



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 2010

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 2010, which are unaudited but reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2009, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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」)截至二零一零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，連同二零零九年同期之未經審核比較數字如下：

簡明綜合全面收益表

		Six months ended 30 June		
		截至六月三十日止六個月		
		2010	2009	
		二零一零年	二零零九年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	3	3,148,349	1,503,616
Cost of sales	銷售成本		(2,687,476)	(1,422,596)
Gross profit	毛利		460,873	81,020
Investment income	投資收入		20,968	4,837
Other income, gains and losses	其他收入、收益及虧損		30,523	40,992
Selling and distribution expenses	銷售及分銷開支		(131,784)	(64,793)
General and administrative expenses	一般及行政開支		(131,474)	(62,303)
Finance costs	融資成本	4	(145,755)	(64,492)
Share of results of associates	應佔聯營公司之業績		103,351	(64,739)
			62,042	7,627
Profit (loss) before tax	除稅前溢利(虧損)	5	165,393	(57,112)
Income tax (expense) credit	所得稅(開支)抵免	6	(34,042)	4,744
Profit (loss) for the period	期內溢利(虧損)		131,351	(52,368)
Other comprehensive income	其他全面收益			
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額		1,886	107,094
Share of other comprehensive income of associates	應佔聯營公司之其他全面收益		(4,021)	(1,926)
Other comprehensive income for the period	期內其他全面收益		(2,135)	105,168
Total comprehensive income for the period	期內全面收益總額		129,216	52,800

		Six months ended 30 June 截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit (loss) for the period attributable to:	應佔期內溢利(虧損):		
Owners of the Company	本公司擁有人	112,247	(65,831)
Non-controlling interests	非控股股東權益	19,104	13,463
		131,351	(52,368)
Total comprehensive income attributable to:	應佔全面收益總額:		
Owners of the Company	本公司擁有人	110,165	36,159
Non-controlling interests	非控股股東權益	19,051	16,641
		129,216	52,800
Earnings (loss) per share	每股盈利(虧損)		
– Basic	– 基本	5.1 cents 仙	(5.0) cents仙
– Diluted	– 攤薄	5.1 cents 仙	N/A 不適用

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 June 2010 二零一零年 六月三十日	31 December 2009 二零零九年 十二月三十一日
		Notes 附註	HK\$'000 千港元 (Unaudited) (未經審核)	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	11,377,964	8,815,063
Prepaid lease payments	預付租賃款項	9	1,556,538	907,934
Intangible assets	無形資產	10	2,665,581	812,578
Mining rights	採礦權		325,034	205,512
Interests in associates	聯營公司權益	11	1,251,328	116,808
Loan to an associate	聯營公司貸款		8,400	14,400
Long term deposits	長期存款		720	720
Loan receivables	應收貸款		84,750	84,750
Deposits for the acquisition of property, plant and equipment	收購物業、廠房及設備之按金		568,107	245,969
Deposits for the acquisition of prepaid lease payments	收購預付租賃款項之按金		23,130	-
Deposits for acquisition the mining rights	收購採礦權之按金		28,816	-
Deposits for acquisition of subsidiaries	收購附屬公司之按金		-	804,410
Available-for-sale investments	可供出售投資		54,509	54,509
Deferred tax asset	遞延稅項資產		998	-
			17,945,875	12,062,653
Current assets	流動資產			
Inventories	存貨	12	860,531	671,108
Prepaid lease payments	預付租賃款項		41,426	24,881
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		739,340	395,390
Loan receivables	應收貸款		26,246	12,121
Trade receivables	應收貿易賬款	13	1,053,731	553,872
Tax recoverables	可收回稅項		248	1,303
Held-for-trading investments	持作交易用途之投資		273,967	267,943
Pledged bank deposits	已抵押銀行存款		43,949	36,913
Time deposits	定期存款		73,945	85,137
Cash and bank balances	現金及銀行結餘		1,001,076	968,611
			4,114,459	3,017,279

			30 June 2010 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current liabilities	流動負債			
Trade payables	應付貿易賬款	14	1,434,968	681,993
Other payables and accrued liabilities	其他應付款項及 應計負債		1,282,297	428,455
Tax payable	應付稅項		43,930	24,592
Bank loans	銀行貸款	15	4,783,896	5,152,580
Amount due to a minority shareholder	應付一位少數股東 款項		98,035	14,619
Amount due to an immediate holding company	應付一間直屬控股 公司款項		839,250	405,500
Senior notes	優先票據		183,956	–
			8,666,332	6,707,739
Net current liabilities	流動負債淨值		(4,551,873)	(3,690,460)
Total assets less current liabilities	總資產減流動負債		13,394,002	8,372,193
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		367,965	202,634
Bank loans	銀行貸款	15	3,250,688	1,657,367
			3,618,653	1,860,001
			9,775,349	6,512,192
Capital and reserves	股本及儲備			
Share capital – ordinary shares	股本 – 普通股	16	329,563	128,905
Share capital – non-redeemable convertible preference shares	股本 – 不可贖回 可換股優先股		–	65,117
Reserves	儲備		9,189,763	6,126,214
Equity attributed to owners of the Company	本公司擁有人 應佔權益		9,519,326	6,320,236
Non-controlling interests	非控股股東權益		256,023	191,956
			9,775,349	6,512,192

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Attributable to owners of the Company
本公司擁有人應佔

	Share capital	Share premium	Share options reserve	Contributed surplus	Capital reserve	Capital redemption reserve	Land & building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	Accumulated losses	Total	Minority interests	Total equity
	股本	股份溢價	購股權儲備	撥入盈餘	資本儲備	贖回儲備	土地及樓宇重估儲備	外匯浮動儲備	法定儲備基金	(累計虧損) 保留溢利	總計	少數股東權益	權益總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
As at 1 January 2009	128,245	3,159,340	2,040	2,082,263	2,076	5,130	29,562	294,539	27,391	(166,245)	3,690,341	171,123	3,861,464
Profit for the period	-	-	-	-	-	-	-	-	-	(65,831)	(65,831)	13,463	(52,368)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	103,538	-	-	103,538	3,556	107,094
Share of changes in equity of associates	-	-	-	-	-	-	-	431	(1,979)	-	(1,548)	(378)	(1,926)
Total comprehensive income for the period	-	-	-	-	-	-	-	103,969	(1,979)	(65,831)	36,159	16,641	52,800
Exercise of share options	120	1,754	(354)	-	-	-	-	-	-	-	1,520	-	1,520
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	-	(12,380)	(12,380)
Transfer to statutory reserve fund	-	-	-	-	-	-	-	-	2,783	(2,783)	-	-	-
At 30 June 2009	128,365	3,161,094	1,686	2,082,263	2,076	5,130	29,562	398,508	28,195	(234,859)	3,728,020	175,384	3,903,404

Attributable to owners of the Company

本公司擁有人應佔

	Share capital - ordinary shares	Share capital - convertible preference shares	Share premium	Share options reserve	Contributed surplus	Capital reserve	Capital redemption reserve	Land & building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	(Accumulated losses) Retained profits	Total equity
	股本—普通股	股本—可轉換優先股	股份溢價	購股權儲備	溢入盈餘	資本儲備	贖回儲備	土地及樓宇重估儲備	外匯浮動儲備	法定儲備基金	(累計虧損) 保留溢利	權益總額
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
As at 1 January 2010	128,905	65,117	5,487,152	89	208,263	2,076	5,130	43,400	400,681	28,576	(49,153)	6,512,192
Profit for the period	-	-	-	-	-	-	-	-	-	-	112,247	191,956
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	1,894	-	-	1,894
Share of changes in equity of associates	-	-	-	-	-	-	-	-	(3,381)	(955)	-	(8)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(1,487)	(955)	112,247	190,951
Issue of new shares under placing	25,657	-	800,238	-	-	-	-	-	-	-	-	825,895
Conversion of non-redeemable convertible shares	65,117	(65,117)	-	-	-	-	-	-	-	-	-	-
Exercise of share options	30	-	438	(89)	-	-	-	-	-	-	-	379
Issue of new shares under rights issue	109,854	-	2,196,739	-	-	-	-	-	-	-	-	2,306,593
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(43,942)	(43,942)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(16,271)
Transfer to statutory reserve fund	-	-	-	-	-	-	-	-	-	6,156	(6,156)	6,128
At June 2010	329,568	-	8,484,567	-	208,263	2,076	5,130	43,400	399,194	34,117	13,016	9,775,349

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	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash inflow from operating activities	經營活動之現金流入淨額	641,715	121,073
Net cash outflow from investing activities	投資活動之現金流出淨額	(3,326,649)	(360,945)
Net cash inflow from financing activities	融資活動之現金流入淨額	2,767,614	42,334
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值增加 (減少)淨額	82,680	(197,538)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	968,611	921,882
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	1,051,291	724,344

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 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 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 2009.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2010.

Except as described below, the application of these new and revised HKFRSs had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

Hong Kong Financial Reporting Standards (“HKFRS”) 3 (Revised 2008) Business Combinations

HKFRS 3 (Revised 2008) Business Combinations has been applied prospectively from 1 January 2010. Its application has affected the accounting for the acquisition of Upper Value Investments Limited (“Upper Value”) in the current period.

The impact of adoption of HKFRS 3 (Revised 2008) has been:

- It allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as “minority” interest) at either fair value or the proportionate share of the acquiree’s net identifiable assets at the acquisition date;

簡明綜合中期財務報表附註

1. 編製基準

本簡明綜合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（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」編製。

2. 主要會計政策

本簡明綜合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量除外。

本簡明財務報表採用之會計政策與編製本集團截至二零零九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。

於本中期間，本集團首次應用多項由香港會計師公會頒佈對本集團於二零一零年一月一日開始之財政年度生效之新訂及經修訂準則、修訂及詮釋（「新訂及經修訂香港財務報告準則」）。

除下文所述者外，應用該等新訂及經修訂香港財務報告準則對本集團於本會計期間或上一會計期間之簡明綜合財務報表概無重大影響。

香港財務報告準則（「香港財務報告準則」）第3號（二零零八年經修訂）業務合併

香港財務報告準則第3號（二零零八年經修訂）業務合併已自二零一零年一月一日起追溯應用。應用此準則已影響於本期間收購Upper Value Investments Limited（「Upper Value」）之會計方式。

採納香港財務報告準則第3號（二零零八年經修訂）之影響：

- 其可按個別交易基準選擇以公平值或以於收購日期估被收購方可識別資產淨值之比例計量非控股股東權益（前稱「少數股東」權益）；

2. Principal Accounting Policies (Continued)

Hong Kong Financial Reporting Standards ("HKFRS") 3 (Revised 2008) Business Combinations (Continued)

- It changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if it met probability and reliably measurable criteria, whereas under the revised Standard the consideration for the acquisition always includes the fair value of any contingent consideration. Once the fair value of the contingent consideration at the acquisition date has been determined, subsequent adjustments are made against the cost of the acquisition only to the extent that
 - they reflect fair value at the acquisition date; and
 - they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). Under the previous version of the Standard, adjustments to consideration were always made against the cost of the acquisition; and
- It requires acquisition-related costs to be accounted for separately from the business combination. As a result, the Group has recognised HK\$9,145,000 of such costs as an expense in profit or loss, whereas previously they would have been accounted for as part of the cost of the acquisition.

