



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

2017

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 2017, 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 2016, 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」)截至二零一七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，連同二零一六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	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 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)
			-
Profit (loss) before tax	除稅前溢利(虧損)	5	(120,341)
Income tax expense	所得稅支出	6	(32,102)
Profit (loss) for the period	期內溢利(虧損)		(152,443)
Other comprehensive income (expense), net of income tax	其他全面收益(開支)，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 of associates	應佔聯營公司之其他全面收益		47
Other comprehensive income (expense) for the period, net of income tax	期內其他全面收益(開支)，扣除所得稅		(415,482)
Total comprehensive income (expense) for the period	期內全面收益(開支)總額		(567,925)

**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	2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit (loss) for the period attributable to:	應佔期內溢利(虧損):			
Owners of the Company	本公司擁有人		469,357	(156,093)
Non-controlling interests	非控股權益		12,516	3,650
			481,873	(152,443)
Total comprehensive income (expense) attributable to:	應佔全面收益(開支)總額:			
Owners of the Company	本公司擁有人		1,163,162	(566,163)
Non-controlling interests	非控股權益		18,634	(1,762)
			1,181,796	(567,925)
Earnings (loss) per share	每股盈利(虧損)	7	2017 二零一七年	2016 二零一六年
– Basic	– 基本		HK8.3 cents 港仙	HK(3.4) cents 港仙
– Diluted	– 攤薄		HK8.3 cents 港仙	HK(3.4) cents 港仙

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

			30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 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	14,904,562	15,009,306
Prepaid lease payments	預付租賃款項	10	1,833,717	1,794,820
Intangible assets	無形資產		3,513,538	3,424,323
Mining rights	採礦權		414,963	420,741
Interests in associates	聯營公司權益		1,549,895	1,416,528
Interest in a joint venture	一間合營公司權益		-	-
Other financial assets	其他金融資產		6,407	20,041
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		435,088	421,704
Available-for-sale investments	可供出售投資		37,067	34,453
Pledged bank deposits	已抵押銀行存款		16,289	15,834
Deferred tax assets	遞延稅項資產		120,032	114,455
			22,831,558	22,672,205
Current assets	流動資產			
Inventories	存貨		1,180,743	1,175,793
Prepaid lease payments	預付租賃款項	10	57,075	55,587
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		862,299	713,475
Trade receivables	應收貿易賬款	11	3,287,377	2,874,063
Tax recoverables	可收回稅項		20,177	20,851
Held-for-trading investments	持作交易用途之投資		47,263	38,193
Derivative financial instruments	衍生金融工具		-	396
Restricted bank deposits	受限制銀行存款		70,154	68,826
Pledged bank deposits	已抵押銀行存款		1,497	1,457
Time deposits	定期存款		74,750	83,159
Cash and bank balances	現金及銀行結餘		4,033,264	4,172,477
			9,634,599	9,204,277

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

簡明綜合財務狀況表 (續)

			30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		Notes 附註		
Current liabilities	流動負債			
Trade payables	應付貿易賬款	12	1,149,626	1,136,922
Other payables and accrued liabilities	其他應付款項及 應計負債		1,460,395	1,437,130
Tax payables	應付稅項		110,883	112,263
Bank loans	銀行貸款	13	2,094,273	2,295,456
			4,815,177	4,981,771
Net current assets	流動資產淨值		4,819,422	4,222,506
Total assets less current liabilities	總資產減流動負債		27,650,980	26,894,711
Non-current liabilities	非流動負債			
Deferred income	遞延收入			
– government grants	– 政府補貼		14,881	14,783
Bank loans	銀行貸款	13	6,437,000	7,122,800
Amount due to immediate holding company	應付直屬控股公司 款項		936,000	620,800
Deferred tax liabilities	遞延稅項負債		354,493	343,029
			7,742,374	8,101,412
			19,908,606	18,793,299
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		19,101,749	18,005,076
Equity attributable to owners of the Company	本公司擁有人應佔權益		19,645,529	18,548,856
Non-controlling interests	非控股權益		263,077	244,443
			19,908,606	18,793,299

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 股本 —普通股	Share capital - convertible preference shares 股本 —可轉換優先股	Share premium	Contributed surplus	Capital redemption reserve	Land and building revaluation reserve	Exchange fluctuation reserve	Statutory reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)	千港元 (Unaudited) (未經審核)
At 1 January 2016	49,433	49,433	13,991,308	208,263	5,130	66,938	382,099	424,613	(105,257)	4,443,678	19,960,552	252,248	20,212,800
(Loss) profit for the period	-	-	-	-	-	-	-	-	-	(156,093)	(156,093)	3,650	(152,443)
Exchange difference arising on translation of presentation currency	-	-	-	-	-	-	(410,117)	-	-	-	(410,117)	(5,412)	(415,529)
Share of other comprehensive (expense) income of associates	-	-	-	-	-	-	(851)	-	888	-	47	-	47
Total comprehensive (expense) income for the period, net of tax	-	-	-	-	-	-	(410,968)	-	888	(156,093)	(566,163)	(1,762)	(567,925)
Payment of dividends	-	-	-	-	-	-	-	-	-	(108,756)	(108,756)	-	(108,756)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	-	(12,111)	(12,111)	-	(12,111)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(12,216)	(12,216)
At 30 June 2016	49,433	49,433	13,991,308	208,263	5,130	66,938	(38,869)	424,613	(104,359)	4,166,718	19,273,522	238,270	19,511,792

