

TCC International Holdings Limited

台泥國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：1136

Interim Report

2014

中期報告



RESULTS

The Board 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 2014, which are unaudited but have been reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2013, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER 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」)截至二零一四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，連同二零一三年同期之未經審核比較數字如下：

簡明綜合損益及其他全面收益表

			Six months ended 30 June 截至六月三十日止六個月	
			2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註		
Revenue	收益	3	6,785,332	5,477,600
Cost of sales	銷售成本		(4,657,347)	(4,332,889)
Gross profit	毛利		2,127,985	1,144,711
Investment income	投資收入		25,241	18,960
Other income, gains and losses	其他收入、收益及虧損		(29,141)	227,204
Selling and distribution expenses	銷售及分銷開支		(307,537)	(282,058)
General and administrative expenses	一般及行政開支		(367,990)	(302,071)
Finance costs	融資成本	4	(149,685)	(168,100)
Share of profits of associates	應佔聯營公司之溢利		1,298,873	638,646
Share of loss of a joint venture	應佔一間合營公司之虧損		116,511	62,467
			—	(107)
Profit before tax	除稅前溢利	5	1,415,384	701,006
Income tax expense	所得稅支出	6	(369,436)	(110,219)
Profit for the period	期內溢利		1,045,948	590,787
Other comprehensive (expense) income, net of income tax	其他全面(開支)收益，扣除所得稅			
Items that will not be reclassified to profit or loss:	不會重新分類至損益之項目：			
Exchange differences arising on translation to presentation currency	換算為呈列貨幣產生之匯兌差額		(518,125)	269,189
Share of other comprehensive income of associates	應佔聯營公司之其他全面收益		667	1,335
Other comprehensive (expense) income for the period, net of income tax	期內其他全面(開支)收益，扣除所得稅		(517,458)	270,524
Total comprehensive income for the period	期內全面收益總額		528,490	861,311

**CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME** (Continued)

簡明綜合損益及其他全面收益表
(續)

Six months ended 30 June
截至六月三十日止六個月

		Note 附註	2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit for the period attributable to:	應佔期內溢利：			
Owners of the Company	本公司擁有人		1,036,072	577,033
Non-controlling interests	非控股權益		9,876	13,754
			1,045,948	590,787
Total comprehensive income attributable to:	應佔全面收益總額：			
Owners of the Company	本公司擁有人		526,394	840,608
Non-controlling interests	非控股權益		2,096	20,703
			528,490	861,311
Earnings per share	每股盈利	7		
– Basic	— 基本		HK27.0 cents 港仙	HK14.3 cents港仙
– Diluted	— 攤薄		HK27.0 cents 港仙	HK14.3 cents港仙

CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

簡明綜合財務狀況表

			30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	16,392,733	17,045,737
Prepaid lease payments	預付租賃款項	10	1,893,078	1,882,811
Intangible assets	無形資產		3,111,364	3,179,788
Mining rights	採礦權		418,597	441,630
Interests in associates	聯營公司權益		1,668,432	1,711,627
Interest in a joint venture	一間合營公司權益		12,500	12,800
Other financial assets	其他金融資產		94,004	105,798
Deposits paid for 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		296,824	312,376
Available-for-sale investments	可供出售投資		45,193	45,193
Pledged bank deposits	已抵押銀行存款		18,530	10,217
Deferred tax assets	遞延稅項資產		36,249	39,547
			23,987,504	24,787,524
Current assets	流動資產			
Inventories	存貨		1,232,190	1,285,513
Prepaid lease payments	預付租賃款項	10	52,967	51,998
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		1,277,178	1,422,821
Trade receivables	應收貿易賬款	11	3,879,314	4,025,362
Tax recoverables	可收回稅項		758	6,830
Held-for-trading investments	持作交易用途之投資		46,375	49,287
Pledged bank deposits	已抵押銀行存款		3,261	10,436
Cash and bank balances	現金及銀行結餘		3,678,951	3,066,954
			10,170,994	9,919,201

**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION** (Continued)

簡明綜合財務狀況表 (續)

			30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		<i>Notes 附註</i>		
Current liabilities	流動負債			
Trade payables	應付貿易賬款	12	1,209,462	1,274,580
Other payables and accrued liabilities	其他應付款項及應計負債		1,513,578	1,756,492
Tax payables	應付稅項		211,417	230,044
Bank loans	銀行貸款	13	6,908,108	5,752,612
Derivative financial instruments – warrants	衍生金融工具 – 認股權證	14	277	–
			9,842,842	9,013,728
Net current assets	流動資產淨值		328,152	905,473
Total assets less current liabilities	總資產減流動負債		24,315,656	25,692,997
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	13	5,257,786	7,000,118
Amount due to immediate holding company	應付直屬控股公司款項		930,000	635,500
Derivative financial instruments – warrants	衍生金融工具 – 認股權證	14	–	5,780
Deferred tax liabilities	遞延稅項負債		360,217	365,298
			6,548,003	8,006,696
			17,767,653	17,686,301
Capital and reserves	股本及儲備			
Share capital – ordinary shares	股本 – 普通股		329,565	329,565
Share capital – non-redeemable convertible preference shares	股本 – 不可贖回可轉換優先股		49,433	49,433
Reserves	儲備		17,105,325	17,026,069
Equity attributable to owners of the Company	本公司擁有人應佔權益		17,484,323	17,405,067
Non-controlling interests	非控股權益		283,330	281,234
			17,767,653	17,686,301

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	Share capital – convertible preference shares	Share premium	Share option reserve	Contributed surplus	Capital redemption reserve	Land and building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	Other reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
	股本 – 普通股	股本 – 可轉換優先股	股份溢價	購股權儲備	撥入盈餘	贖回儲備	土地及樓宇重估儲備	外匯浮動儲備	法定儲備基金	其他儲備	保留盈利	總計	非控股權益	權益總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2013	329,555	49,133	10,547,971	29,338	208,263	5,130	57,837	1,480,170	163,363	3,186	2,539,104	15,413,360	371,227	15,784,587
Profit for the period	-	-	-	-	-	-	-	-	-	-	577,033	577,033	13,754	590,787
Exchange differences arising on translation of presentation currency	-	-	-	-	-	-	-	262,240	-	-	-	262,240	6,949	269,189
Share of other comprehensive income of associates	-	-	-	-	-	-	-	36	-	1,299	-	1,335	-	1,335
Total comprehensive income for the period, net of tax	-	-	-	-	-	-	-	262,276	-	1,299	577,033	840,608	20,703	861,311
Recognition of equity settled share-based payment	-	-	-	2,153	-	-	-	-	-	-	-	2,153	-	2,153
Payment of dividends	-	-	-	-	-	-	-	-	-	-	(170,549)	(170,549)	-	(170,549)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	-	-	(12,045)	(12,045)	-	(12,045)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(6,300)	(6,300)
Acquisition of additional interests in subsidiaries	-	-	-	-	-	-	-	-	-	(18,402)	-	(18,402)	(31,988)	(50,400)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	47,323	47,323
At 30 June 2013	329,555	49,133	10,547,971	31,491	208,263	5,130	57,837	1,742,446	163,363	(13,917)	2,933,543	16,055,125	400,955	16,456,080

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	Share capital – convertible preference shares	Share premium	Share option reserve	Contributed surplus	Capital redemption reserve	Land and building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	Non-controlling interests
	股本 – 普通股	股本 – 可轉換優先股	股份溢價	購股權儲備	撥入盈餘	贖回儲備	資本重估儲備	外匯浮動儲備	法定儲備基金	非控股權益
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2014	329,565	49,433	10,547,971	34,803	208,263	5,130	60,251	2,152,256	177,291	17,405,067
Profit for the period	-	-	-	-	-	-	-	-	-	281,234
Exchange differences arising on translation to presentation currency	-	-	-	-	-	-	-	(510,345)	-	1,036,072
Share of other comprehensive income of associates	-	-	-	-	-	-	-	121	-	667
Total (comprehensive (expense) income for the period, net of tax	-	-	-	-	-	-	-	(510,224)	-	2,096
Recognition of equity settled share-based payment	-	-	-	748	-	-	-	-	-	748
Share options lapsed	-	-	-	(35,551)	-	-	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	-	-	(435,847)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	-	-
At 30 June 2014	329,565	49,433	10,547,971	-	208,263	5,130	60,251	1,642,032	177,291	17,866,301

CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS

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

		2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash generated from operating activities	經營活動所得之現金淨額	1,766,769	987,418
Cash flows from investing activities	投資活動之現金流量		
Interest received	已收利息	21,703	22,367
Dividends received from associates	已收聯營公司股息	75,204	93,184
Dividends received from listed equity investments	已收上市股本投資股息	594	433
Purchase of property, plant and equipment	購買物業、廠房及設備	(369,057)	(302,041)
Payment for prepaid lease payments	支付預付租賃款項	(10,886)	(11,767)
Payment for acquisition of associates	支付收購聯營公司款項	(4,249)	(14,497)
Purchase of intangible assets	購買無形資產	(4,348)	(924)
Purchase of mining rights	購買採礦權	(3,445)	(70,598)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	2,032	190
Proceeds from disposal of available-for-sale investments	出售可供出售投資之所得款項	—	410,166
Deposits received for assets held for sale	持作出售資產之已收訂金	—	24,516
Capital injections in an associate	一間聯營公司之資本注入	—	(35,835)
Advance to an associate	墊支一間聯營公司	—	(1,103)
Advance to investee companies	墊支被投資公司	—	(483,854)
Advance to joint ventures	墊支合營公司	(34)	(1,689)
Advance to loan receivables	墊支應收貸款	—	(15,241)
Repayment of advance to an associate	一間聯營公司償還墊款	1,135	—
Repayment of loan receivables	償還應收貸款	6,683	246,881
Placement of pledged bank deposits	存置已抵押銀行存款	(9,795)	(3,623)

**CONDENSED CONSOLIDATED STATEMENT OF
CASH FLOWS** *(Continued)*
簡明綜合現金流量表 (續)
Six months ended 30 June

截至六月三十日止六個月

		2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	8,162	170,106
Placement of time deposits	存置定期存款	—	(300)
Net cash inflow from acquisition of subsidiaries	收購附屬公司之現金流入淨額	—	43,486
Net cash (used in) generated from investing activities	投資活動(所用)所得之現金淨額	(286,301)	69,857
Net cash used in financing activities	融資活動所用之現金淨額	(813,219)	(1,638,672)
Net increase (decrease) in cash and cash equivalents	現金及現金等值增加(減少)淨額	667,249	(581,397)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	3,066,954	2,876,778
Effect of foreign exchange rate changes	外匯匯率變動之影響	(55,252)	29,647
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	3,678,951	2,325,028

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as 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”).

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.

The accounting policies used in preparing the condensed consolidated financial statements for the six months ended 30 June 2014 are consistent with those used in the Group’s consolidated financial statements as set out in the Company’s annual report for the year ended 31 December 2013 (the “2013 Financial Statements”), except for the amendments and interpretations of Hong Kong Financial Reporting Standards (“New HKFRSs”) issued by the HKICPA which have become effective in this period as detailed in Note 2 of the 2013 Financial Statements. The adoption of such New HKFRSs has no material impact on the accounting policies in the Group’s interim financial statements for the period.

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

1. 編製基準

簡明綜合財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」以及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。

除由香港會計師公會頒佈，並於本會計期間生效之香港財務報告準則的多項修訂及詮釋（「新香港財務報告準則」）外，編製截至二零一四年六月三十日止六個月之簡明綜合財務報表所採用之會計政策與本公司截至二零一三年十二月三十一日止年度之年報所載之本集團之綜合財務報表（「二零一三年財務報表」）所採用之會計政策一致。該等新香港財務報告準則已詳列於二零一三年財務報表附註2。採納該等新香港財務報告準則對本集團於本期間之中期財務報表的會計政策並無重大影響。

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類安排及管理。本集團各經營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經營分部有所不同。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)

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)

		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	
		2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Segment revenue	分部收益								
Sales to customers	銷售予客戶	186,507	152,697	6,598,825	5,324,903	-	-	6,785,332	5,477,600
Segment profit (loss)	分部溢利 (虧損)	32,311	24,166	1,409,489	551,190	(9,730)	(13,416)	1,432,070	561,940
Gain on disposal of available-for-sale investments	出售可供出售投資之 收益							-	136,051
Unallocated central administration costs	未分配中央行政成本							(9,943)	(6,340)
Unallocated other income, gains and losses	未分配其他收入、 收益及虧損							26,431	115,095
Finance costs	融資成本							1,448,558	806,746
Share of profits of associates	應佔聯營公司之溢利							(149,685)	(168,100)
Share of loss of a joint venture	應佔一間合營公司之 虧損							116,511	62,467
								-	(107)
Profit before tax	除稅前溢利							1,415,384	701,006

The accounting policies of the operating 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, gains and losses, gain on disposal of available-for-sale investments, finance costs, share of profits of associates and share of loss of a joint venture. This is the measure reported to the executive Directors, being the chief operating decision makers, for the purposes of resource allocation and performance assessment.

There are no inter-segment sales for both periods.

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

經營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、收益及虧損、出售可供出售投資之收益、融資成本、應佔聯營公司之溢利及應佔一間合營公司之虧損之情況下，各分部所賺取之溢利。此為向執行董事 (即主要經營決策者) 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。

本集團並無作出按經營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。

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	
		2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on:	以下之利息：		
Bank loans wholly repayable within five years	須於五年內全數償還之銀行貸款	145,131	165,658
Loan from immediate holding company	應付直屬控股公司之貸款	5,585	2,442
Total borrowing costs	總借貸成本	150,716	168,100
Less: Amounts capitalised in construction in progress	減：於在建工程中資本化金額	(1,031)	—
		149,685	168,100

Borrowing costs capitalised arose on specific borrowings to finance the construction in progress during the period ended 30 June 2014.

於截至二零一四年六月三十日止期間資本化之借貸成本均源自為在建工程提供資金之特定借貸。

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	
		2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 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	545,111	515,177
Amortisation of prepaid lease payments	預付租賃款項攤銷	25,650	27,043
Amortisation of intangible assets	無形資產攤銷	2,201	8,127
Amortisation of mining rights	採礦權攤銷	17,651	12,078
Change in fair value of derivative financial instruments – warrants	衍生金融工具－認股權證之公平值變動	(5,503)	(4,659)
Change in fair value of held-for-trading investments	持作交易用途之投資公平值變動	2,912	10,135
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	—	(136,051)
Impairment losses of inventories	存貨之減值虧損	59,422	—
Impairment losses recognised in respect of loan and other receivables	有關應收貸款及其他應收款項之已確認減值虧損	27,273	—
Net exchange loss (gain)	匯兌淨虧損(收益)	58,990	(73,021)

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	
		2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	當期稅項：		
Hong Kong	香港	5,832	4,467
PRC Enterprise Income Tax	中國企業所得稅	320,236	106,859
Withholding tax	預扣稅	52	43
		326,120	111,369
Under (over) provision in prior years:	過往年度撥備不足(超額)：		
Hong Kong	香港	-	(7)
PRC Enterprise Income Tax	中國企業所得稅	37,202	1,677
Other jurisdictions	其他司法權區	-	224
		37,202	1,894
Deferred tax	遞延稅項	6,114	(3,044)
		369,436	110,219

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. Taxation arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅乃根據兩個期內之估計應課稅溢利按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)

7. Earnings per Share

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

Earnings for the purposes of basic and diluted earnings per share

簡明綜合中期財務報表附註 (續)

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	
		2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 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	1,036,072	577,033
Less: Preferred distribution to convertible preference shareholders	減：優先分派予可轉換優先股股東	(12,039)	(12,045)
Undistributed earnings attributed to convertible preference shares	可轉換優先股應佔之未分派盈利	(133,567)	(94,755)
		890,466	470,233

Number of shares

股份數目

		30 June 2014 二零一四年 六月三十日 '000 千股 (Unaudited) (未經審核)	30 June 2013 二零一三年 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	3,295,643	3,295,643

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

- i) the exercise of the Company's outstanding options as at 30 June 2013 because the exercise price of those options was higher than the average market price for the corresponding period;
- ii) the exercise of the outstanding warrants because the exercise price of those warrants was higher than the average market price for the corresponding period; and
- iii) the conversion of the outstanding convertible preference shares because their exercise would result in an increase in earnings per share.

計算每股攤薄盈利時並無以下假設：

- i) 於二零一三年六月三十日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）；
- ii) 行使尚未行使之認股權證（由於相關期間內該等認股權證之行使價高於平均市價）；及
- iii) 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 2013 final dividend of HK11.5 cents (2012: HK4.5 cents) per ordinary and preference share, totalling approximately HK\$435,847,000 (2012: HK\$170,549,000) was recognised as distribution during the period ended 30 June 2014. The 2014 preferred distribution payable to convertible preference shareholders totalling approximately HK\$12,039,000 (2013: HK\$12,045,000) was also recognised as distribution during the period ended 30 June 2014.

The Board has declared an interim dividend of HK3.0 cents (2013: HK1.6 cents) per ordinary and preference share for the six months ended 30 June 2014, amounting to approximately HK\$113,699,000 (2013: HK\$60,640,000).