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Classification of Rights Issues ²
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ³
HKFRS 9 HK(IFRIC)-Int 14 (Amendment)	Financial Instruments ⁵ Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

2. 主要會計政策 (續)

香港財務報告準則(「香港財務報告準則」)第3號(二零零八年經修訂)業務合併(續)

- 其改變或然代價之確認及隨後會計入賬規定。過往，或然代價僅於有可能支付且其金額能被可靠地計量時方會於收購日期確認，而根據經修訂準則，收購代價通常包括任何或然代價之公平值。一旦已釐定收購日期之或然代價之公平值，則隨後會對收購成本作出調整，惟會以下列者為限
 - 其反映於收購日期之公平值；及
 - 其於「計量期間」(最長為收購日期起計12個月)內發生。根據該準則之上一版本，須就收購成本對代價作出調整；及
- 其要求收購相關成本與業務合併分開入賬。因此，本集團已於損益確認9,145,000港元之該等成本為開支，而之前此應該已作為收購成本之一部份入賬。

本集團並無提早應用下列已頒佈但仍未生效之新訂或經修訂準則、修訂或詮釋：

香港財務報告準則 (修訂本)	二零一零年頒佈之香港財務報告準則之改進 ¹
香港會計準則第24號 (經修訂)	關連人士披露 ⁴
香港會計準則第32號 (修訂本)	供股之分類 ²
香港財務報告準則第1號 (修訂本)	首次採納香港財務報告準則第7號之披露對比較數字之有限豁免 ³
香港財務報告準則第9號 香港(國際財務報告 詮釋委員會) — 詮釋第14號 (修訂本)	金融工具 ⁵ 最低資金要求之預付款項 ⁴
香港(國際財務報告詮釋 委員會) — 詮釋第19號	以股本工具抵銷金融負債 ²

2. Principal Accounting Policies (Continued)

- ¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
- ² Effective for annual periods beginning on or after 1 February 2010
- ³ Effective for annual periods beginning on or after 1 July 2010
- ⁴ Effective for annual periods beginning on or after 1 January 2011
- ⁵ Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The Directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. Segment Information

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

- (i) the import, distribution and handling of cement segment mainly relates to housing development and infrastructure construction activities in Hong Kong;
- (ii) the manufacture and distribution of cement, clinker and slag powder segment mainly relates to construction activities in the People's Republic of China (the "PRC");
- (iii) the investment holding segment invests in listed and unlisted equity securities ranging from traditional businesses, such as companies engaged in the manufacture and distribution of construction materials, to high-technology businesses, such as those providing broadband internet access and content services.

2. 主要會計政策 (續)

- ¹ 於二零一零年七月一日及二零一一年一月一日(如適用)或以後開始之年度期間生效
- ² 於二零一零年二月一日或以後開始之年度期間生效
- ³ 於二零一零年七月一日或以後開始之年度期間生效
- ⁴ 於二零一一年一月一日或以後開始之年度期間生效
- ⁵ 於二零一三年一月一日或以後開始之年度期間生效

香港財務報告準則第9號金融工具引入有關金融資產分類及計量之新規定，並將自二零一三年一月一日生效，亦可提前應用。該準則規定在香港會計準則第39號金融工具：確認及計量範圍內之所有已確認金融資產以攤銷成本或公平值計量。具體而言，(i)於業務模式內以收取合約現金流量為目的而持有，及(ii)持有僅支付本金及尚未償還本金之利息之合約現金流量而持有之債務投資，一般以攤銷成本計量。所有其他債務投資及權益投資則以公平值計量。應用香港財務報告準則第9號可能影響本集團金融資產之分類及計量。

本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

3. 分類資料

本集團之經營業務乃按業務之性質及該等業務所提供之產品及服務作出分類安排及管理。本集團各營運分類為一策略業務單位，所提供產品及服務之風險與回報均與其他營運分類者有所不同。營運分類之詳情概要如下：

- (i) 於香港入口、分銷及處理主要有關樓宇發展及基建項目之水泥分類；
- (ii) 於中華人民共和國(「中國」)生產及分銷主要為有關建築用途之水泥、熟料及礦渣粉分類；
- (iii) 投資於上市及非上市股本證券之投資控股分類，當中包括傳統業務如從事生產及分銷建築材料之公司，以至如提供互聯網寬頻服務及資料內容服務之高科技業務。

3. Segment Information (Continued)

Segment revenues and results

The following tables present revenue, and results by operating segment.

	Import, distribution and handling of cement Six months ended 30 June		Manufacturing and distribution of cement, clinker and slag powder Six months ended 30 June		Investment holding Six months ended 30 June		Consolidated Six months ended 30 June	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Segment revenue	分類收益		製造及分銷水泥、熟料及礦渣粉		投資控股		綜合	
Sales to customers	入口、分銷及處理水泥 截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月	
	104,049	70,033	3,044,300	1,433,583	-	-	3,148,349	1,503,616
Segment profit (loss)	分類溢利(虧損)							
	13,648	4,827	210,090	(44,393)	(12,368)	9,999	211,370	(29,567)
Central administration costs	中央行政成本						(6,311)	(3,005)
Unallocated other income	未分配其他收入						44,047	32,325
Finance costs	融資成本						249,106	(247)
Share of results of associates	應佔聯營公司之業績						(145,755)	(64,492)
Profit (loss) before tax	除稅前溢利(虧損)						62,042	7,627
							165,393	(57,112)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by/loss from each segment without allocation of central administration costs including Directors' salaries, certain other income, share of results of associates and finance costs. This is the measure reported to board of Directors for the purposes of resource allocation and performance assessment.

There are no inter-segment sales for both periods.

3. 分類資料(續)

分類收益及業績

下表呈列按營運分類劃分之收益及業績。

營運分類之會計政策與本集團之會計政策相同。分類溢利(虧損)乃指在未分配中央行政成本(包括董事薪金、若干其他收入、應佔聯營公司之業績及融資成本)之情況下,各分類所賺取之溢利/產生之虧損。此為向董事會報告以作資源分配及表現評估之方式。

兩個期間均無內部分類銷售。

3. Segment Information (Continued)

Segment revenues and results (Continued)

The Group has no customers that contributed over 10% of the total revenue of the Group for both periods.

The major product provided by the Group is manufacturing and distribution of cement, clinker and slag powder. No other products and services contribute over 10% of the total revenue of the Group for both periods.

No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the board of Directors for review.

Geographical information

The Group's three divisions operate in two principal geographical areas – Hong Kong and PRC. The following table provides an analysis of the Group's sales by geographical markets, irrespective of the origin of the goods and services:

Hong Kong 香港		The PRC 中國		Others 其他		Consolidated 綜合	
Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月		截至六月三十日止六個月	
2010	2009	2010	2009	2010	2009	2010	2009
二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
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

Segment revenue: 分類收益:

Sales to customers 銷售予客戶

108,456	70,033	3,026,853	1,427,308	13,040	6,275	3,148,349	1,503,616
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3. 分類資料 (續)

分類收益及業績 (續)

兩個期間內本集團均無為本集團總收入貢獻10%以上之客戶。

本集團提供之主要產品為製造及分銷水泥、熟料及礦渣粉。兩個期間內概無其他產品及服務為本集團總收入貢獻10%以上。

本集團按營運分類劃分之資產及負債之分析並無作出披露，乃因其並無定期提供予董事會以供審閱。

地區資料

本集團之三個分類於兩個主要地區—香港及中國經營。下表為按地區市場分析之本集團之銷售（不論商品或服務之原產地）：

4. Finance Costs

4. 融資成本

		Six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest on:	以下之利息：		
Bank loans wholly repayable	須於下列日期全數償還之 銀行貸款		
– within five years	– 於五年內	142,377	77,192
– more than five years	– 超過五年	263	–
Loan from immediate holding company	來自直屬控股公司之貸款	2,533	1,485
Interest expense on senior notes	優先票據之利息開支	26,118	–
		<hr/>	<hr/>
Total borrowing costs	總借貸成本	171,291	78,677
Less: amounts capitalised in construction in progress	減：於在建工程中資本化金額	(25,536)	(14,185)
		<hr/>	<hr/>
		145,755	64,492
		<hr/>	<hr/>

Borrowing costs capitalised during the period arose on the general borrowing pool and are calculated by applying a capitalisation rate range from 3.49% to 22.89% per annum (2009: 5.2% per annum) to expenditure on qualifying assets. The increment of capitalisation rate is due to the interest rate of the senior notes which are acquired from acquisition of subsidiaries during the period.