於二零一六年一月一日

期內(虧損)溢利
換算呈列貨幣產生之匯兌差額

應佔聯營公司之其他全面(開支)收益

期內全面(開支)收益總額，扣除稅項

支付股息

優先分派予可轉換優先股股東

派付非控股股東股息

於二零一六年六月三十日

CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY (Continued)

簡明綜合權益變動表 (續)

Attributable to owners of the Company 本公司擁有人權益													
	Share capital - ordinary shares	Share capital - convertible preference shares	Share premium	Contributed surplus	Capital redemption reserve	Land and building revaluation reserve	Exchange fluctuation reserve	Statutory reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	股本 - 普通股	股本 - 可轉換優先股	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	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
At 1 January 2017	494,347	49,433	13,891,308	208,263	5,130	66,747	(1,054,402)	506,686	(103,123)	4,419,467	18,548,856	244,443	18,793,299
Profit for the period	-	-	-	-	-	-	-	-	-	469,357	469,357	12,516	481,873
Exchange differences arising on translation to presentation currency	-	-	-	-	-	-	691,211	-	-	-	691,211	6,118	697,329
Share of other comprehensive income of associates	-	-	-	-	-	-	113	-	2,481	-	2,594	-	2,594
Total comprehensive income for the period, net of tax	-	-	-	-	-	-	691,324	-	2,481	469,357	1,163,162	18,634	1,181,796
Payment of dividends	-	-	-	-	-	-	-	-	-	(54,378)	(54,378)	-	(54,378)
Preferred distribution to convertible preference shareholders	-	-	-	-	-	-	-	-	-	(12,111)	(12,111)	-	(12,111)
At 30 June 2017	494,347	49,433	13,891,308	208,263	5,130	66,747	(403,078)	506,686	(100,642)	4,822,335	19,645,529	263,077	19,908,606

於二零一七年一月一日

期內溢利

換算呈列貨幣產生之匯兌差額

應佔聯營公司之其他全面收益

期內全面收益總額，扣除稅項

支付股息

優先派派予可轉換優先股股東

於二零一七年六月三十日

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

		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash from operating activities	經營活動所得之 現金淨額	542,761	1,193,196
Investing activities	投資活動		
Interest received	已收利息	23,441	36,853
Dividends received from associates	已收聯營公司股息	49,672	44,600
Dividend received from listed equity investments	自上市股本投資 收取之股息	783	-
Payment for realisation of derivative financial instruments	支付變現衍生 金融工具之款項	(26,945)	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(74,627)	(155,441)
Payment for prepaid lease payments	支付預付租賃款項	(17,606)	(11,217)
Purchase of intangible assets	購買無形資產	(129)	(5,588)
Purchase of mining rights	購買採礦權	-	(97,211)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 之所得款項	8,775	620
Advance to a joint venture	墊支一間合營公司	-	(410)
Repayment of loan and other receivables	償還應收貸款及其他 應收款項	107,364	778
Placement of restricted bank deposits	存置受限制銀行存款	(589)	(712)
Placement of pledged bank deposits	存置已抵押銀行存款	(32)	(37)

**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

		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Withdrawal of restricted bank deposits	提取受限制銀行存款	1,095	-
Withdrawal (placement) of time deposits	提取(存置)定期存款	8,409	(27,510)
Net cash from (used in) investing activities	投資活動所得(所用)之現金淨額	79,611	(215,275)
Net cash used in financing activities	融資活動所用之現金淨額	(835,130)	(2,403,197)
Net decrease in cash and cash equivalents	現金及現金等值減少淨額	(212,758)	(1,425,276)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值	4,172,477	5,330,638
Effect of foreign exchange rate changes	外匯匯率變動之影響	73,545	(50,478)
Cash and cash equivalents at 30 June, represented by cash and bank balances	於六月三十日之現金及現金等值, 即現金及銀行結餘	4,033,264	3,854,884

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 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 and methods of computation used in preparing the condensed consolidated financial statements for the six months ended 30 June 2017 are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle relating to the amendments to HKFRS 12

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

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。

編製截至二零一七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及計算方法與編製本集團截至二零一六年十二月三十一日止年度之年度財務報表所採用者一致。

於本中期期間，本集團已首次應用由香港會計師公會頒佈之下列香港財務報告準則（「香港財務報告準則」）之修訂本，該等修訂本與本集團編製簡明綜合財務報表相關：

香港會計準則第7號（修訂本）	披露計劃
香港會計準則第12號（修訂本）	就未變現虧損確認遞延稅項資產
香港財務報告準則（修訂本）	有關香港財務報告準則第12號（修訂本）之香港財務報告準則二零一四年至二零一六年週期之年度改進

於本中期期間應用上述香港財務報告準則之修訂對該等簡明綜合財務報表呈報之金額及／或載於簡明綜合財務報表之披露並無重大影響。

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

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 is the investments in listed and unlisted equity securities and management of exchange rate exposure through currency derivatives.