9. Property, Plant and Equipment

During the six months ended 30 June 2014, the Group acquired property, plant and equipment of approximately HK\$289,594,000 (2013: HK\$1,131,532,000) of which nil (2013: HK\$999,297,000) was arising from the acquisition of subsidiaries.

10. Prepaid Lease Payments

During the six months ended 30 June 2014, the Group acquired prepaid lease payments of approximately HK\$59,232,000 (2013: HK\$94,326,000) of which nil (2013: HK\$61,064,000) was arising from the acquisition of subsidiaries.

簡明綜合中期財務報表附註 (續)**8. 股息**

於截至二零一四年六月三十日止期間，本公司已確認分派二零一三年末期股息每股普通股及優先股11.5港仙（二零一二年：4.5港仙），總額約為435,847,000港元（二零一二年：170,549,000港元）。本公司亦已於截至二零一四年六月三十日止期間確認二零一四年優先分派予可轉換優先股股東總計約12,039,000港元（二零一三年：12,045,000港元）。

董事會已宣派截至二零一四年六月三十日止六個月之中期股息每股普通股及優先股3.0港仙（二零一三年：1.6港仙），金額約為113,699,000港元（二零一三年：60,640,000港元）。

9. 物業、廠房及設備

截至二零一四年六月三十日止六個月，本集團購入物業、廠房及設備約為289,594,000港元（二零一三年：1,131,532,000港元），其中零港元（二零一三年：999,297,000港元）乃自收購附屬公司所產生。

10. 預付租賃款項

截至二零一四年六月三十日止六個月，本集團購入預付租賃款項約為59,232,000港元（二零一三年：94,326,000港元），其中零港元（二零一三年：61,064,000港元）乃自收購附屬公司所產生。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

11. Trade Receivables

11. 應收貿易賬款

		30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 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	3,873,745	4,009,796
Trade receivable from an associate	應收一間聯營公司之貿易賬款	13,026	23,080
Less: Allowance for doubtful debts	減：呆壞賬撥備	(7,457)	(7,514)
		3,879,314	4,025,362

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, net of allowance for doubtful debts, based on the invoice date at the end of the reporting period:

本集團政策為給予其貿易客戶(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(扣除呆壞賬撥備)按發票日期之賬齡分析：

		30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0至90日	2,597,801	2,367,324
91-180 days	91至180日	1,241,535	1,586,781
181-365 days	181至365日	39,978	71,257
		3,879,314	4,025,362

At the end of the reporting period, trade receivables of approximately HK\$31,924,000 (31 December 2013: HK\$30,579,000) which have been aged within 181-365 days and past due as at the end of the reporting period for which the Group has not provided for impairment loss because management is of the opinion that the fundamental credit quality of these customers has not deteriorated. Hence, there is no expectation of significant recoverability problem.

於報告期末，應收貿易賬款約為31,924,000港元(二零一三年十二月三十一日：30,579,000港元)按賬齡介乎181至365日內並於報告期末已逾期，但本集團並未就該等款項作出減值虧損撥備，此乃由於管理層認為該等客戶之基本信貸質素並無下降。因此，預期不會出現重大收回性問題。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

12. Trade Payables

12. 應付貿易賬款

		30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 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	1,158,021	1,175,175
Trade payable to ultimate holding company	應付最終控股公司之貿易賬款	16,472	20,198
Trade payables to fellow subsidiaries	應付同系附屬公司之貿易賬款	34,969	79,207
		1,209,462	1,274,580

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 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0-90 days	0至90日	1,016,488	1,209,174
91-180 days	91至180日	140,291	30,788
181-365 days	181至365日	30,854	9,559
Over 365 days	超過365日	21,829	25,059
		1,209,462	1,274,580

The trade balances due to ultimate holding company and the 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)

13. Bank Loans

Secured
Unsecured

有抵押
無抵押

The loans are repayable as follows:

Within one year

More than one year but not exceeding two years

More than two years but not exceeding five years

貸款還款期如下：

於一年內

超過一年但不超過兩年

超過兩年但不超過五年

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

13. 銀行貸款

	30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
	181,563	241,827
	11,984,331	12,510,903
	12,165,894	12,752,730
	6,908,108	5,752,612
	3,566,205	4,158,255
	1,691,581	2,841,863
	12,165,894	12,752,730
	(6,908,108)	(5,752,612)
	5,257,786	7,000,118

14. Derivative Financial Instruments – Warrants

On 6 January 2012, 45,000,000 unlisted warrants of the Company were issued to the vendors as part of the consideration for the acquisition of Scitus Cement (China) Holdings Limited and its fair value at the date of acquisition amounted to HK\$20,349,000. 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 per warrant, subject to adjustments. The warrants can be exercised at any time during the three-year period from the date of issue (both days inclusive). The fair value of the warrants at the date of acquisition is calculated using Black-Scholes pricing model with major inputs including (i) expected volatility of 51.01%; (ii) risk-free rate of 0.614%; and (iii) expected dividend yield of 2.01%.

14. 衍生金融工具－認股權證

於二零一二年一月六日，45,000,000份本公司非上市認股權證發行予賣方，作為收購賽德水泥（中國）控股有限公司之部份代價，其於收購日期之公平值為20,349,000港元。該等認股權證附有權利可按認購價每份認股權證6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。認股權證於收購日期之公平值乃採用柏力克－舒爾斯定價模式計算，該模式之主要輸入數據包括(i)預計波幅51.01%；(ii)無風險利率0.614%；及(iii)預計股息率2.01%。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

14. Derivative Financial Instruments – Warrants (Continued)

During the period ended 30 June 2014, none of the warrants have been exercised and the fair value of the warrants as at 30 June 2014 amounted to HK\$277,000 (31 December 2013: HK\$5,780,000). Accordingly, a decrease in fair value of HK\$5,503,000 was recognised in profit or loss. The fair value of the warrants as at 30 June 2014 is calculated using Black-Scholes pricing model with major inputs including (i) expected volatility of 42.18% (31 December 2013: 42.18%), (ii) risk-free rate of 0.110% (31 December 2013: 0.234%), (iii) expected dividend yield of 2.45% (31 December 2013: 2.45%) and (iv) share price of HK\$3.1 per share (31 December 2013: HK\$3.8 per share).

15. 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 shall be valid and 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 2013 Financial Statements.

As at 26 May 2014, the number of shares in respect of which options had been granted on 27 May 2011 and remained outstanding were lapsed. The vesting condition of the options granted is the service period of the relevant Directors or employees.

Details of specific category of share options which were lapsed during the period ended 30 June 2014 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	Number of share option 購股權數目
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	6,142,000
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	9,213,000
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	15,355,000
				30,710,000

簡明綜合中期財務報表附註 (續)

14. 衍生金融工具－認股權證 (續)

於截至二零一四年六月三十日止期間內，概無認股權證獲行使，而於二零一四年六月三十日認股權證之公平值為277,000港元（二零一三年十二月三十一日：5,780,000港元）。因此，5,503,000港元之公平值減少已於損益確認。認股權證於二零一四年六月三十日之公平值乃採用柏力克－舒爾斯定價模式計算，該模式之主要輸入數據包括(i)預計波幅42.18%（二零一三年十二月三十一日：42.18%）、(ii)無風險利率0.110%（二零一三年十二月三十一日：0.234%）、(iii)預計股息率2.45%（二零一三年十二月三十一日：2.45%）及(iv)每股股價3.1港元（二零一三年十二月三十一日：每股3.8港元）。

15. 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」），旨在賦予董事權力，將購股權授予指定合資格人士，作為彼等對本集團所作之貢獻或潛在貢獻之獎勵或報酬。該計劃之有效期為十年，由採納當日（即二零零六年五月二十三日）起生效。該計劃之主要條款已概述於二零一三年財務報表內。

於二零一四年五月二十六日，根據計劃於二零一一年五月二十七日已授出且尚未行使之購股權所涉及之股份數目均已失效。已授出購股權之歸屬條件為有關董事或僱員之服務期限。

於截至二零一四年六月三十日止期間內已失效之購股權之指定類別之詳情如下：

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

15. 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 2014 於二零一四年 一月一日 尚未行使	Forfeited during period 於期內沒收	Lapsed during period 於期內失效	Outstanding at 30 June 2014 於二零一四年 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	18,490,000	(230,000)	(18,260,000)	–
Total	總計	30,940,000	(230,000)	(30,710,000)	–

No share options were granted under the Scheme during the interim period. The Group recognised the total expense of approximately HK\$748,000 for the period ended 30 June 2014 (six months ended 30 June 2013: HK\$2,153,000) in relation to share options that were previously granted under the Scheme by the Company.

