



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

2016

中期報告



RESULTS

The board (the "Board") of directors (the "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 2016, 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 2015, 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(「董事」)會(「董事會」)欣然宣佈，本公司及其附屬公司(「本集團」)截至二零一六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，連同二零一五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	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
		Notes 附註	
Revenue	收益	3	4,885,814
Cost of sales	銷售成本		(4,119,376)
Gross profit	毛利		766,438
Investment income	投資收入		30,519
Other income, gains and losses	其他收入、收益及虧損		(95,416)
Selling and distribution expenses	銷售及分銷開支		(313,249)
General and administrative expenses	一般及行政開支		(439,326)
Finance costs	融資成本	4	(131,018)
			(182,052)
Share of profits of associates	應佔聯營公司之溢利		61,849
Share of loss of a joint venture	應佔一間合營公司之虧損		(138)
			31,489
(Loss) profit before tax	除稅前(虧損)溢利	5	(120,341)
Income tax expense	所得稅支出	6	(32,102)
			96,142
(Loss) profit for the period	期內(虧損)溢利		(152,443)
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		(415,529)
Share of other comprehensive income (expense) of associates	應佔聯營公司之其他全面收益(開支)		47
			(5,933)
Other comprehensive expense for the period, net of income tax	期內其他全面開支，扣除所得稅		(415,482)
			(232)
Total comprehensive (expense) income for the period	期內全面(開支)收益總額		(567,925)
			76,909

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	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
		Note 附註	
(Loss) profit for the period attributable to:	應佔期內(虧損)溢利:		
Owners of the Company	本公司擁有人	(156,093)	81,068
Non-controlling interests	非控股權益	3,650	2,006
		(152,443)	83,074
Total comprehensive (expense) income attributable to:	應佔全面(開支)收益總額:		
Owners of the Company	本公司擁有人	(566,163)	74,849
Non-controlling interests	非控股權益	(1,762)	2,060
		(567,925)	76,909
		2016 二零一六年	2015 二零一五年
(Loss) earnings per share	每股(虧損)盈利		
– Basic	– 基本	HK(3.4) cents 港仙	HK1.7 cents港仙
– Diluted	– 攤薄	HK(3.4) cents 港仙	HK1.7 cents港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		<i>Notes 附註</i>		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	16,296,109	17,102,276
Prepaid lease payments	預付租賃款項	10	1,903,883	1,957,979
Intangible assets	無形資產		3,597,336	3,667,443
Mining rights	採礦權		455,535	465,128
Interests in associates	聯營公司權益		1,516,637	1,516,419
Interest in a joint venture	一間合營公司權益		10,312	10,627
Other financial assets	其他金融資產		26,519	44,575
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		274,431	204,169
Available-for-sale investments	可供出售投資		37,377	37,377
Pledged bank deposits	已抵押銀行存款		17,481	17,746
Deferred tax assets	遞延稅項資產		154,136	143,294
			24,289,756	25,167,033
Current assets	流動資產			
Inventories	存貨		1,048,426	1,082,570
Prepaid lease payments	預付租賃款項	10	58,975	59,967
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		769,642	820,056
Trade receivables	應收貿易賬款	11	2,261,166	2,836,770
Tax recoverables	可收回稅項		32,851	38,427
Held-for-trading investments	持作交易用途之投資		34,787	37,820
Restricted bank deposits	受限制銀行存款		70,147	70,635
Pledged bank deposits	已抵押銀行存款		1,521	1,543
Time deposits	定期存款		409,500	381,990
Cash and bank balances	現金及銀行結餘		3,854,884	5,330,638
			8,541,899	10,660,416

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

簡明綜合財務狀況表 (續)

			30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		<i>Notes</i> <i>附註</i>		
Current liabilities	流動負債			
Trade payables	應付貿易賬款	12	976,296	1,024,255
Other payables and accrued liabilities	其他應付款項及 應計負債		1,340,351	1,498,886
Tax payables	應付稅項		38,633	23,336
Bank loans	銀行貸款	13	3,836,576	6,028,147
			6,191,856	8,574,624
Net current assets	流動資產淨值		2,350,043	2,085,792
Total assets less current liabilities	總資產減流動負債		26,639,799	27,252,825
Non-current liabilities	非流動負債			
Bank loans	銀行貸款	13	5,801,077	5,704,736
Amount due to immediate holding company	應付直屬控股 公司款項		931,200	930,000
Deferred tax liabilities	遞延稅項負債		395,730	405,289
			7,128,007	7,040,025
			19,511,792	20,212,800
Capital and reserves	股本及儲備			
Share capital – ordinary shares	股本 – 普通股		494,347	494,347
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		18,729,742	19,416,772
Equity attributable to owners of the Company	本公司擁有人應佔權益		19,273,522	19,960,552
Non-controlling interests	非控股權益		238,270	252,248
			19,511,792	20,212,800

簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company
本公司擁有人權益

	Share capital – ordinary shares	Share premium	Contributed surplus	Capital redemption reserve	Land and building revaluation reserve	Exchange fluctuation reserve	Statutory reserve fund	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	股本 — 普通股	股份溢價	撥入盈餘	資本 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
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2015	329,565	10,547,971	208,263	5,130	62,573	1,638,014	403,733	(104,602)	5,230,869	18,360,949	280,703	18,641,652
Profit for the period	-	-	-	-	-	-	-	-	81,068	81,068	2,006	83,074
Exchange difference arising on translation to presentation currency	-	-	-	-	-	(5,987)	-	-	-	(5,987)	-	(5,983)
Share of other comprehensive income (expense) of associates	-	-	-	-	-	90	-	(322)	-	(232)	-	(232)
Total comprehensive (expense) income for the period, net of tax	-	-	-	-	-	(5,897)	-	(322)	81,068	74,849	2,060	76,909
Payment of dividends	-	-	-	-	-	-	-	-	(492,697)	(492,697)	-	(492,697)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	(12,111)	(12,111)	-	(12,111)
At 30 June 2015	329,565	10,547,971	208,263	5,130	62,573	1,622,117	403,733	(104,924)	4,807,129	17,990,990	282,763	18,273,753

於二零一五年一月一日

期內溢利

換算為呈列貨幣產生之匯兌差額

Share of other comprehensive income (expense) of associates

Total comprehensive (expense) income for the period, net of tax

Payment of dividends

Preferred distribution to convertible preference shareholders

At 30 June 2015

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

		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 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	1,193,196	1,036,004
Cash flows from investing activities	投資活動之現金流量		
Interest received	已收利息	36,853	40,186
Dividends received from associates	已收聯營公司股息	44,600	11,970
Dividends received from listed equity investments	已收上市股本投資股息	-	1,107
Purchase of property, plant and equipment	購買物業、廠房及設備	(155,441)	(224,344)
Payment for prepaid lease payments	支付預付租賃款項	(11,217)	(9,365)
Purchase of intangible assets	購買無形資產	(5,588)	(187)
Purchase of mining rights	購買採礦權	(97,211)	(103,225)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	620	222
Advance to a joint venture	墊支一間合營公司	(410)	(38)
Repayment of loan and other receivables	償還應收貸款及其他應收款項	778	14,166
Placement of restricted bank deposits	存置受限制銀行存款	(712)	(148,059)
Placement of pledged bank deposits	存置已抵押銀行存款	(37)	(44)