簡明綜合中期財務報表附註 (續)

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及透過外匯衍生工具管理匯率風險）。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

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	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Segment revenue	分部收益										
Sales to external customers	銷售予外部客戶	148,899	194,722	5,980,284	4,691,092	-	-	-	-	6,129,183	4,885,814
Inter-segment sales	分部間銷售	-	-	33,298	29,398	-	-	(33,298)	(29,398)	-	-
		148,899	194,722	6,013,582	4,720,490	-	-	(33,298)	(29,398)	6,129,183	4,885,814
Segment profit (loss)	分部溢利(虧損)	23,372	36,061	732,869	12,744	3,779	(9,691)	-	-	760,020	39,114
Unallocated central administration costs	未分配中央行政成本									(65,484)	(67,258)
Unallocated other income, gains and losses	未分配其他收入、收益及虧損									(7,128)	(22,890)
Finance costs	融資成本									687,408	(51,034)
Share of profits of associates	應佔聯營公司之溢利									(135,720)	(131,018)
Share of loss of a joint venture	應佔一間合營公司之虧損									136,870	61,849
										-	(138)
Profit (loss) before tax	除稅前溢利(虧損)									688,558	(120,341)

簡明綜合中期財務報表附註(續)

3. 分部資料(續)

分部收益及業績

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)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

3. Segment Information (Continued)

Segment revenue and results (Continued)

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.

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

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

4. Finance Costs

簡明綜合中期財務報表附註 (續)

3. 分部資料 (續)

分部收益及業績 (續)

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。

本集團於兩個期間並無貢獻本集團總收益逾10%之客戶。

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。

4. 融資成本

Six months ended 30 June
截至六月三十日止六個月

		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on:	以下之利息:		
Bank loans	銀行貸款	128,309	121,530
Loan from immediate holding company	來自直屬控股公司之貸款	7,411	9,488
Total borrowing costs	總借貸成本	135,720	131,018

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

5. Profit (Loss) Before Tax

5. 除稅前溢利(虧損)

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit (loss) before tax has been arrived at after charging (crediting) the following:	除稅前溢利(虧損)已扣除(計入)下列各項:		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	563,530	602,611
Amortisation of prepaid lease payments	預付租賃款項攤銷	29,231	30,356
Amortisation of intangible assets	無形資產攤銷	9,298	9,840
Amortisation of mining rights	採礦權攤銷	16,737	21,119
Allowance for doubtful debts of trade receivables	應收貿易賬款之呆賬撥備	1,204	27,940
Change in fair value of held-for-trading investments	持作交易用途之投資之公平值變動	(9,070)	3,033
Net (reversal of impairment loss) impairment loss of inventories	存貨之(減值虧損撥回)減值虧損淨額	(98)	5,848
Net (reversal of impairment loss) impairment loss 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(減值虧損撥回)減值虧損淨額	(85,034)	11,900
Net exchange loss	匯兌淨虧損	32,542	114,500

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	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax:	當期稅項：		
Hong Kong	香港	3,950	5,910
PRC Enterprise Income Tax	中國企業所得稅	196,975	45,959
Withholding tax	預扣稅	78	-
		<u>201,003</u>	<u>51,869</u>
Under (over) provision in prior years:	過往年度撥備不足(超額撥備)：		
PRC Enterprise Income Tax	中國企業所得稅	4,050	(2,743)
Deferred tax	遞延稅項	1,632	(17,024)
		<u>206,685</u>	<u>32,102</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. Earnings (Loss) Per Share

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

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

Profit (loss) for the period attributable to owners of the Company	本公司擁有人應佔期內溢利(虧損)	469,357	(156,093)
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	(44,989)	-
Profit (loss) for the period attributable to ordinary shareholders of the Company	本公司普通股股東應佔期內溢利(虧損)	412,257	(168,204)

Number of shares

Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings (loss) per share	計算每股基本及攤薄盈利(虧損)所用之已發行普通股加權平均數	4,943,465	4,943,465
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The computation of diluted earnings (loss) per share does not assume the conversion of the outstanding convertible preference shares because their exercise would result in an increase in earnings per share for the six months ended 30 June 2017 or a decrease in loss per share for the six months ended 30 June 2016.

