

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 2012

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 2012, which are unaudited but reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2011, 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」)截至二零一二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，連同二零一一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		
		2012	2011	
		二零一二年	二零一一年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	3	5,322,674	5,195,760
Cost of sales	銷售成本		(4,409,517)	(3,763,138)
Gross profit	毛利		913,157	1,432,622
Investment income	投資收入		16,116	8,537
Other income, gains and losses	其他收入、收益及虧損		197,118	103,461
Selling and distribution expenses	銷售及分銷開支		(292,795)	(165,954)
General and administrative expenses	一般及行政開支		(318,334)	(232,024)
Finance costs	融資成本	4	(258,885)	(187,086)
Share of results of associates	應佔聯營公司之業績		256,377	959,556
			69,920	129,715
Profit before tax	除稅前溢利	5	326,297	1,089,271
Income tax expense	所得稅支出	6	(63,448)	(157,311)
Profit for the period	期內溢利		262,849	931,960
Other comprehensive (loss) income	其他全面(虧損)收益			
Exchange differences arising on translation to presentation currency	換算為呈列貨幣產生之匯兌差額		(99,948)	179,172
Share of other comprehensive (loss) income of associates	應佔聯營公司之其他全面(虧損)收益		(10,079)	21,177
Other comprehensive (loss) income for the period	期內其他全面(虧損)收益		(110,027)	200,349
Total comprehensive income for the period	期內全面收益總額		152,822	1,132,309

**CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME** (Continued)

簡明綜合全面收益表(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年	2011 二零一一年
		HK\$'000 千港元	HK\$'000 千港元
		(Unaudited) (未經審核)	(Unaudited) (未經審核)
		Notes 附註	
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	268,979	908,964
Non-controlling interests	非控股權益	(6,130)	22,996
		262,849	931,960
Total comprehensive income (loss) attributable to:	應佔全面收益(虧損) 總額:		
Owners of the Company	本公司擁有人	162,152	1,104,508
Non-controlling interests	非控股權益	(9,330)	27,801
		152,822	1,132,309
Earnings per share	每股盈利		
– Basic	– 基本	HK6.1 cents 港仙	HK27.6 cents港仙
– Diluted	– 攤薄	HK6.1 cents 港仙	HK27.6 cents港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 June 2012	31 December 2011
			二零一二年 六月三十日	二零一一年 十二月三十一日
		<i>Notes 附註</i>	HK\$'000 千港元	HK\$'000 千港元
			(Unaudited) (未經審核)	(Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	16,067,431	15,864,953
Prepaid lease payments	預付租賃款項	10	1,751,553	1,745,207
Intangible assets	無形資產	11	2,903,322	2,647,565
Mining rights	採礦權		403,242	406,633
Interests in associates	聯營公司權益		1,450,363	1,456,066
Interests in jointly controlled entities	共同控制實體權益		21,350	—
Long term deposits	長期按金		828	828
Loan receivables	應收貸款		111,814	87,147
Deposits paid for the acquisition of property, plant and equipment and other assets	就收購物業、廠房及設備及其他資產支付之訂金		399,858	578,050
Deposits paid for acquisition of subsidiaries	就收購附屬公司支付之訂金		73,200	720,666
Available-for-sale investments	可供出售投資	12	1,090,282	57,501
Deferred tax assets	遞延稅項資產		862	879
Pledged bank deposits	已抵押銀行存款		4,503	3,970
			24,278,608	23,569,465
Current assets	流動資產			
Inventories	存貨		1,387,156	1,491,855
Prepaid lease payments	預付租賃款項	10	47,404	46,724
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		2,634,382	1,695,361
Trade receivables	應收貿易賬款	13	1,875,038	2,205,998
Tax recoverables	可收回稅項		26,864	9,579
Held-for-trading investments	持作交易用途之投資		38,553	84,886
Pledged bank deposits	已抵押銀行存款		235,618	130,378
Time deposits	定期存款		28,060	12,300
Cash and bank balances	現金及銀行結餘		2,082,579	3,620,077
			8,355,654	9,297,158

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

簡明綜合財務狀況表 (續)

			30 June 2012	31 December 2011
			二零一二年 六月三十日	二零一一年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
			(Unaudited) (未經審核)	(Audited) (經審核)
Current liabilities	流動負債			
Trade payables	應付貿易賬款	14	1,471,729	1,651,931
Other payables and accrued liabilities	其他應付款項及應計負債		1,128,220	1,243,277
Derivative financial instrument – warrants	衍生金融工具 – 認股權證	15	7,485	–
Tax payables	應付稅項		44,833	102,547
Bank loans	銀行貸款	16	5,153,530	5,309,017
Amount due to a non-controlling shareholder	應付一位非控股股東款項		13,730	74,093
			7,819,527	8,380,865
Net current assets	流動資產淨值		536,127	916,293
Total assets less current liabilities	總資產減流動負債		24,814,735	24,485,758
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	16	8,356,975	7,878,716
Amount due to immediate holding company	應付直屬控股公司款項		933,600	933,600
Long term payable	長期應付款項		11,566	17,491
Deferred tax liabilities	遞延稅項負債		358,649	358,144
			9,660,790	9,187,951
			15,153,945	15,297,807
Capital and reserves	股本及儲備			
Share capital – ordinary shares	股本 – 普通股		329,565	329,564
Share capital – non-redeemable convertible preference shares	股本 – 不可贖回可轉換優先股		49,433	49,434
Reserves	儲備		14,436,516	14,563,955
Equity attributable to owners of the Company	本公司擁有人應佔權益		14,815,514	14,942,953
Non-controlling interests	非控股權益		338,431	354,854
			15,153,945	15,297,807

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Share capital – ordinary shares 股本—普通股	Share premium 股份溢價	Share option reserve 購股權儲備	Contributed surplus 繳入盈餘	Capital reserve 資本儲備	Capital redemption reserve 贖回儲備	Land & building revaluation reserve 土地及樓宇重估儲備	Exchange fluctuation reserve 外匯波動儲備	Statutory reserve fund 法定儲備基金	Other reserve 其他儲備	Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股權益	Total equity 權益總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2011 於二零一一年一月一日	329,563	8,419,462	-	208,263	2,076	5,130	47,363	835,082	73,204	2,403	689,834	10,612,380	296,550	10,908,930
Profit for the period 期內溢利	-	-	-	-	-	-	-	-	-	-	908,364	908,364	22,996	931,360
Exchange differences arising on translation to presentation currency 換算為呈列貨幣產生之匯兌差額	-	-	-	-	-	-	-	174,367	-	-	-	174,367	4,805	179,172
Share of other comprehensive income of associates 應佔聯營公司之其他全面收益	-	-	-	-	-	-	-	20,576	-	601	-	21,177	-	21,177
Total comprehensive income for the period, net of tax 期內全面收益總額—扣除稅項	-	-	-	-	-	-	-	194,943	-	601	908,364	1,104,508	27,801	1,132,309
Recognition of equity settled share-based payment 確認以股本結算以股份支付款項	-	-	2,634	-	-	-	-	-	-	-	-	2,634	-	2,634
Deemed acquisition of additional interest in a subsidiary 被視作收購於附屬公司之額外權益	-	-	-	-	-	-	-	-	-	(1,165)	-	(1,165)	1,165	-
Payment of dividends 支付股息	-	(158,190)	-	-	-	-	-	-	-	-	-	(158,190)	-	(158,190)
Dividends paid to non-controlling shareholders 派付非控股股東股息	-	-	-	-	-	-	-	-	-	-	-	-	(37,500)	(37,500)
Acquisition of subsidiaries 收購附屬公司	-	-	-	-	-	-	-	-	-	-	(7,491)	-	35,988	35,988
Transfer to statutory reserve fund 轉撥至法定儲備基金	-	-	-	-	-	-	-	-	7,491	-	-	-	-	-
At 30 June 2011 於二零一一年六月三十日	329,563	8,261,272	2,634	208,263	2,076	5,130	47,363	1,030,025	80,695	1,839	1,591,307	11,560,167	324,004	11,884,171

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明綜合權益變動表 (續)

		Attributable to owners of the Company 本公司擁有人應佔												
	Share capital - ordinary shares 股本 - 普通股	Share capital - convertible preference shares 股本 - 可轉換優先股	Share premium 股份溢價	Share option reserve 購股權儲備	Contributed surplus 撥入盈餘	Capital redemption reserve 資本贖回儲備	Land & building revaluation reserve 土地及樓宇重估儲備	Exchange fluctuation reserve 外匯浮動儲備	Statutory reserve fund 法定儲備基金	Other reserve 其他儲備	Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股權益	Total equity 權益總額
	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)	HKS'000 千港元 (unaudited) (未經審核)
At 1 January 2012 於二零一二年一月一日	329,564	49,134	10,546,993	15,975	208,263	5,130	49,110	1,333,718	110,097	729	2,290,840	14,942,953	354,854	15,297,807
Profit for the period 期內溢利	-	-	-	-	-	-	-	-	-	-	268,979	268,979	(6,130)	262,849
Exchange differences arising on translation to presentation currency 換算為呈列貨幣法定的匯兌差額	-	-	-	-	-	-	-	(96,748)	-	-	-	(96,748)	(3,200)	(99,948)
Share of other comprehensive loss of associates 應佔聯營公司之其他全面虧損	-	-	-	-	-	-	-	(9,800)	-	(199)	-	(10,079)	-	(10,079)
Total comprehensive (loss) income for the period, net of tax 期內全面(虧)溢益總額, 扣除稅項	-	-	-	-	-	-	-	(106,528)	-	(199)	268,979	162,152	(9,330)	152,822
Capital contributed by a non-controlling shareholder of a subsidiary 一間附屬公司之非控股股東出資	-	-	-	-	-	-	-	-	-	-	-	-	8,160	8,160
Conversion of convertible preference shares 轉為可轉換優先股	1	(1)	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of equity settled share-based payment 確認以股本結算以股份支付款項	-	-	-	6,812	-	-	-	-	-	-	-	6,812	-	6,812
Transaction costs attributable to issue of new shares 發行新股的應佔交易成本	-	-	(110)	-	-	-	-	-	-	-	-	(110)	-	(284,248)
Payment of dividends 支付股息	-	-	-	-	-	-	-	-	-	-	(284,248)	(284,248)	-	(284,248)
Preferred distribution to convertible preference shareholders 應佔可轉換優先股股東	-	-	-	-	-	-	-	-	-	-	(12,045)	(12,045)	-	(12,045)
Dividends paid to non-controlling shareholders 派付非控股股東股息	-	-	-	-	-	-	-	-	-	-	-	-	(15,253)	(15,253)
Transfer to statutory reserve fund 轉撥至法定儲備基金	-	-	-	-	-	-	-	-	52,678	-	(52,678)	-	-	-
At 30 June 2012 於二零一二年六月三十日	329,565	49,133	10,547,983	22,787	208,263	5,130	49,110	1,229,090	162,775	530	2,210,848	14,815,514	338,431	15,153,945

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	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash (used in) generated from operating activities	經營活動(所用)所得之現金淨額	(5,311)	618,363
Cash flows from investing activities	投資活動之現金流量		
Interest received	已收利息	12,566	8,242
Dividend received from associates	已收聯營公司股息	65,544	62,597
Dividend received from listed equity investments	已收上市股本投資股息	586	295
Capital injection to jointly controlled entities	向共同控制實體注資	(21,350)	-
Capital contribution by a non-controlling shareholder of a subsidiary	一間附屬公司之非控股股東注資	8,160	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(478,834)	(1,057,639)
Increase in prepaid lease payments	預付租賃款項增加	(60,727)	(18,130)
Purchase of intangible assets	購買無形資產	(674)	(576)
Purchase of mining rights	購買採礦權	-	(4,338)
Purchase of available-for-sale investments	購買可供出售投資	(778,632)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	9,207	42
Proceeds from disposal of a jointly controlled entity	出售一間共同控制實體之所得款項	116,576	-
Deposits paid for acquisition of subsidiaries	收購附屬公司之已付訂金	-	(86,745)
Repayment of advance to an associate	一間聯營公司償還墊款	-	2,200
Advance to loan receivables	墊支應收貸款	(35,427)	(45,761)
Increase in pledged bank deposits	已抵押銀行存款增加	(114,141)	(11,458)
Decrease in pledged bank deposits	已抵押銀行存款減少	6,391	17,543
Decrease (increase) in time deposits	定期存款減少(增加)	230	(420)
Net cash outflow from acquisition of subsidiaries	收購附屬公司之現金流出淨額	(46,452)	(107,576)
Net cash used in investing activities	投資活動所用之現金淨額	(1,316,977)	(1,241,724)
Net cash used in financing activities	融資活動所用之現金淨額	(206,093)	(406,240)
Net decrease in cash and cash equivalents	現金及現金等值減少淨額	(1,528,381)	(1,029,601)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	3,620,077	3,323,082
Effect of foreign exchange rate changes	外匯匯率變動之影響	(9,117)	17,712
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	2,082,579	2,311,193

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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "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, as appropriate.