**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

		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	-	60,167
Placement of time deposits	存置定期存款	(27,510)	(432,870)
Net cash outflow from acquisition of subsidiaries	收購附屬公司之現金流出淨額	-	(948,391)
Net cash used in investing activities	投資活動所用之現金淨額	(215,275)	(1,738,705)
Net cash used in financing activities	融資活動所用之現金淨額	(2,403,197)	(168,655)
Net decrease in cash and cash equivalents for the period	期內現金及現金等值減少淨額	(1,425,276)	(871,356)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值	5,330,638	4,624,719
Effect of foreign exchange rate changes	外匯匯率變動之影響	(50,478)	(1,061)
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	3,854,884	3,752,302

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 2016 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 2015 (the “2015 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 2015 Financial Statements. The adoption of such New HKFRSs has no material impact on the accounting policies in the Group’s condensed consolidated 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, concrete and other cement related products segment which is the manufacture and distribution of cement, clinker, concrete and other cement related products 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，編製截至二零一六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二零一五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（「二零一五年財務報表」）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二零一五年財務報表附註2。採納該等新香港財務報告準則對本集團於本期間之簡明綜合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、混凝土及其他水泥相關產品分部（即於中華人民共和國（「中國」）製造及分銷水泥、熟料、混凝土及其他水泥相關產品）；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		Manufacture and distribution of cement, clinker, concrete and other cement related products		Investment holding		Elimination		Consolidated	
		進口、分銷及處理水泥		製造及分銷水泥、熟料、混凝土及其他水泥相關產品		投資控股		抵銷		綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Segment revenue	分部收益										
Sales to external customers	銷售予外部客戶	194,722	232,216	4,691,092	4,900,545	-	-	-	-	4,885,814	5,132,761
Inter-segment sales	分部間銷售	-	-	29,398	-	-	-	(29,398)	-	-	-
		194,722	232,216	4,720,490	4,900,545	-	-	(29,398)	-	4,885,814	5,132,761
Segment profit (loss)	分部溢利(虧損)	36,061	42,285	12,744	85,137	(9,691)	(7,769)	-	-	39,114	119,653
Unallocated central administration costs	未分配中央行政成本									(67,258)	(36,032)
Unallocated other income, gains and losses	未分配其他收入、收益及虧損									(22,890)	88,733
Finance costs	融資成本									(51,034)	172,354
Share of profits of associates	應佔聯營公司之溢利									(131,018)	(140,865)
Share of loss of a joint venture	應佔一間合營公司之虧損									61,849	64,653
										(138)	-
(Loss) profit before tax	除稅前(虧損)溢利									(120,341)	96,142

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of central administration costs (including Directors' salaries), certain other income, gains and losses, 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.

Inter-segment sales are charged at prevailing market prices.

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.

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)

經營分部之會計政策與本集團會計政策相同。分部溢利(虧損)乃指在未分配中央行政成本(包括董事薪金)、若干其他收入、收益及虧損、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(所產生之虧損)。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。

分部間銷售按現行市價收費。

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	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on:	以下之利息：		
Bank loans	銀行貸款	121,530	129,836
Loan from immediate holding company	應付直屬控股公司之貸款	9,488	12,141
Total borrowing costs	總借貸成本	131,018	141,977
Less: Amounts capitalised in construction in progress	減：於在建工程中資本化金額	-	(1,112)
		131,018	140,865

Borrowing costs capitalised arose on specific borrowings to finance the construction in progress during the period ended 30 June 2015.

於截至二零一五年六月三十日止期間內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. (Loss) Profit Before Tax

5. 除稅前(虧損)溢利

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss) profit before tax has been arrived at after charging (crediting) the following:	除稅前(虧損)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	602,611	590,517
Amortisation of prepaid lease payments	預付租賃款項攤銷	30,356	30,404
Amortisation of intangible assets	無形資產攤銷	9,840	2,832
Amortisation of mining rights	採礦權攤銷	21,119	21,069
Allowance for doubtful debts of trade receivables	應收貿易賬款之呆賬撥備	27,940	2,961
Change in fair value of held-for-trading investments	持作交易用途之投資之公平值變動	3,033	2,502
Impairment losses of inventories	存貨之減值虧損	5,848	3,629
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	11,900	12,457
Net exchange loss (gain)	匯兌淨虧損(收益)	114,500	(9,413)
		114,500	(9,413)

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	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	當期稅項：		
Hong Kong	香港	5,910	7,484
PRC Enterprise Income Tax	中國企業所得稅	45,959	82,501
Withholding tax	預扣稅	-	110
		<u>51,869</u>	<u>90,095</u>
Over provision in prior years:	過往年度超額撥備：		
Hong Kong	香港	-	(1,000)
PRC Enterprise Income Tax	中國企業所得稅	(2,743)	(43,032)
		<u>(2,743)</u>	<u>(44,032)</u>
Deferred tax	遞延稅項	<u>(17,024)</u>	<u>(32,995)</u>
		<u>32,102</u>	<u>13,068</u>

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

香港利得稅乃根據兩個期間內之估計應課稅溢利按16.5%之稅率計算。來自中國所產生之稅項乃根據於中國相關地區之現行稅率計算。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

7. (Loss) Earnings per Share

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

(Loss) earnings for the purposes of basic and diluted (loss) earnings per share

		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss) profit for the period attributable to owners of the Company	本公司擁有人應佔期內(虧損)溢利	(156,093)	81,068
Less: Preferred distribution in respect of convertible preference shares	減: 關於可轉換優先股之優先分派	(12,111)	(12,111)
Undistributed earnings attributed to convertible preference shareholders	可轉換優先股股東應佔之未分派盈利	-	(9,106)
(Loss) profit for the period attributable to ordinary shareholders of the Company	本公司普通股股東應佔期內(虧損)溢利	(168,204)	59,851

Number of shares

		30 June 2016 二零一六年 六月三十日 '000 千股 (Unaudited) (未經審核)	30 June 2015 二零一五年 六月三十日 '000 千股 (Unaudited) (未經審核)
Weighted average number of ordinary shares in issue for the purposes of basic and diluted (loss) earnings per share	計算每股基本及攤薄(虧損)溢利所用之已發行普通股加權平均數	4,943,465	3,545,570

The computation of diluted (loss) earnings per share does not assume the conversion of the outstanding convertible preference shares because their exercise would result in a decrease in loss per share for the six months ended 30 June 2016 or an increase in earnings per share for the six months ended 30 June 2015.

簡明綜合中期財務報表附註(續)

7. 每股(虧損)盈利

本公司普通股股東應佔每股基本及攤薄(虧損)盈利乃根據以下數據計算:

用以計算每股基本及攤薄(虧損)盈利之(虧損)盈利

		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss) profit for the period attributable to owners of the Company	本公司擁有人應佔期內(虧損)溢利	(156,093)	81,068
Less: Preferred distribution in respect of convertible preference shares	減: 關於可轉換優先股之優先分派	(12,111)	(12,111)
Undistributed earnings attributed to convertible preference shareholders	可轉換優先股股東應佔之未分派盈利	-	(9,106)
(Loss) profit for the period attributable to ordinary shareholders of the Company	本公司普通股股東應佔期內(虧損)溢利	(168,204)	59,851

股份數目

		30 June 2016 二零一六年 六月三十日 '000 千股 (Unaudited) (未經審核)	30 June 2015 二零一五年 六月三十日 '000 千股 (Unaudited) (未經審核)
Weighted average number of ordinary shares in issue for the purposes of basic and diluted (loss) earnings per share	計算每股基本及攤薄(虧損)溢利所用之已發行普通股加權平均數	4,943,465	3,545,570

計算每股攤薄(虧損)盈利時並無假設兌換尚未行使之可轉換優先股(由於其行使將導致截至二零一六年六月三十日止六個月之每股虧損減少或截至二零一五年六月三十日止六個月之每股盈利增加)。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

8. Dividends

The 2015 final dividend of HK2.0 cents (2014: HK13.0 cents) per ordinary share and preference share, totalling approximately HK\$108,756,000 (2014: HK\$492,697,000) was recognised as distribution during the period ended 30 June 2016. The 2016 preferred distribution payable to convertible preference shareholders totalling approximately HK\$12,111,000 (2015: HK\$12,111,000) was also recognised as distribution during the period ended 30 June 2016.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2016 (2015: Nil).