簡明綜合中期財務報表附註(續)

7. 每股盈利(虧損)

本公司普通股股東應佔每股基本及攤薄盈利(虧損)乃根據以下數據計算:

用以計算每股基本及攤薄盈利(虧損)之盈利(虧損)

Six months ended 30 June 截至六月三十日止六個月

2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (Unaudited) (未經審核)
469,357	(156,093)
(12,111)	(12,111)
(44,989)	-
412,257	(168,204)

股份數目

30 June 2017 二零一七年 六月三十日 '000 千股 (Unaudited) (未經審核)	30 June 2016 二零一六年 六月三十日 '000 千股 (Unaudited) (未經審核)
4,943,465	4,943,465

計算每股攤薄盈利(虧損)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二零一七年六月三十日止六個月之每股盈利增加或截至二零一六年六月三十日止六個月之每股虧損減少)。

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

8. Dividends

The 2016 final dividend of HK1.0 cent (2015: HK2.0 cents) per ordinary share and preference share, totalling approximately HK\$54,378,000 (2015: HK\$108,756,000) was recognised as distribution during the period ended 30 June 2017. The 2017 preferred distribution payable to convertible preference shareholders totalling approximately HK\$12,111,000 (2016: HK\$12,111,000) was also recognised as distribution during the period ended 30 June 2017.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2017 (2016: Nil).

9. Property, Plant and Equipment

During the six months ended 30 June 2017, the Group acquired property, plant and equipment of approximately HK\$79,526,000 (2016: HK\$80,687,000).

10. Prepaid Lease Payments

During the six months ended 30 June 2017, the Group acquired prepaid lease payments of approximately HK\$16,532,000 (2016: HK\$11,217,000).

簡明綜合中期財務報表附註 (續)

8. 股息

於截至二零一七年六月三十日止期間，本公司已確認分派二零一六年末期股息每股普通股及優先股1.0港仙（二零一五年：2.0港仙），總額約為54,378,000港元（二零一五年：108,756,000港元）。本公司亦已於截至二零一七年六月三十日止期間確認二零一七年優先分派予可轉換優先股股東總計約12,111,000港元（二零一六年：12,111,000港元）。

董事會不建議派付截至二零一七年六月三十日止六個月之中期股息（二零一六年：無）。

9. 物業、廠房及設備

截至二零一七年六月三十日止六個月，本集團購入物業、廠房及設備約為79,526,000港元（二零一六年：80,687,000港元）。

10. 預付租賃款項

截至二零一七年六月三十日止六個月，本集團購入預付租賃款項約為16,532,000港元（二零一六年：11,217,000港元）。

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 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 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	3,369,333	2,954,194
Trade receivable from an associate	應收一間聯營公司之貿易賬款	17,885	14,588
Trade receivable from a related party	應收一名關連人士之貿易賬款	7,477	8,605
Less: Allowance for doubtful debts	減：呆賬撥備	(107,318)	(103,324)
		3,287,377	2,874,063

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 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 - 90 days	0至90日	2,151,720	1,594,477
91 - 180 days	91至180日	1,100,957	1,209,804
181 - 365 days	181至365日	34,700	69,782
		3,287,377	2,874,063

At the end of the reporting period, trade receivables of approximately HK\$24,335,000 (31 December 2016: HK\$66,478,000) which have been aged over 180 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 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，應收貿易賬款約為24,335,000港元(二零一六年十二月三十一日：66,478,000港元)的賬齡超過180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 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 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	1,104,543	1,083,880
Trade payable to ultimate holding company	應付最終控股公司之貿易賬款	-	5,308
Trade payables to fellow subsidiaries	應付同系附屬公司之貿易賬款	42,597	47,734
Trade payable to an associate	應付一間聯營公司之貿易賬款	2,486	-
		1,149,626	1,136,922

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 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
0 - 90 days	0至90日	1,011,940	1,039,232
91 - 180 days	91至180日	66,731	5,314
181 - 365 days	181至365日	23,470	12,530
Over 365 days	365日以上	47,485	79,846
		1,149,626	1,136,922

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 – Unsecured

13. 銀行貸款 – 無抵押

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
The loans are repayable as follows:	貸款還款期如下:		
Within one year	於一年內	2,094,273	2,295,456
More than one year but not exceeding two years	超過一年但不超過兩年	1,289,000	1,458,000
More than two years but not exceeding five years	超過兩年但不超過五年	5,148,000	5,664,800
		8,531,273	9,418,256
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)	(2,094,273)	(2,295,456)
Amounts due for settlement after one year	須於一年後償還之款項	6,437,000	7,122,800

14. Contingent Liabilities

As at 30 June 2017, 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 RMB630,000,000 (equivalent to approximately HK\$724,500,000) (31 December 2016: RMB400,000,000 (equivalent to approximately HK\$448,000,000)), of which RMB230,000,000 (equivalent to approximately HK\$264,500,000) (31 December 2016: RMB300,000,000 (equivalent to approximately HK\$336,000,000)) 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 RMB69,000,000 (equivalent to approximately HK\$79,350,000) (31 December 2016: RMB90,000,000 (equivalent to approximately HK\$100,800,000)).