期內撥充資本之借貸成本均源自一般借貸額，並按合資格資產開支每年介乎3.49%至22.89%（二零零九年：每年5.2%）之資本化比率計算。資本化比率增加乃由於期內收購附屬公司而購入之優先票據之利率所致。

5. Profit (Loss) Before Tax

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

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Depreciation and amortisation of property, plant and equipment and prepaid lease payments	物業、廠房及設備與預付租賃款項之折舊及攤銷	288,255	171,444
Amortisation of intangible assets	無形資產攤銷	6,869	720
Amortisation of mining rights	採礦權攤銷	3,614	1,128
Change in fair value of held-for-trading investments	持作交易用途之投資公平值變動	(6,024)	(12,075)
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)	9,805	2,501

6. Income Tax (Expense) Credit

		Six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	本期稅項:		
Hong Kong	香港	(3,093)	(1,130)
PRC Enterprise income tax	中國企業所得稅	(35,286)	(1,779)
Other jurisdictions	其他司法權區	-	(145)
		(38,379)	(3,054)
Deferred tax	遞延稅項	4,337	7,798
Tax (expense) credit	稅項(支出)抵免	(34,042)	4,744

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Company are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. The tax exemptions are going to be expired starting from year 2011 to 2013.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

5. 除稅前溢利(虧損)

除稅前溢利(虧損)已扣除(計入)下列各項:

Six months ended 30 June 截至六月三十日止六個月	
2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)

6. 所得稅(支出)抵免

Six months ended 30 June 截至六月三十日止六個月	
2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)

香港利得稅乃根據期內之估計應課稅溢利按16.5%(二零零九年:16.5%)之稅率計算。其他司法權區之稅項乃根據相關司法權區現行稅率計算。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施規則,中國附屬公司之稅率由二零零八年一月一日起為25%。

根據中國有關法律及法規,本公司之若干中國附屬公司自首個獲利年度起連續兩年豁免繳納中國企業所得稅,而隨後三年獲減半寬免。稅項豁免將於二零一一年起至二零一三年止到期。

其他司法權區之稅項乃根據相關司法權區現行稅率計算。

7. Earnings (Loss) per Share

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

7. 每股盈利(虧損)

本公司之擁有人應佔每股基本及攤薄盈利(虧損)乃根據以下數據計算:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Earnings (loss) for the purposes of basic and diluted earnings (loss) per share (profit (loss) for the period attributable to owners of the Company)	計算每股基本及攤薄盈利(虧損)所用之盈利(虧損)(本公司之擁有人應佔期內溢利(虧損))	112,247	(65,831)
Number of Shares		股份數目	
		30 June	30 June
		2010	2009
		二零一零年	二零零九年
		六月三十日	六月三十日
		'000	'000
		千股	千股
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	計算每股基本盈利(虧損)所用之普通股加權平均數	2,188,661	1,328,122
Effect of dilutive potential ordinary shares – share options	攤薄潛在普通股之影響 – 購股權	–	2,761
Weighted average number of ordinary shares for the purposes of diluted earnings (loss) per share	計算每股攤薄盈利(虧損)所用之普通股加權平均數	2,188,661	1,330,883

No dilutive loss per share has been presented for the period ended 30 June 2009 because the exercise of share options would result in a decrease in the loss per share in 2009.

由於行使購股權將引導二零零九年內之每股虧損減少，故並無呈列截至二零零九年六月三十日止期間之每股攤薄虧損。

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the right issue on 28 June 2010.

計算每股基本盈利所用之普通股加權平均數已就於二零一零年六月二十八日之供股作出調整。

8. Property, Plant and Equipment

During the period, the Group acquired property, plant and equipment of approximately HK\$2,837,327,000 (2009: HK\$366,281,000) of which HK\$2,269,189,000 (2009: nil) was arising from the acquisition of subsidiaries (note 17).

9. Prepaid lease payments

During the period, the Group acquired HK\$672,591,000 prepaid lease payments which was arising from the acquisition of subsidiaries (note 17) (2009: nil).

10. Intangible assets

8. 物業、廠房及設備

於期內，本集團購入約2,837,327,000港元（二零零九年：366,281,000港元）之物業、廠房及設備。其中2,269,189,000港元（二零零九年：零）乃自收購附屬公司所產生（附註17）。

9. 預付租賃款項

期內，本集團收購附屬公司（附註17）所產生之購入預付租賃款項為672,591,000港元（二零零九年：零）。

10. 無形資產

		Goodwill 商譽 HK\$'000 千港元	Customer base 客戶基礎 HK\$'000 千港元	Computer software 電腦軟件 HK\$'000 千港元	Total 總數 HK\$'000 千港元
COST	成本				
At 1 January 2009	於二零零九年一月一日	3,722,639	31,901	9,914	3,764,454
Arising on acquisition of subsidiaries	收購附屬公司時產生	794,052	-	4,179	798,231
Addition	添置	-	-	8,378	8,378
Disposal	出售	-	-	(4)	(4)
Exchange adjustments	匯兌調整	-	-	240	240
At 31 December 2009	於二零零九年十二月三十一日	4,516,691	31,901	22,707	4,571,299
Arising on acquisition of subsidiaries	收購附屬公司時產生	1,767,475	92,219	-	1,859,694
Addition	添置	-	-	178	178
At 30 June 2010	於二零一零年六月三十日	6,284,166	124,120	22,885	6,431,171
AMORTISATION	攤銷				
At 1 January 2009	於二零零九年一月一日	3,722,639	31,901	2,075	3,756,615
Charge for the year	本年度支出	-	-	2,062	2,062
Eliminated on disposal	出售沖銷	-	-	(2)	(2)
Exchange adjustments	匯兌調整	-	-	46	46
At 31 December 2009	於二零零九年十二月三十一日	3,722,639	31,901	4,181	3,758,721
Charge for the period	本期間支出	-	5,123	1,746	6,869
At 30 June 2010	於二零一零年六月三十日	3,722,639	37,024	5,927	3,765,590
CARRYING VALUES	賬面值				
At 30 June 2010	於二零一零年六月三十日	2,561,527	87,096	16,958	2,665,581
At 31 December 2009	於二零零九年十二月三十一日	794,052	-	18,526	812,578

11. Interests in associates

During the period, the Group acquired HK\$1,087,478,000 interests in associates which was arising from acquisition of subsidiaries (note 17) (2009: nil).

12. Inventories

Raw materials and consumables
Work in progress
Finished goods

原材料及易耗品
在製品
製成品

30 June 2010 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
489,110	445,094
201,084	116,566
170,337	109,448
860,531	671,108

13. Trade Receivables

The Group's trade receivables comprise:

Trade receivables from outsiders
Trade receivables from associates
Trade receivables from related parties (note)

本集團應收貿易賬款包括：

應收外界人士之貿易賬款
應收聯營公司之貿易賬款
應收關連人士之貿易賬款 (附註)

13. 應收貿易賬款

30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
1,043,667	546,237
10,064	7,156
-	479
1,053,731	553,872

Note: The related parties refer to the subsidiaries of a substantial shareholder of the Company.

附註：關連人士指本公司一位主要股東之附屬公司。

13. Trade Receivables (Continued)

The Group's policy is to allow a credit period of 90-180 days to its trade customers (including associates and related parties). The following is an aged analysis of trade receivables at the end of reporting period:

		30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
0-90 days	0 – 90日	713,634	480,682
91-180 days	91 – 180日	340,097	73,190
		1,053,731	553,872

There are no balances included in trade receivables which have been past due. Over 95% of trade receivables aged 91-180 days represent banks acceptance bills.

14. Trade Payables

The Group's trade payables comprise:

Trade payables to outsiders	應付外界人士之貿易賬款	1,421,979	655,946
Trade payables to ultimate holding company	應付最終控股公司之貿易賬款	3,646	18,306
Trade payables to fellow subsidiaries	應付同系附屬公司之貿易賬款	9,343	2,656
Trade payables to minority shareholders of a subsidiary	應付一間附屬公司少數股東之貿易賬款	-	5,085
		1,434,968	681,993

13. 應收貿易賬款 (續)

本集團政策給予貿易客戶(包括聯營公司及關連人士)90至180日之除賬期。以下為於報告期末應收貿易賬款之賬齡分析:

應收貿易賬款內並未有已過期結餘。超過95%賬齡為91至180日之應收貿易賬款為銀行承兌匯票。

14. 應付貿易賬款

本集團應付貿易賬款包括:

		30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
		1,421,979	655,946
		3,646	18,306
		9,343	2,656
		-	5,085
		1,434,968	681,993

14. Trade Payables (Continued)

The following is an aged analysis of trade payables at the end of reporting period:

		30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
0-90 days	0 – 90日	1,310,400	653,342
91-180 days	91 – 180日	99,225	8,487
181-365 days	181 – 365日	20,148	11,326
Over 365 days	超過365日	5,195	8,838
		1,434,968	681,993

The trade balances due to the ultimate holding company, fellow subsidiaries and minority shareholders of a subsidiary are unsecured, interest-free and repayable in accordance with normal trading terms.

15. Bank Loans

		30 June 2010 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Secured	有抵押	3,629,927	390,653
Unsecured	無抵押	4,404,657	6,419,294
		8,034,584	6,809,947
The loans are repayable as follows:	貸款償還期如下:		
On demand or within one year	應要求或一年內	4,783,896	5,152,580
More than one year but not exceeding two years	超過一年但不超過二年	2,154,206	1,214,934
More than two years but not exceeding five years	超過二年但不超過五年	1,079,475	441,247
Over five years	超過五年	17,007	1,186
		8,034,584	6,809,947
Less: Amount due for settlement within one year (shown under current liabilities)	減: 須於一年內償還之到期款項 (列於流動負債項下)	4,783,896	(5,152,580)
Amount due for settlement after one year	須於一年後償還之到期款項	3,250,688	1,657,367

14. 應付貿易賬款 (續)

以下為於報告期末應付貿易賬款之賬齡分析:

	30 June 2010 二零一零年 六月三十日 HK\$'000 千港元	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元
	1,310,400	653,342
	99,225	8,487
	20,148	11,326
	5,195	8,838
	1,434,968	681,993

應付最終控股公司、同系附屬公司、一間附屬公司之少數股東之貿易結餘為無抵押、免息及須按正常貿易條款償還。

15. 銀行貸款

	30 June 2010 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	3,629,927	390,653
	4,404,657	6,419,294
	8,034,584	6,809,947
The loans are repayable as follows:	貸款償還期如下:	
On demand or within one year	應要求或一年內	5,152,580
More than one year but not exceeding two years	超過一年但不超過二年	1,214,934
More than two years but not exceeding five years	超過二年但不超過五年	441,247
Over five years	超過五年	1,186
	8,034,584	6,809,947
Less: Amount due for settlement within one year (shown under current liabilities)	減: 須於一年內償還之到期款項 (列於流動負債項下)	(5,152,580)
Amount due for settlement after one year	須於一年後償還之到期款項	1,657,367

15. Bank Loans (Continued)

As previously disclosed in the Company's annual report for the year ended 31 December 2009, the Group breached certain financial covenants as at 31 December 2009 as stipulated in the loan agreements or banking facilities letters entered into by the Group, primarily relating to the ratio of consolidated liabilities to consolidated tangible net worth and the current ratio of the Group, with a total carrying amount of HK\$3,742.6 million as at 31 December 2009. As at the date of interim results announcement, the Company has obtained a waiver from the certain relevant banks for such breaches in respect of loans amounting to HK\$2,782.5 million as at 30 June 2010. Negotiations for a waiver in respect of other relevant loans amounting to HK\$1,163.4 million as at 30 June 2010 are still in progress.