16. Fair Value Measurements of Financial Instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

簡明綜合中期財務報表附註 (續)

15. 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：

於中期期間，概無根據該計劃授出任何購股權。本集團已於截至二零一四年六月三十日止期間就本公司先前根據該計劃授出之購股權確認開支總額約為748,000港元（截至二零一三年六月三十日止六個月：2,153,000港元）。

16. 金融工具之公平值計量

按經常性基準以公平值計量本集團金融資產及金融負債之公平值

本集團若干金融資產及金融負債乃於各報告期末按公平值計量。下表為有關如何釐定該等金融資產及金融負債之公平值（特別是所使用之估值技術及輸入資料），以及按公平值計量所用輸入資料之可觀察程度，將公平值計量分類到第一至第三級之公平值等級架構之資料。

- 第一級公平值計量乃根據相同資產或負債在活躍市場之報價（未經調整）計算所得；
- 第二級公平值計量乃除第一級所包括之報價以外而就資產或負債而言屬可觀察之輸入資料，直接（即作為價格）或間接（即來自價格）計算所得；及
- 第三級公平值計量乃根據不可觀察之市場資料（不可觀察之輸入資料）的資產或負債的資料輸入估價方法計算所得。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

16. Fair Value Measurements of Financial Instruments (Continued)

16. 金融工具之公平值計量 (續)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

按經常性基準以公平值計量本集團金融資產及金融負債之公平值 (續)

Financial assets/ financial liabilities 金融資產／金融負債	Fair value as at 30 June 2014 於二零一四年六月三十日之公平值	Fair value hierarchy 公平值等級架構	Valuation technique(s) and key input(s) 估值技術及主要輸入資料
Financial assets 金融資產			
Held-for-trading investments	Listed equity securities in Hong Kong: cement industry – HK\$36,389,000 (31 December 2013: HK\$39,330,000); and quoted investment funds in Taiwan – HK\$9,986,000 (31 December 2013: HK\$9,957,000)	Level 1	Quoted bid prices in active markets.
持作交易用途之投資	於香港之上市股本證券：水泥行業 – 36,389,000港元 (二零一三年十二月三十一日：39,330,000港元)； 及於台灣之有價投資基金 – 9,986,000港元 (二零一三年十二月三十一日：9,957,000港元)	第一級	於活躍市場中之買入報價。
Financial liabilities 金融負債			
Derivative financial instruments – warrants (note)	HK\$277,000 (31 December 2013: HK\$5,780,000)	Level 3	Black-Scholes pricing model with details of key inputs disclosed in Note 14.
衍生金融工具－ 認股權證 (附註)	277,000港元 (二零一三年十二月三十一日： 5,780,000港元)	第三級	柏力克－舒爾斯定價模式， 主要輸入資料於附註14披露。

note: No sensitivity analysis is disclosed for the impact of changes in the relevant unobservable data under the Black-Scholes pricing model as the management considers that the exposure is insignificant to the Group.

附註：由於管理層認為本集團之風險並不重大，故並無就柏力克－舒爾斯定價模式下相關不可觀察數據之變動影響披露敏感性分析。

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values. In addition, available-for-sale investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant the Directors are of the opinion that their fair values cannot be measured reliably. Reconciliation of warrants issued by the Company is disclosed in Note 14.

董事認為，於簡明綜合財務報表內按攤銷成本列賬之金融資產及金融負債之賬面值與其公平值相若。此外，於報告期末，可供出售投資按成本扣除減值計量，原因為合理公平值估計之範圍甚廣，故董事認為彼等之公平值無法可靠計量。本公司發行之認股權證之對賬於附註14內披露。

There were no transfers between Levels in both periods.

於兩個期間各級之間並無轉移。

17. Capital Commitments

17. 資本承擔

As at 30 June 2014, the Group's capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the condensed consolidated financial statements amounted to HK\$1,062,904,000 (31 December 2013: HK\$1,252,573,000).

於二零一四年六月三十日，本集團就購買物業、廠房及設備之已訂約但未於簡明綜合財務報表撥備之資本支出為1,062,904,000港元 (二零一三年十二月三十一日：1,252,573,000港元)。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

18. Related Parties Transactions

In addition to the transactions and balances set out in Notes 4, 11 and 12, the Group entered into the following material related party transactions during the period:

18. 關連人士交易

除於附註4、11及12所載之交易及結餘外，本集團於本期間有進行下列重大關連人士交易：

			Six months ended 30 June 截至六月三十日止六個月	
			2014 二零一四年 HK\$'000 千港元 (Unaudited) (未經審核)	2013 二零一三年 HK\$'000 千港元 (Unaudited) (未經審核)
		notes 附註		
(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	3,113
(ii) Purchases of cement and clinker from ultimate holding company	(ii) 向最終控股公司購買水泥及熟料	(b)	65,972	29,291
(iii) Transportation and management services fee payable to fellow subsidiaries	(iii) 應付同系附屬公司之運輸及管理服務費	(a)	151,415	121,578
(iv) Maintenance service fee and one-off implementation service fee of a computer software system payable to fellow subsidiaries	(iv) 應付同系附屬公司之電腦軟件系統之維護服務及一次性導入服務費	(a)	13,692	9,710
(v) Management fee payable to a related party (note 1)	(v) 應付一名關連人士之管理費 (附註1)	(a)	5,327	3,889
(vi) Trademark fee payable to a related party (note 1)	(vi) 應付一名關連人士之商標使用費 (附註1)	(a)	1,158	583
(vii) Sales of raw materials to an associate	(vii) 向一間聯營公司銷售原材料	(b)	29,747	5,212
(viii) Purchases of raw materials from an associate	(viii) 向一間聯營公司購買原材料	(b)	21,026	6,014
(ix) Sales of cement to an associate	(ix) 向一間聯營公司銷售水泥	(b)	42,244	34,115
(x) Interest income from an associate	(x) 來自一間聯營公司之利息收入	(a)	1,856	2,703
(xi) Rental expenses payable to a related party (note 1)	(xi) 應付一名關連人士之租金費用 (附註1)	(a)	458	357

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS *(Continued)*

18. Related Parties Transactions *(Continued)*

notes:

- (1) The related party is the holding company of a 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.

During the period ended 30 June 2014, the remuneration of key management personnel which represents the short-term benefits of Directors remuneration is approximately HK\$2,028,000 (six months ended 30 June 2013: HK\$3,068,000).

簡明綜合中期財務報表附註 (續)

18. 關連人士交易 (續)

附註：

- (1) 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。

截至二零一四年六月三十日止期間，主要管理人員之薪酬（指董事酬金之短期福利）約為2,028,000港元（截至二零一三年六月三十日止六個月：3,068,000港元）。

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.0 cents per ordinary and preference share for the six months ended 30 June 2014. The interim dividend will be payable on or about 15 September 2014 to the shareholders whose names appear on the register of members of ordinary shares or the register of members of preference shares of the Company at close of business on 3 September 2014. The Board will continue to review the Group's financial position and capital needs every year in deciding its dividend recommendation going forward.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 1 September 2014 to 3 September 2014, both days inclusive, during which period no transfer of shares will be registered.

For the purpose of ascertaining the members' entitlement to qualify for the 2014 interim dividend, all share transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, which located at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 29 August 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

Total cement output in Mainland China for the six months ended 30 June 2014 amounted to 1.14 billion metric tons, representing a 3.6 per cent growth year-on-year. Guizhou, Guangdong and Hainan enjoyed the highest growth rates of 21.7 per cent, 15.7 per cent and 14.0 per cent respectively.

Fixed asset investment in the six-month period amounted to RMB21.28 trillion, which was 17.3 per cent higher than that of the corresponding period last year. Despite a widespread concern about a slowdown in the property development sector, real estate investment in the first six months of 2014 enjoyed a year-on-year growth of 14.1 per cent and reached RMB4.2 trillion.

中期股息

董事會決定宣派截至二零一四年六月三十日止六個月之中期股息每股普通股及優先股3.0港仙。中期股息將於二零一四年九月十五日或前後派付予於二零一四年九月三日營業結束時名列本公司普通股股東名冊或優先股股東名冊之股東。董事會將會繼續每年檢討本集團財務狀況及資金需求以決定其未來股息建議。

暫停辦理股份過戶登記手續

本公司將由二零一四年九月一日至二零一四年九月三日（包括首尾兩天）暫停辦理股東登記，期間將不會進行股份過戶登記。

為確定股東有權收取二零一四年中期股息之資格，所有股份過戶文件連同有關股票及過戶表格必須不遲於二零一四年八月二十九日下午四時三十分，交回本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

管理層討論及分析

市場概況

截至二零一四年六月三十日止六個月，中國大陸的水泥共生產達1,140,000,000公噸，較去年同期錄得3.6%增長；其中貴州、廣東、海南等的增長率位列全國前三位，分別為21.7%、15.7%及14.0%。

期內固定資產投資總額達21.28萬億人民幣，較去年同期錄得17.3%增長。雖然市場普遍關注房地產開發行業放緩的情況，房地產投資於在二零一四年首六個月仍錄得14.1%增長，達到4.2萬億人民幣。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Additional capacity released during the first half of the year was the lowest since 2006, with 22 production lines inaugurated, adding 31.06 million metric tons of clinker capacity.