In the current interim period, the Group has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The application of these new and revised HKFRSs has had no material effect on the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective for the current accounting period.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2012 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except as described below.

First time adoption of accounting policy in this interim period

In the current interim period, the Group has applied, for the first time, the following accounting policies.

Interests in jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

簡明綜合中期財務報表附註

1. 編製基準

簡明綜合財務報表乃按照香港聯合交易所有限公司(「聯交所」)證券上市規則(「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

簡明綜合財務報表乃按歷史成本法編製，惟若干物業及金融工具乃按重估金額或公平值(倘適用)計量除外。

於本中期期間，本集團首次應用多項由香港會計師公會頒佈之新訂及經修訂香港財務報告準則(「香港財務報告準則」)。

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。

本集團並無提早應用於本會計期間已頒佈但仍未生效之任何新訂及經修訂香港財務報告準則。

除下文所述者外，截至二零一二年六月三十日止六個月之簡明綜合財務報表採用之會計政策與編製本集團截至二零一一年十二月三十一日止年度之年度綜合財務報表所採用之會計政策一致。

於本中期期間首次採納會計政策

於本中期期間，本集團已首次採納下列會計政策。

共同控制實體權益

合營企業為本集團及其他各方根據合約安排共同進行經濟活動，而有關活動須受共同控制。共同控制指合約協定共同分享一項經濟活動之控制權，並僅會在有關該活動之策略性財務及營運決策要求取得分享控制權各方一致同意之情況下存在。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

2. Principal Accounting Policies (Continued)

First time adoption of accounting policy in this interim period (Continued)

Interests in jointly controlled entities (Continued)

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of a jointly controlled entity that results in the Group losing joint control over that jointly controlled entity, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the jointly controlled entity.

簡明綜合中期財務報表附註 (續)

2. 主要會計政策 (續)

於本中中期間首次採納會計政策 (續)

共同控制實體權益 (續)

合營企業安排涉及成立獨立實體，而當中各經營方對該實體之經濟活動擁有共同控制權者乃列作共同控制實體。

共同控制實體之業績及資產與負債乃按權益會計法計入綜合財務報表內。根據權益法，於共同控制實體之投資初步乃按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該等共同控制實體之損益及其他全面收益而作出調整。當本集團應佔一間共同控制實體之虧損相等於或超出其於該共同控制實體之權益（包括任何實質上構成本集團於該共同控制實體之投資淨額之長期權益）時，本集團終止確認其應佔之進一步虧損。本集團僅會在其須代表該共同控制實體承擔法律或推定責任，或代其支付款項之情況下，方會確認額外虧損。

應用香港會計準則第39號規定以釐定是否需要就本集團於共同控制實體之投資確認任何減值虧損。如有必要，該項投資之全部賬面值（包括商譽）乃根據香港會計準則第36號「資產減值」作為單一資產，通過比較可收回金額（即使用價值及公平值減銷售成本之較高者）與賬面值進行減值測試。任何已確認之減值虧損屬投資賬面值之一部分。減值虧損之任何撥回乃於該項投資之可收回金額隨後增加的情況下按香港會計準則第36號確認。

若出售共同控制實體會導致本集團失去對該共同控制實體之共同控制，則任何保留之投資會按當日之公平值計量，並以其根據香港會計準則第39號初步確認為金融資產之公平值作其公平價值。先前已保留權益應佔共同控制實體賬面值與其公平值之間之差額，乃計入出售該共同控制實體之損益。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

2. Principal Accounting Policies (Continued)

First time adoption of accounting policy in this interim period (Continued)

Interests in jointly controlled entities (Continued)

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that jointly controlled entity on the same basis as would be required if that jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses joint control over that jointly controlled entity.

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group's consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

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 reportable segments are as follows:

- (i) the import, distribution and handling of cement segment which is the import, distribution and handling of cement in Hong Kong;
- (ii) the manufacture and distribution of cement, clinker and slag powder segment which is the manufacture and distribution of cement, clinker and slag powder in the People's Republic of China (the "PRC"); and
- (iii) the investment holding segment which invests in listed and unlisted equity securities.

簡明綜合中期財務報表附註 (續)

2. 主要會計政策 (續)

於本中期間首次採納會計政策 (續)

共同控制實體權益 (續)

此外，本集團會將先前在其他全面收益就該共同控制實體確認之所有金額入賬，基準與該共同控制實體直接出售相關資產或負債之基準相同。因此，若該共同控制實體先前已於其他全面收益確認收益或虧損，則會於出售相關資產或負債時重新分類至損益，當本集團失去對該共同控制實體之共同控制時，本集團將收益或虧損由權益重新分類至損益（作為重新分類調整）。

倘某集團實體與其共同控制實體進行交易，則與該共同控制實體之交易所產生之損益只會在有關共同控制實體之權益與本集團無關之情況下，才會在本集團之綜合財務報表確認。

衍生金融工具

衍生工具初步按於衍生工具合約訂立當日的公平值確認，其後於報告期末以其公平值重新計量。所得收益或虧損即時於損益中確認。

3. 分部資料

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部安排及管理。本集團各營運分部為一策略業務單位，所提供產品及服務之風險與回報均與其他營運分部有所不同。可呈報分部之詳情概要如下：

- (i) 進口、分銷及處理水泥分部（即於香港進口、分銷及處理水泥）；
- (ii) 製造及分銷水泥、熟料及礦渣粉分部（即於中華人民共和國（「中國」）製造及分銷水泥、熟料及礦渣粉）；及
- (iii) 投資控股分部（即投資於上市及非上市股本證券）。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

3. Segment Information (Continued)

Segment revenue and results

The following table presents revenue and results by reportable segments.

For the six months ended 30 June (unaudited)

	Import, distribution and handling of cement 進口、分銷及處理水泥		Manufacture and distribution of cement, clinker and slag powder 製造及分銷水泥、熟料及礦渣粉		Investment holding 投資控股		Consolidated 綜合	
	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Segment revenue	分部收益							
Sales to customers	138,358	140,500	5,184,316	5,055,260	-	-	5,322,674	5,195,760
Segment profit	分部溢利							
	19,827	20,395	311,017	1,027,838	175,977	37,383	506,821	1,085,616
Unallocated central administration costs							(19,165)	(9,653)
Unallocated other income							27,606	70,679
Finance costs							515,262	1,146,642
Share of results of associates							(258,885)	(187,086)
							69,920	129,715
Profit before tax							326,297	1,089,271

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

There are no inter-segment sales for both periods.

3. 分部資料 (續)

分部收益及業績

下表呈列按可呈報分部劃分之收益及業績。

截至六月三十日止六個月 (未經審核)

可呈報分部之會計政策與本集團會計政策相同。分部溢利乃指在未分配中央行政成本 (包括董事薪金)、若干其他收入、融資成本及應佔聯營公司之業績之情況下, 各分部所賺取之溢利。此為向執行董事 (即主要營運決策者) 報告以作資源分配及表現評估之方式。

兩個期間均無分部間銷售。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

3. Segment Information (Continued)

Segment revenue and results (Continued)

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

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

Geographical information

The Group operates in two principal geographical areas – Hong Kong and the PRC. The following table provides an analysis of the Group's revenue by location of customers, irrespective of the origin of the goods and services:

For the six months ended 30 June (unaudited)

	Hong Kong 香港		The PRC 中國		Consolidated 綜合	
	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元
Segment revenue						
Sales to customers	138,358	140,500	5,184,316	5,055,260	5,322,674	5,195,760

簡明綜合中期財務報表附註(續)

3. 分部資料(續)

分部收益及業績(續)

兩個期間內本集團均無為本集團總收益貢獻10%以上之客戶。

本集團並無作出按可呈報分部劃分之資產及負債之分析披露，乃因其並無定期提供予執行董事以供審閱。

地區資料

本集團於兩個主要地區—香港及中國經營。下表為按客戶所在地分析之本集團之收益(不論商品及服務之原產地)：

截至六月三十日止六個月(未經審核)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

4. Finance Costs

4. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (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	– 五年內	256,729	199,666
– more than five years	– 超過五年	–	2,659
Loan from immediate holding company	應付直屬控股公司之貸款	6,518	5,406
Senior notes	優先票據	–	11,338
Total borrowing costs	總借貸成本	263,247	219,069
Less: Amounts capitalised in construction in progress	減：於在建工程中資本化金額	(4,362)	(31,983)
		258,885	187,086

Borrowing costs capitalised during the period arose on the general borrowing pool and are calculated by applying an average capitalisation rate to expenditure on qualifying assets.

期內撥充資本化之借貸成本均源自一般借貸額，並應用合資格資產開支之平均資本化利率計算。

5. Profit Before Tax

5. 除稅前溢利

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit before tax has been arrived at after charging (crediting) the following:	除稅前溢利已扣除(計入)下列各項：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	485,135	371,671
Amortisation of prepaid lease payments	預付租賃款項攤銷	23,493	21,720
Amortisation of intangible assets	無形資產攤銷	10,787	10,609
Amortisation of mining rights	採礦權攤銷	11,783	10,788
Change in fair value of held-for-trading investments	持作交易用途之投資之公平值變動	2,722	(41,024)
Change in fair value of warrants	認股權證之公平值變動	(12,864)	–
Gain on disposal of held-for-trading investments	出售持作交易用途之投資之收益	(4,474)	–
Gain on disposal of a jointly controlled entity	出售一間共同控制實體之收益	(116,576)	–

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

6. Income Tax Expense

6. 所得稅支出

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	當期稅項：		
Hong Kong	香港	3,917	3,959
PRC Enterprise Income Tax	中國企業所得稅	69,821	152,662
Other jurisdictions	其他司法權區	33	5
Withholding tax	預扣稅	10,374	6,025
		<u>84,145</u>	<u>162,651</u>
(Over) under provision in prior years:	過往年度撥備(超額)不足：		
PRC Enterprise Income Tax	中國企業所得稅	(17,532)	127
Withholding tax	預扣稅	-	28
		<u>(17,532)</u>	<u>155</u>
Deferred tax:	遞延稅項：		
Current period	本期間	(3,165)	(5,495)
		<u>63,448</u>	<u>157,311</u>

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the period. Taxation arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅乃根據期內之估計應課稅溢利按 16.5% (二零一一年: 16.5%) 之稅率計算。中國及其他司法權區所產生之稅項乃根據相關司法權區之現行稅率計算。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

7. Earnings per Share

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

Earnings for the purposes of basic and diluted earnings per share

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit for the period attributable to owners of the Company	本公司擁有人應佔期內溢利	268,979	908,964
Less: Preferred distribution payable on convertible preference shares	減：就可轉換優先股支付之優先分派	(12,045)	—
Undistributed earnings attributed to convertible preference shares	可轉換優先股應佔之未分派盈利	(54,576)	—
		202,358	908,964

Number of shares

		30 June 2012 二零一二年 六月三十日 '000 千股 (Unaudited) (未經審核)		30 June 2011 二零一一年 六月三十日 '000 千股 (Unaudited) (未經審核)	
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	計算每股基本及攤薄盈利所用之已發行普通股加權平均數	3,295,638	3,295,632		

The computation of diluted earnings per share does not assume the following:

The computation of diluted earnings per share does not assume the following:

- the exercise of the Company's outstanding options because the exercise price of those options was higher than the average market price for the corresponding period;
- the exercise of warrants issued during the current period because the exercise price of those warrants was higher than the average market price for the corresponding period; and
- the conversion of the outstanding convertible preference shares because their exercise would result in an increase in earnings per share.

7. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據以下數據計算：

用以計算每股基本及攤薄盈利之盈利

		Six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 HK\$'000 千港元 (Unaudited) (未經審核)	2011 二零一一年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit for the period attributable to owners of the Company	本公司擁有人應佔期內溢利	268,979	908,964
Less: Preferred distribution payable on convertible preference shares	減：就可轉換優先股支付之優先分派	(12,045)	—
Undistributed earnings attributed to convertible preference shares	可轉換優先股應佔之未分派盈利	(54,576)	—
		202,358	908,964

股份數目

		30 June 2012 二零一二年 六月三十日 '000 千股 (Unaudited) (未經審核)		30 June 2011 二零一一年 六月三十日 '000 千股 (Unaudited) (未經審核)	
Weighted average number of ordinary shares in issue for the purpose of basic and diluted earnings per share	計算每股基本及攤薄盈利所用之已發行普通股加權平均數	3,295,638	3,295,632		

計算每股攤薄盈利時並無以下假設：

計算每股攤薄盈利時並無以下假設：

- 行使本公司尚未行使之購股權（由於相關期間內該等購股權之行使價高於平均市價）；
- 行使於本期內發行之認股權證（由於相關期間內該等認股權證之行使價高於平均市價）；及
- 兌換尚未行使之可轉換優先股（由於其行使將導致每股盈利增加）。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

8. Dividends

The 2011 final dividend of HK7.5 cents (2010: HK4.8 cents) per ordinary and preference share, amounting to approximately HK\$247,173,000 (2010: HK\$158,190,000) and HK\$37,075,000 (2010: Nil) respectively, was recognised as distribution during the period ended 30 June 2012. The 2012 preferred distribution payable to convertible preference shareholders totalling approximately HK\$12,045,000 was also recognised as distribution during the period ended 30 June 2012.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2012 (2011: HK2.5 cents per share).

9. Property, Plant and Equipment

During the period ended 30 June 2012, the Group acquired property, plant and equipment of approximately HK\$826,201,000 (2011: HK\$1,303,544,000) of which HK\$154,924,000 (2011: HK\$136,703,000) was arising from the acquisition of subsidiaries (Note 17).

10. Prepaid Lease Payments

During the period ended 30 June 2012, the Group acquired prepaid lease payments of approximately HK\$37,000,000 (2011: HK\$25,504,000) of which nil (2011: HK\$12,514,000) was arising from the acquisition of subsidiaries (Note 17).

11. Intangible Assets

During the period ended 30 June 2012, goodwill of approximately HK\$264,972,000 (2011: HK\$23,899,000) was arising on acquisition of subsidiaries (Note 17).

簡明綜合中期財務報表附註(續)

8. 股息

於截至二零一二年六月三十日止期間，本公司已確認分派二零一一年末期股息每股普通股及優先股7.5港仙(二零一零年：4.8港仙)，金額分別約為247,173,000港元(二零一零年：158,190,000港元)及37,075,000港元(二零一零年：無)。本公司亦已於截至二零一二年六月三十日止期間確認分派予可轉換優先股股東之二零一二年優先分派總計約12,045,000港元。

董事會不建議派付截至二零一二年六月三十日止六個月之中期股息(二零一一年：每股2.5港仙)。

9. 物業、廠房及設備

於截至二零一二年六月三十日止期間內，本集團購入物業、廠房及設備約為826,201,000港元(二零一一年：1,303,544,000港元)，其中154,924,000港元(二零一一年：136,703,000港元)乃自收購附屬公司所產生(附註17)。

10. 預付租賃款項

於截至二零一二年六月三十日止期間內，本集團購入預付租賃款項約為37,000,000港元(二零一一年：25,504,000港元)，其中零港元(二零一一年：12,514,000港元)乃自收購附屬公司所產生(附註17)。

11. 無形資產

於截至二零一二年六月三十日止期間內，收購附屬公司產生之商譽約為264,972,000港元(二零一一年：23,899,000港元)(附註17)。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

12. Available-for-sale Investments

As at 30 June 2012, included in the available-for-sale investments are HK\$1,032,081,000 being consideration paid for acquisition of certain subsidiaries. The circumstances are described below.

On 4 August 2011, Upper Value Investments Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with certain independent third parties for the acquisition of approximately 97.94% of the issued share capital of the Scitus Cement (China) Holdings Limited ("Scitus Cement") at an aggregate cash consideration of US\$130,210,000 (equivalent to approximately HK\$1,011,732,000) and by the Company's issuance of 45,000,000 unlisted warrants. Scitus Cement is an investment holding company and its subsidiaries are principally engaged in manufacture and sale of cement and clinker in Guizhou and Sichuan.

Upon the completion of the acquisition on 6 January 2012 and, in the absence of the circumstances described below, Scitus Cement, which indirectly hold majority interests in several cement, clinker and concrete manufacturing companies in the southwestern region of the PRC (collectively as the "Manufacturing Companies"), would have become a non-wholly owned subsidiary of the Group.

On 13 February 2012, the Group received copies of arbitration notices issued by China International Economic and Trade Arbitration Commission dated 10 February 2012 together with the relevant arbitration applications in respect of certain pre-emptive rights held by non-controlling shareholders in the Manufacturing Companies under the relevant joint venture agreements. In view of the notices received, the Group had obtained legal advice and the arbitrations are in the progress.

As of 30 June 2012, the Group has not yet obtained effective control over the Manufacturing Companies as the non-controlling shareholders and management of the Manufacturing Companies have not yet allowed the representatives of the Group to access the office of the Manufacturing Companies, and have not yet handed over the company chops, the books and records as well as other relevant documents of the Manufacturing Companies. Without such access of company chops and books and records, the Group has not yet effectively obtained control of the Manufacturing Companies.

The Group has implemented certain preventive measures to preserve the assets of the Manufacturing Companies including, but not limited to, issuing warning letters to the non-controlling shareholders and management preventing them from taking any actions which will be detrimental to the Manufacturing Companies.

As the Group has not yet obtained effective control or exercise significant influence over the operating and financing policies of the Manufacturing Companies, the Manufacturing Companies are not currently considered to be subsidiaries of the Company and therefore they are accounted for as available-for-sale investments. Accordingly, the financial statements of the Scitus Cement, together with its Manufacturing Companies, have not been consolidated into the Group's consolidated financial statements.

簡明綜合中期財務報表附註(續)

12. 可供出售投資

於二零一二年六月三十日，可供出售投資包括就收購若干附屬公司支付之1,032,081,000港元之代價。有關情況描述如下。

於二零一一年八月四日，本公司之全資附屬公司Upper Value Investments Limited與若干獨立第三方訂立買賣協議，以總現金代價130,210,000美元（相等於約1,011,732,000港元）及透過本公司發行45,000,000份非上市認股權證之方式收購賽德水泥（中國）控股有限公司（「賽德水泥」）約97.94%之已發行股本。賽德水泥為一間投資控股公司及其附屬公司主要在貴州及四川從事製造及銷售水泥及熟料業務。

有關收購事項於二零一二年一月六日完成後，及在沒有下文所述之情況下，賽德水泥應將成為本集團之非全資附屬公司，其間接持有數間於中國西南地區之水泥、熟料及混凝土製造公司（統稱為「製造公司」）之大多數權益。

於二零一二年二月十三日，本集團收到中國國際經濟貿易仲裁委員會於二零一二年二月十日出具之仲裁通知副本，連同就非控股股東根據相關合資協議於製造公司持有之若干優先購買權之相關仲裁申請。鑑於已收到該通知，本集團已取得法律意見及仲裁正在進行。

於二零一二年六月三十日，本集團尚未取得製造公司之實際控制權，原因為製造公司之非控股股東及管理層拒絕讓本集團代表進入製造公司之辦事處，亦無交出製造公司之公司印鑑、賬簿及記錄以及其他相關文件。在並無公司印鑑、賬簿及記錄之情況下，本集團未能實際取得製造公司之控制權。

本集團已實行若干預防措施以保存製造公司之資產，包括但不限於向非控股股東及管理層發出警告信，防止彼等採取任何有損製造公司之行動。

由於本集團尚未對製造公司之營運及財務政策有效行使控制權或施展重大影響力，故此，本公司現時只將製造公司列作可供出售投資處理而未能將其納入為附屬公司。因此，賽德水泥之財務報表連同其製造公司並無綜合計入本集團之綜合財務報表。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

12. Available-for-sale Investments (Continued)

The abovementioned available-for-sale investments in Scitus Cement amounted to HK\$1,032,081,000 have been recorded at cost less impairment as at 30 June 2012 because the investments are unquoted equity shares whose range of reasonable fair value estimates is so significant that the Directors are of the opinion that the fair values cannot be measured reliably.

12. 可供出售投資 (續)

於二零一二年六月三十日，上述於賽德水泥之可供出售投資1,032,081,000港元已按成本扣除減值列賬，原因為該等投資為無報價權益股份，其合理公平值估計範圍如此寬泛，以致董事認為無法可靠地計量其公平值。

13. Trade Receivables

13. 應收貿易賬款

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables from outsiders	應收外界人士之貿易賬款	1,865,741	2,193,966
Trade receivable from an associate	應收一間聯營公司之貿易賬款	9,297	12,032
		1,875,038	2,205,998

The Group's policy is to allow a credit period of 90-180 days to its trade customers (including the associate). The following is an aged analysis of trade receivables based on the invoice date at the end of the reporting period:

本集團政策為給予貿易客戶（包括聯營公司）90至180日之除賬期。以下為於報告期末應收貿易賬款按發票日期之賬齡分析：

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0至90日	1,371,964	1,410,547
91-180 days	91至180日	470,097	748,285
181-365 days	181至365日	32,977	47,166
		1,875,038	2,205,998

At the reporting date, trade receivables of approximately HK\$32,977,000 (31 December 2011: HK\$47,166,000) which have been past due for which the Group has not provided for impairment loss, as there is no expectation of significant recoverability problem.

於報告日，應收貿易賬款約為32,977,000港元（二零一一年十二月三十一日：47,166,000港元）經已逾期，但本集團並未就該等款項作出減值虧損撥備，此乃由於並無預期出現重大收回問題。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註(續)

14. Trade Payables

14. 應付貿易賬款

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Trade payables to outsiders	應付外界人士之貿易賬款	1,418,016	1,620,059
Trade payables to ultimate holding company	應付最終控股公司之貿易賬款	4,215	2,929
Trade payables to fellow subsidiaries	應付同系附屬公司之貿易賬款	49,498	28,943
		1,471,729	1,651,931

The following is an aged analysis of trade payables based on the invoice date at the end of the reporting period:

以下為於報告期末之應付貿易賬款按發票日期之賬齡分析：

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0至90日	1,067,704	1,430,113
91-180 days	91至180日	33,807	68,570
181-365 days	181至365日	190,239	125,848
Over 365 days	超過365日	179,979	27,400
		1,471,729	1,651,931

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

應付最終控股公司及同系附屬公司之貿易結餘為無抵押、免息及須按正常貿易條款償還。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

15. Derivative Financial Instrument – Warrants

On 6 January 2012, 45,000,000 unlisted warrants were issued to the vendors as part of the consideration for the acquisition of approximately 97.94% issued share capital of Scitus Cement. The warrants carried the rights to subscribe for up to a maximum of 45,000,000 ordinary shares of the Company at the subscription price of HK\$6.00 per warrant share, subject to adjustments. The warrants can be exercised at any time during the three year period from the date of issue (both days inclusive).