15. 銀行貸款(續)

誠如之前於本公司截至二零零九年十二月三十一日止年度之年報所披露，於二零零九年十二月三十一日，本集團違反其所訂立之貸款協議或銀行融資函件所訂明之若干財務契約（該等財務契約主要關於本集團綜合負債與綜合有形淨值之比率以及流動比率），其總賬面值於二零零九年十二月三十一日為3,742,600,000港元。於中期業績公告日期，本公司自若干相關銀行取得就於二零一零年六月三十日為數2,782,500,000港元之貸款之有關違約之豁免，而就於二零一零年六月三十日為數1,163,400,000港元之其他相關貸款之豁免仍在談判中。

16. Share Capital – Ordinary Shares

16. 股本－普通股

		Number of ordinary shares 普通股數目	
		'000 千股	HK\$'000 千港元
Authorised:			
Ordinary shares of HK\$0.10 each			
– at 1 January 2009	法定股本： 每股面值0.10港元之普通股 —於二零零九年一月一日	2,000,000	200,000
– increase during the period (Note 1)	—於期內增加(附註1)	348,830	34,883
– at 31 December 2009	—於二零零九年十二月三十一日	2,348,830	234,883
– increase during the period (Note 2)	—於期內增加(附註2)	2,651,170	265,117
– at 30 June 2010	—於二零一零年六月三十日	5,000,000	500,000
Issued and fully paid:			
Ordinary shares of HK\$0.10 each			
– at 1 January 2009	已發行及繳足股本： 每股面值0.10港元之普通股 —於二零零九年一月一日	1,282,450	128,245
– exercise of options	—行使購股權	6,600	660
– at 31 December 2009	—於二零零九年十二月三十一日	1,289,050	128,905
– issued under placing (Note 3)	—根據配售事項已發行股份 (附註3)	256,568	25,657
– conversion of non-redeemable convertible preference shares (Note 4)	—轉換不可贖回可換股優先股 (附註4)	651,170	65,117
– exercise of options	—行使購股權	300	30
– issued under rights issue (Note 5)	—根據供股已發行股份 (附註5)	1,098,544	109,854
		3,295,632	329,563

16. Share Capital – Ordinary Shares (Continued)

Note 1: Pursuant to the resolutions passed at extraordinary general meeting held on 27 July 2009, the authorised share capital of the Company was increased from HK\$200,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.10 each to HK\$300,000,000 divided into 2,348,830,000 ordinary shares of HK\$0.10 each and 651,170,000 convertible preference shares of HK\$0.10 each by the creation of an additional 348,830,000 new ordinary shares of HK\$0.10 each and 651,170,000 new convertible preference shares of HK\$0.10 each.

Note 2: Pursuant to the resolutions passed at extraordinary general meeting held on 23 February 2010, the authorised share capital of the Company was increased from HK\$300,000,000 divided into 2,348,830,000 ordinary shares of HK\$0.10 each and 651,170,000 convertible preference shares of HK\$0.10 each to HK\$565,117,000 divided into 5,000,000,000 ordinary shares of HK\$0.10 each and 651,170,000 convertible preference shares of HK\$0.10 each by the creation of an additional 2,651,170,000 new ordinary shares of HK\$0.10 each.

Note 3: Reference is made to the two announcements of the Company dated 14 January 2010 and 22 January 2010, the controlling shareholder of the Company entered into a placing agreement with a placing agent and the Company entered into a subscription agreement with its controlling shareholder in relation to a top-up placing, on a best effort basis, of 256,568,000 ordinary shares of the Company with independent investors at the placing price of HK\$3.30 per share. Completion of the transaction took place on 22 January 2010 and the Company raised total net proceeds of approximately HK\$825.9 million, which were applied towards funding the Acquisition of Upper Value (*note 17*).

Note 4: On 22 January 2010, 651,170,000 ordinary shares have been allotted and issued to the controlling shareholder of the Company upon the exercise of the convertible preferences shares.

Note 5: On 17 May 2010, the Company announced a fully underwritten one-for-two rights issue of 1,098,544,023 ordinary shares at the issue price of HK\$2.10 per share. The rights issue became unconditional on 23 June 2010 and net proceeds of approximately HK\$2,306.6 million were raised by the Company, which were applied towards repayment of the debt financing incurred by the Group to fund the Acquisition of Upper Value (*note 17*).

16. 股本—普通股(續)

附註1: 根據於二零零九年七月二十七日舉行之股東特別大會上通過之決議案，藉增設額外348,830,000股每股面值0.10港元之新普通股及651,170,000股每股面值0.10港元之新可換股優先股，將本公司之法定股本由200,000,000港元(分為2,000,000,000股每股面值0.10港元之普通股)增至300,000,000港元(分為2,348,830,000股每股面值0.10港元之普通股及651,170,000股每股面值0.10港元之可換股優先股)。

附註2: 根據於二零一零年二月二十三日舉行之股東特別大會上通過之決議案，藉增設額外2,651,170,000股每股面值0.10港元之新普通股，將本公司之法定股本由300,000,000港元(分為2,348,830,000股每股面值0.10港元之普通股及651,170,000股每股面值0.10港元之可換股優先股)增至565,117,000港元(分為5,000,000,000股每股面值0.10港元之普通股及651,170,000股每股面值0.10港元之可換股優先股)。

附註3: 謹此提述本公司日期為二零一零年一月十四日及二零一零年一月二十二日之兩份公佈，本公司控股股東與配售代理訂立配售協議，而本公司與其控股股東訂立認購協議，內容有關，按盡力基準以配售價每股3.30港元以先舊後新方式配售本公司256,568,000股普通股予獨立投資者。該交易已於二零一零年一月二十二日完成，本公司集資所得款項總淨額約為825,900,000港元，用作為收購Upper Value提供資金(*附註17*)。

附註4: 於二零一零年一月二十二日，651,170,000股普通股已於可換股優先股獲行使後配發及發行予本公司控股股東。

附註5: 於二零一零年五月十七日，本公司宣佈，以悉數包銷基準按發行價每股2.10港元，並按以每持有兩股股份獲發一股供股股份進行供股而發行1,098,544,023股普通股。供股已於二零一零年六月二十三日成為無條件，本公司集資之所得款項淨額約2,306,600,000港元，用於償付本集團為收購Upper Value提供資金而產生之債務融資(*附註17*)。

17. Acquisition of Subsidiaries

The Group completed the acquisition of the entire issued share capital of Upper Value on 30 April 2010. The Company has agreed to acquire the entire issued share capital of the Upper Value from Pro-Rise Business Limited ("Pro-Rise") and Pro-Rise has agreed to assign the shareholder loan as at 30 September 2009 to the Company at a consideration of HK\$3,800,000,000. This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was HK\$1,430,808,000.

Acquisition related costs amounting to HK\$9,145,000 have been excluded from the cost of acquisition and have been recognised as an expense in the period, within the 'general and administrative expenses' line item in the condensed consolidated statement of comprehensive income.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

17. 收購附屬公司

本集團於二零一零年四月三十日完成收購Upper Value全部已發行股本。本公司已同意從Pro-Rise Business Limited (「Pro-Rise」)收購Upper Value全部已發行股本，而Pro-Rise已同意按代價3,800,000,000港元向本公司轉讓於二零零九年九月三十日之股東貸款。是項收購已使用購買法入賬。因收購事項而產生之商譽金額為1,430,808,000港元。

期內，有關收購事項的相關成本為9,145,000港元並未計入收購事項之成本內，並於簡明綜合全面收益表「一般及行政開支」項目內確認為開支。

該交易所收購之淨資產及所產生之商譽如下：

	Acquiree's carrying amount at acquisition date	Provisional fair value adjustments	Acquiree's carrying amount and provisional fair value at acquisition date
	於收購日期被 收購公司之 賬面金額 HK\$'000 千港元	臨時公平值 調整 HK\$'000 千港元	於收購日期 被收購公司之 賬面金額及 臨時公平值 HK\$'000 千港元
Net assets acquired:			
Non-current assets			
Property, plant and equipment	2,261,097	8,092	2,269,189
Prepaid lease payments	274,392	389,638	664,030
Customer base	-	92,219	92,219
Goodwill	336,667	-	336,667
Mining rights	123,137	-	123,137
Interests in associates	951,236	136,242	1,087,478
Deposits for the acquisition of property, plant and equipment	307,771	-	307,771
Deposits for the acquisition of prepaid lease payments	22,484	-	22,484
Deposits for the acquisition of mining rights	28,816	-	28,816
Deferred tax assets	873	-	873
Current assets			
Prepaid lease payments	-	8,561	8,561
Inventories	81,497	-	81,497
Prepayments, deposits and other receivables (Note)	117,739	-	117,739
Trade receivables	497,044	-	497,044
Amount due from a minority shareholder	16,179	-	16,179
Pledged bank deposits	3,017	-	3,017
Cash and bank balances	152,722	-	152,722
Current liabilities			
Trade payables	(320,561)	-	(320,561)
Other payables and accrued liabilities	(783,523)	-	(783,523)
Bank loans	(514,650)	-	(514,650)
Tax payable	(10,853)	-	(10,853)
Amount due to a minority shareholder	(93,526)	-	(93,526)
Senior notes	(801,032)	-	(801,032)
Non-current liabilities			
Bank loans	(685,257)	-	(685,257)
Deferred tax liabilities	(44,915)	(124,627)	(169,542)
	<u>1,920,354</u>	<u>510,125</u>	<u>2,430,479</u>

17. Acquisition of Subsidiaries (Continued)

Note: The other receivables acquired with a fair value of HK\$117,325,000 had gross contractual amounts of HK\$175,759,000. The best estimate at acquisition date of contractual cash flows not expected to be collected is HK\$58,434,000.

Non-controlling interests

The non-controlling interests in Upper Value recognised at the acquisition date was determined with reference to the proportionate share of the acquiree's net assets at the acquisition date and amounted to HK\$61,287,000.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	3,800,000
Plus: Non-controlling interests	加: 非控股股東權益	61,287
Less: Provisional fair value of identifiable net assets acquired	減: 已收購可識別資產淨值之臨時公平值	(2,430,479)
		<u>1,430,808</u>
Net cash outflow arising on acquisition:	收購事項產生之現金流出淨額:	
Cash consideration	現金代價	3,800,000
Less: Deposit paid in prior year	減: 去年已付之按金	(804,410)
Less: Cash and bank balances acquired	減: 已收購之現金及銀行結餘	(152,722)
Net cash outflow arising on acquisition in respect of cash and bank balances acquired	就已收購之現金及銀行結餘於收購時產生之現金流出淨額	<u>2,842,868</u>

Note:

The business combination is determined on a provisional basis as the Group is in the process of identifying and obtaining independent valuation to assess the fair value of the identifiable assets acquired. The goodwill, intangible assets and the related deferred tax liabilities may be adjusted upon completion of the initial accounting.