9. Property, Plant and Equipment

During the six months ended 30 June 2016, the Group acquired property, plant and equipment of approximately HK\$80,687,000 (2015: HK\$3,108,941,000) of which nil (2015: HK\$2,894,765,000) was arising from the acquisition of subsidiaries.

10. Prepaid Lease Payments

During the six months ended 30 June 2016, the Group acquired prepaid lease payments of approximately HK\$11,217,000 (2015: HK\$271,755,000) of which nil (2015: HK\$251,232,000) was arising from the acquisition of subsidiaries.

簡明綜合中期財務報表附註 (續)

8. 股息

於截至二零一六年六月三十日止期間，本公司已確認分派二零一五年末期股息每股普通股及優先股2.0港仙（二零一四年：13.0港仙），總額約為108,756,000港元（二零一四年：492,697,000港元）。本公司亦已於截至二零一六年六月三十日止期間確認二零一六年優先分派予可轉換優先股股東總計約12,111,000港元（二零一五年：12,111,000港元）。

董事會不建議派付截至二零一六年六月三十日止六個月之中期股息（二零一五年：無）。

9. 物業、廠房及設備

截至二零一六年六月三十日止六個月，本集團購入物業、廠房及設備約為80,687,000港元（二零一五年：3,108,941,000港元），其中零港元（二零一五年：2,894,765,000港元）乃自收購附屬公司所產生。

10. 預付租賃款項

截至二零一六年六月三十日止六個月，本集團購入預付租賃款項約為11,217,000港元（二零一五年：271,755,000港元），其中零港元（二零一五年：251,232,000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 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 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	2,291,877	2,840,861
Trade receivable from an associate	應收一間聯營公司之貿易賬款	12,779	12,089
Trade receivable from a related party	應收一名關連人士之貿易賬款	3,620	3,796
Less: Allowance for doubtful debts	減：呆賬撥備	(47,110)	(19,976)
		2,261,166	2,836,770

The Group's policy is to allow a credit period of 90-180 days to its trade customers (including the associate and related party). 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(包括聯營公司及關連人士)90至180日之除賬期。以下為於報告期末應收貿易賬款(扣除呆賬撥備)按發票日期之賬齡分析：

		30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 - 90 days	0至90日	1,464,254	1,631,628
91 - 180 days	91至180日	669,443	1,160,944
181 - 365 days	181至365日	127,469	44,198
		2,261,166	2,836,770

At the end of the reporting period, trade receivables of approximately HK\$126,878,000 (31 December 2015: HK\$43,044,000) 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. The Group does not hold any collateral over these balances.

於報告期末，應收貿易賬款約126,878,000港元(二零一五年十二月三十一日：43,044,000港元)的賬齡介乎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。本集團並無就該等結餘持有任何抵押品。

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 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 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	914,657	995,445
Trade payable to ultimate holding company	應付最終控股公司之貿易賬款	-	1,073
Trade payables to fellow subsidiaries	應付同系附屬公司之貿易賬款	56,005	25,970
Trade payable to an associate	應付一間聯營公司之貿易賬款	5,634	1,767
		976,296	1,024,255

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 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 - 90 days	0至90日	903,348	905,241
91 - 180 days	91至180日	17,256	18,265
181 - 365 days	181至365日	7,604	62,690
Over 365 days	365日以上	48,088	38,059
		976,296	1,024,255

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

應付最終控股公司、同系附屬公司及聯營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)

13. Bank Loans

13. 銀行貸款

		30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Secured	有抵押	-	69,615
Unsecured	無抵押	9,637,653	11,663,268
		9,637,653	11,732,883
The loans are repayable as follows:		貸款還款期如下:	
Within one year	於一年內	3,836,576	6,028,147
More than one year but not exceeding two years	超過一年但不超過兩年	3,201,560	2,236,200
More than two years but not exceeding five years	超過兩年但不超過五年	2,599,517	3,468,536
		9,637,653	11,732,883
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)	(3,836,576)	(6,028,147)
Amounts due for settlement after one year	須於一年後償還之款項	5,801,077	5,704,736

14. Contingent Liabilities

As at 30 June 2016, the Group provided a corporate guarantee jointly with other shareholders of an associate to a bank in respect of banking facilities granted to that associate in aggregate amounted to RMB400,000,000 (equivalent to approximately HK\$468,000,000) (31 December 2015: RMB400,000,000 (equivalent to approximately HK\$476,000,000)), of which RMB300,000,000 (equivalent to approximately HK\$351,000,000) (31 December 2015: RMB350,000,000 (equivalent to approximately HK\$416,500,000)) has been utilised by the associate. Pursuant to the corporate guarantee agreement, the Group has provided the guarantee amount proportioned to its equity interest in the associate, which represents RMB90,000,000 (equivalent to approximately HK\$105,300,000) (31 December 2015: RMB105,000,000 (equivalent to approximately HK\$124,950,000)).

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

14. 或然負債

於二零一六年六月三十日，本集團連同一間聯營公司之其他股東就該聯營公司獲授之總額為人民幣400,000,000元（相等於約468,000,000港元）（二零一五年十二月三十一日：人民幣400,000,000元（相等於約476,000,000港元））之銀行融資（其中人民幣300,000,000元（相等於約351,000,000港元）（二零一五年十二月三十一日：人民幣350,000,000元（相等於約416,500,000港元））已獲該聯營公司動用）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90,000,000元（相等於約105,300,000港元）（二零一五年十二月三十一日：人民幣105,000,000元（相等於約124,950,000港元））。

除上文所披露者外，於報告期末，本集團概無其他重大或然負債。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

15. Capital Commitments

As at 30 June 2016, 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\$634,243,000 (31 December 2015: HK\$893,459,000).

16. 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:

簡明綜合中期財務報表附註(續)

15. 資本承擔

於二零一六年六月三十日，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634,243,000港元（二零一五年十二月三十一日：893,459,000港元）。

16. 關連人士交易

除於附註4、11及12所述之交易及結餘外，本集團於本期間已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	
		2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (Unaudited) (未經審核)
	<i>notes</i> <i>附註</i>		
(i) Rental expenses payable to a fellow subsidiary	(i) 應付一間同系附屬公司之租金費用	2,484	2,484
(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	-	53,631
(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	115,136	133,491
(iv) Maintenance service 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	15,558	11,537
(v) Sales of limestone to ultimate holding company	(v) 向最終控股公司銷售石灰石	-	1,610
(vi) Service fee payable to ultimate holding company	(vi) 應付最終控股公司之服務費	60,806	29,112
(vii) Management fee payable to a related party (note 1)	(vii) 應付一名關連人士之管理費(附註1)	4,840	4,795
(viii) Rental expenses payable to a related party (note 1)	(viii) 應付一名關連人士之租金費用(附註1)	357	376
(ix) Sales of cement to a related party (note 1)	(ix) 向一名關連人士銷售水泥(附註1)	23,408	27,808
(x) Trademark fee payable to a related party (note 2)	(x) 應付一名關連人士之商標使用費(附註2)	2,227	1,251
(xi) Purchases of raw materials from an associate	(xi) 向一間聯營公司購買原材料	14,337	15,650
(xii) Sales of cement to an associate	(xii) 向一間聯營公司銷售水泥	39,450	49,704
(xiii) Sales of raw materials to an associate	(xiii) 向一間聯營公司銷售原材料	12,983	16,240
(xiv) Service income from associates	(xiv) 來自聯營公司之服務收入	836	550

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

16. Related Parties Transactions (Continued)

notes:

- (1) The related party is a minority shareholder of a subsidiary.
- (2) 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 2016, the remuneration of key management personnel which represents the short-term benefits of Directors remuneration is approximately HK\$1,805,000 (six months ended 30 June 2015: HK\$1,556,000).