As at 30 June 2012, no warrants have been exercised by the warrant holders and the fair value of the warrants was amounting to HK\$7,485,000. Accordingly, a change in fair value of HK\$12,864,000 was credited to the condensed consolidated statement of comprehensive income. The fair value of the warrants is calculated using option pricing models.

16. Bank Loans

Secured 有抵押
Unsecured 無抵押

The loans are repayable as follows:

Within one year 一年內
More than one year but not exceeding two years 超過一年但不超過兩年
More than two years but not exceeding five years 超過兩年但不超過五年
Carrying amount of bank loans that are repayable on demand due to breach of loan covenants (shown under current liabilities) 因違反貸款契約而須按要求償還之銀行貸款賬面值 (列於流動負債項下)
Carrying amount of a bank loan that is not repayable within one year from the end of the reporting period but contains a repayment on demand clause (shown under current liabilities) 毋須自報告期結束時起一年內償還但載有按要求償還條文之銀行貸款賬面值 (列於流動負債項下)

Less: Amounts due for settlement within one year (shown under current liabilities) 減：須於一年內償還之款項 (列於流動負債項下)

Amounts due for settlement after one year 須於一年後償還之款項

15. 衍生金融工具－認股權證

於二零一二年一月六日，45,000,000份非上市認股權證發行予賣方，作為收購賽德水泥約97.94%已發行股本之部份代價。該等認股權證附有權利可按認購價每股認股權證股份6.00港元（可予調整）認購最多45,000,000股本公司普通股。認股權證可於發行日期起計三年期間（包括首尾兩日）內隨時行使。

於二零一二年六月三十日，認股權證持有人概無行使認股權證，而認股權證之公平值為7,485,000港元。因此，12,864,000港元之公平值變動已計入簡明綜合全面收益表。認股權證之公平值乃使用期權定價模式計算。

16. 銀行貸款

	30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	1,071,729	1,932,744
	12,438,776	11,254,989
	13,510,505	13,187,733
	3,589,680	3,771,517
	1,797,643	2,199,867
	6,559,332	5,678,849
	1,525,000	1,537,500
	38,850	-
	13,510,505	13,187,733
	(5,153,530)	(5,309,017)
	8,356,975	7,878,716

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

16. Bank Loans (Continued)

As previously disclosed in the Company's annual report for the year ended 31 December 2011, certain subsidiaries of the Group breached certain financial covenants as stipulated in the loan agreements entered into by the subsidiaries with a total carrying amount of RMB1,250 million (equivalent to HK\$1,525.0 million as at 30 June 2012) and accordingly the amount has been classified as a current liability in the condensed consolidated interim financial statement.

On discovery of the breach, the Directors informed the lenders and commenced renegotiations on the terms of the loans with the relevant banks. Up to the date of the interim results announcement, the Group has obtained a waiver from the relevant banks for such breaches.

17. Acquisition of Subsidiaries

In March 2012, the Group acquired the entire equity interest of three PRC companies in Guigang, Jiangsu and Yingde ("Chien Kuo"), which are engaged in the provision of limestone quarrying services to support some of our existing subsidiaries in the PRC, from an independent third party. The consideration amounted to NTD1,600,000,000 together with working capital consideration, in aggregate equivalent to approximately HK\$506,322,000.

This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately HK\$264,972,000.

Acquisition related costs amounting to approximately HK\$2,685,000 have been excluded from the cost of acquisition and have been recognised as an expense in the period, and included in the "general and administrative expenses" line item in the condensed consolidated statement of comprehensive income.

簡明綜合中期財務報表附註(續)

16. 銀行貸款(續)

誠如之前於本公司截至二零一一年十二月三十一日止年度之年報所披露，本集團之若干附屬公司違反其所訂立之貸款協議所訂明之若干財務契約，賬面總值為人民幣1,250,000,000元（於二零一二年六月三十日相等於1,525,000,000港元），因此，該金額已於簡明綜合中期財務報表內分類為流動負債。

於發現違約後，董事已知會貸款人並開始與有關銀行重新磋商貸款之條款。截至中期業績公告日期，本集團已就該等違約取得有關銀行之豁免。

17. 收購附屬公司

於二零一二年三月，本集團從一名獨立第三方收購三間中國公司（於貴港、江蘇及英德）（「建國」）之全部股權，該等公司於中國為本集團若干現有附屬公司提供石灰石開採服務。代價為新台幣1,600,000,000元，連同營運資金代價合共相等於約506,322,000港元。

此項收購已採用收購法入賬。因收購事項而產生之商譽金額約為264,972,000港元。

期內，有關收購事項之成本約2,685,000港元並未計入收購事項之成本內，而於簡明綜合全面收益表之「一般及行政開支」項目內確認為開支。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

17. Acquisition of Subsidiaries (Continued)

The net assets acquired in the transactions, and the goodwill arising, are as follows (determined on a provisional basis):

17. 收購附屬公司 (續)

該等交易所收購之資產淨值及所產生之商譽如下 (按臨時基準釐定) :

		HK\$'000 千港元
Non-current assets		
Property, plant and equipment	非流動資產 物業、廠房及設備	154,924
Intangible assets	無形資產	1,010
		<u>155,934</u>
Current assets		
Inventories	流動資產 存貨	16,535
Prepayments, deposits and other receivables (note)	預付款項、按金及其他應收款項 (附註)	6,893
Trade receivables (note)	應收貿易賬款 (附註)	42,093
Time deposits	定期存款	15,990
Cash and bank balances	現金及銀行結餘	25,121
		<u>106,632</u>
Current liabilities		
Trade payables	流動負債 應付貿易賬款	14,082
Other payables and accrued liabilities	其他應付款項及應計負債	2,617
Tax payables	應付稅項	591
		<u>17,290</u>
Non-current liabilities		
Deferred tax liabilities	非流動負債 遞延稅項負債	3,926
		<u>241,350</u>

note: The trade and other receivables acquired with a fair value of HK\$42,658,000 has gross contractual amounts of HK\$42,658,000. The best estimate at acquisition date of contractual cash flows not expected to be collected was nil.

附註：已取得公平值42,658,000港元之應收貿易賬款及其他應收款項之已訂約總額為42,658,000港元。預期於收購日期不可收回之已訂約現金流最佳估算為零。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

17. Acquisition of Subsidiaries (Continued)

17. 收購附屬公司 (續)

		HK\$'000 千港元
Goodwill arising on acquisition		
收購事項產生之商譽		
Consideration transferred	已轉讓代價	506,322
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	241,350
		<u>264,972</u>
Goodwill arising on acquisition	收購事項產生之商譽	<u>264,972</u>
		HK\$'000 千港元
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	506,322
Less: Cash and bank balances acquired	減：已收購之現金及銀行結餘	(25,121)
Outstanding payments	尚未償還款項	(20,983)
Deposit paid in prior year	去年已付之訂金	(413,766)
		<u>46,452</u>
Net cash outflow arising on acquisition	收購事項產生之現金流出淨額	<u>46,452</u>

Goodwill arose on the acquisition of Chien Kuo because the acquisition included the assembled workforce of Chien Kuo and the benefit of expected synergies as at the date of acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

由於收購包括於收購日期建國之裝配勞動力及預期之協同效益，故收購建國產生商譽。由於該等利益不符合可識別無形資產之確認標準，故並無與商譽分開確認。

Impact of acquisitions on the results of the Group

Chien Kuo did not contribute significantly to the revenue or results of the Group for the period between the date of acquisition and the end of the reporting period.

收購事項對本集團業績之影響

建國並無對本集團於收購日期至報告期末期間之收益或業績作出重大貢獻。

If the acquisition had been completed on 1 January 2012, there would be insignificant effect on the Group's revenue and profit attributable to owners of the Company for the period ended 30 June 2012. 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 2012, nor is it intended to be a projection of future results.

倘收購事項已於二零一二年一月一日完成，不會對截至二零一二年六月三十日止期間本集團之收益及本公司擁有人應佔溢利造成重大影響。備考資料乃僅供說明之用，並不可作為倘收購事項已於二零一二年一月一日完成時，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。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

18. Share Based Payment Transactions

Equity-settled share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of enabling the Directors to grant options to selected Eligible Persons as incentives or rewards for their contribution or potential contribution to the Group. The Scheme became effective for a period of 10 years commencing on the adoption date of 23 May 2006. The key terms of the Scheme had been summarised in the Company's 2011 Annual Report published in April 2012.

As at 30 June 2012, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 34,730,000, representing 1.05% of the ordinary shares of the Company in issue at that date. The vesting condition of the options granted is the service period of the relevant Directors or employees.

Details of specific category of share options are as follows:

Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 HK\$ 港元
27 May 2011 二零一一年五月二十七日	27 May 2011 to 26 February 2012 二零一一年五月二十七日至 二零一二年二月二十六日	27 February 2012 to 26 May 2014 二零一二年二月二十七日至 二零一四年五月二十六日	4.42
27 May 2011 二零一一年五月二十七日	27 May 2011 to 26 February 2013 二零一一年五月二十七日至 二零一三年二月二十六日	27 February 2013 to 26 May 2014 二零一三年二月二十七日至 二零一四年五月二十六日	4.42
27 May 2011 二零一一年五月二十七日	27 May 2011 to 26 February 2014 二零一一年五月二十七日至 二零一四年二月二十六日	27 February 2014 to 26 May 2014 二零一四年二月二十七日至 二零一四年五月二十六日	4.42

簡明綜合中期財務報表附註(續)

18. 以股份支付款項之交易

以股本結算之購股權計劃

本公司設有購股權計劃(「該計劃」)藉以讓董事可向所甄選合資格人士授出購股權,作為彼等對本集團所作之貢獻或潛在貢獻之獎勵或報酬。該計劃自採納日期(二零零六年五月二十三日)起計十年期間內一直生效。該計劃之主要條款已概述於本公司於二零一二年四月刊發之二零一一年年報內。

於二零一二年六月三十日,根據該計劃已授出但尚未行使之購股權所涉及之股份數目為34,730,000股,相當於本公司於該日已發行普通股之1.05%。已授出購股權之歸屬條件為有關董事或僱員之服務期限。

購股權之指定類別之詳情如下:

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

18. Share Based Payment Transactions (Continued)

Equity-settled share option scheme (Continued)

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

Name of Directors/employees	董事姓名／僱員	Outstanding at 1 January 2012 於二零一二年 一月一日 尚未行使	Forfeited during period 於期內沒收	Outstanding at 30 June 2012 於二零一二年 六月三十日 尚未行使
Koo, Cheng-Yun, Leslie	辜成允	10,450,000	–	10,450,000
Wu Yih Chin	吳義欽	2,000,000	–	2,000,000
Employees	僱員	24,870,000	(2,590,000)	22,280,000
Total	總計	37,320,000	(2,590,000)	34,730,000

The Group recognised the total expense of approximately HK\$6,812,000 for the period ended 30 June 2012 (six months ended 30 June 2011: HK\$2,634,000) in relation to share options granted under the Scheme by the Company.