Although the average selling price ("ASP") of cement products gradually declined since the beginning of this year, the half year ASP of cement products in Mainland China remained higher than that of the corresponding period in the previous year.

Heavy precipitation in Southern, Central and Eastern China had delayed the progress of construction works. Slow consumption in cement and clinker had resulted in softened product ASP. However, the situation is expected to improve with the arrival of the industry's peak season in the fourth quarter of the year.

Review of Operations

Year-on-year improvement in product ASP contributed to significant enhancement in the Group's performance, in particular in the Southern and Eastern regions. Despite the impact on consumption during the rainy season in the second quarter, the Group reported a sales volume of 21.4 million metric tons for the six months ended 30 June 2014. The figure represented a modest improvement from that of the corresponding period in the previous year.

However, a significantly higher product ASP when compared with that of the same period last year had led to a 23.9 per cent leap in the Group's half year revenue to HK\$6,785.3 million. With coal costs remaining at a relatively low level, improved ASP and high capacity utilization, the Group's gross profit margin rose to 31.4 per cent during the six-month period, and contributed to a 79.6 per cent surge in profit attributable to owners of the Company, which amounted to HK\$1,036.1 million for the interim period.

管理層討論及分析 (續)

於上半年釋放的新增產能是自二零零六年以來最低的，共22條新增生產線涉及31,060,000公噸的新增熟料產能。

儘管水泥產品的平均售價自今年初逐步下調，但於上半年中國內地的水泥產品平均售價仍比去年同期為高。

暴雨令華南、華中和華東地區的建築工程進度受阻延。水泥及熟料消耗放緩導致產品的平均售價偏軟。不過，這種情況有望於第四季度當行業進入旺季而有所改善。

業務回顧

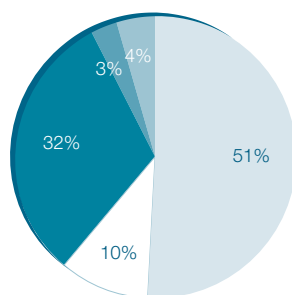
集團的產品平均售價較去年同期上升令本集團的業績顯著提升，尤其是華南和華東地區。儘管第二季度因雨季令消耗量受影響，本集團截至二零一四年六月三十日止六個月的銷量仍錄得21,400,000公噸。此數字較去年同期略有增長。

然而，與去年同期相比明顯較高的產品平均售價令本集團的上半年之收益躍升23.9%至港幣6,785,300,000元。期內煤炭成本仍維持在一個較低的水平，加上集團產品平均售價上升及維持高產能利用率，使六個月期內本集團毛利率上升到31.4%，本公司擁有人應佔溢利飆升79.6%至港幣1,036,100,000元。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

SALES VOLUME BY REGION IN 2014 FIRST HALF YEAR 二零一四年上半年按地區劃分之銷量

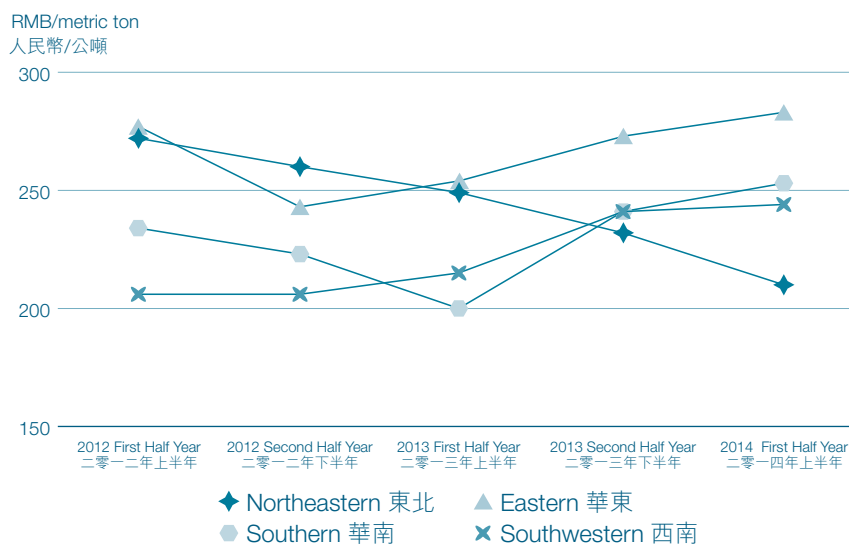


Total sales volume : 21.4 million metric tons

總銷量：21.4百萬公噸

Southern 華南	10.9 million metric tons 百萬公噸
Eastern 華東	2.2 million metric tons 百萬公噸
Southwestern 西南	6.7 million metric tons 百萬公噸
Northeastern 東北	0.7 million metric tons 百萬公噸
Others 其他	0.9 million metric tons 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)

Southern Region

A total of 10.9 million metric tons of sales volume was generated from the Group's operations in the Southern region, which comprised Guangdong and Guangxi provinces. The product ASPs in Guangdong and Guangxi provinces were substantially higher than those of the corresponding period last year. Although product ASP throughout Mainland China steadily declined during the six-month period with sharper adjustment in the second quarter, the changes in ASP in Guangdong and Guangxi were relatively modest when compared with those in other regions of the country.

In Guangdong province, the Group's two production plants together generated an aggregate sales volume of 6.9 million metric tons (excluding 170,000 metric tons of clinker supplied to Fuzhou grinding mill), which improved by 16.9 per cent when compared with that of the same period last year. A significant portion of the additional sales volume was derived from Yingde Dragon Mountain Cement Co. Ltd., as the plant was in full operation throughout the period under review, after its resumption of production in March 2013.

Improved sales volume and operation efficiency along with a significantly higher product ASP than that of the same period last year, the Group's Guangdong plants reported multiple growth in operating profit during the six-month period.

In Guangxi province, the Group's plant in Guigang reported a sales volume of 4.0 million metric tons, after deducting the shipment of 94,000 metric tons of clinker to Fuzhou. Heavy infrastructure construction and accelerated rural area development in the province provided strong support to Guangxi's product ASP during the half-year period.

Strong ASP and healthy sales contributed to a substantial improvement in the Guangxi plant's operating profit.

管理層討論及分析 (續)

華南地區

本集團的華南地區涵蓋廣東與廣西兩省。該地區業務於期內的總銷量達10,900,000公噸。廣東省與廣西省之產品平均售價較去年同期大幅上升。報告期內，儘管中國大陸水泥產品平均售價逐步下調，至二季度調幅更為明顯，惟廣東省與廣西省的平均售價調幅較國內其他地區相對緩和。

本集團位於廣東省的兩家廠房銷量合計達6,900,000公噸（不含供應到福州粉磨廠的170,000公噸熟料），較去年同期增長16.9%。增加銷量主要來自英德龍山水泥有限責任公司之廠房。該公司自二零一三年三月恢復生產後，在回顧期內均處於全面生產狀態。

於六個月期內，本集團之廣東廠房銷量增加，經營效率提升，再加上產品平均售價較去年同期顯著提高，致使經營溢利有數倍增長。

本集團在廣西省貴港的廠房扣除供應到福州的94,000公噸熟料後，錄得銷量4,000,000公噸。廣西省的大規模基礎設施建設，與及農村地區開發步伐加快，為該省的產品平均售價帶來有力支持。

強勁的產品平均售價及穩定的產品銷售令廣西省廠房之經營溢利顯著改善。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Southwestern Region

The Group's Southwestern region mainly covers Chongqing, and highly segregated markets of the Sichuan province and the mountainous landscape of Guizhou province. The Group also controlled minority interests in a couple of projects in Yunnan. The Group's Southwestern operations reported mixed performance due to varying characteristics and situation of markets within the region.

During the period under review, the region achieved a total sales volume of 6.7 million metric tons, which was slightly higher than that of the same period last year. With the completion of the acquisition of Scitus Cement (China) Holdings Limited ("Scitus Cement") last year, the Group had incorporated the results of the plants under Scitus Cement in Sichuan for the six-month period in its consolidated financial statements.

The Group's production lines in Chongqing and Sichuan province together generated a sales volume of approximately 4.0 million metric tons. The Chongqing plant enjoyed favourable product ASP during the period under review and reported a handsome growth in operating profit. During the period under review, the Group's plant in Guangan, Sichuan province reported favourable performance due to low costs, despite a relatively soft ASP.

The production line in Xuyong, Luzhou, Sichuan province began to run in during the period under review and reported a modest operating profit. The plant generated a sales volume of approximately 517,000 metric tons, in addition to supplying 304,000 metric tons of clinker to the Naxi grinding mill in the same province.