During the period, Upper Value contributed HK\$305.9 million to the Group's turnover and HK\$56.2 million to the Group's profit for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2010, total group revenue for the year would have been HK\$3,693.3 million, and profit for the period would have been HK\$189.1 million. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2010, nor is it intended to be a projection of future results.

17. 收購附屬公司 (續)

附註: 已收購其他應收款項之公平值為117,325,000港元, 其合約總額為175,759,000港元。假設在最理想的情況下, 於收購日期之合約現金流量預期不可收回之金額為58,434,000港元。

非控股股東權益

Upper Value於收購日期之非控股股東權益乃經參考被收購公司於收購日期之資產淨值之比例而確認, 其金額達61,287,000港元。

收購所產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	3,800,000
Plus: Non-controlling interests	加: 非控股股東權益	61,287
Less: Provisional fair value of identifiable net assets acquired	減: 已收購可識別資產淨值之臨時公平值	(2,430,479)
		<u>1,430,808</u>
Net cash outflow arising on acquisition:	收購事項產生之現金流出淨額:	
Cash consideration	現金代價	3,800,000
Less: Deposit paid in prior year	減: 去年已付之按金	(804,410)
Less: Cash and bank balances acquired	減: 已收購之現金及銀行結餘	(152,722)
Net cash outflow arising on acquisition in respect of cash and bank balances acquired	就已收購之現金及銀行結餘於收購時產生之現金流出淨額	<u>2,842,868</u>

附註:

由於本集團正自行識別及獲取獨立估值以評估已收購之可識別資產之公平值, 故業務合併按臨時基準釐定。有關商譽、無形資產及相關遞延稅項負債或會於首個會計年度結束時予以調整。

期內, Upper Value於收購日期及報告期末對本集團期內之營業額及溢利分別貢獻305,900,000港元及56,200,000港元。

倘收購事項於二零一零年一月一日完成, 則年內集團總收益將為3,693,300,000港元, 期內溢利將達189,100,000港元。備考資料乃僅供說明之用, 且不可作為倘收購事項已於二零一零年一月一日完成, 本集團實際能取得之收益及營運業績之指標, 亦不擬作為未來業績之預測。

18. Capital Commitments

		30 June 2010 二零一零年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
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收購物業、廠房及設備之資本支出	1,854,262	527,964
Capital expenditure in respect of acquisition of subsidiaries, 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收購屬公司之資本支出	-	3,000,000
		1,854,262	3,527,964

19. Related Party Transactions

			Six months ended 30 June 截至六月三十日止六個月	
		Notes 附註	2010 二零一零年 HK\$'000 千港元 (Unaudited) (未經審核)	2009 二零零九年 HK\$'000 千港元 (Unaudited) (未經審核)
Implementation service fee of a computer software system payable to a fellow subsidiary	應付一間同系附屬公司之電腦軟件系統實施服務費	(i)	-	7,177
Maintenance service fee of a computer software system payable to fellow subsidiaries	應付同系附屬公司之電腦軟件系統之維護服務費	(i)	2,858	2,361
Management fee payable to a related party (Note 5)	應付一位關連人士之管理費(附註5)	(i)	1,988	-
Other expenses payable to related parties (Note 4)	應付關連人士之其他開支(附註4)	(i)	314	-
Purchases of cement and clinker from the ultimate holding company	向最終控股公司購買水泥及熟料	(i)	17,166	30,545
Purchases of cement and clinker from a fellow subsidiary	向一間同系附屬公司購買水泥及熟料	(i)	-	123,973
Rental expenses payable to a fellow subsidiary	應付一間同系附屬公司之租金開支	(i)	2,160	2,160
Rental expenses payable to a related company (Note 1)	應付一間關連公司之租金開支(附註1)	(i)	527	520
Trademark fee payable to a related party (Note 5)	應付一位關連人士之商標使用費(附註5)	(i)	521	-
Transportation and management service fees payable to fellow subsidiaries	應付同系附屬公司之運輸及管理服務費	(i)	80,650	-
Purchases of clinker from a related party (Note 4)	向一位關連人士購買熟料(附註4)	(i)	28,878	-
Sales of cement to an associate	向一間聯營公司銷售水泥	(i)	28,239	19,525
Sales of cement to a related party (Note 2)	向一位關連人士銷售水泥(附註2)	(i)	5,513	6,382
Sales of raw materials to an associate	向一間聯營公司銷售原材料	(ii)	351	-

19. Related Party Transactions (Continued)

Notes:

- (1) The related company is an associate of the ultimate holding company.
 - (2) The related party is a subsidiary of a substantial shareholder.
 - (3) The related party is the minority shareholder of a subsidiary of the Company.
 - (4) The related party is a subsidiary of the minority shareholder of a subsidiary of the Company.
 - (5) The related party is the holding company of the minority shareholder of a subsidiary of the Company.
- (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.

20. Approval of the Interim Financial Statements

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 25 August 2010.

19. 關連人士交易 (續)

附註:

- (1) 該關連公司乃最終控股公司之聯營公司。
 - (2) 該關連人士乃一位主要股東之附屬公司。
 - (3) 該關連人士為本公司一間附屬公司之少數股東。
 - (4) 該關連人士為本公司一間附屬公司之少數股東之附屬公司。
 - (5) 該關連人士為本公司一間附屬公司之少數股東之控股公司。
- (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。

20. 中期財務報表之批准

本簡明綜合中期財務報表已於二零一零年八月二十五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 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation review

Overall performance

The steady development of Mainland China's economy and resumption of market confidence continued to contribute to intensified fixed assets investment in the country in the six months ended 30 June 2010. Mainland China's cement industry was, thus, able to maintain its pace of recovery in the first half of the year.

In Southern China, in particular Guangdong province where the Group has a dominant presence, cement prices had returned to a healthy level. This was supported by a solid demand from both the public and private sectors.

Despite modest adjustment in cement prices during the traditional low season in the first quarter, a healthy rebound in cement average selling price ("ASP") since April had brought along favourable profit contribution from the Group's facilities in Guangdong.

Following the successful completion of its acquisition of Upper Value Investments Limited ("Upper Value") during the period under review, sales and profit contributions from Upper Value's massive cement interest began to book into the Group's accounts since May this year.

With a significantly enlarged business portfolio, including a number of major facilities in Southern China, the Group's sales volume elevated to 12.24 million metric tonnes in the six-month period.

Benefiting from its practical expansion strategy through merger and acquisition, as well as a favourable market environment, the Group resumed its profitability and reported a profit attributable to the owners of the Company of HK\$112.2 million for the half year, as opposed to a loss of HK\$65.8 million in the corresponding period last year.

中期股息

董事會不建議派付截至二零一零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

整體表現

截至二零一零年六月三十日止六個月，中國大陸經濟的穩健發展及市場信心的恢復，推動國內固定資產投資進一步擴大。中國大陸的水泥業因此於上半年繼續穩步復甦。

本集團佔據主導地位的華南地區（尤其是廣東省），水泥價格在來自政府建設及私營機構工程的強勁需求帶動下已回復至健康水平。

儘管水泥價格於第一季度傳統淡季期間出現輕微調整，惟自四月份開始水泥平均售價（「水泥平均售價」）已呈健康反彈，本集團的廣東設施亦因此產生可觀溢利。

於回顧期間成功完成收購Upper Value Investments Limited（「Upper Value」）後，Upper Value龐大水泥投資的銷量及溢利貢獻，自今年五月開始計入本集團的賬目內。

本集團業務組合大幅擴張，並於華南增多若干主要生產設施，促使於回顧的六個月期間的銷量提升至12,240,000公噸。

受惠於通過併購的務實拓展策略及有利的市場環境，本集團已同比扭虧為盈，並於上半年錄得本公司擁有人應佔溢利112,200,000港元。而去年同期虧損65,800,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Operation review (Continued)

Mainland China

Mainland China's consistent GDP growth and expanding fixed assets investment continued to fuel the revitalisation of the country's cement industry. The State government's determination to curb property prices had been interpreted as measures to control inflation and ensure social stability, rather than means to discourage development. This was evidenced by increased volume of smaller-sized residential flats being planned by private developers and heavy government capital commitment in economic housing.

Upper Value

The Upper Value group has interests in three cement facilities in Guangdong, and two plants in Yunnan that were in operation during the period under review. These facilities have an aggregated production capacity attributable to the Group of approximately 9.5 million metric tonnes of cement and clinker.

The Group's interests in the three Guangdong facilities through Upper Value, enabled it to further broaden sales and profit contributions from this robust market. In addition, the Group's shareholding in another major cement supplier in the area allowed leading players in the region to better coordinate local market strategy.

Although only two months of Upper Value's profit contributions was booked into the Group's half-year results, the amount had constituted a significant portion of the Group's overall earnings.

管理層討論及分析 (續)

業務回顧 (續)

中國大陸

中國大陸國內生產總值持續增長及固定資產投資擴大繼續推動國家水泥行業的復甦。市場對政府抑制樓價飆升之決策，視之為控制通貨膨脹及確保社會穩定的措施，而非阻礙發展的手段。由私人發展商擴大開發小戶型住宅的計劃及政府對經濟適用房的龐大資本正好印證上述觀點。

Upper Value

Upper Value集團擁有權益的廣東三家水泥生產設施及雲南兩間水泥生產廠，於回顧期間均已投入營運，而本集團應佔該等設施之有效總產能約為9,500,000公噸水泥及熟料。

本集團透過Upper Value持有的廣東三家設施的股權令其可進一步擴闊來自此蓬勃市場之銷售及溢利貢獻。此外，本集團於該地區另一間主要水泥供應商持有股權令區內之主要水泥供應商可更有效協調當地市場策略。

儘管Upper Value僅有兩個月的溢利貢獻被計入本集團的半年業績內，但金額已佔本集團盈利總額的相當比重。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Operation review (Continued)

Mainland China (Continued)

Yingde

Extensive infrastructure development in the Pearl River Delta region, as well as active construction of properties meeting the needs of steady economic growth, continued to drive demand for cement in Guangdong.