18. 以股份支付款項之交易 (續)

以股本結算之購股權計劃 (續)

下表披露於期內董事及若干僱員所持有之本公司購股權之變動情況：

截至二零一二年六月三十日止期間，本集團確認有關本公司根據該計劃所授出之購股權之開支總額約為6,812,000港元（截至二零一一年六月三十日止六個月：2,634,000港元）。

19. Capital Commitments

The Group's capital expenditure in respect to the following items contracted but not provided for in the condensed consolidated financial statements are as follows:

19. 資本承擔

本集團就下列項目之已訂約但未於簡明綜合財務報表撥備之資本支出如下：

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Acquisition of property, plant and equipment	購買物業、廠房及設備	585,571	1,092,406
Acquisition of subsidiaries	收購附屬公司	207,400	1,078,166
		792,971	2,170,572

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

20. Related Parties Transactions

20. 關連人士交易

		Six Months ended 30 June 截至六月三十日止六個月		
		2012 二零一二年	2011 二零一一年	
notes 附註		HK\$'000 千港元 (Unaudited) (未經審核)	HK\$'000 千港元 (Unaudited) (未經審核)	
(i)	Rental expenses payable to a fellow subsidiary	(i) 應付一間同系附屬公司之租金費用	(a) 2,484	2,484
(ii)	Rental expenses payable to a related party (note 1)	(ii) 應付一名關連人士之租金費用 (附註1)	(a) 605	582
(iii)	Purchases of cement and clinker from the ultimate holding company	(iii) 向最終控股公司購買水泥及熟料	(a) 29,903	11,662
(iv)	Purchases of clinker from a related party (note 2)	(iv) 向一名關連人士購買熟料 (附註2)	(b) 3,184	3,373
(v)	Transportation and management services fee payable to fellow subsidiaries	(v) 應付同系附屬公司之運輸及管理服務費	(a) 175,523	122,862
(vi)	Maintenance service fee of a computer software system payable to fellow subsidiaries	(vi) 應付同系附屬公司之電腦軟件系統之維護服務費	(a) 11,217	4,492
(vii)	Management fee payable to a related party (note 3)	(vii) 應付一名關連人士之管理費 (附註3)	(a) 5,215	5,731
(viii)	Trademark fee payable to a related party (note 3)	(viii) 應付一名關連人士之商標使用費 (附註3)	(a) 1,476	2,331
(ix)	Sales of raw materials to an associate	(ix) 向一間聯營公司銷售原材料	(b) 5,372	3,777
(x)	Purchases of raw materials from an associate	(x) 向一間聯營公司購買原材料	(b) 4,304	4,328
(xi)	Sales of cement to an associate	(xi) 向一間聯營公司銷售水泥	(b) 25,292	33,002
(xii)	Interest income from an associate	(xii) 來自一間聯營公司之利息收入	(b) 2,964	-

notes:

- (1) The related party is an associate of the ultimate holding company.
- (2) The related party is a subsidiary of the non-controlling shareholder of a subsidiary of the Company.
- (3) The related party is the holding company of the non-controlling shareholder of a subsidiary of the Company.
- (a) The prices of these transactions were determined between the parties with reference to the agreements signed.
- (b) The prices of these transactions were determined between the parties with reference to market prices.

附註:

- (1) 該關連人士乃最終控股公司之聯營公司。
- (2) 該關連人士為本公司一間附屬公司之非控股股東之附屬公司。
- (3) 該關連人士為本公司一間附屬公司之非控股股東之控股公司。
- (a) 該等交易之價格由訂約雙方參考已簽訂之協議釐定。
- (b) 該等交易之價格由訂約雙方參考市場價格釐定。

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The slowdown in property and infrastructure development since the last quarter of 2011 continued into the period under review. The impact of deteriorated macro-economic conditions on Mainland China's business activities had been amplified during the six months ended 30 June 2012.

The emergence of substantial additional capacity from new facilities had multiplied the pressure on cement average selling prices ("ASP") which were already squeezed by shrinking demand. As a result, Mainland China's cement ASP plunged by an average of 20 per cent, with Eastern China being most hard-hit, leading to a 30 per cent decline in the region's cement ASP year-on-year.

During the period under review, leading cement manufacturers were more inclined to reduce their inventory by aggressively lowering their product selling prices. This was contrary to the scenario in the first half of the previous year, when major players were willing to engage in market discipline and maintain a consensus in stabilising cement price.

Mainland China's cement market hit its bottom in the first quarter of the year, with the early arrival of the Chinese New Year and heavy precipitation in the Southern and Eastern regions. The soft ASP continued from the last quarter of 2011 and weak investment sentiment had further hampered performance of cement manufacturers.

Entering the second quarter, with the State government's expedited approval of infrastructure projects, favourable sales of private sector properties and resumption of transportation facilities construction; the drop of cement price began to decelerate, supported by gradual recovery in cement demand.

中期股息

董事會不建議派付截至二零一二年六月三十日止六個月之中期股息。

管理層討論及分析

市場概況

國內物業及基建開發自二零一一年最後一季開始放緩情況於回顧期內仍然持續。宏觀經濟環境每況愈下，對中國大陸商業活動的影響於截至二零一二年六月三十日止六個月期內進一步加劇。

新建設施帶來的大量額外產能，對因需求不斷萎縮而受壓的水泥平均售價（「平均售價」）造成進一步負擔。中國大陸的水泥平均售價因而平均下跌20%，而華東地區所受的打擊最為嚴重，該地區的水泥平均售價同比下降30%。

於回顧期內，領先水泥製造商更傾向於透過積極下調其產品售價，以減少他們的存貨。此與去年上半年的情形相反，當時主要水泥製造商願意維持市場秩序，並於穩定水泥價格方面有一定的共識。

由於今年農曆新年較早來臨，加上華南及華東地區雨水頻繁，中國大陸的水泥市場於本年度第一季度跌至谷底。自二零一一年最後一季以來平均售價持續不振及投資氣氛疲弱，進一步影響水泥製造商的業績。

踏入第二季度，隨著中央政府加快對基建項目的審批、私人物業銷售良好及恢復建設各項交通運輸項目，令水泥需求逐步回升，水泥價格的下跌速度有所放緩。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Review of Operations

Despite a highly competitive and challenging market environment during the period under review, the Group managed to deliver a sales volume of 18.4 million metric tons, which was approximately 19 per cent more than that of the corresponding period in the previous year. In line with the overall market trend, the Group's sales volume in the second quarter demonstrated significant improvement from that of the first quarter.

The Group's ASP for the period under review was approximately 14 per cent lower than that of the same period last year. The Group's strategic geographical coverage allowed it to attain a relatively mild ASP adjustment when compared to the market average of a 20 per cent plummet.

Enhanced sales volume led to a modest upsurge in the Group's revenue, which amounted to HK\$5,322.7 million for the six months ended 30 June 2012.

However, the sliding ASP had cut into the Group's gross profit margin, which had been trimmed to 17 per cent, despite lower production costs resulted from enhanced efficiency and reduced coal price during the period under review. The Group's half-year gross profit had, thus, been adjusted to HK\$913.2 million. Profit attributable to owners of the Company was HK\$269.0 million.

管理層討論及分析 (續)

業務回顧

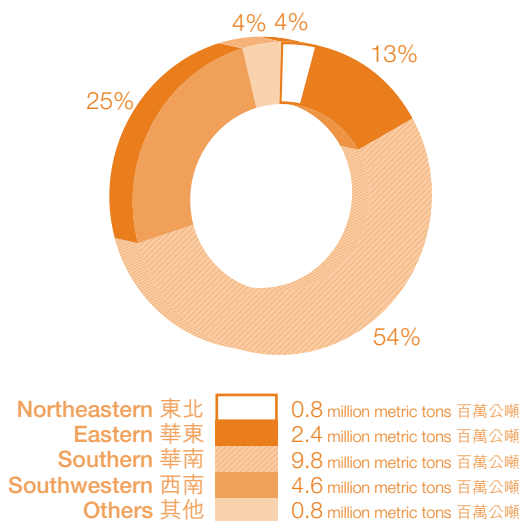
於回顧期內，儘管面對競爭非常激烈及充滿挑戰的市場環境，本集團仍能實現18,400,000公噸的銷量，較去年同期增加約19%。本集團之表現緊隨整體市場趨勢，於第二季度的銷量較第一季度大幅改善。

本集團於回顧期內的平均售價較去年同期下降約14%。與市場平均20%跌幅相比，本集團的策略性地域市場部署令其平均售價的調整幅度相對較小。

銷量上升帶動本集團的收入溫和增長，截至二零一二年六月三十日止六個月內，本集團之收益為5,322,700,000港元。

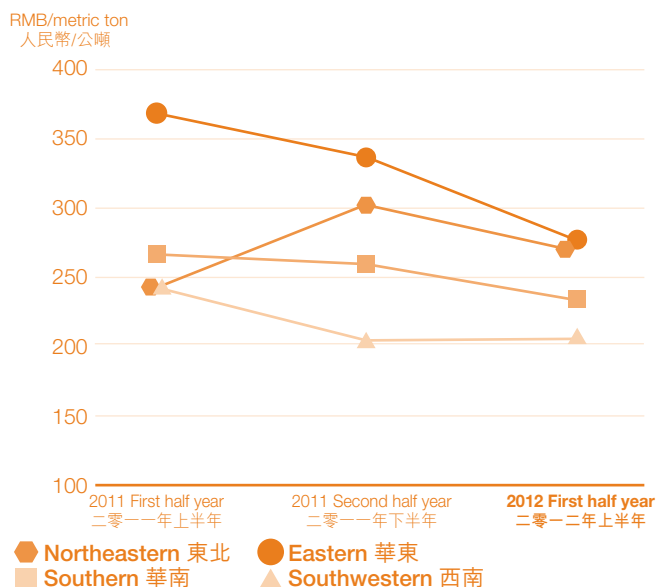
然而，即使於回顧期內生產成本因營運效率提升及煤炭價格下降而減少，但平均售價下跌蠶食了本集團的毛利率，以致毛利率仍下調至17%。本集團的半年度毛利因而調整至913,200,000港元。本公司擁有人應佔溢利則為269,000,000港元。

Sales volume breakdown by region in 2012 first half year
二零一二年上半年按地區劃分之銷量分析



Total sales volume : 18.4 million metric tons
總銷量：18.4百萬公噸

Cement and clinker ASP by region
按地區劃分之水泥及熟料平均售價



MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Review of Operations (Continued)

Southern China

The Group's operations in Guangdong and Guangxi provinces were adversely affected by intensified competition both in terms of price and supply in the Southern China region. With the release of substantial new capacity in the region and slowdown in property and civil engineering construction, cement ASP fell by 12 per cent in the region as compared with that of the corresponding period last year.

While Guangdong province was flooded by additional capacity from newly completed facilities, the province's market equilibrium was further shattered by excess output shipment from Guangxi cement manufacturers who were suffering from a sluggish market condition and overcapacity.

The Group's TCC Yingde Cement Co., Ltd ("TCC Yingde") and Yingde Dragon Mountain Cement Co, Ltd ("Yingde Dragon Mountain") in Guangdong province together generated a sales volume of 6.3 million metric tons which was approximately 10 per cent less than that of the corresponding period last year. The Group's sales volume from Guangdong province accounted for around 34 per cent of the Group's overall figure.

Improvement in operation efficiency and reduction in coal price enabled TCC Yingde and Yingde Dragon Mountain to continue to generate significant profit contribution to the Group. The Group's 25 per cent interest in Prosperity Conch Cement Company Limited also provided handsome earnings during the period under review.

The Group's Guangxi plant reported a sales volume of 3.5 million metric tons, which was basically the same as that of the corresponding period last year. In addition, the Guangxi plant shipped approximately 360,000 metric tons of clinker to the Group's Fuzhou plant during the period. The ASP of the Guangxi plant dropped by approximately 16 per cent year-on-year.

Although the Guangxi plant had managed to maintain its sales volume, the plunge in ASP had turned the book of the Guangxi plant into red during the six-month period.

管理層討論及分析 (續)

業務回顧 (續)

華南

本集團於廣東及廣西兩省的經營業務受到華南地區在價格及供應方面的激烈競爭的不利影響。該地區於回顧期內有大量新增產能釋放以及物業和土木工程建設放緩，該地區的水泥平均售價較去年同期下跌12%。

廣東省新近落成設施令新增產能泛濫。同時，由於廣西水泥製造商當時亦正面對市況呆滯及產能過剩，而將他們的過剩產出運到廣東市場，令該省的水泥供求平衡受到進一步的衝擊。

本集團於廣東省的台泥（英德）水泥有限公司（「台泥（英德）」）及英德龍山水泥有限責任公司（「英德龍山」）於回顧期內合共錄得銷量6,300,000公噸，較去年同期減少約10%。本集團於廣東省的銷量佔其整體銷量約34%。

營運效率提升及煤炭價格下降令台泥（英德）及英德龍山持續為本集團帶來重大溢利貢獻。本集團於英德海螺水泥有限責任公司的25%權益亦於回顧期內帶來可觀盈利。

本集團的廣西廠房錄得3,500,000公噸的銷量，與去年同期基本持平。此外，廣西廠房於期內運往本集團福州廠房的熟料約360,000公噸。廣西廠房的平均售價同比下跌約16%。

儘管廣西廠房得以維持其銷量，但平均售價下跌導致該廠房於六個月期內轉盈為虧。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Review of Operations (Continued)

Eastern China

The Eastern China region experienced severe price war in the six-month period as dominant players were anxious to maintain their sales volume amidst shrinking market demand.