Guizhou province enjoyed the nation's highest growth rate in fixed assets investment during the first half of the year. The Group's plants in Guizhou generated a total of 2.7 million metric tons of sales volume. Although the Group's sales volume in Guizhou slightly adjusted from that of the same period last year, the strong product ASP in the province enabled the province to provide significant profit contribution to the Group.

管理層討論及分析 (續)

西南地區

本集團在西南地區業務主要分佈在重慶與市場極為分散的四川省和山區連綿的貴州省。本集團亦於雲南省若干項目持有少數權益。由於該區內各個市場的特性及情況的差異，本集團在西南地區的各廠房經營業績各有不同。

回顧期內，西南地區合計錄得銷量6,700,000公噸，較去年同期有溫和增長。去年完成收購賽德水泥（中國）控股有限公司（「賽德水泥」）後，本集團於回顧期內把賽德水泥旗下四川廠房業績計入綜合財務報表內。

本集團位於重慶和四川省的生產線錄得之合計銷量約為4,000,000公噸。回顧期內，重慶廠房因產品平均售價利好，經營溢利錄得可觀增長，本集團位於四川省廣安的廠房於回顧期內雖然平均售價偏軟，但受惠於成本下降仍錄得理想業績。

回顧期內，位於四川省瀘州敘永的生產線設備開始進入暢順運作，錄得小額經營溢利。該廠房銷量約為517,000公噸，並向同省之納溪粉磨廠供應了304,000公噸熟料。

於貴州省固定資產投資增長率在上半年為全國最高。本集團之貴州廠房總銷量達2,700,000公噸。雖然貴州銷量較去年同期略有下滑，但強勁的產品平均售價讓該省為集團作出了可觀溢利貢獻。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Eastern Region

The Group's Eastern operations reported a total sales volume of approximately 2.2 million metric tons, which showed a modest adjustment year-on-year. The region registered an improvement in operating profit as a result of improved ASP.

Growth in operating profit of the Group's Jurong plant was mainly attributable to the increase in product ASP.

Although the Fuzhou grinding mill had encountered higher clinker costs, a year-on-year improved cement ASP enabled it to maintain a stable unit gross profit when compared to that of the same period last year.

Northeastern Region

Sales volume of the Group's Liaoning plant in the Northeastern region improved by 7.0 per cent to approximately 748,000 metric tons. Despite a significant decline in costs, the region only reported a modest operating profit during the period under review. This was mainly due to reduced ASP resulting from intensified competition.

Others

The Group's two slag powder non-wholly owned subsidiaries in Anhui and Guangxi provinces together generated a total sales volume of 592,000 metric tons, which represented an increase of 2.4 per cent year-on-year.

The Group's silo in Dongguan became fully operational during the period under review, and had handled a throughput of approximately 205,000 metric tons. The Group had also leased certain silos along the Pearl River and its delta region to strengthen its support to the booming Guangdong market.

Hong Kong

Supported by strong product ASP, the Group's cement trading operations in Hong Kong continued to enjoy noticeable increase in both gross and operating profits. Active infrastructure development and building construction in the territory led to a sales volume of 274,000 metric tons achieved by the Group's Hong Kong operations. The figure represented a year-on-year growth of close to 15.6 per cent.

管理層討論及分析 (續)

華東地區

本集團華東業務錄得總銷量約2,200,000公噸，較去年同期略有調整。該地區因產品平均售價上漲，經營溢利錄得提升。

本集團句容廠房的經營溢利增長主要來自產品平均售價之上升。

雖然福州粉磨站面對熟料成本上漲，但水泥平均售價較去年同期也有所上漲，使其單位毛利較去年同期保持穩定。

東北地區

本集團東北地區遼寧廠房的銷量約為748,000公噸，較去年同期上調7.0%。雖然期內成本有顯著下調，但由於激烈的競爭導致平均售價降低，該地區回顧期內僅錄得小額經營溢利。

其他

本集團的兩家分別位於安徽及廣西兩省的礦渣粉非全資附屬公司的銷量合計約達592,000公噸，較去年同期上升2.4%。

於回顧期內，本集團位於東莞的倉貯設施全面投入營運，處理貨量約達205,000公噸。本集團亦於珠江流域及珠三角地區租借若干倉貯設施，以加強對本集團在廣東市場業務的支援。

香港

受惠於強勁的產品平均售價，本集團於香港的水泥貿易業務的毛利及經營溢利繼續錄得顯著升幅。由於大量的基礎設施及房屋建設，致使本集團香港業務實現總銷量274,000公噸，較去年同期上升約15.6%。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Other significant investments held

A net decrease in fair value of approximately HK\$2.9 million (30 June 2013: HK\$10.1 million) was recognised for held-for-trading investments upon measuring them at market prices as at 30 June 2014. There was a gain on disposal of available-for-sale investments amounting to approximately HK\$136.1 million in 2013.

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 2014 are as follows:

管理層討論及分析 (續)

其他所持重大投資

按於二零一四年六月三十日的市場價格對持作交易用途之投資作出計量後，已就此確認公平值淨減少約2,900,000港元（二零一三年六月三十日：10,100,000港元）。本集團於二零一三年因出售可供出售投資產生之收益約為136,100,000港元。

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。

本集團於二零一四年六月三十日之流動比率如下：

		30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current assets	流動資產	10,170,994	9,919,201
Current liabilities	流動負債	9,842,842	9,013,728
Current ratio	流動比率	1.03	1.10

The Group's current ratio as at 30 June 2014 was 1.03 (31 December 2013: 1.10). The change in current ratio at 30 June 2014 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.

本集團於二零一四年六月三十日之流動比率為1.03（二零一三年十二月三十一日：1.10）。於二零一四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。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

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

Total cash and bank balances of the Group as at 30 June 2014 amounted to HK\$3,700.7 million (31 December 2013: HK\$3,087.6 million), of which HK\$21.8 million (31 December 2013: HK\$20.7 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\$46.4 million as at 30 June 2014 (31 December 2013: HK\$49.3 million), were also held by the Group.

The maturity profile of the Group's bank loans as at 30 June 2014 are repayable as follows:

Within one year	於一年內
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
Total bank loans	銀行貸款總額

There was no material effect of seasonality on the Group's borrowing requirement. As at 30 June 2014, HK\$5,899.2 million of the bank loans was denominated in HK\$, HK\$5,944.2 million in US\$ and HK\$322.5 million in RMB. All of the bank loans are of floating rate structures.

管理層討論及分析 (續)

流動資金、財務資源、資本架構及淨資產負債比率 (續)

於二零一四年六月三十日，本集團之現金及銀行結餘總額為3,700,700,000港元（二零一三年十二月三十一日：3,087,600,000港元），其中21,800,000港元（二零一三年十二月三十一日：20,700,000港元）已為一般銀行融資作抵押或為若干銷售或採購合約之履約保證。於二零一四年六月三十日，本集團亦持有市值為46,400,000港元（二零一三年十二月三十一日：49,300,000港元）分類為持作交易用途投資之高流動性短期投資。

於二零一四年六月三十日，本集團銀行貸款之到期還款概況如下：

30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
6,908,108	5,752,612
3,566,205	4,158,255
1,691,581	2,841,863
12,165,894	12,752,730

本集團之借貸需要並未受到重大季節性影響。於二零一四年六月三十日，銀行貸款中5,899,200,000港元以港元為貨幣單位、5,944,200,000港元以美元為貨幣單位及322,500,000港元以人民幣為貨幣單位。所有銀行貸款均為浮動利率模式。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

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

The net gearing ratio of the Group as at 30 June 2014 are as follows:

		30 June 2014 二零一四年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Total bank loans	銀行貸款總額	12,165,894	12,752,730
Less: Cash and bank balances and pledged bank deposits	減：現金及銀行結餘及 已抵押銀行存款	(3,700,742)	(3,087,607)
Net borrowings	借貸淨額	8,465,152	9,665,123
Equity attributable to owners of the Company	本公司擁有人應佔權益	17,484,323	17,405,067
Net gearing ratio	淨資產負債比率	48.4%	55.5%

As at 30 June 2014, the Group's net gearing ratio, expressed as the ratio of net borrowings divided by equity attributable to owners of the Company, was 48.4% (31 December 2013: 55.5%). The change in the Group's net gearing ratio was mainly attributable to the significant decrease in net borrowings due to the substantial net repayments of bank loans during the period under review and the increase in equity attributable to owners of the Company as a result of the significant increase in profit for the period. The net gearing ratio as at 30 June 2014 maintained at a healthy level.

Significant investments, material acquisitions or disposals

During the period under review, the Group acquired property, plant and equipment and prepaid lease payments of approximately HK\$289.6 million and HK\$59.2 million respectively.