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

於二零一七年六月三十日，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630,000,000元（相等於約724,500,000港元）（二零一六年十二月三十一日：人民幣400,000,000元（相等於約448,000,000港元））之銀行融資（其中人民幣230,000,000元（相等於約264,500,000港元）（二零一六年十二月三十一日：人民幣300,000,000元（相等於約336,000,000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69,000,000元（相等於約79,350,000港元）（二零一六年十二月三十一日：人民幣90,000,000元（相等於約100,800,000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 2017, 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\$579,590,000 (31 December 2016: HK\$473,440,000).

16. Operating Lease Commitments

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases with a fellow subsidiary which fall due as follows:

簡明綜合中期財務報表附註 (續)

15. 資本承擔

於二零一七年六月三十日，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579,590,000港元（二零一六年十二月三十一日：473,440,000港元）。

16. 經營租約承擔

於報告期末，本集團就與一間同系附屬公司訂立之不可撤銷之經營租約之日後最低租賃款項擁有尚未履行之承擔，其屆滿期如下：

	30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Within one year	4,968	4,968
In the second to fifth years inclusive	19,872	19,872
Over five years	25,711	28,169
	50,551	53,009

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

簡明綜合中期財務報表附註 (續)

17. 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:

17. 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	
		2017 二零一七年 HK\$'000 千港元 (Unaudited) (未經審核)	2016 二零一六年 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	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	–
(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
(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
(v)	Service fee payable to ultimate holding company	(v) 應付最終控股公司之服務費	60,806
(vi)	Management fee payable to a related party (note 1)	(vi) 應付一名關連人士之管理費 (附註1)	4,840
(vii)	Rental expenses payable to a related party (note 1)	(vii) 應付一名關連人士之租金費用 (附註1)	357
(viii)	Sales of cement to a related party (note 1)	(viii) 向一名關連人士銷售水泥 (附註1)	23,408
(ix)	Trademark fee payable to a related party (note 2)	(ix) 應付一名關連人士之商標使用費 (附註2)	2,227
(x)	Purchases of raw materials from an associate	(x) 向一間聯營公司購買原材料	14,337
(xi)	Sales of cement to an associate	(xi) 向一間聯營公司銷售水泥	39,450
(xii)	Sales of raw materials to an associate	(xii) 向一間聯營公司銷售原材料	12,983
(xiii)	Service income from associates	(xiii) 來自聯營公司之服務收入	836
			1,260

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

17. Related Parties Transactions (Continued)

notes:

- (1) The related party is a non-controlling shareholder of a subsidiary of the Company.
- (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 2017, the remuneration of key management personnel which represents the short-term benefits of Directors remuneration is approximately HK\$1,185,000 (six months ended 30 June 2016: HK\$1,805,000).

簡明綜合中期財務報表附註(續)

17. 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。
- (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。

截至二零一七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1,185,000港元(截至二零一六年六月三十日止六個月:1,805,000港元)。

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

The State government's continuous but rational commitment to infrastructure investment and steady development of the domestic economy continued to drive Mainland China's GDP growth, which stood at 6.9 percent during the first six months of the year 2017.

Mainland China's cement market during the first half of 2017 displayed healthy development with strong average selling price ("ASP") supported by stable demand. Fixed asset investment of the country during the six-month period increased by 8.6 per cent year-on-year. Investment in property development reported a 8.5 per cent upsurge year-on-year, despite the general concern of the State government's intensified austerity measures.

The country's cement output in the first half of 2017 was roughly the same as that of the same period in the previous year and amounted to approximately 1,110 million metric tons. The effective implementation of production suspension during off-peak season and limited supply of new capacity served to support the improvement in cement selling price since March this year. Cement ASP only began to be mildly adjusted in June, upon the arrival of the rainy season. The sector's earnings for the first half of the year amounted to RMB33.4 billion, which exceeded the industry's 2015 full year earnings.

中期股息

董事會不建議派付截至二零一七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

憑藉中國中央政府堅持對基建項目持續而理性的投資及國內經濟的穩定發展，中國大陸國內生產總值得以持續增長，於二零一七年上半年期間上述國內生產總值增幅維持於6.9%。

中國大陸水泥市場於二零一七年上半年穩健發展，穩定需求令平均售價（「平均售價」）維持強勁。全國固定資產投資於上半年期間同比增長8.6%。儘管市場普遍憂慮中央政府加強調控措施，惟房地產開發投資同比仍上升8.5%。

於二零一七年上半年的全國水泥產量與去年同期相比基本持平，約達11.1億公噸。有效實施錯峰生產及有限度的新增產能促使水泥售價自今年三月開始上升，直至六月雨季來臨時才出現溫和調整。國內水泥行業於上半年的整體利潤為人民幣334億元，已超越這行業二零一五年的全年整體利潤。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Operation Review

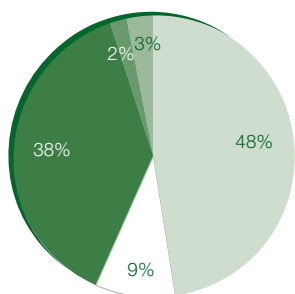
The Group reported a sales volume of 24.5 million metric tons for the six months ended 30 June 2017, maintaining the same level as that of the previous year. The Group's cement ASP began to take off after the Chinese New Year holidays and continued to grow to its peak in May 2017. This was a result of healthy demand and effective control of supply among major manufacturers, particularly in the Group's operations in the Southern region.