Continued improvement in efficiency of its four production lines allowed the Yingde plant to optimise its facility performance and with 4.04 million metric tonnes of cement and clinker output were sold during the half-year period. Materialisation of the full effect of the plant's two residual heat generation units, on the other hand, helped to further reduce production costs, and partly offset the pressure of increased coal price.

With high facility cost-efficiency, complemented by strengthened ASP of cement in the Guangdong province, the Yingde plant continued to generate favourable earnings to the Group in the half-year period.

Gui Gang

TCC (Gui Gang) Cement Limited ("TCC (Gui Gang)")'s performance continued to be affected by the obstruction of transportation along Xijiang, as the river's water level dropped to an abnormally low level between October 2009 and April 2010. About 50 per cent of cement and clinker produced by the four production lines of TCC (Gui Gang) were aimed for distribution in Guangdong province to satisfy the strong demand there. However, the unnavigability of the Xijiang had forced TCC (Gui Gang) to use more expensive transportation means for its shipment to Guangdong.

Despite the drawback in distribution to Guangdong, TCC (Gui Gang) reported a sales volume of 3.82 million metric tonnes, thanks to favourable local sales in the Guangxi market.

管理層討論及分析 (續)

業務回顧 (續)

中國大陸 (續)

英德

珠三角地區的大量基建發展以及為滿足經濟穩步增長而興建的房地產工程，繼續帶動廣東的水泥需求。

英德廠四條生產線的效率持續改善令其產能得以進一步發揮，於期內共售出4,040,000公噸該廠產出的水泥及熟料。另一方面，全面利用該廠兩套餘熱發電設備的效能有助進一步降低生產成本及部分抵銷煤炭價格上漲的壓力。

由於該廠成本效益顯著，以及於廣東省水泥平均售價上漲，於半年期間，英德廠繼續為本集團帶來令人滿意的盈利。

貴港

台泥(貴港)水泥有限公司(「台泥(貴港)」)的表現繼續受到西江水道交通運輸阻塞之影響，於二零零九年十月至二零一零年四月，西江水位降至異常低水平。台泥(貴港)四條生產線所生產之水泥及熟料其目標是50%供應廣東省以滿足當地的強勁需求。然而，西江河道受阻迫使台泥(貴港)選擇較昂貴的運輸方式將貨物運至廣東省。

雖然向廣東省分銷水泥受到阻滯，但由於廣西市場的當地銷售向好，台泥(貴港)於期內仍錄得3,820,000公噸的銷量。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Operation review (Continued)

Mainland China (Continued)

Gui Gang (Continued)

Higher transportation costs and lower utilisation resulting from shipment congestion in the first four months of the year had cut into the gross margin of TCC (Gui Gang). The Guangxi facilities incurred a loss in the first quarter, but resumed its profitability in the second quarter after the Xijiang's water level returned to normal.

Fuzhou

The Group's Fuzhou grinding plant was undergoing a facility overhaul for most of the time during the period under review. As a result, the plant only reported a sales volume of 590,000 metric tonnes, which was roughly 60 per cent of its rated half-year capacity.

Shaken by underutilisation and relatively high unit costs, the Fuzhou grinding plant suffered a loss during the half-year period.

Jurong

The Jurong plant's second production line became operational in the first quarter of this year. The plant's total annual capacity had thus been lifted to 4.5 million metric tonnes of cement and clinker. Although the Jurong plant's cost during the period had been heightened by the start-up expenses of the new production line, there were signs of improvement in the overall efficiency in the second quarter as the new facility gradually ran in.

During the six-month period, the plant sold 1.68 million metric tonnes of cement and clinker. Its performance was hindered by soft demand and formidable competition in Eastern China, and the plant reported a loss for the period.

管理層討論及分析 (續)

業務回顧 (續)

中國大陸 (續)

貴港 (續)

由於今年首四個月付運受阻，導致運輸成本上升及產能利用率下降，令台泥（貴港）的毛利率下調。廣西設施於第一季度亦因而產生虧損，但隨著於西江水位回復正常後，台泥（貴港）於第二季度已恢復盈利。

福州

本集團福州粉磨廠於回顧期間的大部分時間在進行設備整修。因此，該廠僅錄得約590,000公噸的銷量，這僅為其半年可用產能的60%。

受到產能利用率不足及相對較高單位成本影響，福州粉磨廠於半年期間蒙受虧損。

句容

句容廠第二條生產線於本年度第一季度投入營運。因此，該廠的總年產能提升至4,500,000公噸水泥及熟料。儘管回顧期間句容廠成本因新生產線的啟動支出而上升，但當新設備運作逐步暢順，第二季度整體效率已呈改善。

該廠於六個月期間銷售約1,680,000公噸水泥及熟料。受到需求疲弱及華東地區激烈競爭的影響，該廠於本期間錄得虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Operation review (Continued)

Mainland China (Continued)

AKB

Anhui King Bridge Cement Company Limited (“AKB”) sold approximately 280,000 metric tonnes of slag powder in the six-month period. The plunge in steel price had forced certain steel mills to suspend their production, leading to a shortage in supply of raw material for slag powder.

AKB’s gross margin was further pressurised by a weak ASP of slag powder resulting from soft cement prices in Eastern China, and led to a modest loss in these operations for the first half of the year.

Liuzhou

With a stable supply of slag from its joint-venture partner, the Group’s 60 per cent-owned Liuzhou operations managed to take advantage of the strong demand from a booming cement sector in Southern China. It sold a total of approximately 510,000 metric tonnes of slag powder during the period.

Hampered waterway transportation along Xijiang had affected the Liuzhou joint venture’s shipment to Guangdong province, and accelerated its costs. When the Xijiang became navigable in the second quarter of the year, the joint-venture managed to enlarge its earnings and reported a healthy half-year profit.

Hong Kong

There was a substantial demand for cement and concrete driven by a bullish property market and active public sector construction in Hong Kong. The Group’s cement and concrete businesses in the territory continued to perform satisfactorily, with significant surges in gross and net profits.

管理層討論及分析 (續)

業務回顧 (續)

中國大陸 (續)

朱家橋

於六個月期間，安徽朱家橋水泥有限公司（「朱家橋」）銷售約280,000公噸礦渣粉。期間鋼鐵價格驟降促使若干鋼鐵廠暫停生產，導致礦渣粉的原料供應短缺。

因華東地區水泥價格疲弱，令礦渣粉平均售價降低，朱家橋之毛利率進一步受壓導致其業務於本年度上半年錄得輕微虧損。

柳州

受惠於來自合營夥伴的穩定礦渣供應，本集團擁有60%權益之柳州業務能充份掌握華南地區興旺水泥業的強勁需求。於回顧期間，柳州廠銷售合共約510,000公噸礦渣粉。

沿西江水路運輸受阻，影響到柳州合營企業向廣東省的運輸，並增加其成本。於本年度第二季度西江水路運輸恢復暢通後，該合營企業得以擴大其盈利並錄得穩健半年溢利。

香港

香港蓬勃的物業市場及政府積極進行建設，帶動對水泥及混凝土的大量需求。本集團於該地區的水泥及混凝土業務繼續取得令人滿意之業績，毛利及純利均大幅提升。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Operation review (Continued)

Other significant investments held

A net increase in fair value of HK\$6.0 million was recognized for held-for-trading investments upon stating them at market prices as at 30 June 2010.

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 2010 amounted to HK\$1,075.0 million, of which 7.5%, 8.2% and 83.9% 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\$274.0 million as at 30 June 2010, were also held by the Group.

The maturity profile of the Group's bank borrowings as at 30 June 2010 are as follows:

管理層討論及分析 (續)

業務回顧 (續)

其他所持重大投資

按於二零一零年六月三十日的市場價格呈列後，已確認持作交易用途投資之公平值淨額增加6,000,000港元。

流動資金、財務資源及資本架構

本集團採用審慎的庫務政策以管理現金資源及銀行借貸。

於二零一零年六月三十日，本集團的無限制現金及銀行結餘總額為1,075,000,000港元，其中7.5%、8.2%及83.9%分別以港元、美元及人民幣為貨幣單位。於二零一零年六月三十日，本集團同時持有市值為274,000,000港元的獲分類為持作交易用途投資的高流動性短期投資。

於二零一零年六月三十日，本集團銀行借貸的到期詳情如下：

		30 June 2010 二零一零年 六月 三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2009 二零零九年 十二月 三十一日 HK\$'000 千港元 (Audited) (經審核)
Amount repayable:	須於以下期間償還之金額：		
On demand or within one year	應要求或於一年內	4,783,896	5,152,580
More than one year but not exceeding two years	超過一年但不超過兩年	2,154,206	1,214,934
More than two years but not exceeding five years	超過兩年但不超過五年	1,079,475	441,247
Over five years	五年以上	17,007	1,186
Total bank loans	銀行貸款總計	8,034,584	6,809,947

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity, financial resources and capital structure

(Continued)

As at 30 June 2010, HK\$3,572.8 million of the bank loans was denominated in HK\$, HK\$174.9 million in US\$ and HK\$4,286.9 million in RMB. All of the bank loans are of floating rate structures.

As at 30 June 2010, the Group had net current liabilities of HK\$4,551.9 million, as compared to net current liabilities of HK\$3,690.4 million as at 31 December 2009. Subsequent to 30 June 2010, the Group has entered into total of approximately HK\$1,412.5 million term loan facility and HK\$339 million revolving loan facility with several banks and has successfully negotiated pending finalization of relevant loan documents a total of HK\$2,294.1 million term loan facility and HK\$56.5 million revolving loan facility with several banks.

Based on the presently available banking facilities and unrestricted cash and bank balances and the availability of held-for-trading investments that can be disposed of, if necessary, the Directors believe that the Group has sufficient financial resources to meet its liabilities as and when they fall due for the foreseeable future.

As previously disclosed in the Company's annual report for the year ended 31 December 2009, the Group breached certain financial covenants as at 31 December 2009 as stipulated in the loan agreements or banking facilities letters entered into by the Group, primarily relating to the ratio of consolidated liabilities to consolidated tangible net worth and the current ratio of the Group, with a total carrying amount of HK\$3,742.6 million as at 31 December 2009. As at the date of interim results announcement, the Company has obtained a waiver from the certain relevant banks for such breaches in respect of loans amounting to HK\$2,782.5 million as at 30 June 2010. Negotiations for a waiver in respect of other relevant loans amounting to HK\$1,163.4 million as at 30 June 2010 are still in progress.

