group breached a term of the bank loan with a carrying value of HK$78,500,000 which related to the debt-equity ratio of the Group. On discovery of the breach, the directors of the Company informed the relevant bank and commenced a renegotiation of the terms of the loan with the relevant bank. Up to the date of the issue of the condensed consolidated financial statements, those negotiations had not been concluded. Since the relevant bank has not yet agreed to waive its rights to demand immediate payment as at the balance sheet date, the loan has been classified as a current liability in the condensed consolidated financial statements.

15. OPERATING LEASE COMMITMENTS

In June 2001, the Group entered into an arrangement with a third party in the PRC to lease the production facilities for manufacture of cement with a term of twenty years. Other operating leases and rentals are negotiated for an average term of two to eight years.

At 30 June 2008, the Group had commitments for future minimum lease payments under the above arrangement and other non-cancellable operating leases for premises and other property, plant and equipment which fall due as follows:

	At 30 June 2008 HK$'000 (unaudited)	At 31 December 2007 HK$'000 (audited)
Not later than one year	**2,000**	1,887
Later than one year and not later than five years	**7,501**	7,187
Later than five years	**13,101**	13,036
	22,602	22,110

16. COMMITMENTS

(a) On 26 July 2007, the Group entered into an agreement (as supplemented by supplemental agreements on 14 September 2007 and 25 June 2008) with Sunnysino and Orrita Group Limited ("Orrita") which have conditionally agreed to sell and the Group has conditionally agreed to purchase, the entire issued share capital of Redstone at an aggregate consideration of HK$1,000,000,000. An initial refundable deposit of HK$150,000,000 has been paid in 2007. The balance of the aggregate consideration in the sum of HK$850,000,000 will be settled by the Group in the following manner:

(1) Upon completion of the purchase of the shares

– as to HK$530,000,000 payable to Sunnysino by way of allotment and issue of the consideration shares by the Company to Sunnysino at a price of HK$1.00 per consideration share, credited as fully paid up, and by way of cash payment of HK$85,000,000 to Sunnysino, and

– as to HK$100,000,000 payable to Orrita in cash, and

(2) Upon fulfillment of the 2008 vendor's indemnity and the 2009 vendor's indemnity as set out in the agreement and first supplemental agreement, the balance of the consideration of HK$135,000,000 will be payable to Sunnysino in cash. Pursuant to second supplemental agreement dated 25 June 2008, the 2008 vendor's indemnity and 2009 vendor's indemnity are substituted by the effect that Sunnysino and its shareholder, jointly and severally, unconditionally and irrevocably, represent and warrant that the audited net profit (after tax) of the subsidiary of Redstone (i) for the year ending 31 December 2009 will not be less than HK$220,000,000, and (ii) for the year ending 31 December 2010 will not be less than HK$280,000,000.

(b) For the purpose of financing the acquisition mentioned in (a) above, on 18 September 2007, the Group agreed to place, through the placing agent on a fully underwritten basis, 600,000,000 new shares of the Company conditionally to independent investors at a price of HK$1.00 per placing share (the "Placing Agreement"). On 25 June 2008, the respective parties to the Placing Agreement have entered into the supplemental placing agreement to extend the condition fulfillment date of the placing to 31 December 2008. The Placing Agreement is conditional upon, inter alia, approval by the Company's shareholders.

17. DISPOSAL OF SUBSIDIARIES

On 27 April 2007, the Group entered into a sale and purchase agreement to dispose of its subsidiaries, Year Invest Investments Limited and its subsidiaries, which were engaged in property investment, at an aggregate consideration of HK$1,000,000 to an independent third party. Details of the net liabilities of these subsidiaries as at the date of disposal were as follows:

	HK$'000
NET LIABILITIES DISPOSED OF	
Trade and other receivables	1,144
Deposits and prepayments	11
Other payables	(1,534)
Net liabilities disposed of	(379)
Gain on disposal	1,379
Total consideration	1,000
Satisfied by:	
Cash consideration	1,000
Net cash inflow arising on disposal:	
Cash consideration	1,000

For the six months ended 30 June 2007, the above disposed subsidiaries contributed HK$1,000,000 to the Group's investing activities.

17. DISPOSAL OF SUBSIDIARIES (continued)

On 10 May 2007, the Group entered into a sale and purchase agreement to dispose of its subsidiary, Max Target Holdings Limited, which was engaged in holding of a club debenture, at a consideration of HK$800,000 to a related party. Details of the net liabilities of this subsidiary as at the date of disposal were as follows:

	HK$'000
NET LIABILITIES DISPOSED OF	
Club debenture	330
Trade and other receivables	109
Bank balances and cash	42
Trade and other payables	(632)
Net liabilities disposed of	(151)
Gain on disposal	951
Total consideration	800
Satisfied by:	
Cash consideration	800
Net cash inflow arising on disposal:	
Cash consideration	800
Bank balances and cash disposed of	(42)
	758

For the six months ended 30 June 2007, the above disposed subsidiary contributed HK$758,000 to the Group's investing activities.