簡明綜合中期財務報表附註 (續)

16. 關連人士交易 (續)

附註：

- (1) 該關連人士為一間附屬公司之少數股東。
- (2) 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。

截至二零一六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1,805,000港元（截至二零一五年六月三十日止六個月：1,556,000港元）。

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

Total cement output in Mainland China for the six months ended 30 June 2016 amounted to approximately 1,110 million metric tons, representing a 3.2 per cent increase year-on-year. Cement average selling price (“ASP”) began to rebound since March 2016, encouraging a steady growth in output. Strong recovery in demand for cement, in certain regions of Mainland China, had exceeded market expectation.

The ASP of cement products reflected a significant adjustment when compared with those of the corresponding period last year. However, cement ASP began to pick up gradually since the second quarter. Nationwide cement ASP rose 5.3 per cent in the six months period since the beginning of the year.

The lower ASP had facilitated more disciplined effort among first-tier players in restraining their supply of cement to help stabilize cement ASP. Their effort had brought along noticeable effect, particularly in the Southern region during the half-year period.

Fixed asset investment in Mainland China during the six-month period amounted to RMB25.84 trillion, which was 9.0 per cent higher than that of the corresponding period last year. Fixed asset investment in infrastructure development demonstrated a strong growth of 20.1 per cent year-on-year and reached RMB4.91 trillion. Despite a widespread concern about a slowdown in the property development sector, real estate investment in the first six months of 2016 enjoyed a year-on-year growth of 6.1 per cent and reached RMB4.66 trillion. Such investments offered a solid support to the demand for cement during the period under review.

中期股息

董事會不建議派付截至二零一六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

截至二零一六年六月三十日止六個月，中國內地水泥總產量達約1,110,000,000公噸，同比增長3.2%。水泥平均售價自二零一六年三月起回升，刺激產出穩定增長。在中國內地部分地區對水泥需求的明顯復甦超逾市場預期。

與去年同期相比，水泥產品的平均售價出現大幅調整，然而，水泥平均售價自第二季度開始逐漸回升。全國水泥平均售價自年初開始的六個月內上漲5.3%。

同比平均售價下降使得一線水泥企業之間更積極協同規範供應，以穩定水泥平均售價。這些企業的措施在上半年已取得顯著成效，尤其在華南地區。

於上半年內，中國大陸固定資產投資額達人民幣25.84萬億元，相比去年同期增長9.0%。在基礎設施方面的固定資產投資表現強勁，同比增長20.1%至人民幣4.91萬億元。儘管市場普遍關注房地產開發領域增長放緩，但是在二零一六年首六個月房地產方面投資額卻同比增長6.1%，達人民幣4.66萬億元。此等投資於期內為水泥剛性需求提供支持。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Review of Operations

The Group reported a sales volume of 24.5 million metric tons for the six months ended 30 June 2016, representing a 20.1 per cent year-on-year growth. The growth in the Group's sales volume was mainly driven by its active participation in infrastructure projects as well as sales channel expansion, in particular in the Southern China region.

However, a lower product ASP had led to a 4.8 per cent drop in the Group's half-year revenue to HK\$4,885.8 million. The aforementioned factor compounded with foreign exchange loss of HK\$114.5 million mainly from US dollar-denominated bank borrowings resulted in a loss attributable to owners of the Company of HK\$156.1 million for the interim period. To mitigate the impact of year-on-year decline in product ASP, the Group had strengthened its operation efficiency, resulting in reduction in average unit costs. The Group's gross profit margin, thus, only mildly adjusted from 16.2 per cent to 15.7 per cent during the period.

管理層討論及分析 (續)

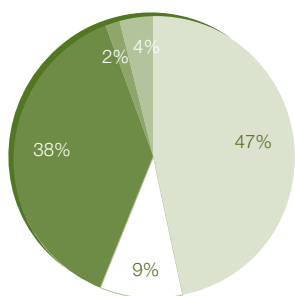
業務回顧

本集團於二零一六年六月三十日止六個月錄得銷量24,500,000公噸，同比增長20.1%。銷量增長主要由於本集團積極參與主要在華南地區的基礎設施項目的水泥供應及擴闊銷售渠道。

然而，較低的產品平均售價令本集團上半年收益回落4.8%至4,885,800,000港元。由於上述因素加之以美元為單位的銀行借貸產生匯兌虧損114,500,000港元，導致中期本公司擁有人應佔虧損156,100,000港元。為減低產品平均售價同比回落所帶來的影響，本集團致力強化經營效益，促使平均單位成本下降。本集團的毛利率因此於回顧期內由16.2%輕微調整至15.7%。

SALES VOLUME OF CEMENT, CLINKER AND SLAG POWER IN 2016 FIRST HALF YEAR BY REGION

二零一六年上半年
按地區劃分之水泥、
熟料及礦渣粉銷量



Total sales volume : 24.5 million metric tons
總銷量 : 24.5百萬公噸

- Southern 華南 ● 11.5 million metric tons 百萬公噸
- Eastern 華東 ○ 2.3 million metric tons 百萬公噸
- Southwestern 西南 ● 9.4 million metric tons 百萬公噸
- Northeastern 東北 ● 0.4 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

The Southern region remained the Group's major regional operations in terms of revenue and profit contributions. The sales of the top three players in the region accounted for more than 50 per cent of the Southern China market volume. High market concentration allowed more effective coordination among the leading players in maintaining stable cement output and product ASP. Without an influx of excess capacity, the cement ASP in the region demonstrated a significant rebound in the second quarter, following a wide gap between the ASP in the first quarter of 2016 and that of the corresponding period last year, when ASP was at a relatively high level. Stabilisation of product ASP along with substantial demand from the public sector had contributed to a favourable operating profit, even after taking into account the impact of foreign exchange loss, for the Group's operations in the region.

The Group's operations in the Southern region, which comprised its plants in Guangdong and Guangxi provinces, generated a total of 11.5 million metric tons of sales volume, representing a growth of 17.3 per cent year-on-year. This was mainly attributable to the Group's accelerated participation in cement supply to infrastructure projects in the region.

In Guangdong province, the Group's two production plants together generated an aggregate sales volume of 7.3 million metric tons (excluding 123,000 metric tons of clinker supplied to Fuzhou grinding mill), improved by 23.7 per cent when compared with that of the same period last year.