For the six months ended 30 June 2017, the Group reported a revenue of HK\$6,129.2 million, up by approximately 25 per cent from that of the previous year. Benefitting from strong product ASP, the Group enjoyed favourable surge in both gross profit and gross profit margin which stood at HK\$1,363.4 million and 22.2 per cent, respectively for the period under review.

SALES VOLUME OF CEMENT, CLINKER AND SLAG POWER IN 2017 FIRST HALF YEAR

BY REGION

二零一七年上半年
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	●	11.7 million metric tons 百萬公噸
Eastern 華東	○	2.2 million metric tons 百萬公噸
Southwestern 西南	●	0.5 million metric tons 百萬公噸
Northeastern 東北	●	0.7 million metric tons 百萬公噸
Others 其他	●	0.7 million metric tons 百萬公噸

管理層討論及分析 (續)

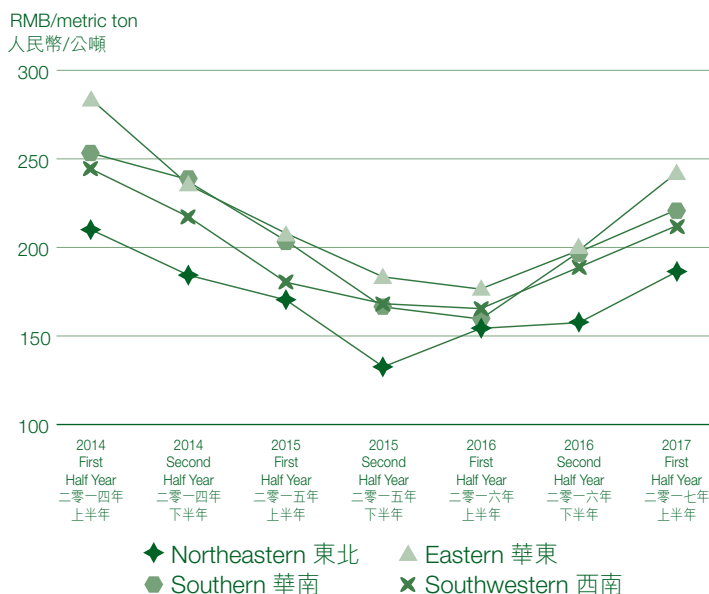
業務回顧

本集團於截至二零一七年六月三十日止六個月錄得銷量24,500,000公噸，與去年保持相同水平。本集團的水泥平均售價自農曆新年假期後開始上揚，並於二零一七年五月上升至其峰值。此乃由於需求穩健及主要生產商有效控制供應所致，並尤其反映於本集團華南地區業務。

截至二零一七年六月三十日止六個月，本集團錄得收入6,129,200,000港元，較去年度增加約25%。受益於強勁的產品平均售價，本集團的毛利及毛利率均錄得有利上升，於回顧期內分別達到1,363,400,000港元及22.2%。

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)

Operation Review (Continued)

The Group reported a profit attributable to owners of the Company of HK\$469.4 million, as opposed to a loss of HK\$156.1 million in the corresponding period in the previous year. The turnaround in performance was mainly attributable to strong product ASP and improvement in the balance of supply and demand in certain regions where the Group had a presence. In addition, the Group had substantially reduced its US-dollar-denominated loan during the second half of 2016, thus freeing it from foreign exchange exposure, one of the reasons for its loss in the corresponding period in 2016.

In Mainland China, the Group operated 32 clinker production lines and was equipped with 59 cement grinding mills with overall clinker and cement capacities of 48.4 million metric tons and 58.6 million metric tons respectively as at the end of the period under review.

Southern Region

Sales volume of the Group's Southern region operations reached 11.7 million metric tons during the period under review and was approximately 1.7 per cent higher than that of the corresponding period in the previous year. The Group's plants in Guangdong and Guangxi provinces reported sales volumes of 7.3 million metric tons (excluding 86,928 metric tons of clinker shipped to Fuzhou) and 4.4 million metric tons (excluding 133,857 metric tons of intercompany sales to Fuzhou), respectively.

The Southern region remained the Group's most significant regional operations contributing 48.0 per cent of the total sales volume of the Group in the half-year period. Although the region's sales volume reported a modest low single digit growth year-on-year, strong cement ASP resulting from effective coordination among key players and healthy demand supported a strong cement ASP and contributed to a handsome operating profit for the Group's Southern region operations.

Since the top three cement producers in the Southern region commanded half of the market's share, effective coordination among these players resulted in more disciplined control of output. New construction of residential and commercial properties and massive transportation-related infrastructure development in the Pearl River Delta continued to fuel strong demand during the six-month period.