18. RELATED PARTY TRANSACTIONS

(1) On 16 December 1995, an agreement was entered into between Shanghai SAC, a subsidiary of the Company and Shanghai Cement Factory ("SCF"), a minority shareholder, which held a 40% interest in Shanghai SAC. According to the agreement, Shanghai SAC should pay to SCF an annual usage fee which consisted of (1) a fixed asset usage fee mainly based on the depreciation of the property, plant and equipment used under the agreement plus a mark-up of about 10%; and (2) an usage fee mainly based on the volume of raw materials off-load and the applicable unit rate for the relevant raw materials agreed by the parties when the agreement was signed. The underlying assets are also used by SCF. During the period ended 30 June 2008, Shanghai SAC paid a total usage fee of approximately HK$2,911,000 (six months ended 30 June 2007: HK$2,863,000) to SCF.

(2) In July 2002, the Company entered into a master agreement with Tian An China Investments Company Limited ("Tian An"), the then ultimate holding company, for a reciprocal arrangement of guarantee. Accordingly, the Group provides guarantees to secure certain borrowings of subsidiaries of Tian An (the "Tian An Group") in the PRC and the Tian An Group provides guarantees to secure certain borrowings of the Group in the PRC. A guarantee fee of 1% per annum on the principal amount of the guarantees is chargeable between the relevant parties. At 30 June 2008, Shanghai SAC did not provide guarantees to secure borrowings of the Tian An Group in the PRC (31 December 2007: nil) and the Tian An Group did not provide guarantees (31 December 2007: HK$10,638,000) to secure borrowings of Shanghai SAC in the PRC. Details of the guarantee fee expenses are set out in the table below.

18. RELATED PARTY TRANSACTIONS (continued)

In addition, the Group has entered into the following related party transactions:

	Six months ended 30 June 2008 HK$'000 (unaudited)	2007 HK$'000 (unaudited)
(i) **The then fellow subsidiaries** (Note)		
Interest charge	–	501
Management fee expenses	–	341
Guarantee fee expenses	–	166
Rental and office expenses	–	22
Proceed on disposal of a subsidiary (Note 17)	–	800
(ii) **Subsidiaries of a company which has significant beneficial interests in the Company's the then ultimate holding company** (Note)		
Insurance expense	–	74
Interest charge	–	92
Rental expenses, air conditioning charges, repairs and maintenance	–	218
(iii) **Company which has significant beneficial interests in the Company's the then ultimate holding company** (Note)		
Management fee expenses	–	495
(iv) **The then ultimate holding company** (Note)		
Guarantee fee expense	–	478
(v) **Key management compensation**		
Short-term employee benefits	**1,565**	988
Post employment benefit	**55**	42

During the six months period ended 30 June 2007, certain key management personnel of the Group received remuneration from a company, or a wholly-owned subsidiary of such company, which has significant beneficial interests in the Company's the then ultimate holding company. Such company provided management services to the Group and charged the Group a fee, which was included in management fee as disclosed above in part (iii) of this note, for services provided by those personnel as well as others who are not key management personnel of the Group.

18. RELATED PARTY TRANSACTIONS (continued)

The above-mentioned management fee commenced to be charged in 2005 and was calculated by reference to the time devoted by the management personnel on the affairs of the Group and can be apportioned to the above key management personnel. The total of such apportioned amounts, which have been included in the key management personnel compensation above was approximately HK$114,000 for the six months ended 30 June 2007. There was no such management fee for the six months ended 30 June 2008.

Note: The transactions occurred from 1 January 2007 to 28 June 2007, before Tian An ceased to be the Group's ultimate holding company.

Significant balances with related parties are disclosed in the condensed consolidated balance sheet. Amount due to a related party of HK$777,000 (31 December 2007: HK$777,000) represents the amount due to a subsidiary of a substantial shareholder with significant influence over the Group.

19. PLEDGE OF ASSETS

As at 30 June 2008, the Group pledged its property, plant and equipment with carrying amount of about RMB27.1 million to secure for an amount of RMB13.4 million of a bank loan of RMB19.5 million granted to a third party who then lent RMB15.5 million to the Group.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2008 (2007: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Although the Group's turnover from continuing operation of manufacture and sales of cement and clinker increased by 30.6% to HK$242,320,000 (2007: HK$185,506,000) for the six months ended 30 June 2008, the Group recorded a net loss attributable to shareholders of HK$30,357,000 compared to a net profit of HK$1,002,000 for the same period last year.