管理層討論及分析 (續)

華南地區

華南業務地區仍然為本集團的主要收益與盈利貢獻來源。該地區內規模最大的三家水泥生產商在華南市場合共佔有超過50%的市場份額。高度集中的市場讓各主要生產商在維持穩定的水泥產出與產品平均售價方面可採取更有效的協調。該地區於二零一六年第一季度水泥平均售價與去年同期比較有明顯差距，由於沒有出現大量過剩產能，踏入第二季度該地區水泥平均售價開始顯著回升。產品平均售價穩定及公共建設帶來龐大需求，使本集團華南地區業務於計及匯兌虧損帶來的影響後，仍錄得理想經營溢利。

本集團華南地區業務包括位於廣東與廣西兩省的廠房。回顧期內該地區錄得銷量11,500,000公噸，同比增長17.3%。增長主要由於本集團加大參與該地區基礎設施建設項目水泥供應的力度。

本集團位於廣東省的兩個廠房錄得銷量合共7,300,000公噸，(不含供應福州粉磨廠的123,000公噸熟料)，較去年同期增長23.7%。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Southern Region (Continued)

In Guangxi province, the Group's plant in Guigang reported a sales volume of 4.2 million metric tons, after deducting the shipment of 134,000 metric tons of clinker to Fuzhou. Due to effective promotional activities and recovery of local demand, Guigang plant enjoyed strong sales of bagged cement within Guangxi province for retail and rural markets. As most of the Guigang plant output was sold to satisfy strong local demand, there was minimum shipment of cement from Guigang to the Pearl River Delta market during the period, further improving the balance of supply and demand in Guangdong province.

Southwestern Region

Dictated by highly segregated markets of the Sichuan province, the mountainous landscape of Guizhou province and unique characteristics of Chongqing municipality, the Group's Southwestern operations reported varying performance in accordance with the local market environment of the various facilities within the region.

During the period under review, the region achieved a total sales volume of 9.4 million metric tons. The 34.3 per cent year-on-year growth in sales volume was due partly to the consolidation of TCC Huaihua Cement Company Limited ("TCC Huaihua") in Hunan into the Group's accounts, since June 2015.

The region's product ASP slid significantly in the first quarter before the gap with that of the corresponding period last year narrowed in the second quarter. The Group's emphasis in the Southwestern region during the six-month period was to leverage its established procurement and resources platform together with its proven operation management system to effectively lift the operation efficiency of the various plants in the region.

管理層討論及分析 (續)

華南地區 (續)

本集團在廣西省貴港的廠房在扣除供應到福州的134,000公噸熟料後，錄得銷量約4,200,000公噸。由於有效的促銷活動及當地需求復甦，貴港廠房的袋裝水泥產品在廣西省之零售市場及農村市場銷售強勁。由於貴港廠房產出大部分用於滿足當地的強大需求，故期內銷往珠三角市場之水泥有限，此亦有助進一步改善廣東省市場的供需平衡。

西南地區

受到高度分散的四川省市場、山脈阻隔的貴州省地勢及重慶直轄市的獨特市場環境等影響，本集團西南地區的業務根據區內設施於當地市場情況而表現各異。

回顧期內，本集團該地區業務的總銷量達到9,400,000公噸。銷量同比增長34.3%，部份是由於湖南的台泥（懷化）水泥有限公司（「台泥懷化」）自二零一五年六月開始併入本集團綜合賬目。

該地區的產品平均售價於一季度大幅滑落，惟平均售價於第二季度同比的差距已收窄。本集團於回顧期內對西南地區的營運焦點在於充分利用其既有的採購及資源平台和其成熟的運營管理體系，以有效提升該地區的各個廠房的營運效率。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Southwestern Region (Continued)

The Group's production lines in Chongqing municipality and Sichuan province together generated a sales volume of 4.8 million metric tons. Sales volume of the Group's Chongqing plant saw high single-digit growth. This coupled with the Group's effective cost reduction measures, the Chongqing plant recorded positive operating profit during the period under review.

After the completion of acquisition of TCC Huaihua, the Group had taken steps to enhance the plant's operation efficiency through stringent cost and expense control. The Group expects the effect of such measures to be reflected in the second half of 2016.

The aggregate sales volume of the Group's Guizhou plants amounted to 3.2 million metric tons during the half-year period. With the exception of the Anshun plant in Guizhou province, two other plants in the province suffered losses due to weak product ASP, despite their effort in lowering operation costs.

The Group's urban waste treatment project in Anshun, Guizhou province became fully operational during the six-month period. This is the first step of the Group to extend its scope of activities applying mature and proven technologies developed by its parent company in Taiwan. Although the waste treatment project has yet to become a meaningful profit contribution, it signifies the turning over to a new chapter in the Group's corporate development in Mainland China.

Eastern Region

The Group's Eastern region operations reported a total sales volume of 2.3 million metric tons, which showed a modest adjustment year-on-year. Suffering from oversupply and rainy season along with soft ASP, the region registered a loss during the six month period.

管理層討論及分析 (續)

西南地區 (續)

本集團位於重慶直轄市及四川省的生產線合共銷量為4,800,000公噸。本集團重慶廠房的銷量錄得高單位數增長；加上集團有效降低成本的措施，重慶廠房在回顧期內錄得經營溢利。

本集團完成台泥懷化的收購後，採取以多項措施嚴格控制其成本和支出，以提高廠房的營運效率。本集團預期有關措施的成效將於二零一六年下半年體現出來。

本集團貴州廠房的總銷量於半年期內達到3,200,000公噸。除了安順生產線之外，本集團於該省內的其他兩間廠房雖然已致力降低運營成本，仍因低迷的產品平均售價錄得虧損。

本集團位於貴州省安順的城市廢物處理項目於回顧期內全面運作。這是本集團通過應用台灣母公司開發成熟及經驗印證的技術來開拓業務領域的第一步。儘管城市廢物處理項目還未能為集團提供可觀的利潤貢獻，這項進展標誌著本集團於中國大陸的企業發展出新的篇章。

華東地區

本集團華東地區的業務錄得總銷量為2,300,000公噸，較去年同期溫和調整。受壓於供過於求、頻仍降雨及低迷的平均售價，該地區於六個月回顧期內錄得虧損。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Eastern Region (Continued)

Given its strategic location of adjacency to port facilities, the Group's Jurong plant experienced a high growth in export, and contributed to a 7.3 per cent year-on-year increase in total sales volume.

Performance of the Group's grinding plant in Fuzhou was adversely affected by higher raw material costs, as the majority of the clinker it used was supplied by the Group's Southern region operations, where product ASP were at higher level. The plant's effort in cost reduction was outweighed by decline in ASP and sales volume.

Northeastern Region

Sales volume of the Group's Liaoning plant in the Northeastern region improved by 5.5 per cent to 420,000 metric tons. Despite a significant decline in costs, the region reported a loss during the period under review. This was mainly due to reduced ASP, resulting from intensified competition and inventory overhang.

Others

The Group's two slag powder non-wholly owned subsidiaries in Anhui and Guangxi provinces together generated a sales volume of 610,000 metric tons.

Hong Kong

The Group sold a total of 280,000 metric tons of cement in Hong Kong. The overhaul of the Group's cement plant in Hong Kong had led to a decline in cement output.