During the first half of the year, sales volume of the Group's Jurong plant amounted to 1.8 million metric tons, which slightly retreated from that of the same period last year. However, ASP of the Jurong plant dropped by 28 per cent year-on-year, which was basically in line with the region's ASP adjustment.

The impact of significant decrease in ASP was partly offset by reduced production costs, and the Jurong plant reported a modest after-tax profit for the period under review.

Although the Group's grinding mill in Fuzhou also encountered a decline in ASP year-on-year, cement price in the Fujian province stood at a relatively high level in the first half of the year. The plummet of clinker price along the Yangtze River region had forced an influx of clinker to Fujian and led to further reduction in the Fuzhou plant's production costs. Despite a 19 per cent decline in sales volume, the Fuzhou plant remained profitable in the period under review.

The Group's Eastern China region operations contributed a total sales volume of 2.4 million metric tons during the six month period.

管理層討論及分析 (續)

業務回顧 (續)

華東

在華東地區處於主導地位的水泥製造商由於急於在市場需求不斷萎縮情況下力圖維持其銷量，致使該地區於回顧的六個月期內經歷激烈的減價戰。

於上半年度，本集團句容廠房的銷量為1,800,000公噸，較去年同期略為回落。然而，句容廠房的平均售價同比下跌28%，與該地區的平均售價調整幅度基本一致。

句容廠房生產成本有所下降得以部份抵銷平均售價大幅下降的影響，而該廠房於回顧期內錄得數額不大的稅後溢利。

雖然本集團於福州的粉磨廠的平均售價亦同比出現下跌，但福建省的水泥價格於上半年內維持於相對較高水平。長江流域的熟料價格大幅下跌促使大量熟料湧入福建省，導致福州廠房的生產成本進一步下降。儘管銷量下降19%，但福州廠房於回顧期內仍維持盈利。

本集團的華東地區業務於六個月期內合共錄得銷量2,400,000公噸。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Review of Operations (Continued)

Southwestern Region

The Group's plants in Chongqing, Sichuan and Guizhou provinces were categorized under its Southwestern region operations. The Group's facilities in the region contributed a sales volume of 4.6 million metric tons during the half-year period.

The Group's Chongqing plant had two production lines in full operation during the period under review. The Chongqing plant's sales volume almost doubled that of the same period last year and amounted to approximately 2.1 million metric tons. This was mainly attributable to the running in of a new production line completed in the last quarter of the previous year.

ASP of the Chongqing plant declined by 16 per cent year-on-year. The plant, therefore, only reported an insignificant half-year profit, despite a significant upsurge in sales volume and improvement in cost control.

The Group's production line in Guangan, Sichuan province was completed in the second half of 2011. During the period under review, the Guangan production line contributed a sales volume of approximately 1 million metric tons. Substantial new capacity off-loaded in the second half of 2011 continued to pressurise cement manufacturers' gross profit margin in the province. The Guangan plant, thus, reported a loss for the period under review.

The Group owns and operates three production lines scattering over the Guizhou province. These facilities together generated a sales volume of 1.5 million metric tons. One of the three production lines in Guizhou remained profitable during the period under review, while the other two facilities incurred losses due to equipment overhaul and lower ASP in the area where the plant was located respectively.

The Group owns 30 per cent interest in two Yunnan cement plants. One of the plants remained profitable, which the other plant incurred a minimal loss during the period under review.

管理層討論及分析 (續)

業務回顧 (續)

西南地區

本集團於重慶、四川及貴州省的廠房歸屬於西南地區業務領域。本集團於該地區的設施於半年期內合共銷售4,600,000公噸產品。

本集團重慶廠房的兩條生產線於回顧期內已全面投產。重慶廠房的銷量較去年同期接近倍升，約達2,100,000公噸。這是主要由於在去年第四季落成的新生產線於回顧期內已進入暢順生產。

重慶廠房的平均售價同比下跌16%。因此，儘管銷量大幅躍升及成本控制得到改善，但該廠房僅錄得微薄的半年溢利。

本集團於四川省廣安的生產線於二零一一年下半年落成。於回顧期內，廣安生產線錄得銷量約1,000,000公噸。於二零一一年下半年大量投入市場的新增產能持續對該省水泥製造商的毛利率造成壓力，廣安廠於回顧期內因而錄得虧損。

本集團於貴州省擁有及經營三條生產線。該等設施合共錄得銷量1,500,000公噸。貴州三條生產線之一，於回顧期內仍錄得溢利，而其餘兩條分別因設備大修及當地平均售價低迷而出現虧損。

本集團擁有雲南兩家水泥廠的30%權益。於回顧期內，其中一家水泥廠仍錄得溢利，而另一家則出現輕微虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Review of Operations (Continued)

Northeastern Region

The Group's Liaoning plant was the only facility reporting an upsurge in ASP year-on-year. The relatively strong ASP was supported by limited supply due to suspension of production during the winter and little additional capacity in the Northeastern region.

The Liaoning plant achieved a 20 per cent year-on-year growth in sales volume, which amounted to approximately 832,000 metric tons. The plant's profit after tax was basically the same as that of the first half of the previous year.

Others

The Group's investment in two slag powder non-wholly owned subsidiaries generated a sales volume of approximately 582,000 metric tons. Suffered from a significant retreat in slag powder prices and rising raw material costs, these two subsidiaries incurred losses during the period under review.

Hong Kong

The Group's Hong Kong operations sold approximately 217,000 metric tons of cement in the half-year period, which was about 8 per cent less than that of same period last year. However, the Hong Kong operations' cement ASP was 7 per cent higher year-on-year due to healthy demand in the territory. The Group's cement and concrete operations continued to provide meaningful profit contribution during the period under review.

Other significant investments held

During the period under review, there was a gain on disposal of overseas listed held-for-trading investments and a joint controlled entity amounting to approximately HK\$4.5 million (30 June 2011: Nil) and HK\$116.6 million (30 June 2011: Nil) respectively. A net decrease in fair value of approximately HK\$2.7 million (30 June 2011: increase in fair value of approximately HK\$41.0 million) was recognised for held-for-trading investments upon stating them at market prices as at 30 June 2012.

管理層討論及分析 (續)

業務回顧 (續)

東北地區

本集團的遼寧廠房是唯一錄得同比平均售價增長的設施。東北地區由於冬季停產及新增產能較少令供應受限，使平均售價相對強勁。

遼寧廠房的銷量同比增加20%至約832,000公噸。該廠房稅後溢利與去年上半年基本持平。

其他

本集團於兩家礦渣粉非全資附屬公司的投資合共錄得銷量約582,000公噸。由於礦渣粉價格大幅回落及原材料成本上升，該兩家附屬公司於回顧期內錄得虧損。

香港

本集團的香港業務於上半年期間銷售水泥約217,000公噸，較去年同期下降約8%。然而，由於香港水泥需求穩健，故香港業務水泥平均售價同比增長7%。本集團之水泥及混凝土業務於回顧期內持續帶來豐厚利潤。

其他所持重大投資

於回顧期內，本集團因出售海外上市持作交易用途之投資及一家共同控制實體產生之收益分別約為4,500,000港元（二零一一年六月三十日：無）及116,600,000港元（二零一一年六月三十日：無）。按於二零一二年六月三十日的市場價格呈列後，已確認持作交易用途之投資之公平值淨減少約2,700,000港元（二零一一年六月三十日：公平值增加約41,000,000港元）。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity, financial resources, capital structure and net gearing ratio

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

The current ratio of the Group as at 30 June 2012 are as follows:

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元
Current assets	流動資產	8,355,654	9,297,158
Current liabilities	流動負債	7,819,527	8,380,865
Current ratio	流動比率	1.07	1.11

The Group's current ratio as at 30 June 2012 was 1.07 (31 December 2011: 1.11). The change in current ratio at 30 June 2012 was mainly attributable to the cash outflow for the capital expenditure during the period under review. The liquidity position is still maintained at a healthy level.

Total cash and bank balances of the Group as at 30 June 2012 amounted to HK\$2,350.8 million (31 December 2011: HK\$3,766.7 million), of which HK\$240.1 million (31 December 2011: HK\$134.3 million) was pledged for general banking facilities or as performance guarantee in relation to certain sales or purchases contracts. Highly liquid short term investments, classified as held-for-trading investments, with a market value of HK\$38.6 million as at 30 June 2012 (31 December 2011: HK\$84.9 million), were also held by the Group.

管理層討論及分析 (續)

流動資金、財務資源、資本架構及淨資產負債比率

本集團採用審慎之庫務政策以管理現金資源及銀行借貸。

本集團於二零一二年六月三十日之流動比率如下：

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元
Current assets	流動資產	8,355,654	9,297,158
Current liabilities	流動負債	7,819,527	8,380,865
Current ratio	流動比率	1.07	1.11

本集團於二零一二年六月三十日之流動比率為1.07(二零一一年十二月三十一日：1.11)。於二零一二年六月三十日之流動比率變動主要由於在回顧期內資本開支之現金流出所致。流動資金狀況仍維持於穩健水平。

於二零一二年六月三十日，本集團之現金及銀行結餘總額為2,350,800,000港元(二零一一年十二月三十一日：3,766,700,000港元)，其中240,100,000港元(二零一一年十二月三十一日：134,300,000港元)已為一般銀行融資作抵押或為就若干銷售或採購合約之履約保證。於二零一二年六月三十日，本集團亦持有市值為38,600,000港元(二零一一年十二月三十一日：84,900,000港元)分類為持作交易用途投資之高流動性短期投資。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity, financial resources, capital structure and net gearing ratio (Continued)

The maturity profile of the Group's bank loans as at 30 June 2012 are repayable as follows:

管理層討論及分析 (續)

流動資金、財務資源、資本架構及淨資產負債比率 (續)

於二零一二年六月三十日，本集團銀行貸款之到期還款概況如下：

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元
Within one year	於一年內	3,589,680	3,771,517
More than one year but not exceeding two years	超過一年但不超過兩年	1,797,643	2,199,867
More than two years but not exceeding five years	超過兩年但不超過五年	6,559,332	5,678,849
Carrying amount of bank loans that are repayable on demand due to breach of loan covenants (shown under current liabilities)	由於違反貸款契約須按要求償還之銀行貸款之賬面值 (列示於流動負債項下)	1,525,000	1,537,500
Carrying amount of a bank loan that is not repayable within one year from the end of the reporting period but contains a repayment on demand clause (shown under current liabilities)	毋須自報告期結束時起一年內償還但載有按要求償還條文之一筆銀行貸款之賬面值 (列示於流動負債項下)	38,850	—
Total bank loans	銀行貸款總額	13,510,505	13,187,733

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity, financial resources, capital structure and net gearing ratio (Continued)

There was no material effect of seasonality on the Group's borrowing requirement. As at 30 June 2012, HK\$2,935.2 million of the bank loans was denominated in HK\$, HK\$6,747.3 million in US\$ and HK\$3,828.0 million in RMB. All of the bank loans are of floating rate structures.

As previously disclosed in the Company's annual report for the year ended 31 December 2011, certain subsidiaries of the Group breached certain financial covenants as stipulated in the loan agreements entered into by the subsidiaries with a total carrying amount of RMB1,250 million (equivalent to HK\$1,525.0 million as at 30 June 2012) and accordingly the amount has been classified as a current liability in the condensed consolidated interim financial statement.