Loss per share (basic) for the six months ended 30 June 2008 was 4.16 HK cents (2007: Earnings per share (basic): 0.14 HK cents) and the net asset value per share as at 30 June 2008 was HK$0.39 (at 30 June 2007: HK$0.42).

REVIEW OF OPERATIONS

Continuing Operation – Cement and Clinker Business

For the six months ended 30 June 2008, turnover of the Group's cement and clinker business increased by 30.6% to HK$242,320,000 (2007: HK$185,506,000) but segment profit decreased by 11.8% to HK$12,253,000 (2007: HK$13,887,000) mainly attributed to increased production costs, particularly the price of coal.

1. Shanghai Allied Cement Co., Ltd. ("Shanghai SAC")

For the first half of 2008, Shanghai SAC recorded a turnover and sales of HK$139,838,000 (2007: HK$103,324,000) and 468,000 tonnes (2007: 414,000 tonnes) respectively, representing increases of 35.3% and 13.0% compared to last year. Segment profit decreased by 49.0% to HK$4,307,000 (2007: HK$8,439,000). During the period under review, Shanghai SAC continued to improve its cooling facilities and decomposition furnace resulting in the reduction of clinker coal consumption to partially offset the negative impact of the substantial increase in the price of coal. The selling price of cement increased significantly in the 2nd quarter and also helped to mitigate the unfavorable effect of the soaring coal prices.

2. Shandong Shanghai Allied Cement Co., Ltd. ("Shandong SAC")

Shandong SAC booked a turnover of HK$28,773,000 (2007: HK$14,465,000) and sales of 152,000 tonnes (2007: 99,000 tonnes) during the period under review. Segment loss amounted to HK$1,845,000 (2007: HK$5,093,000). Shandong SAC continued to focus on improving production methods to reduce cost and enhance quality.

REVIEW OF OPERATIONS (continued)

Continuing Operation – Cement and Clinker Business (continued)

3. Shandong Allied Wangchao Cement Limited ("Allied Wangchao")

During the period, Allied Wangchao's turnover increased by 8.8% to HK$73,709,000 (2007: HK$67,717,000) but its sales decreased by 18.8% to 423,000 tonnes (2007: 521,000 tonnes). Segment profit decreased by 7.1% to HK$9,791,000 (2007: HK$10,541,000). In May 2008, following the acquisition of the remaining 5% equity interest for a consideration of RMB4,577,000, Allied Wangchao has become a wholly-owned subsidiary of the Group.

Discontinued Operation – Slag Powder Business

During the first half of 2008, the turnover and sale of slag powder of Beijing Shanglian Shoufeng Construction Materials Limited ("BSSCML") amounted to HK$4,402,000 (2007: HK$5,575,000) and 11,000 tonnes (2007: 60,000 tonnes). Segment loss amounted to HK$119,000 (2007: HK$1,129,000). With no positive prospects for future improvement for this business and to avoid further loss, the Group entered into a conditional share transfer agreement in June 2008 to dispose the entire equity holding in BSSCML for a consideration of RMB4,700,000. The disposal is expected to be completed within six months from the agreement date.

Conditional Acquisition of Redstone

In September 2007, the Group entered into a conditional sale and purchase agreement ("Conditional Acquisition") to acquire the entire issued share capital of Redstone Gold Limited ("Redstone"), a company engaged in the business of gold mining in Yunnan Province, China, for an aggregate consideration of HK$1 billion. A conditional placing agreement was also entered into to place 600,000,000 new shares of the Company on a fully underwritten basis. The Group is still in the process of carrying out its due diligence exercise on Redstone and the despatch of the circular to shareholders containing, inter alia, a notice to convene a special general meeting to approve the acquisition, has been extended to 31 October 2008.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations and loans from principal bankers and financial institutions. As at 30 June 2008, the Group maintained cash reserves of HK$58,223,000 (at 30 June 2007: HK$76,513,000) including pledged short-term bank deposits of HK$13,640,000 (at 30 June 2007: HK$25,314,000). At 30 June 2008, the equity attributable to the equity holders of the Company amounted to HK$283,356,000 (at 30 June 2007: HK$306,795,000). Borrowings of the Group amounted to HK$505,047,000 (at 30 June 2007: HK$226,858,000). The high gearing ratio was the result of additional borrowings obtained for financing payment of the refundable deposit and loan to Redstone for the Conditional Acquisition.