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)

本集團於二零一四年六月三十日之淨資產負債比率如下：

於二零一四年六月三十日，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48.4%（二零一三年十二月三十一日：55.5%）。本集團之淨資產負債比率變動乃主要由於在回顧期內借貸淨額因巨額銀行貸款還款淨額而大幅減少及本公司擁有人應佔權益因期內溢利大幅增加而增加所致。於二零一四年六月三十日，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、廠房及設備及預付租賃款項分別約為289,600,000港元及59,200,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Significant investments, material acquisitions or disposals (Continued)

Save for aforesaid, the Group had no other significant investments, material acquisitions or disposals.

Charge on assets

As at 30 June 2014, bank deposits amounting to HK\$21.8 million have been pledged by the Group as a security for the letters of credit and similar obligations provided by banks in regard to the Group's purchase of plant and equipment or as performance guarantee in relation to certain sales or purchases contracts.

As at 30 June 2014, 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\$879.3 million, HK\$69.7 million and HK\$96.5 million respectively.

Foreign currency exposures

The Group's sales and purchases during the reporting period were mostly denominated in RMB. However, some of the Group's bank borrowings were denominated in currencies other than RMB.

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally as well as the demand and supply of RMB. The appreciation or devaluation of RMB against foreign currencies may have an impact on the operating results of the Group.

The Group currently does not maintain a foreign currency hedging policy. However, the Group's management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

No foreign exchange contracts were outstanding as at 30 June 2014.

管理層討論及分析 (續)

重大投資、重大收購或出售事項 (續)

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。

質押資產

於二零一四年六月三十日，21,800,000港元之銀行存款已由本集團抵押作為就本集團購買廠房及設備提供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。

於二零一四年六月三十日，賬面金額分別約為879,300,000港元、69,700,000港元及96,500,000港元之若干物業、廠房及設備、預付租賃款項及採礦權已作為抵押，以為本集團取得銀行貸款。

外幣風險

本集團於報告期間之銷售額及採購額大部分以人民幣列值。然而，本集團部分銀行借貸以除人民幣外之貨幣列值。

人民幣並非可自由兌換之貨幣。人民幣未來匯率或因中國政府可施加之管制而較現時或過往匯率大幅變動。匯率亦可能受國內及國際之經濟發展及政治變動以及人民幣供求影響。人民幣兌外幣升值或貶值或會對本集團經營業績構成影響。

本集團現時並無外幣對沖政策。然而，本集團管理層監控外匯風險，並將於需要時考慮對沖重大外匯風險。

於二零一四年六月三十日，並無任何未完成之外匯兌換合約。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Major capital commitments

As at 30 June 2014, the Group's capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the condensed consolidated interim financial statements amounted to approximately HK\$1,062.9 million. The Group anticipates funding those commitments from its internal resources and bank borrowings.

Contingent liabilities

As at 30 June 2014, the Group provided a corporate guarantee jointly with other shareholders of an associate to a bank in respect of banking facilities granted to and utilised by that associate in aggregate amounted to RMB400,000,000 (equivalent to approximately HK\$500,000,000). Pursuant to the corporate guarantee agreement, the Group has provided the guarantee amount proportioned to its equity interest in the associate, which represents RMB120,000,000 (equivalent to approximately HK\$150,000,000).

Save as disclosed above, the Group had no other material contingent liabilities as at the end of the reporting period.

Employees

As at 30 June 2014, the Group had 8,620 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2014 amounted to HK\$307.2 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 26 May 2014, all the share options granted on 27 May 2011 and remained outstanding were lapsed.

管理層討論及分析 (續)

主要資本承擔

於二零一四年六月三十日，本集團就購買物業、廠房及設備之已訂約但未於簡明綜合中期財務報表撥備之資本支出約為1,062,900,000港元。本集團預期以其內部資源及銀行貸款撥付該等承擔。

或然負債

於二零一四年六月三十日，本集團連同一間聯營公司之其他股東就該聯營公司獲授及已動用之總額為人民幣400,000,000元（相等於約500,000,000港元）之銀行融資而向一家銀行提供企業擔保。根據企業擔保協議，本集團已按其於該聯營公司之股權比例提供擔保金額，即為人民幣120,000,000元（相等於約150,000,000港元）。

除上文披露者外，於報告期末，本集團概無其他重大或然負債。

僱員

於二零一四年六月三十日，本集團共有8,620名全職僱員。本集團於截至二零一四年六月三十日止期間之工資及薪金開支總額達307,200,000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），接納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。於二零一四年五月二十六日，所有於二零一一年五月二十七日授出且尚未行使之購股權均已失效。

PROSPECTS

Although cement ASP had softened in second quarter due to shrunken demand during rainy season, it is generally believed that cement ASP will begin to rally in September with the arrival of the industry's peak season.

The State government has been maintaining its momentum in infrastructure development and its push for a new model of urbanisation involving the provision of massive ancillary facilities for the settlement of rural population in the State's large cities. This government direction is expected to translate into heavy cement consumption for the rest of the year.

According to the Ministry of Transport, in the second half of the year, the State's investment in railway and highway construction and water transportation facility development will double the figure of the first half of the year to RMB1.6 trillion.

The State's budget for affordable housing and squatter settlement redevelopment will continue to fuel demand for cement and concrete for building construction.

On the supply side, the State has announced the phasing out of 381 entities with a total capacity of 82.11 million metric tons in 2014. A majority of the obsolete facilities are scheduled to be shut down by the end of September.

The market is also expecting the realisation of the cancellation of PC 32.5 grade cement in the second half of the year. This would result in reduced obsolete grinding capacity and increased demand for clinker.

展望

雖然在第二季度因雨季導致需求萎縮令國內水泥平均售價回軟，但外界普遍認為水泥行業於九月迎來旺季後平均售價將會回升。

中央政府繼續維持對基礎建設的開發，並推動以廣泛發展配套設施及讓農村人口落戶大城市的新型城鎮化進程。此等政府發展方向預期將於下半年帶動龐大水泥消耗量。

根據交通運輸部發佈的訊息，於下半年，鐵路建設、公路開發、水運等方面的投資將達人民幣1.6萬億元，較上半年增長一倍。

國家對經濟適用房建設及棚屋改造的投入將會繼續拉動房屋建築對水泥及混凝土的需求。

在供應方面，政府已經宣布將在二零一四年淘汰381家落後產能水泥企業，涉及總產能達82,110,000公噸。大部分落後產能需於九月底前關停。

市場亦預期將在今年下半年實現取消32.5複合水泥級別的政策，料將導致落後粉磨站產能減少和增加對熟料需求。



PROSPECTS *(Continued)*

According to various sources, there will be a total of 60 million metric tons of new clinker capacity to be launched in 2014, with approximately 31 million metric tons being released in the first half of the year.

The Group's second production line in Kaili, Guizhou province will become operational in the last quarter of the year. The inauguration of this new production line will enable the Group to further explore the vibrant Guizhou market.

To maintain its expansion momentum, the Group continues to pursue government approval for the development of a cement production base in Shaoguan in Northern Guangdong.

The Group's Anshun plant in Guizhou has entered into an agreement with local government in early August 2014 regarding the application of its cement manufacturing facility for urban waste treatment. To widen its scope of activities, the Group maintains active discussion with various local governments to broaden the application of its urban waste treatment technology.

Given the improvement in the balance of supply and demand, and relatively stable product ASP in regions where the Group maintains a presence, the Group is cautiously optimistic with its full year performance.

展望 (續)

據不同消息引述，2014年中國大陸將新增60,000,000公噸熟料產能，當中約31,000,000公噸於上半年已投放市場。

本集團於貴州省凱里的第二條生產線將在今年第四季度開始投產，將有助於本集團進一步開拓蓬勃的貴州市場。

為維持擴張步伐，本集團正繼續向當地政府申請批文，以在粵北的韶關建設水泥生產基地。

本集團位於貴州安順的廠房於二零一四年八月初與當地政府達成協議利用其水泥生產設施處理城市生活垃圾。為擴大經營範圍，本集團與多個地方政府積極洽談推廣應用其處理城市生活垃圾的技術。

鑑於市場供需平衡錄得顯著改善，以及本集團業務所在地區產品平均售價相對穩定，本集團對今年全年業績保持審慎樂觀。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the 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 and short positions which they were taken or deemed to have under the provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(i) Long positions in ordinary shares of the Company as at 30 June 2014

Name of Directors	Capacity and nature of interest	Number of ordinary shares held 所持普通股數目	Approximate percentage of shareholding 股權概約百分比
董事姓名	身份及權益性質		
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%
		<u>74,711,019</u>	<u>2.26%</u>

note:

- 40,215,000 ordinary shares were directly beneficially owned by Mr. Koo. An additional 17,828,019 and 8,018,000 ordinary shares were also held by two corporations which are 49.85% and 49.44% beneficially owned by Mr. Koo respectively.