管理層討論及分析 (續)

業務回顧 (續)

本集團錄得本公司擁有人應佔溢利469,400,000港元，而去年同期則錄得虧損156,100,000港元。表現逆轉主要由於強勁的產品平均售價及本集團經營業務於若干地區的供需平衡有所改善。此外，本集團於二零一六年下半年大幅減少其美元計值的貸款，從而避免其承受外匯風險。外匯匯兌損失是本集團於二零一六年同期蒙受虧損的其中一個原因。

於中國大陸，本集團於回顧期末營運32條熟料生產線和配置59套水泥粉磨設施，熟料和水泥的總產能分別為48,400,000公噸和58,600,000公噸。

華南地區

本集團華南地區業務於回顧期內的銷量達11,700,000公噸，較去年同期高出約1.7%。本集團位於廣東省及廣西省的廠房分別錄得銷量7,300,000公噸（不含輸往福州的86,928公噸熟料）及4,400,000公噸（不含銷予福州的133,857公噸集團內部銷售）。

華南地區仍為本集團最重要的地區業務，該地區業務的銷量佔本集團上半年的總銷量48.0%。儘管該地區的銷量同比只有溫和的單位數百分率增長，惟因區內領先企業之間的有效協作及區內穩健需求令水泥平均售價維持強勁，並因而讓本集團華南地區業務錄得可觀的經營利潤。

由於華南地區的前三大水泥生產商佔據一半市場份額，該等企業之間的有效協作致使生產得到有效制約。珠三角地區新動工的住宅及商業房地產的項目及大規模的交通相關基建開發令回顧期內地區內需求維持強勁。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Southern Region (Continued)

Although product ASP in Guangxi was slightly lower than that in Guangdong, robust demand from the private sector in the province consumed up to 60 per cent output from the Group's Guigang plant in the province during the half-year period, with the balance of the plant's production being directed to satisfy Guangdong province's heavy consumption.

Southwestern Region

Dictated by the geographical nature of the region, coordination among cement manufacturers was impracticable. The region comprises Sichuan province, Chongqing municipality, Guizhou province and Hunan province. ASPs of the Group's plants in the region displayed noticeable improvement year on year, as such the region reported a favourable operating profit due to the aforesaid reason and effective efficiency enhancement during the reporting period.

Performance of the Group's plants in the region varied from location to location. With the presence of a number of larger manufacturers in Sichuan without any single player commanding an indisputable dominance, the province remained highly competitive. Chongqing municipality, given its proximity to Sichuan, was also under the impact of excess supply. As the Group's plants in these two areas had been fully run-in and enjoyed an average of 21 per cent surge in ASP year on year, the plants managed to resume profitability as compared to losses incurred in the corresponding period in the previous year.

In Guizhou, the Group's operations reported a strong performance with favourable gross profit per metric ton due to high demand and close to 40 per cent improvement in ASP.

The Group's performance with respect to the Hunan plant was adversely affected by the province's high level of inventory. Lowered output due to periodical production suspension continued to keep the plant in red during the period under review. However, the loss had been significantly narrowed from that of 2016 interim period as a result of improved ASP and enhanced operation efficiency.

管理層討論及分析 (續)

華南地區 (續)

儘管廣西省的產品平均售價與廣東省的相比略低，惟來自該省內私營市場的強大需求消耗掉本集團於該省內的貴港廠房其半年期間的產出達60%，該廠房其餘的產量則供應至廣東省以滿足當地強勁的水泥消耗。

西南地區

受制於西南地區的地理環境，水泥生產商之間的協作並不切實可行。該地區包括四川省、重慶直轄市、貴州省及湖南省。本集團位於該地區之各廠房的平均售價同比均錄得明顯增長；基於以上原因和各廠方於回顧期內有效提升效益，致令該地區業務錄得理想的經營溢利。

本集團於該地區內的廠房業績表現，因彼所處地域而有所差異。多家大型生產商均有在四川省經營業務，惟並無任何單一企業於省內佔有明顯的主導地位，導致競爭異常激烈。重慶市因其毗鄰四川亦受到供過於求的影響。由於本集團於該兩個地區之廠房均已達致暢順運行，而產品平均售價同比亦有21%的增長，令這些廠房得以扭虧為盈。

於貴州省，由於需求旺盛及提升近40%的平均售價，集團業績表現強勁並錄得每公噸可觀之毛利。

本集團的湖南廠房業績受到該省存貨量偏高的不利影響。由於回顧期內受到間歇性停產影響，導致該廠房產出減少並繼續錄得虧損。惟由於產品平均售價和營運效率均有所改善，該廠房中期虧損已與同比大幅收窄。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Southwestern Region (Continued)

The region reported a sales volume of 9.4 million metric tons, same as that of the corresponding period in the previous year. The Group's production lines in Chongqing municipality and Sichuan province together generated a sales volume of 4.9 million metric tons. The Group's Hunan plants reported a sales volume of 1.3 million metric tons. The aggregate sales volume of the Group's Guizhou plants amounted to 3.2 million metric tons during the period.