Foreign Exchange Fluctuation

The Group's operations are mainly located in mainland China and its transactions, related working capital and borrowings are primarily denominated in Renminbi.

Charges on Assets

As of 30 June 2008, bank deposits of HK$13,640,000 (at 30 June 2007: HK$24,490,000) were pledged to banks and financial institutions as collateral mainly to secure short term banking facilities in respect of bills payable to suppliers.

As at 30 June 2008, the Group pledged its property, plant and equipment with carrying amount of about RMB27.1 million to secure for an amount of RMB13.4 million of a bank loan of RMB19.5 million granted to a third party who then lent RMB15.5 million to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2008, the Group, including its subsidiaries employed 682 employees (at 30 June 2007: 694). The remuneration policies of the Group are based on the prevailing market levels and the performance of the respective group companies and individual employees. These policies are reviewed on a regular basis.

RISK MANAGEMENT

During the period under review, the Group constantly reviewed the risk and credit control systems of its profit centres to improve the overall control system and mitigate the credit risk.

PROSPECTS

For the foreseeable future, the Group expects to continue to operate against the backdrop of an uncertain economic environment, the decreasing demand for cement in the industry and spiraling in costs such as fuel and coal. Being one of the cement companies selected by the Ministry of Land and Resources and the People's Bank of China to be under the auspices of the State, the Group will continue to devote its resources to enhancing internal control and technology development to improve its competitiveness and to prepare for the challenges ahead.

Subject to the satisfactory completion of the due diligence, the Group believes that the successful acquisition of Redstone is an opportunity to develop its investment and business in the natural resources sector. The Group will also continue to look for other investment opportunities to increase its earnings and enhance value for shareholders.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2008, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:–

Long position in the shares of the Company

	Number of ordinary shares of HK$0.25 each					Percentage
Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Total	to the issued share capital
Ms. Chong Sok Un ("Ms. Chong")	–	–	197,858,680 (Note)	–	197,858,680	27.13%

Note: As at 30 June 2008, COL Capital Limited ("COL") held 197,858,680 ordinary shares of the Company. Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit") held 38.56% interest in COL. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interests in 197,858,680 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2008, none of the directors, the chief executives of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company's share option scheme was adopted pursuant to a resolution passed by the shareholders of the Company on 23 May 2002. No share option was granted under the share option scheme of the Company during the six months ended 30th June 2008, nor there any share option outstanding as at 1 January 2008 and 30 June 2008.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2008, the following persons had interests or short positions in the shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders	**Number of ordinary shares held**	Notes	**Percentage to the issued share capital**
COL Capital Limited ("COL")	197,858,680	1	27.13%
Vigor Online Offshore Limited ("VOOL")	197,858,680	2	27.13%
China Spirit Limited ("CSL")	197,858,680	3	27.13%
Ms. Chong Sok Un ("Ms. Chong")	197,858,680	4	27.13%
Sun Hung Kai International Limited (SHKI")	600,000,000	5	82.26%
Sun Hung Kai Securities Limited ("SHKS")	600,000,000	6	82.26%
Sun Hung Kai & Co. Limited ("SHK")	600,000,000	7	82.26%
Allied Properties (H.K.) Limited ("APL")	600,000,000	8	82.26%
Allied Group Limited ("AGL")	600,000,000	9	82.26%
Lee and Lee Trust ("LL Trust")	600,000,000	10	82.26%
Sunnysino Limited ("Sunnysino")	530,000,000	11	72.66%
Mr. Xu Guoliang ("Mr. Xu")	530,000,000	12	72.66%
Mr. Ng Siu Chun	40,780,000		5.59%

Notes:

1. The figure referred to the aggregate holding of 72,858,680 shares beneficially held by Honest Opportunity Limited ("HOL"), an indirect wholly-owned subsidiary of Classic Fortune Limited ("CFL"), and 125,000,000 shares beneficially held by Taskwell Limited ("TL"), a direct wholly-owned subsidiary of Besford International Limited ("BIL"). CFL and BIL were direct wholly-owned subsidiary of COL; COL was therefore deemed to have the same interest held by HOL and TL.

2. VOOL owned approximately 38.56% interest in the issued share capital of COL and was therefore deemed to have the same interest held by COL.

3. CSL owned 100% interest in the issued share capital of VOOL and was therefore deemed to have the same interest held by VOOL.

4. Ms. Chong owned 100% interest in the issued share capital of CSL and was therefore deemed to have the same interest held by CSL.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (continued)

Notes: (continued)

5. SHKI entered into a Placing Agreement with the Company on 18 September 2007 (the "Placing Agreement") pursuant to which the Company has agreed to place, through SHKI as the Placing Agent and on a fully underwritten basis, 600,000,000 new shares to independent investors at a price of HK$1.00 per new share (as supplemented on 25 June 2008). As at 30 June 2008, the Placing Agreement (as supplemented on 25 June 2008) is yet to be completed.