管理層討論及分析 (續)

流動資金、財務資源及資本架構 (續)

於二零一零年六月三十日之銀行貸款，其中3,572,800,000港元以港元為貨幣單位，174,900,000港元以美元為貨幣單位，以及4,286,900,000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。

於二零一零年六月三十日，本集團錄得流動負債淨值4,551,900,000港元，而二零零九年十二月三十一日則為流動負債淨值3,690,400,000港元。於二零一零年六月三十日之後，本集團與多間銀行訂立總額約達1,412,500,000港元之定期貸款融資及339,000,000港元之循環貸款融資。同時，本集團已成功與若干銀行協商（待落實有關貸款文件）取得總額約達2,294,100,000港元之定期貸款融資及56,500,000港元之循環貸款融資。

根據現時可動用之銀行信貸額及無限制現金及銀行結餘及可出售（倘有必要）之持作交易用途之投資，董事相信，本集團擁有充足財務資源，可於可見之未來支付到期負債。

誠如之前於本公司截至二零零九年十二月三十一日止年度之年報所披露，於二零零九年十二月三十一日，本集團違反其所訂立之貸款協議或銀行融資函件所訂明之若干財務契約（該等財務契約主要關於本集團綜合負債與綜合有形淨值之比率以及流動比率），其總賬面值於二零零九年十二月三十一日為3,742,600,000港元。於中期業績公告日期，本公司自若干相關銀行取得就於二零一零年六月三十日為數2,782,500,000港元之貸款之有關違約之豁免，而就於二零一零年六月三十日為數1,163,400,000港元之其他相關貸款之豁免仍在談判中。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Significant investments, material acquisitions or disposals

During the period, the Group acquired property, plant and equipment of approximately HK\$2,837.3 million of which HK\$2,269.2 million was arising from the acquisition of Upper Value.

On 18 December 2009, the Company announced that on 11 December 2009 the Company had entered into the conditional Acquisition Agreement with the vendor, Pro-Rise Business Limited. Under the Acquisition Agreement, the Company agreed to acquire the entire issued share capital of Upper Value from the vendor and the vendor agreed to assign certain shareholder loan as at 30 September 2009 to the Company. The acquisition price shall be HK\$3,800 million, which shall be satisfied by the Company according to the mechanism described in the circular to the shareholders of the Company dated 2 February 2010. The Acquisition has completed on 30 April 2010.

Save for aforesaid, the Group had no significant investment, material acquisitions or disposal.

Fund raising activities

On 14 January 2010, the controlling shareholder of the Company entered into a placing agreement with a placing agent and the Company entered into a subscription agreement with its controlling shareholder in relation to a top-up placing, on a best effort basis, of 256,568,000 ordinary shares of the Company with independent investors at the placing price of HK\$3.30 per share. Completion of the transaction took place on 22 January 2010 and the Company raised total net proceeds of approximately HK\$825.9 million, which were applied towards funding the Acquisition of Upper Value.

On 17 May 2010, the Company announced a fully underwritten one-for-two rights issue of 1,098,544,023 ordinary shares at the issue price of HK\$2.10 per share. The rights issue became unconditional on 23 June 2010 and net proceeds of approximately HK\$2,306.6 million were raised by the Company, which were applied towards repayment of the debt financing incurred by the Group to fund the Acquisition of Upper Value.

管理層討論及分析 (續)

重大投資、重大收購或出售事項

於本期間，本集團已收購物業、廠房及設備約2,837,300,000港元，其中2,269,200,000港元乃來自收購Upper Value。

於二零零九年十二月十八日，本公司宣佈，於二零零九年十二月十一日，本公司與賣方Pro-Rise Business Limited訂立有條件收購協議。根據收購協議，本公司已同意向賣方收購Upper Value之全部已發行股本，而賣方已同意向本公司轉讓截至二零零九年九月三十日之若干股東貸款。收購價為3,800,000,000港元，將由本公司根據其於二零一零年二月二日致股東之通函所述之方式支付。該收購已於二零一零年四月三十日完成。

除上述事項外，本集團並無重大投資、重大收購或出售。

集資活動

於二零一零年一月十四日，本公司控股股東與配售代理訂立配售協議，而本公司與其控股股東訂立認購協議，內容有關，按盡力基準以配售價每股3.30港元先舊後新方式配售本公司256,568,000股普通股予獨立投資者。該交易已於二零一零年一月二十二日完成，而本公司集資所得款項淨額合共約為825,900,000港元，該款項被用作為收購Upper Value提供資金。

於二零一零年五月十七日，本公司宣佈，以悉數包銷基準按發行價每股2.10港元，並按每持有兩股股份獲發一股供股股份進行供股而發行1,098,544,023股普通股。供股已於二零一零年六月二十三日成為無條件，而本公司集資所得款項淨額約為2,306,600,000港元，該款項被本集團用作償還債務融資，為收購Upper Value提供資金。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Charge on assets

As at 30 June 2010, deposits amounting to HK\$43.9 million have been pledged by the Group as security for the letters of credit and similar obligations provided by banks in regard to the Group's purchase of plant equipments and as performance guarantee in relation to certain sales contracts.

As at 30 June 2010, 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\$4,289.9 million and HK\$1,160.4 million respectively.

Foreign currency exposures

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

No foreign exchange contracts were outstanding as at 30 June 2010.

Major capital commitments

As at 30 June 2010, 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\$1,854.3 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

於二零一零年六月三十日，本集團已就本集團購買工廠設備而抵押存款43,900,000港元，作為銀行提供之信用證及類似責任之擔保及有關若干銷售合約之履行保證。

於二零一零年六月三十日，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賬面值分別4,289,900,000港元及1,160,400,000港元之銀行借貸之抵押。

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。

於二零一零年六月三十日，並無任何未完成之外匯兌換合約。

主要資本承擔

於二零一零年六月三十日，本集團之已訂約但未於財務報表撥備之收購物業、廠房及設備之資本支出約達1,854,300,000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為該等承擔融資。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Employees

As at 30 June 2010, the Group had 4,343 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2010 amounted to HK\$85.0 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

Mainland China's economy maintains its steady growth momentum, with domestic demand playing an even more important role in sustaining the State's economic development. Infrastructure and urbanisation works powered by State government's stimulus budget and local authorities' initiatives are progressing rigorously in various parts of the country. The majority of the cement required for these projects are expected to be consumed in the current and coming years. Sustained demand for cement should be able to maintain the cement price at a healthy level for the rest of the year.

The State austerity measures on property market have led to reduced transaction volume in major first tier cities such as Beijing and Shanghai. However, demand for smaller residential flats from end-user remains strong. In addition, the State government is committing RMB900 billion in the development of low-rental and economic housings in three years. These factors will ensure consistent volume cement consumption from the property sector.

Although the details of the State policy of promoting consumption of construction materials in rural area have yet to be announced, the government's effort to expedite the development of the relatively backward countryside is expected to lead to accelerated cement demand.

管理層討論及分析 (續)

僱員

於二零一零年六月三十日，本集團共有4,343名全職僱員。本集團於截至二零一零年六月三十日止期間之工資及薪金總額達85,000,000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

中國內地經濟維持其穩定增長動力，國內需求在維持國家經濟發展中發揮更為顯著作用。中央政府刺激經濟的預算及地方政府推動之基礎設施及城市化工程正在全國各地積極推行。該等項目所需的水泥預期會於本年度及未來年度邁入消耗高峰期。對水泥的持續需求將令水泥價格於下半年維持在穩健水平。

國家的房地產緊縮政策導致北京及上海等主要一線城市的成交量下降。然而，自住用家對小戶型住宅的需求依然強勁。此外，中央政府承諾於三年內投入人民幣900,000,000,000元發展廉租屋及經濟適用房。該等因素將確保房地產行業對水泥的消耗量維持穩定。

儘管國家的「建材下鄉」政策詳情尚未公佈，但政府對促進相對落後農村發展的意向預期將令水泥需求增加。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Prospects and future plans (Continued)

In Southern China, rapid urbanisation and stable economic growth continue to push the demand for cement, thereby, sustaining the selling prices of the product. With the arrival of the industry's peak season in the fourth quarter, there should be room for further price upsurge.

The Upper Value Group will have two additional production lines put into mass production in the second half of the year. The Liaoning facilities, which inaugurated in June this year had begun to generate profit in its first month of operation. The full six-month performance of the Liaoning facilities will be booked to the Group's whole year accounts. Phase I of Upper Value's Chongqing plant is expected to complete in September 2010. The two new production lines will add a total of 4 million metric tonnes of annual capacity to the Group.

Other facilities of Upper Value under construction include Phase II of the Chongqing plant and new production lines in Guizhou and Sichuan. These three additional production lines are scheduled for completion in 2011.

The Group's Yingde plant will maintain its operation efficiency, with a targeted full year capacity utilisation of over 90 per cent.

TCC (Gui Gang)'s performance has been back on track and is expected to further capitalise on the positive market environment of Guangdong with increased shipment to this market in the second half of the year.

The Jurong plant's energy saving residual heat generation unit will become operational in the last quarter of this year. The plant is expected to improve its cost-efficiency with significantly lowered electricity cost.

The Fuzhou plant will benefit from the supply of clinker from the Group's Jurong plant in the current year. Stable clinker supply will help to strengthen the Fuzhou plant's competitiveness.

The Group will fully leverage its significantly enlarged portfolio, both in terms of scale of operation and market reach, to strengthen its operation performance and further entrench its forefront market position in the Mainland China cement industry.

管理層討論及分析 (續)

展望及未來計劃 (續)

在華南地區，快速城市化及穩定經濟增長持續推動水泥需求上升，有利維持產品售價。隨著第四季度行業高峰期之來臨，價格可望進一步攀升。

Upper Value集團於下半年將新增兩條生產線投入商業生產。於本年度六月落成的遼寧廠已於其營運首月開始產生溢利。遼寧廠整個下半年業績將會計入本集團全年賬目內。Upper Value重慶廠一期預期將於二零一零年九月竣工。該兩條生產線將令本集團增加4,000,000公噸年產能。

Upper Value其他在建設施包括重慶廠二期、貴州以及四川的新生產線。該三條新生產線計劃於二零一一年落成。

本集團之英德廠將維持其營運效益，全年目標產能利用率為超過90%。

台泥(貴港)之表現已恢復正常，預期將進一步掌握廣東有利之市場環境的機遇於下半年增加對廣東市場付運貨品。

句容廠之節能餘熱發電設備將於本年度最後一季度投產。憑藉大幅降低電力成本，該廠預期可提升其成本效益。

福州廠於本年度將可受惠於本集團句容廠的熟料供應。穩定之熟料供應將有助加強福州廠的競爭力。

本集團將全面發揮其大幅擴大的營運規模及市場覆蓋面優勢，提升其營運表現並進一步鞏固其於中國內地水泥業之領先市場地位。

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2010, the interests 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

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	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	41,259,019 (Note 1) (附註1)	1.25%
Wu Yih Chin 吳義欽	Directly beneficially owned 直接實益擁有	5,650,000	0.17%
Chang, Kang-Lung, Jason 張剛綸	Directly beneficially owned 直接實益擁有	3,000,000	0.09%
		<hr/>	<hr/>
		49,909,019	1.51%

Note:

- As at the Latest Practicable date, 27,045,000 Shares were directly beneficially owned by Mr. Koo. Additional 14,214,019 Shares were also held by a corporation which is 99.70% beneficially owned by Mr. Koo.