管理層討論及分析 (續)

華東地區 (續)

本集團句容廠房鑒於其毗鄰港口設施的有利地理位置，於回顧期內產品出口錄得可觀增長，因而令其總銷量同比增加7.3%。

由於本集團在福州的粉磨廠所使用的大部分熟料均由本集團華南地區廠房供應，而該地區的產品平均售價較高，該廠房業績受到原材料成本上升的不利影響。其降低成本的努力，則因平均售價及銷量下降所抵消。

東北地區

本集團位於東北遼寧廠房的銷量增長5.5%，達到420,000公噸。儘管成本顯著下降，該地區於回顧期內仍錄得虧損。主要因為競爭加劇和庫存過剩導致平均售價的下滑。

其他

本集團兩家分別位於安徽省及廣西省的礦渣粉非全資附屬企業的銷量合計達610,000公噸。

香港

本集團於香港水泥廠的檢修導致水泥產量下降，期內於香港售出水泥共280,000公噸。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Other significant investments held

A net decrease in fair value of approximately HK\$3.0 million (30 June 2015: HK\$2.5 million) was recognised for held-for-trading investments upon stating them at market prices as at 30 June 2016. As at 30 June 2016, the carrying amount of held-for-trading investments was approximately HK\$34.8 million (31 December 2015: HK\$37.8 million).

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 2016 is as follows:

Current assets	流動資產
Current liabilities	流動負債
Current ratio	流動比率

The Group's current ratio as at 30 June 2016 was 1.38 (31 December 2015: 1.24). The improvement of the current ratio as at 30 June 2016 was attributable to the effective financial management of the Group. The liquidity position is still maintained at a healthy level.

管理層討論及分析 (續)

其他所持重大投資

按於二零一六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3,000,000港元（二零一五年六月三十日：2,500,000港元）。於二零一六年六月三十日，持作交易用途之投資之賬面值約為34,800,000港元（二零一五年十二月三十一日：37,800,000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。

本集團於二零一六年六月三十日之流動比率如下：

	30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current assets	8,541,899	10,660,416
Current liabilities	6,191,856	8,574,624
Current ratio	1.38	1.24

本集團於二零一六年六月三十日之流動比率為1.38（二零一五年十二月三十一日：1.24）。於二零一六年六月三十日之流動比率的改善乃因本集團有效的財務管理所致。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 2016 amounted to HK\$4,353.5 million (31 December 2015: HK\$5,802.6 million), including time deposits, pledged bank deposits and restricted bank deposits of HK\$409.5 million, HK\$19.0 million and HK\$70.1 million (31 December 2015: HK\$382.0 million, HK\$19.3 million and HK\$70.6 million) respectively. Highly liquid short term investments, classified as held-for-trading investments, with a market value of HK\$34.8 million as at 30 June 2016 (31 December 2015: HK\$37.8 million), were also held by the Group.

The maturity profile of the Group's bank loans as at 30 June 2016 are repayable as follows:

		30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within one year	於一年內	3,836,576	6,028,147
More than one year but not exceeding two years	超過一年但不超過兩年	3,201,560	2,236,200
More than two years but not exceeding five years	超過兩年但不超過五年	2,599,517	3,468,536
Total bank loans	銀行貸款總額	9,637,653	11,732,883

There was no material effect of seasonality on the Group's borrowing requirement. As at 30 June 2016, HK\$1,275.8 million of the bank loans was denominated in HK\$, HK\$7,495.5 million in US\$ and HK\$866.4 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)

於二零一六年六月三十日，本集團之現金及銀行結餘總額為4,353,500,000港元（二零一五年十二月三十一日：5,802,600,000港元）（包括定期存款、已抵押銀行存款及受限制銀行存款分別為409,500,000港元、19,000,000港元及70,100,000港元（二零一五年十二月三十一日：382,000,000港元、19,300,000港元及70,600,000港元））。於二零一六年六月三十日，本集團亦持有市值為34,800,000港元（二零一五年十二月三十一日：37,800,000港元）分類為持作交易用途之投資之高流動性短期投資。

於二零一六年六月三十日，本集團銀行貸款之到期還款概況如下：

本集團之借貸需要並未受到重大季節性影響。於二零一六年六月三十日，銀行貸款中1,275,800,000港元以港元為貨幣單位、7,495,500,000港元以美元為貨幣單位及866,400,000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 2016 is as follows:

		30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 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	9,637,653	11,732,883
Less: Cash and bank balances, time deposits, pledged bank deposits and restricted bank deposits	減：現金及銀行結餘、 定期存款、 已抵押銀行存款及 受限制銀行存款	(4,353,533)	(5,802,552)
Net borrowings	借貸淨額	5,284,120	5,930,331
Equity attributable to owners of the Company	本公司擁有人應佔權益	19,273,522	19,960,552
Net gearing ratio	淨資產負債比率	27.4%	29.7%

As at 30 June 2016, the Group's net gearing ratio, which was calculated as the ratio of net borrowings divided by equity attributable to owners of the Company, was 27.4% (31 December 2015: 29.7%). 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. The net gearing ratio as at 30 June 2016 maintained at a healthy level.

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)

本集團於二零一六年六月三十日之淨資產負債比率如下：

		30 June 2016 二零一六年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2015 二零一五年 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	9,637,653	11,732,883
Less: Cash and bank balances, time deposits, pledged bank deposits and restricted bank deposits	減：現金及銀行結餘、 定期存款、 已抵押銀行存款及 受限制銀行存款	(4,353,533)	(5,802,552)
Net borrowings	借貸淨額	5,284,120	5,930,331
Equity attributable to owners of the Company	本公司擁有人應佔權益	19,273,522	19,960,552
Net gearing ratio	淨資產負債比率	27.4%	29.7%

於二零一六年六月三十日，本集團之淨資產負債比率（其計算方法為借貸淨額除以本公司擁有人應佔權益之比率）為27.4%（二零一五年十二月三十一日：29.7%）。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所致。於二零一六年六月三十日，淨資產負債比率維持在穩健水平。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Significant investments, material acquisitions or disposals

During the period under review, the Group acquired property, plant and equipment, prepaid lease payments and mining rights of approximately HK\$80.7 million, HK\$11.2 million and HK\$18.4 million respectively.

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

Fund raising activities

On 1 June 2015, the Company announced a fully underwritten one-for-two rights issue of 1,647,821,617 ordinary shares at the issue price of HK\$2.20 per share. The rights issue became unconditional on 9 July 2015 and net proceeds of approximately HK\$3,608.1 million were raised by the Company, which were applied towards the intended use of funding as stated in the circular to the shareholders of the Company dated 22 June 2015.

管理層討論及分析 (續)

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、預付租賃款項及採礦權分別約為80,700,000港元、11,200,000港元及18,400,000港元。

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。

集資活動

於二零一五年六月一日，本公司公佈全面包銷按二供一之基準以每股2.20港元之發行價供股發行1,647,821,617股普通股。供股已於二零一五年七月九日成為無條件，而本公司籌集所得款項淨額約為3,608,100,000港元，其已按本公司於二零一五年六月二十二日向股東發出之通函所述之擬定資金用途動用。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Use of proceeds

As stated in the circular to the shareholders of the Company dated 22 June 2015, the Group had plans to use the proceeds obtained from the rights issue. The proceeds have been partially utilised. The proceeds used during the six months ended 30 June 2016 and the residual balance to be used as at 30 June 2016 are as follows:

		Residual balance to be used as at 1 January 2016 於二零一六年 一月一日 將予動用之餘額 HK\$ million 百萬港元	Used during the period 於期內動用 HK\$ million 百萬港元	Residual balance to be used as at 30 June 2016 於二零一六年 六月三十日 將予動用之餘額 HK\$ million 百萬港元
(i) Repayment of some of the bank borrowings of the Group	(i) 償還本集團之部份銀行借貸	33.5	(33.5)	-
(ii) Finance commitments under previously agreed acquisitions and any future acquisitions	(ii) 為先前協定收購項下之承諾及任何未來收購提供資金	538.7	-	538.7
(iii) General working capital	(iii) 一般營運資金	14.9	(14.9)	-
		587.1	(48.4)	538.7

Charge on assets

As at 30 June 2016, bank deposits amounting to HK\$19.0 million have been pledged by the Group as a performance guarantee in relation to certain mining contracts.