On discovery of the breach, the Directors informed the lenders and commenced renegotiations on the terms of the loans with the relevant banks. Up to the date of the interim results announcement, the Group has obtained a waiver from the relevant banks for such breaches.

The net gearing ratio of the Group as at 30 June 2012 are as follows:

管理層討論及分析 (續)

流動資金、財務資源、資本架構及淨資產負債比率 (續)

本集團之借貸需要並未受到重大季節性影響。於二零一二年六月三十日，銀行貸款中2,935,200,000港元以港元為貨幣單位、6,747,300,000港元以美元為貨幣單位及3,828,000,000港元以人民幣為貨幣單位。所有銀行貸款均為浮動利率模式。

誠如之前於本公司截至二零一一年十二月三十一日止年度之年報所披露，本集團之若干附屬公司違反其所訂立之貸款協議所訂明之若干財務契約，賬面總值為人民幣1,250,000,000元（於二零一二年六月三十日相等於1,525,000,000港元），因此，該金額已於簡明綜合中期財務報表內分類為流動負債。

於發現違約後，董事已知會貸款人並開始與有關銀行重新磋商貸款之條款。截至中期業績公告日期，本集團已就該等違約取得有關銀行之豁免。

本集團於二零一二年六月三十日之淨資產負債比率如下：

		30 June 2012 二零一二年 六月三十日 HK\$'000 千港元	31 December 2011 二零一一年 十二月三十一日 HK\$'000 千港元
Total bank loans	銀行貸款總額	13,510,505	13,187,733
Less: Cash and bank balances, time deposits and pledged bank deposits	減：現金及銀行結餘、定期存款及已抵押銀行存款	(2,350,760)	(3,766,725)
Net borrowings	借貸淨額	11,159,745	9,421,008
Equity attributable to owners of the Company	本公司擁有人應佔權益	14,815,514	14,942,953
Net gearing ratio	淨資產負債比率	75.3%	63.0%

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Liquidity, financial resources, capital structure and net gearing ratio (Continued)

As at 30 June 2012, the Group's net gearing ratio, expressed as the ratio of net borrowings divided by equity attributable to owners of the Company, was 75.3% (31 December 2011: 63.0%). The change in the Group's net gearing ratio was mainly attributable to the new bank loans raised by the Group for the capital expenditure during the period under review. The net gearing ratio as at 30 June 2012 maintained at a healthy level.

Significant investments, material acquisitions or disposals

During the period under review, the Group acquired property, plant and equipment of approximately HK\$826.2 million of which HK\$154.9 million was arising from the acquisition of subsidiaries.

On 26 May 2011, the Group has entered into a conditional agreement (the "Framework Agreement") with an independent third party to acquire the entire equity interest of three PRC companies, in Guigang, Jiangsu and Yingde, which are engaged in the provision of limestone quarrying services to support some of our existing subsidiaries in the PRC. The consideration amounted to NTD1,600,000,000 together with working capital consideration, in aggregate equivalent to approximately HK\$506,322,000, which were satisfied by cash and were payable under the terms of the Framework Agreement. The acquisition has completed on 31 March 2012.

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

管理層討論及分析 (續)

流動資金、財務資源、資本架構及淨資產負債比率 (續)

於二零一二年六月三十日，本集團之淨資產負債比率（以借貸淨額除以本公司擁有人應佔權益之比率表示）為75.3%（二零一一年十二月三十一日：63.0%）。本集團之淨資產負債比率變動乃主要由於在回顧期內本集團為資本支出籌集之新銀行貸款所致。於二零一二年六月三十日，淨資產負債比率維持在穩健水平。

重大投資、重大收購或出售事項

於回顧期內，本集團購入物業、廠房及設備約826,200,000港元，其中154,900,000港元乃自收購附屬公司所產生。

於二零一一年五月二十六日，本集團與獨立第三方訂立一份有條件協議（「框架協議」）以收購三間中國公司（於貴港、江蘇及英德）之全部股權，該等公司於中國為本集團若干現有附屬公司提供石灰石開採服務。代價為新台幣1,600,000,000元，連同營運資金代價合共相等於約506,322,000港元，已以現金方式並根據框架協議之條款支付。該收購已於二零一二年三月三十一日完成。

除上文所述者外，本集團概無其他重大投資、重大收購或出售事項。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Disputes with the non-controlling shareholders of the Manufacturing Companies of Scitus Cement

Arbitrations in the PRC

After completion of the acquisition of approximately 97.94% issued share capital of Scitus Cement on 6 January 2012, the Group was unexpectedly not able to obtain the management control over its Manufacturing Companies in PRC. The Group's representatives could not gain access to the office and were not able to secure possession of the company chops and certain books and records of these companies.

On 13 February 2012, the Group received copies of arbitration notices issued by China International Economic and Trade Arbitration Commission dated 10 February 2012 together with the relevant arbitration applications in respect of certain pre-emptive rights held by non-controlling shareholders in the Manufacturing Companies under the relevant joint venture agreements.

In view of the notices received, the Group has obtained legal advice and the arbitrations are in the process. The Group will continue to pursue the above arbitrations in order to gain management control over the Manufacturing Companies in the foreseeable future. Further announcement(s) concerning further developments of the arbitrations will be made as and when appropriate.

管理層討論及分析 (續)

與賽德水泥之製造公司非控股股東之糾紛

於中國之仲裁

於二零一二年一月六日完成收購賽德水泥約97.94%之已發行股本後，本集團意外地無法取得其中國製造公司之管理控制權。本集團之代表無法進入該等公司之辦公室且無法保證取得公司印鑑以及若干賬簿及記錄。

於二零一二年二月十三日，本集團收到中國國際經濟貿易仲裁委員會於二零一二年二月十日出具之仲裁通知副本，連同就非控股股東根據相關合資協議於製造公司持有之若干優先購買權之相關仲裁申請。

鑑於已收到該通知，本集團已取得法律意見及仲裁正在進行。本集團將繼續跟進上述仲裁以於可見將來取得製造公司之管理控制權。本公司將於適當時候就仲裁之進一步進展作出進一步公佈。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Use of proceeds

As stated in the prospectus dated 9 November 2011, the Group had plans to use the proceeds obtained from the Open Offer. All the proceeds have been fully used as planned as at 30 June 2012. The proceeds used during the period ended 30 June 2012 and the residual balance to be used as at 30 June 2012 are as follows:

管理層討論及分析 (續)

所得款項用途

誠如於二零一一年十一月九日之發售章程所述，本集團計劃使用公開發售取得之所得款項。所有所得款項已於二零一二年六月三十日按計劃悉數動用。於截至二零一二年六月三十日止期間已使用之所得款項及於二零一二年六月三十日將予使用之餘額如下：

	Residual balance to be used as at 1 January 2012 於二零一二年 一月一日 將予使用之餘額 HK\$million 百萬港元	Used as planned during the period 於期內 按計劃使用 HK\$million 百萬港元	Residual balance to be used as at 30 June 2012 於二零一二年 六月三十日 將予使用之餘額 HK\$million 百萬港元
Share acquisition and repayment of certain shareholder loans under the Scitus Acquisition			
根據賽德收購事項進行 股份收購及償還若干 股東貸款	1,328.0	(1,328.0)	—

Charge on assets

As at 30 June 2012, bank deposits amounting to HK\$240.1 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 or as performance guarantee in relation to certain sales or purchases contracts.

As at 30 June 2012, certain property, plant and equipment, prepaid lease payments and mining rights have been pledged to secure bank loans of the Group with the carrying amount of approximately HK\$3,430.5 million, HK\$783.4 million and HK\$111.3 million respectively.

質押資產

於二零一二年六月三十日，240,100,000 港元之銀行存款已由本集團抵押作為就本集團購置廠房設備之信用證及銀行提供類似責任之抵押或作為就若干銷售或採購合約之履約保證。

於二零一二年六月三十日，賬面金額分別約為3,430,500,000港元、783,400,000港元及111,300,000港元之若干物業、廠房及設備、預付租賃款項及採礦權已作抵押，以為本集團取得銀行貸款。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Foreign currency exposures

The Group utilized various methods to mitigate foreign currency exposures attributable to the bank balances and bank loans, which were denominated in currencies other than the functional currency of the entity to which these bank balances and bank loans were related. 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 2012.

Major capital commitments

As at 30 June 2012, the Group's capital expenditure in respect to the following items contracted but not provided for in the condensed consolidated interim financial statements are as follows:

		HK\$'000 千港元
Acquisition of property, plant and equipment	購買物業、廠房及設備	585,571
Acquisition of subsidiaries	收購附屬公司	207,400
		<u>792,971</u>

The Group anticipates funding those commitments from its internal resources and bank borrowings.

Employees

As at 30 June 2012, the Group had 7,875 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2012 amounted to HK\$252.3 million. Discretionary bonuses, recommended by management and reviewed by the remuneration committee, are payable to employees in Hong Kong and senior management of subsidiaries based on performance. In addition, the 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. As at 30 June 2012, 34,730,000 share options were outstanding.

管理層討論及分析 (續)

外幣風險

本集團運用不同方法以減低因該等銀行結餘及銀行貸款以有關實體之功能貨幣以外之貨幣計值而引致之外幣風險。為保障股東利益，於日後進行外幣交易時將考慮具有成本效益之對沖方法。

於二零一二年六月三十日，並無任何未完成之外匯兌換合約。

主要資本承擔

於二零一二年六月三十日，本集團就下列各項之已訂約但未於簡明綜合中期財務報表撥備之資本支出如下：

	HK\$'000 千港元
Acquisition of property, plant and equipment	585,571
Acquisition of subsidiaries	207,400
	<u>792,971</u>

本集團預期以其內部資源及銀行借貸撥付該等承擔。

僱員

於二零一二年六月三十日，本集團共有7,875名全職僱員。本集團於截至二零一二年六月三十日止期間之工資及薪金開支總額達252,300,000港元。管理層可按香港僱員及附屬公司之高級管理層之表現建議向彼等發放酌情花紅，並由薪酬委員會進行審閱。此外，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。於二零一二年六月三十日，34,730,000份購股權尚未行使。

PROSPECTS

The weakened domestic economy has raised the concern of the State government. Affirmation from State leaders to ensure the country's stable economic development has been translated into relaxation of credit control, reduction in interest rate and promotion of fixed asset investment.

The aggressive bidding for prime sites in first and second tier cities indicated a more optimistic sentiment in the domestic property market. The acceleration in affordable housing development and the enormous amount of capital pouring into the public sector construction would be able to sustain heavy cement consumption for the rest of the year.

While ASP remained soft in July, there was a general expectation for a more stable ASP by September with the arrival of the industry's peak season and the commencement of massive infrastructure development approved in the second quarter of this year.

The Group will be able to further lower its costs, taking advantage of sliding coal prices. On the other hand, the Group's upstream expansion to limestone quarrying has already demonstrated its effect on cost compression.

The Group's plan for a new cement production base in Shaoguan, in the northern part of Guangdong province, is seeking to obtain government approval. The development of the Group's grinding mill in Dongguan, Guangdong province has been progressing according to schedule, with environmental evaluation of the project being approved in the second quarter of the year.

Under a volatile economic environment, the Group has exerted stringent risk management measures and a more conservative approach in capital resource application. While the Group continues to identify opportunities for merger and acquisition, this will be conducted in a prudent and cautious manner.