董事於股份之權益

於二零一零年六月三十日，本公司董事擁有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，須根據證券及期貨條例第XV部第7及8分部，知會本公司及聯交所之權益（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；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如下：

於本公司普通股之好倉

附註：

- 於最後實際可行日期，辜先生直接實益擁有27,045,000股股份。同時，辜先生實益擁有99.70%權益之一間公司持有額外14,214,019股股份。

DIRECTORS' INTERESTS IN 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).

All the share options granted to the Directors under the Scheme were exercised in 2009.

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.

董事於股份之權益 (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權予若干本公司董事，可於二零零六年十月一日至二零一一年三月三十日(包括首尾兩日)期間行使，按每股股份行使價1.266港元認購本公司股份。

根據該計劃授予董事之所有購股權已於二零零九年獲行使。

該計劃已於二零零六年五月二十三日註銷，以及本公司已採納一項新購股權計劃。概無根據新計劃授出任何購股權。

DIRECTORS' INTERESTS IN SHARES (Continued)

董事於股份之權益 (續)

Long positions in shares and underlying shares of associated corporations

於相聯法團股份及相關股份之好倉

(a) T'Cement*

(a) 台灣水泥*

Name of director 董事姓名	Number of shares held, capacity and nature of interest 所持之股份數目、身份及權益性質			Total 總計	Approximately percentage of shareholding 股權概約百分比
	Directly beneficially owned 直接實益擁有	Through spouse or minor children 透過配偶或未成年子女	Through controlled corporation 透過受控制法團		
KOO, Cheng-Yun, Leslie 辜成允	42,679,126	91 (Note 1) (附註1)	105,705,600 (Note 2) (附註2)	148,384,817	4.51%
WU Yih Chin 吳義欽	125,668	–	–	125,668	0.01%
CHANG, An-Ping, Nelson 張安平	142,703	2,424,186 (Note 1) (附註1)	6,157,329 (Note 3) (附註3)	8,724,218	0.26%
LIAO Poon Huai, Donald 廖本懷	11,499	719,371 (Note 1) (附註1)	–	730,870	0.02%

* The ultimate holding company of the Company

* 本公司之最終控股公司

Notes:

附註:

- (1) The shares are held by the respective Directors' spouses as the registered and beneficial shareholders.
- (2) KOO, Cheng-Yun, Leslie, together with his spouse, are interested in companies controlled by them, which holds an aggregate of 105,705,600 shares of T'Cement.
- (3) CHANG, An-Ping, Nelson, was interested in companies controlled by him, which holds an aggregate of 6,157,329 shares of T'Cement.

- (1) 股份由各董事之配偶作為登記及實益股東持有。
- (2) 辜成允及其配偶於彼等所控制之公司中擁有權益，而有關公司合共持有台灣水泥105,705,600股股份。
- (3) 張安平於彼所控制之公司中擁有權益，而有關公司合共持有台灣水泥6,157,329股股份。

DIRECTORS' INTERESTS IN SHARES (Continued)

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

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the heading "Directors' interests in 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.

董事於股份之權益 (續)

於相聯法團股份及相關股份之好倉 (續)

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

董事收購股份或債券之權利

除上文「董事於股份之權益」所披露之詳情外，本期內概無向任何董事、彼等各自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。

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

As at 30 June 2010, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of the relevant interests in the issued share capital of the Company.

擁有須申報權益之股東

於二零一零年六月三十日，根據本公司按證券及期貨條例第336條存置之主要股東登記冊所示，下列股東已知會本公司，彼等擁有本公司已發行股本之有關權益。

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
名稱	權益之身份及性質	所持普通股數目	
TCC International Limited	Directly beneficially owned 直接實益擁有	1,861,802,000	56.49%
T'Cement (Note 1) (附註1)	Through a controlled corporation 透過受控制法團	1,861,802,000	56.49%
Chia Hsin Pacific Limited ("CHPL")	Directly beneficially owned 直接實益擁有	534,019,500	16.20%
Chia Hsin Cement Corporation ("Chia Hsin Cement") (Note 2) 嘉新水泥股份有限公司 (「嘉新水泥」) (附註2)	Through a controlled corporation 透過受控制法團	534,019,500	16.20%

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 is interested in the shares of the Company held by its subsidiary, CHPL.

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) 嘉新水泥於其附屬公司CHPL持有之本公司股份中擁有權益。

Save as disclosed above, as at 30 June 2010, no other person had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company or the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

除上述披露者外，於二零一零年六月三十日，概無其他人士於本公司之股份及相關股份持有權益或淡倉，而須根據證券及期貨條例第XV部中第2及3分部之規定向本公司或聯交所作出披露，或須記錄於本公司根據證券及期貨條例第336條存置之登記冊內。

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 2010.

DISCLOSURES PURSUANT TO 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 October 2008 and 30 June 2010 respectively between the Company and certain banks relating to three-year term loan facility of HK\$500,000,000, a loan agreement dated 30 July 2009 and amendment to loan agreement dated 30 June 2010 between the Company and certain banks relating to a three-year term loan facility of HK\$750,000,000, 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 16 May 2008 between the Company and a bank relating to a two-year loan facility of HK\$150,000,000 with final maturity date on 4 May 2011, a loan agreement dated 23 December 2009 and amendment letter dated 18 May 2010 between the Company and a bank relating to a two-year loan facility of HK\$128,000,000, 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 19 May 2010 between the Company and a bank relating to a two-year term loan facility of HK\$50,000,000, a termination event would arise if T'Cement ceases to own legally and beneficially, directly or indirectly, at least 30% of the shares in the Company's capital.

購買、出售或贖回本公司之上市證券

截至二零一零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。

根據上市規則第13.21條之規定作出披露

根據上市規則第13.21條之披露規定，以下披露由本公司簽訂之貸款協議，其中載有本公司控股股東須予履行之責任之條款。

根據本公司與若干銀行分別在二零零八年十月二十三日及二零一零年六月三十日訂立有關500,000,000港元之三年期貸款融資之貸款協議及貸款協議修訂，本公司與若干銀行在二零零九年七月三十日及二零一零年六月三十日訂立有關750,000,000港元之三年期貸款融資之貸款協議及貸款協議修訂，如(i)台灣水泥不再合法及實益擁有本公司股本中至少30%股份或(ii)本集團不能符合該等貸款融資所指定之財務條款，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二零零八年五月十六日訂立有關150,000,000港元之兩年期貸款融資（最終到期日為二零一一年五月四日）之貸款協議，本公司與一間銀行在二零零九年十二月二十三日及二零一零年五月十八日訂立有關128,000,000港元之兩年期貸款融資之貸款協議及修訂函，如(i)台灣水泥不再合法及實益擁有本公司股本中至少30%股份或(ii)本集團不能符合該等貸款融資所指定之財務條款，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二零一零年五月十九日訂立有關50,000,000港元之兩年期貸款融資之貸款協議，如台灣水泥不再合法及實益擁有（直接或間接）本公司股本中至少30%股份，該等貸款協議將被視為發生終止事件。

DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES *(Continued)*

Pursuant to a loan agreement dated 21 December 2009 between the Company and a bank relating to a 18-month term loan facility of HK\$400,000,000 and a loan agreement dated 18 December 2009 between the Company and a bank relating to a 18-month term loan facility of HK\$387,500,000, a termination event would arise if (i) T'Cement ceases to own legally and beneficially, directly or indirectly, at least 30% of the shares in Company's capital or (ii) the Group fails to meet the financial covenants stipulated in the loan facility.

Pursuant to a loan agreement dated 14 April 2010 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a loan agreement dated 15 June 2010 between the Company and a bank relating to a one-year loan facility of HK\$20,000,000, a termination event would arise if T'Cement ceases to own legally and beneficially, at least 30% of the shares in the Company's capital.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the provisions of the Code on Corporate Governance Practices (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the period ended 30 June 2010, 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 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 to 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 up held.

根據上市規則第13.21條之規定作出披露 (續)

根據本公司與一間銀行在二零零九年十二月二十一日訂立有關400,000,000港元之十八個月期貸款融資之貸款協議以及本公司與一間銀行在二零零九年十二月十八日訂立有關387,500,000港元之十八個月期貸款融資之貸款協議，如(i)台灣水泥不再合法及實益擁有（直接或間接）本公司股本中至少30%股份或(ii)本集團不能符合該等貸款融資所指定之財務條款，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二零一零年四月十四日訂立有關40,000,000港元之一年期貸款融資之貸款協議、本公司與一間銀行在二零一零年六月十五日訂立有關20,000,000港元之一年期貸款融資之貸款協議，如台灣水泥不再合法及實益擁有本公司股本中至少30%股份，該貸款協議將被視為發生終止事件。

企業管治常規守則

截至二零一零年六月三十日止整個期間，本公司一直遵守香港聯合交易所有限公司證券上市規則附錄十四所載之企業管治常規守則（「企業管治守則」）之條文，惟本公司非執行董事並無固定委任年期除外，此舉偏離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。

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 2010 to 30 June 2010 (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. 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 2010.

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

25 August 2010

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載於上市規則附錄十的標準守則所載的規定準則。經作出特定查詢後，所有董事已確認彼等由二零一零年一月一日起至二零一零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準則。

審核委員會

本公司之審核委員會已於一九九九年成立，主要由三名獨立非執行董事及一名非執行董事組成。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事宜。審核委員會已審閱本集團截至二零一零年六月三十日止六個月之未經審核中期財務報表。

致謝

董事藉此機會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

二零一零年八月二十五日