管理層討論及分析 (續)

所得款項用途

誠如本公司於二零一五年六月二十二日向股東發出之通函所述，本集團已計劃動用供股所得之款項。所得款項已被動用部份。於截至二零一六年六月三十日止六個月已動用之所得款項及於二零一六年六月三十日將予動用之餘額如下：

質押資產

於二零一六年六月三十日，19,000,000 港元之銀行存款已由本集團抵押作為就若干採礦合約之履約保證。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Foreign currency exposures

The Group's sales and purchases during the reporting period were mostly denominated in RMB. However, most 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 2016.

Major capital commitments

As at 30 June 2016, 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\$634.2 million. The Group anticipates funding those commitments from its internal resources and bank borrowings.

管理層討論及分析 (續)

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，本集團大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。人民幣未來匯率或會因中國政府可施加之管制而較現時或過往匯率出現大幅變動。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。人民幣兌外幣之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。

於二零一六年六月三十日，並無任何未完成之外匯合約。

主要資本承擔

於二零一六年六月三十日，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634,200,000港元。本集團預期以其內部資源及銀行借貸撥付該等承擔。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Contingent liabilities

As at 30 June 2016, the Group provided a corporate guarantee jointly with other shareholders of an associate to a bank in respect of banking facilities granted to that associate in aggregate amounted to RMB400,000,000 (equivalent to approximately HK\$468,000,000) of which RMB300,000,000 (equivalent to approximately HK\$351,000,000) has been utilised by the associate. Pursuant to the corporate guarantee agreement, the Group has provided the guarantee amount proportioned to its equity interest in the associate, which represents RMB90,000,000 (equivalent to approximately HK\$105,300,000).

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 2016, the Group had 9,736 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2016 amounted to HK\$388.3 million. The Group ensures that the pay levels of its employees are competitive and in line with market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. 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.

管理層討論及分析 (續)

或然負債

於二零一六年六月三十日，本集團連同一間聯營公司之其他股東就該聯營公司獲授之總額為人民幣400,000,000元（相等於約468,000,000港元）之銀行融資（其中人民幣300,000,000元（相等於約351,000,000港元）已獲該聯營公司動用）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90,000,000元（相等於約105,300,000港元）。

除上文所披露者外，於報告期末，本集團概無其他重大或然負債。

僱員

於二零一六年六月三十日，本集團共有9,736名全職僱員。本集團於截至二零一六年六月三十日止期間之工資及薪金開支總額達388,300,000港元。本集團確保僱員薪酬水平具競爭力並符合市場趨勢，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。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。

PROSPECTS

Cement prices began to improve since the second quarter of the year. Increment in product ASP has been particularly noticeable in the Southern region, where there is a high level of market concentration, and enlarged government spending on infrastructure development. The general acceleration in cement ASP is expected to continue in the second half of 2016, supported by increased construction works from both the public and private sectors.

The maintenance of a 6.7 per cent growth in gross domestic product (“GDP”) during the first half of the year signified a soft landing of the Mainland China’s economy. The State government’s determination to keep up with its investment in railway and other transportation projects is expected to continue to support healthy cement consumption from the public sector.

In the private sector, property construction remains the largest source of consumption of cement. Relaxed austerity measures since the fourth quarter of last year is gradually translating into revival of new construction, in particular in the first and second tier cities. Increased land transactions during the period is also expected to fuel escalated property development.

On the supply side, the State Department’s publication, in May 2016, of a document regarding the reform in supply of basic materials is expected to bring along favourable catalyst to the cement industry. In addition to the widely publicised abolishment of PC32.5 grade cement, and regulating production to avert peak load period, the document also demands the suspension of capacity expansion approval until 2020, and elimination of obsolete capacity in accordance with emission, production capacity and technology guidances. Furthermore, the promotion of higher market concentration, with the top 10 cement manufacturers accounting for 60 per cent of the market share by 2020, is expected to benefit the Group’s continued expansion.

展望

水泥價格於今年二季度開始回升。產品平均價格的增長於華南地區尤其明顯。該地區市場集中度高，且政府在基礎設施建設開支投放加大。受惠於來自公營和私營部門的建築工程的增加，水泥平均價格的增長有望持續至二零一六年下半年。

國內生產總值於今年上半年增幅維持於6.7%的水平，反映中國大陸經濟實現軟著陸。中央政府對鐵路及其他交通項目持續投資的決心，預計將支持來自公營部門對水泥維持穩定消費。

在私營部份，物業建設仍然是帶動水泥消費最主要動力。自去年第四季度以來，政府放鬆調控政策，令到特別是在一線和二線城市的新開工恢復興旺。於回顧期內土地交易增加，預料將推動房地產加速開發。

在供應方面，國務院於二零一六年五月頒佈了有關基礎材料供應改革的文件，有望為水泥行業帶來有利的催化作用。除了廣為人知的廢除複合32.5級別的水泥政策，及错峰生產措施，該文件還要求直至二零二零年暫停產能擴張的審批，並根據排放、產能及技術等指標來淘汰落後產能。此外，文件亦敦促提升市場更高的集中度，預期到二零二零年前十大水泥生產企業將佔有60%的市場份額；這將有利於本集團的持續擴張。

PROSPECTS (Continued)

With the strengthening of product ASP in Southern China, where the Group maintains a strong presence, and a high industry consensus within the region for maintenance of a more disciplined market, the Group is expected to enjoy favourable performance from its most important market.

In the Southwestern region, the Group's urban waste treatment project is serving as a pilot scheme for cultivating deepened collaboration with local governments. The Group aims to gradually expand its exposure in urban waste treatment in Mainland China. Its ultimate objective is to apply its technology and experience for the treatment of industrial residue, an activity with promising business prospects and significant contribution to environmental issue, on a commercial scale in Mainland China.

The Group's Shaoguan plant, with one clinker and cement production line of 2 million metric tons, is under construction and is scheduled for inauguration by the end of 2017. The completion of this plant will enable the Group to extend its market coverage to the northern part of Guangdong province. In addition to organic growth, the Group will continue to explore merger and acquisition opportunity, however, in a much prudent manner.

The Group is well aware of the impact of its foreign currency debt exposure on its bottom line. It has taken measures to restructure its debt portfolio and reduce foreign currency denominated debts. Up to June 2016, the Group's US dollar-denominated bank borrowings had been reduced by US\$259.4 million.

With considerable improvement in the balance of supply and demand, and gradual recovery in product ASP in regions where the Group maintains a presence, the Group is cautiously optimistic with its full year performance.