展望

國內經濟偏軟已引起中央政府高度關注。中央領導人確保國家經濟穩定發展的決心，已體現於放寬信貸管制、調低利率及推動固定資產投資等措施。

房地產開發商於一、二線城市積極競投位於主要地段之土地，顯示國內物業市場氣氛趨向較為樂觀。政府加快保障性住房開發及大量資本投放於公營部門建設，將可於下半年度維持大量水泥消耗量。

儘管水泥平均售價於七月份仍然疲弱，但隨著水泥行業旺季來臨及於本年度第二季度大規模基礎設施建設獲批動工，普遍預期平均售價於九月份將更趨穩定。

本集團將掌握煤炭價格下滑機遇，進一步降低其成本。另一方面，本集團向上游拓展石灰石開採業務已顯現壓減成本的成效。

本集團於粵北的韶關建設新水泥生產基地的計劃，現正在申請相關政府批文。本集團於廣東省東莞粉磨設施的建設進度正依計劃而行，並於今年第二季通過了政府的環境評估。

在經濟環境不穩的情況下，本集團正實施嚴格風險管理措施，並在資金資源運用上採用較為保守的方針。本集團將以小心謹慎的態度繼續物色併購機遇。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2012, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were 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 or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

(i) Long positions in ordinary shares of the Company as at 30 June 2012

Name of Directors	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued ordinary share capital 佔本公司已發行普通股股本之百分比
董事姓名	持有權益之身份及性質	所持普通股數目	
KOO, Cheng-Yun, Leslie 辜成允	Directly beneficially owned 直接實益擁有	66,061,019 (note 1) (附註1)	2.00%
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%
		74,711,019	2.26%

note:

- 40,215,000 ordinary shares were directly beneficially owned by KOO, Cheng-Yun, Leslie. Additional 17,828,019 and 8,018,000 ordinary shares were also held by two corporations which are 49.85% and 49.39% beneficially owned by KOO, Cheng-Yun, Leslie respectively.

董事及行政總裁於證券之權益

於二零一二年六月三十日，本公司之董事及行政總裁擁有於本公司或其任何相聯法團（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或淡倉（包括根據證券及期貨條例之該等條文董事被視作或視為擁有之權益或淡倉）；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淡倉；或根據上市公司董事進行證券交易的標準守則（「標準守則」），須知會本公司及聯交所之權益或淡倉如下：

(i) 於二零一二年六月三十日，於本公司普通股之好倉

附註：

- 辜成允直接實益擁有40,215,000股普通股。同時，辜成允分別實益擁有49.85%及49.39%權益之兩間公司分別持有額外17,828,019股及8,018,000股普通股。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES (Continued)

(i) Long positions in ordinary shares of the Company as at 30 June 2012 (Continued)

The interests of the Directors in the share options of the Company are separately disclosed in Note 18 to the condensed consolidated interim financial statements.

(ii) Long positions in shares and underlying shares of associated corporations as at 30 June 2012

Taiwan Cement Corporation ("T'Cement") *

董事及行政總裁於證券之權益 (續)

(i) 於二零一二年六月三十日，於本公司普通股之好倉 (續)

董事於本公司購股權之權益單獨披露於簡明綜合中期財務報表附註18內。

(ii) 於二零一二年六月三十日，於相聯法團股份及相關股份之好倉

台灣水泥股份有限公司 (「T'Cement」) *

Name of Directors 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 約佔股權百分比
	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	42,827,543	91 (note 1) (附註1)	183,538,052 (note 2) (附註2)	226,365,686	6.13%
WU Yih Chin 吳義欽	101,944	–	–	101,944	0.01%
CHANG, An-Ping, Nelson 張安平	156,573	3,059,817 (note 1) (附註1)	7,155,821 (note 3) (附註3)	10,372,211	0.28%
LIAO Poon Huai, Donald 廖本懷	12,616	789,293 (note 1) (附註1)	–	801,909	0.02%
CHIH Ching Kang, Kenneth 池慶康	50,000	–	–	50,000	0.01%

* The ultimate holding company of the Company

* 本公司之最終控股公司

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES (Continued)

(ii) Long positions in shares and underlying shares of associated corporations as at 30 June 2012 (Continued)

notes:

- (1) The shares are held by the respective Directors' spouses as the registered and beneficial shareholders.
- (2) KOO, Cheng-Yun, Lesile, was interested in companies controlled by him, which held an aggregate of 183,538,052 shares of T'Cement.
- (3) CHANG, An-Ping, Nelson, was interested in companies controlled by him, which held an aggregate of 7,155,821 shares of T'Cement.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 30 June 2012, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the details as disclosed under the share option scheme disclosure in Note 18 to the condensed consolidated interim financial statements, at no time during the period, there 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 the Directors; 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.

董事及行政總裁於證券之權益 (續)

(ii) 於二零一二年六月三十日，於相聯法團股份及相關股份之好倉 (續)

附註：

- (1) 股份由各董事之配偶作為登記及實益股東持有。
- (2) 辜成允於彼所控制之公司中擁有權益，而有關公司合共持有T'Cement之183,538,052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T'Cement之7,155,821股股份。

除上文所披露者外，於二零一二年六月三十日，本公司之董事或行政總裁概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部，須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之該等條文被視作或視為擁有之權益或淡倉）；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淡倉；或根據標準守則，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

除根據簡明綜合中期財務報表附註18之購股權計劃披露所披露之詳情外，本期間內任何董事或彼等各自之配偶或未成年子女概未獲授權透過購入本公司股份或債券而得益，亦無董事行使該等權利；本公司或其任何控股公司、同系附屬公司及附屬公司概無參與任何安排，致使董事可收購任何其他公司之該等權利。

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

So far as is known to any Director or chief executive of the Company, as at 30 June 2012, shareholders (other than Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO, were as follows:

(i) Long position in the ordinary shares as at 30 June 2012

Name of shareholders	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's total issued ordinary share capital 佔本公司已發行普通股股本總額之百分比
股東名稱	持有權益之身份及性質	所持普通股數目	
TCC International Limited ("TCCI")	Directly beneficially owned 直接實益擁有	1,861,802,000	56.49%
T'Cement (note 1) T'Cement (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	521,899,500	15.84%
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	521,899,500	15.84%

notes:

- (1) T'Cement was interested in the shares of the Company by virtue of its beneficial ownership of the entire issued share capital of TCCI.
- (2) Chia Hsin Cement was interested in the shares of the Company held by its subsidiary, CHPL.

擁有須申報權益之股東

就本公司之董事或行政總裁所知，於二零一二年六月三十日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部之規定須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條置存之登記冊內之權益或淡倉之股東（本公司之董事及行政總裁除外）如下：

(i) 於二零一二年六月三十日，於普通股之好倉

附註：

- (1) T'Cement因實益擁有TCCI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。

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

(Continued)

(ii) Long positions in the underlying shares of the convertible preference shares of the Company as at 30 June 2012

Name of shareholders	Number of the underlying ordinary shares held	Percentage of the Company's total issued ordinary share capital
股東名稱	所持相關普通股數目	佔本公司已發行普通股股本總額之百分比
TCCI	494,251,511	15.0%
T'Cement (note 1) T'Cement (附註1)	494,251,511	15.0%

note:

- (1) T'Cement is deemed to be interested in the underlying shares of the convertible preference shares of the Company held by TCCI as TCCI is wholly-owned by T'Cement.

Save as disclosed above, as at 30 June 2012, the Company had not been notified by any persons (other than Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

擁有須申報權益之股東 (續)

(ii) 於二零一二年六月三十日，於本公司可轉換優先股之相關股份之好倉

Number of the underlying ordinary shares held	Percentage of the Company's total issued ordinary share capital
所持相關普通股數目	佔本公司已發行普通股股本總額之百分比
494,251,511	15.0%
494,251,511	15.0%

附註:

- (1) T'Cement因全資擁有TCCI而被視為擁有TCCI所持有之本公司可轉換優先股之相關股份之權益。

除上述披露者外，於二零一二年六月三十日，概無任何人士（本公司之董事及行政總裁除外）曾知會本公司擁有根據證券及期貨條例第XV部第2及3分部之規定須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條置存之登記冊內之權益或淡倉。

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2012.

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 an amendment to loan agreement dated 30 July 2009 and 30 June 2010, respectively, between the Company and certain banks relating to a three-year term loan facility of HK\$750,000,000 and further extended for another two years, a loan agreement dated 3 September 2010 between the Company and certain banks relating to a three-year term loan facility of HK\$1,920,000,000, and a loan agreement dated 14 December 2011 between the Company and certain banks relating to a five-year term loan facility of US\$550,000,000, 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 2 December 2011 between the Company and a bank relating to a two-year loan facility of HK\$128,000,000, and a loan agreement dated 22 June 2011 between the Company and a bank relating to a three-year loan facility of US\$40,000,000, 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.

購買、出售或贖回本公司之上市證券

截至二零一二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及其後伸延多兩年、本公司與若干銀行在二零一零年九月三日訂立有關1,920,000,000港元之三年期貸款融資之貸款協議，以及本公司與若干銀行在二零一一年十二月十四日訂立有關550,000,000美元之五年期貸款融資之貸款協議，如(i)T'Cement終止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二零一一年十二月二日訂立有關128,000,000港元之兩年期貸款融資之貸款協議及本公司與一間銀行在二零一一年六月二十二日訂立有關40,000,000美元之三年期貸款融資之貸款協議，如(i)T'Cement終止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。

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

Pursuant to a loan agreement dated 26 April 2012 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, 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 recognises the value and importance of achieving good corporate governance standards to enhance corporate performance, sound internal control, transparency and accountability to the shareholders. The board of directors and the management of the Company are committed to adhere to the principles of corporate governance and adopt good corporate governance practices and procedures to meet the legal and commercial standards by focusing on areas such as internal control, fair disclosure and accountability to all shareholders.

Save as disclosed below, the Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (“CG Code”) during the period from 1 April 2012 to 30 June 2012 as set out in the Appendix 14 to the Listing Rules on the Stock Exchange. In respect of code provision A6.7 of the CG Code, three non-executive Directors and two independent non-executive Directors were not in a position to attend the annual general meeting of the Company held on 25 May 2012 due to an overseas commitment. In respect of code provision A4.1 stipulate that non-executive directors should be appointed for a specific term and directors should have formal letters of appointment. The non-executive Directors are not appointed for a specific term and do have a formal letters of appointment but 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.

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二零一二年四月二十六日訂立有關40,000,000港元之一年期貸款融資之貸款協議，如T’Cement終止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

本公司認同實現高標準的企業管治以提高企業業績、健全之內部監控、以及對全體股東之透明度及問責性的價值及重要性。本公司董事會及管理層致力於遵守企業管治原則及採納有效的企業管治常規及程序，如專注於內部監控、公平的披露及對全體股東的問責性等範疇，以達到法律上及商業上的標準。

除下文所披露者外，本公司已應用聯交所上市規則附錄十四之企業管治常規守則（於二零一二年一月一日至二零一二年三月三十一日期間）及企業管治守則（「企業管治守則」）（於二零一二年四月一日至二零一二年六月三十日期間）所載原則，並已遵守所有守則條文及（如適用）建議最佳常規。就企業管治守則第A6.7條之守則條文而言，三名非執行董事及兩名獨立非執行董事因須離港未克出席於二零一二年五月二十五日舉行之本公司股東週年大會。就守則條文第A4.1條而言，規定非執行董事的委任應有指定任期，並應有正式的董事委任書。非執行董事無特定任期，但有正式的董事委任書，並須根據本公司的組織章程細則條文於本公司股東週年大會上輪值告退及重選連任，且彼等到期重選連任時須檢討其委任。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding its directors' securities transactions on the Company's shares. The Company has made specific enquiries to all the Directors and confirmation has been received from all Directors that they have complied with the required standards set out in the Model Code and its code of conduct regarding securities transactions by directors throughout the period ended 30 June 2012.

AUDIT COMMITTEE

The Company's Audit Committee has been established since 1999 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code. The Audit Committee 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 condensed consolidated interim financial statements of the Group for the six months ended 30 June 2012.

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

16 August 2012

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之標準守則，作為其本身有關其董事就本公司股份進行證券交易之操守準則。本公司已向全體董事作出具體查詢及已收到全體董事確認，彼等於截至二零一二年六月三十日止整個期間，一直遵守標準守則及有關董事進行證券交易之行為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，並根據現行企業管治守則的條文制定書面職權範圍及已不時作出修訂。審核委員會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二零一二年六月三十日止六個月之未經審核簡明綜合中期財務報表。

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

二零一二年八月十六日