6. SHKS owned 100% interest in the issued share capital of SHKI and was therefore deemed to have the same interest held by SHKI.

7. SHK owned 100% interest in the issued share capital of SHKS and was therefore deemed to have the same interest held by SHKS.

8. Through AP Jade Limited and AP Emerald Limited, direct and indirect wholly-owned subsidiaries of APL respectively, APL owned approximately 64.76% interest in the issued share capital of SHK and was therefore deemed to have the same interest held by SHK.

9. AGL owned approximately 74.64% interest in the issued share capital of APL and was therefore deemed to have the same interest held by APL.

10. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of LL Trust, being a discretionary trust. They together owned approximately 42.58% interest in the issued share capital of AGL and were therefore deemed to have the same interest held by AGL.

11. A conditional sale and purchase agreement dated 26 July 2007 ("Conditional Sale and Purchase Agreement") was entered into between Sino Able Investments Limited, a wholly-owned subsidiary of the Company (as buyer), Sunnysino and Orrita Group Limited (as vendors), Mr. Xu and the Company (as the guarantors) relating to the acquisition of 1,000 shares of US$1.00 each in the issued share capital of Redstone Gold Limited for an aggregate consideration of HK$1 billion to be partially settled by the issue of 530,000,000 new shares to Sunnysino at a price of HK$1.00 each and a payment of cash of HK$470 million (as supplemented on 14 September 2007 and 25 June 2008). As at 30 June 2008, the Conditional Sale and Purchase Agreement (as supplemented on 14 September 2007 and 25 June 2008) is yet to be completed.

12. Mr. Xu owned 100% interest in the issued share capital of Sunnysino and was therefore deemed to have the same interest held by Sunnysino.

13. Completion of the Placing Agreement as mentioned in Note 5 and the Conditional Sale and Purchase Agreement as mentioned in Note 11 is conditional upon fulfillment of a number of conditions.

All the interests disclosed above represent long positions. As at 30 June 2008, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2008, the Company has applied the principles of, and complied with, the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules, except for certain deviations which are summarised below:

1. Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual.

The Company does not at present have a Chairman. Mr. Ng Qing Hai, being the President and CEO of the Company, is responsible for running the business of the Group and implementation of the Group's strategy in achieving the overall commercial goals as well as part of the duties of Chairman which constitute a deviation from the code provision A.2.1 of the CG Code.

To comply with this code provision, the Company is considering the appointment of a Chairman of the Board if a candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group.

2. Code Provisions B.1.3 and C.3.3

Code provisions B.1.3 and C.3.3 stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the remuneration committee (the "Remuneration Committee") adopted by the Company are in compliance with the code provision B.1.3 except that the Remuneration Committee should review (as opposed to determine under the code provision) and make recommendations to the Board on the remuneration packages of Executive Directors only and not senior management (as opposed to Directors and senior management under the code provision).

The terms of reference of the audit committee (the "Audit Committee") adopted by the Company are in compliance with the code provision C.3.3 except that the Audit Committee (i) should recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditors to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has discharged its duty to have an effective internal control system; and (iii) can promote (as opposed to ensure under the code provision) the coordination between the internal and external auditors, and check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced.

CODE ON CORPORATE GOVERNANCE PRACTICES (continued)

The reasons for the above deviations are set out in the section "Corporate Governance Report" contained in the Company's annual report for the financial year ended 31 December 2007. The Board has reviewed the terms during the period under review and considers that the Remuneration Committee and the Audit Committee should continue to operate according to the terms of reference adopted by the Company. The Board will review the terms at least annually and make appropriate changes if considered necessary.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30 June 2008. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditors in accordance with Statement of Auditing Standards 700 issued by the HKICPA as well as obtaining reports from management. The Audit Committee has not undertaken detailed independent audit checks.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2008.

By Order of the Board
Shanghai Allied Cement Limited
Dato' Wong Peng Chong
Vice President

Hong Kong, 17 September 2008

As at the date of this report, the Board comprises Mr. Ng Qing Hai (President and Chief Executive Officer), Dato' Wong Peng Chong (Vice-President) and Mr. Kong Muk Yin, being the Executive Directors; Ms. Chong Sok Un, being the Non-Executive Director; and Mr. Chen Ching, Mr. Jin Hui Zhi and Mr. Li Chak Hung, being the Independent Non-Executive Directors.