展望 (續)

本集團在華南地區佔有領先地位，隨著該地區產品平均價格的改善，與及區內同業對有效維持市場秩序有較高共識，本集團預期於此最重要的市場將可錄得理想業績。

在西南地區，本集團的城市垃圾處理項目可作為建立與地方政府深度合作的先導計劃。本集團致力於是逐步擴大其在中國大陸城市垃圾處理的覆蓋範圍。本集團的最終目的是應用其治理工業廢料的技術和經驗在中國大陸進行商業化營運。治理工業廢料具有可觀的商業前景，且對處理環境問題有顯著的貢獻。

本集團位於韶關的廠房，產能達2,000,000公噸的熟料和水泥生產線正在建設中，並預計於二零一七年底落成。該廠房的建成將使本集團的市場覆蓋面擴展到粵北。除了自身有機擴張外，本集團將以更謹慎的態度繼續探索併購機遇。

本集團深知其外幣負債對其利潤的影響。本集團已採取措施重整其債務組合，減低外幣債務。截至二零一六年六月，本集團的美元銀行貸款已經減少達259,400,000美元。

隨著供需平衡得到顯著改善，本集團經營業務地區的產品平均價格逐步回升，本集團對全年業績持謹慎樂觀的態度。

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

As at 30 June 2016, 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 Securities and Futures Ordinance (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 2016

Name of Directors	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
董事姓名	身份及權益性質	所持普通股數目	股權概約百分比
KOO, Cheng-Yun, Leslie 辜成允	Directly beneficially owned 直接實益擁有	99,091,528 (note 1) (附註1)	2.00%
CHANG, Kang-Lung, Jason 張剛綸	Directly beneficially owned 直接實益擁有	3,000,000	0.06%
		102,091,528	2.06%

note:

- 60,322,500 ordinary shares were directly beneficially owned by Mr. Koo. An additional 26,742,028 and 12,027,000 ordinary shares were also held by two corporations which are 49.85% and 49.45% beneficially owned by him respectively.

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一六年六月三十日，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（「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) 於二零一六年六月三十日，於本公司普通股之好倉

附註：

- 辜先生直接實益擁有60,322,500股普通股。同時，彼分別實益擁有49.85%及49.45%權益之兩間公司持有額外26,742,028股及12,027,000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 2016

(ii) 於二零一六年六月三十日，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	22,427,543	91 (note 1) (附註1)	203,538,052 (note 2) (附註2)	225,965,686	6.12%
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 2016 (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 203,538,052 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 2016, 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) 於二零一六年六月三十日，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203,538,052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，於二零一六年六月三十日，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 2016, 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 positions in the ordinary shares of the Company as at 30 June 2016

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 (note 1) (附註1)	股權概約百分比
TCC International Limited ("TCCI")	Directly beneficially owned 直接實益擁有	2,814,016,329(L)	56.92%
TCC International Limited ("TCCI")			
T'Cement (note 2) T'Cement (附註2)	Through a controlled corporation 透過受控制法團	2,814,016,329(L)	56.92%
Chia Hsin Pacific Limited ("CHPL")	Directly beneficially owned 直接實益擁有	782,849,250(L)	15.84%
Chia Hsin Pacific Limited ("CHPL")		525,000,000(S)	10.62%
Chia Hsin Cement Corporation ("Chia Hsin Cement") (note 3)	Through a controlled corporation 透過受控制法團	782,849,250(L)	15.84%
嘉新水泥股份有限公司 ("嘉新水泥") (附註3)		525,000,000(S)	10.62%

擁有須申報權益之股東

於二零一六年六月三十日，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或淡倉：

(i) 於二零一六年六月三十日，於本公司普通股之好倉

SHAREHOLDERS WITH NOTIFIABLE INTERESTS*(Continued)***(i) Long positions in the ordinary shares of the Company as at 30 June 2016 (Continued)***notes:*

- (1) The letter "L" denotes a long position in such shares, the letter "S" denotes a short position in such shares.
- (2) T'Cement is interested in the shares of the Company by virtue of its beneficial ownership of the entire issued share capital of TCCI.
- (3) Chia Hsin Cement is interested in the shares of the Company held by its subsidiary, CHPL.

(ii) Long positions in the underlying shares of the convertible preference shares of the Company as at 30 June 2016**擁有須申報權益之股東 (續)****(i) 於二零一六年六月三十日，於本公司普通股之好倉 (續)***附註：*

- (1) 字母「L」表示該等股份的好倉，字母「S」表示該等股份的淡倉。
- (2) 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。
- (3) 嘉新水泥於其附屬公司CHPL持有之本公司股份中擁有權益。

(ii) 於二零一六年六月三十日，於本公司可轉換優先股之相關股份之好倉

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	539,383,608	10.91%
T'Cement (<i>note 1</i>) T'Cement (<i>附註1</i>)	539,383,608	10.91%

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.

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。

SHAREHOLDERS WITH NOTIFIABLE INTERESTS

(Continued)

Save as disclosed above, as at 30 June 2016, 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 2016.

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 dated 4 September 2014 between the Company and certain banks relating to a five-year term loan facility of US\$350,000,000, 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 40% and 30% of the shares in the Company's capital respectively or (ii) the Group fails to meet the financial covenants stipulated in the loan facility.

擁有須申報權益之股東 (續)

除上文所披露者外，於二零一六年六月三十日，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

本公司及其任何附屬公司概無於截至二零一六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。

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之貸款協議，其中載有本公司控股股東須予履行之責任之契約。

根據本公司與若干銀行在二零一四年九月四日訂立有關350,000,000美元之五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分別40%及30%股份或(ii)本集團不能符合該等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 30 March 2015 between the Company and a bank relating to a three-year term loan facility of HK\$100,000,000, 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 23 December 2015 between the Company and a bank relating to a two-year loan facility of HK\$128,000,000, a termination event would arise if (i) T'Cement ceases to own legally and beneficially, at least 40% 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 5 May 2015 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 and further extended each year between the Company and a bank relating to a one-year loan facility of US\$15,000,000, and 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 termination event would arise if T'Cement ceases to own legally and beneficially, at least 30% of the shares in the Company's capital.

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於二零一五年三月三十日訂立有關100,000,000港元之三年期貸款融資之貸款協議，以及本公司與一間銀行於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)本集團不能符合該等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二零一五年十二月二十三日訂立有關128,000,000港元之兩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40%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二零一五年五月五日訂立有關40,000,000港元之一年期貸款融資之貸款協議，本公司與一間銀行在二零一三年六月十七日訂立有關15,000,000美元之一年期貸款融資及於每年進一步延期之貸款協議以及本公司與一間銀行在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於每年進一步延期之貸款協議，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。

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 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 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 2016. 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 13 May 2016 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 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.

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。

除下文所披露者外，截至二零一六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二零一六年五月十三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。

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 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 and the Code of Conduct throughout the period ended 30 June 2016.

CHANGES IN INFORMATION OF DIRECTORS

Subsequent to the date of the 2015 annual report of the Company, changes in the information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- (a) Mr. Hung, Jin-Yang has been appointed as managing Director and executive Director, member of the remuneration committee and nomination committee, and authorised representative of the Company with effect from 25 May 2016.
- (b) Mr. Wu Yih Chin has resigned from his position as managing Director and executive Director, member of the remuneration committee and nomination committee, and authorised representative of the Company due to his retirement with effect from 25 May 2016.

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二零一六年六月三十日止整個期間已遵守標準守則及操守守則所載之規定標準。

董事資料之變動

於本公司二零一五年年報日期後，根據上市規則第13.51B(1)條須予披露之董事資料之變動如下：

- (a) 洪進揚先生已獲委任為本公司之董事總經理及執行董事、薪酬委員會及提名委員會成員以及授權代表，自二零一六年五月二十五日起生效。
- (b) 吳義欽先生因退休已辭任本公司之董事總經理及執行董事、薪酬委員會及提名委員會成員以及授權代表之職務，自二零一六年五月二十五日起生效。

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 2016.

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

9 August 2016

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二零一六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

二零一六年八月九日





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