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一四年六月三十日，董事及本公司行政總裁於本公司或任何相聯法團（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及第8分部須知會本公司及聯交所之權益及淡倉（包括其根據證券及期貨條例條文被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須載入該條所述之登記冊之權益及淡倉，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之權益及淡倉如下：

(i) 於二零一四年六月三十日，於本公司普通股之好倉

附註：

- 辜先生直接實益擁有40,215,000股普通股。同時，辜先生分別實益擁有49.85%及49.44%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 AND SHORT POSITIONS IN SHARES,
UNDERLYING SHARES AND DEBENTURES**
(Continued)

董事及行政總裁於股份、相關股份及債券之權益及淡倉 (續)

**(ii) Long positions in shares and underlying shares of
associated corporations as at 30 June 2014**

(ii) 於二零一四年六月三十日，於相聯法團股份及相關股份之好倉

*Taiwan Cement Corporation ("T'Cement") **

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 股權概約 百分比
	Directly beneficially owned 直接實益 擁有	Through spouse or minor children 透過配偶或 未成年子女	Through controlled corporation 透過 受控制法團		
KOO, Cheng-Yun, Leslie 辜成允	42,827,543	91 (note 1) (附註1)	163,538,052 (note 2) (附註2)	206,365,686	5.59%
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%
CHANG, Kang-Lung, Jason 張剛綸	190,000	—	—	190,000	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 AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

(ii) Long positions in shares and underlying shares of associated corporations as at 30 June 2014 (Continued)

notes:

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

Save as disclosed above, as at 30 June 2014, no person (not being a Director or chief executive of the Company) had any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the 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 and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which had otherwise been notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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.

董事及行政總裁於股份、相關股份及債券之權益及淡倉 (續)

(ii) 於二零一四年六月三十日，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) 辜成允先生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) 張安平先生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，於二零一四年六月三十日，概無人士（並非董事或本公司行政總裁）於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括其根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須載入該條所述之登記冊之權益或淡倉，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

於本期間內並無任何董事或彼等各自之配偶或未成年子女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；或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

As at 30 June 2014, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as was known to the Directors or chief executive of the Company, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital were as follows:

(i) Long position in the ordinary shares as at 30 June 2014

Name of shareholders	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
股東名稱	身份及權益性質	所持普通股數目	股權概約百分比
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 is 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 is interested in the shares of the Company held by its subsidiary, CHPL.

擁有須申報權益之股東

於二零一四年六月三十日，根據本公司根據證券及期貨條例第336條所存置之登記冊及據董事或本公司行政總裁所知，下列人士或實體（董事或本公司行政總裁除外）於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文規定向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本公司或為本公司附屬公司之任何其他公司之股東大會上投票之任何類別股本面值5%或以上或擁有涉及有關股本之任何購股權之權益：

(i) 於二零一四年六月三十日，於普通股之好倉

Number of ordinary shares held	Approximate percentage of shareholding
所持普通股數目	股權概約百分比
1,861,802,000	56.49%
1,861,802,000	56.49%
521,899,500	15.84%
521,899,500	15.84%

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 2014**

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 2014, no person (not being a Director or chief executive of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other company which is a subsidiary of the Company, or in any options in respect of such share capital.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2014.

擁有須申報權益之股東 (續)**(ii) 於二零一四年六月三十日，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

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。

除上文所披露者外，於二零一四年六月三十日，概無任何人士（並非董事或本公司行政總裁）於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部之條文規定向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本公司或為本公司附屬公司之任何其他公司之股東大會上投票之任何類別股本面值5%或以上或擁有涉及有關股本之任何購股權之權益。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司概無於截至二零一四年六月三十日止六個月內購買、出售或贖回本公司之任何上市證券。

THE OFFER

On 26 November 2013, the Company received a letter from TCC International Limited (the "Offeror") in relation to a pre-conditional voluntary cash offer to acquire all the issued ordinary shares and issued preference shares of the Company (other than those already held by the Offeror) and to cancel outstanding options and warrants of the Company (the "Proposed Offers") which Standard Chartered (Hong Kong) Limited was made on behalf of the Offeror. Details of the Proposed Offers has been set out in further details in the composite offer and response document dated 21 March 2014.

On 12 May 2014, the 593,979,576 disinterested shares validly tendered for acceptance under the Share Offer which represent less than 90% of the total disinterested shares, the Offeror announced that the Proposed Offers were lapsed.

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 further extended for another two years, 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.

要約

於二零一三年十一月二十六日，本公司接獲一份來自TCC International Limited（「要約人」）之函件，內容有關收購本公司之所有已發行普通股及已發行優先股（已由要約人持有者除外）以及註銷本公司尚未行使購股權及認股權證之具先決條件之自願現金要約（「建議要約」），而此由渣打銀行（香港）有限公司代表要約人提出。建議要約之進一步詳情已載於日期為二零一四年三月二十一日之綜合要約及回應文件內。

於二零一四年五月十二日，根據股份要約有效提交接納之593,979,576股無利害關係股份少於無利害關係股份總數之90%，要約人宣佈有關建議要約失效。

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，以下披露有關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及其後進一步再延期兩年之貸款協議及貸款協議修訂、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及其後進一步再延期兩年之貸款協議，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)本集團不能符合該貸款融資所指定之財務契約，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 27 December 2013 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 and further extended for another two years, 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 4 June 2014 between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a loan agreement dated 23 July 2012 and further extended each year between the Company and a bank relating to a one-year loan facility of HK\$40,000,000, a loan agreement dated 17 June 2013 between the Company and a bank relating to a one-year loan facility of US\$15,000,000, 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 CODE

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.

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二零一三年十二月二十七日訂立有關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及其後進一步再延期兩年之貸款協議，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)本集團不能符合該貸款融資所指定之財務契約，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於二零一四年六月四日訂立有關40,000,000港元之一年期貸款融資之貸款協議，本公司與一間銀行於二零一二年七月二十三日訂立有關40,000,000港元之一年期貸款融資及其後於每年進一步再延期之貸款協議及本公司與一間銀行於二零一三年六月十七日訂立有關15,000,000美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，該等貸款協議將被視為發生終止事件。

企業管治守則

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。

CORPORATE GOVERNANCE CODE (Continued)

Save as disclosed below, the Company has complied with all code provisions in the Corporate Governance Code (the “CG Code”) as set out in the Appendix 14 to the Listing Rules on the Stock Exchange throughout the six months ended 30 June 2014. In respect of code provision A6.7 of the CG Code, four non-executive Directors and one independent non-executive Directors were not in a position to attend the annual general meeting of the Company held on 30 April 2014 due to other overseas commitments. 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.

CODES OF CONDUCT ON DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions and dealings (the “Code of Conduct”) based on the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. The terms of the Code of Conduct are no less exacting than the standards in the Model Code, and the Code of Conduct applies to all the relevant persons as defined in the Model Code, including the Directors, any employee of the Company, or a director or employee of a subsidiary or holding company of the Company who, because of such office or employment, are likely to be in possession of unpublished price sensitive information in relation to the Company or its securities. Having made specific enquiry, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the period ended 30 June 2014.

企業管治守則 (續)

除下文所披露者外，截至二零一四年六月三十日止六個月，本公司一直遵守聯交所上市規則附錄十四所載之企業管治守則（「企業管治守則」）內所有守則條文。就企業管治守則之守則條文第A6.7條而言，四名非執行董事及一名獨立非執行董事因其他海外事務未克出席於二零一四年四月三十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，惟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。

董事進行證券交易之操守守則

本公司已根據上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）採納一套證券交易及買賣操守守則（「操守守則」）。操守守則之條款不遜於標準守則之標準，而操守守則適用於標準守則所界定之所有相關人士，包括董事、本公司任何僱員，或本公司之附屬公司或控股公司之董事或僱員，而彼等因其職務或受聘可能獲得有關本公司或其證券之未公佈股價敏感資料。經作出特定查詢後，全體董事確認於截至二零一四年六月三十日止整個期間已遵守標準守則所載之規定標準。

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 2014.

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

12 August 2014

審核委員會

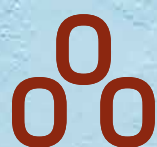
本公司之審核委員會已於一九九九年成立，並根據現行企業管治守則的條文制定書面職權範圍及已不時作出修訂。審核委員會主要由三名獨立非執行董事及一名非執行董事組成。審核委員會已審閱本公司採納之會計原則及政策，並与管理層討論內部監控及財務報告事宜。審核委員會已審閱本集團截至二零一四年六月三十日止六個月之未經審核簡明綜合中期財務報表。

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

二零一四年八月十二日



TCC International Holdings Limited
台泥國際集團有限公司