The Group's urban waste treatment project in Anshun Guizhou province processed 16,604 metric tons of household wastes during the reporting period. The processed volume was about half of that of the corresponding period in the previous year, as operation of the Anshun plant's kiln was suspended in the second quarter of the year for revamping. The Group has been exploring opportunities to apply its mature waste treatment technologies to its other facilities in collaboration with local governments.

Eastern Region

During the reporting period, the Group's operations in the region reported a sales volume of 2.2 million metric tons, slightly lower than that of the corresponding period in the previous year. Stable demand and effective maintenance of market discipline had contributed to strong ASP in the region. Temporary production suspension under government direction during the period served to further lower inventory in the region and supported healthy sales for the Group's Jurong plant.

Fuzhou plant continued to suffer a loss during the half-year period, due to its reliance on the relatively expensive clinker supply from the Group's Southern region operations.

Northeastern Region

The Group's Liaoning plant reported a sales volume of approximately 468,000 metric tons, representing a 11.4 per cent upsurge year-on-year. ASP had been strong in the Northeastern region due to production suspension during the long winter of the region. However, given the fact that the Group had only one production line, with relatively small output, in the region, contribution from the Liaoning plant had been insignificant.

管理層討論及分析 (續)

西南地區 (續)

西南地區上半年錄得銷量9,400,000公噸，與去年同期相同。本集團位於重慶市及四川省之生產線合共銷量4,900,000公噸。本集團湖南廠房錄得銷量1,300,000公噸。於期內，本集團位於貴州之廠房合共銷量達3,200,000公噸。

於報告期內，本集團位於貴州省安順的城市廢物處理項目共處理了16,604公噸生活垃圾，約為去年同期之一半，這是由於安順廠房於第二季度需停審進行整修。本集團繼續物色機會以與當地政府合作將其成熟的廢物處理技術應用於本集團的其他設施。

華東地區

期內，本集團於該地區的業務錄得銷量2,200,000公噸，略低於去年同期的銷量。穩定的需求及有效維持市場秩序令該地區的產品平均售價保持強勁。期內，因應政府要求當地的水泥廠作出短暫的停產，此舉有利於進一步降低該地區的庫存並促使本集團句容廠房維持穩健的銷售。

福州廠房因其需依賴來自本集團華南地區業務相對昂貴的熟料供應，而繼續於半年期間錄得虧損。

東北地區

本集團的遼寧廠房錄得銷量約468,000公噸，同比上升11.4%。東北地區的漫長冬季期間錯峰生產，令區內產品平均售價高企。然而，鑑於本集團於該地區內僅有一條生產線且產量相對較低，遼寧廠房對本集團整體貢獻沒重大影響。

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

Hong Kong

The Group's operations in Hong Kong generated a sales volume of approximately 244,000 metric tons. The Group's sales volume in the territory continued to retreat as tender prices for construction projects were pressurised by intensified competition.

Others

The Group's two slag powder non-wholly owned subsidiaries in Anhui and Guangxi provinces together generated a sales volume of 476,000 metric tons.

Other significant investments held

A net increase in fair value of approximately HK\$9.1 million (30 June 2016: decrease of HK\$3.0 million) was recognised for held-for-trading investments upon stating them at market prices as at 30 June 2017. As at 30 June 2017, the carrying amount of held-for-trading investments was approximately HK\$47.3 million (31 December 2016: HK\$38.2 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 2017 is as follows:

管理層討論及分析 (續)

香港

本集團在香港的業務實現銷量約244,000公噸。本集團於該地區之銷量因建築項目之招標價受壓於日趨激烈的競爭而持續下滑。

其他

本集團在安徽省及廣西省的兩家非全資附屬公司其礦渣粉銷量合計達476,000公噸。

其他所持重大投資

按於二零一七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增加約9,100,000港元(二零一六年六月三十日：減少3,000,000港元)。於二零一七年六月三十日，持作交易用途之投資之賬面值約為47,300,000港元(二零一六年十二月三十一日：38,200,000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。

本集團於二零一七年六月三十日之流動比率如下：

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current assets	流動資產	9,634,599	9,204,277
Current liabilities	流動負債	4,815,177	4,981,771
Current ratio	流動比率	2.00	1.85

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

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

The Group's current ratio as at 30 June 2017 was 2.00 (31 December 2016: 1.85). The improvement of the current ratio as at 30 June 2017 was attributable to the effective financial management of the Group. The liquidity position is still maintained at a healthy level.

Total cash and bank balances of the Group as at 30 June 2017 amounted to HK\$4,196.0 million (31 December 2016: HK\$4,341.8 million), including time deposits, pledged bank deposits and restricted bank deposits of HK\$74.8 million, HK\$17.8 million and HK\$70.2 million (31 December 2016: HK\$83.2 million, HK\$17.3 million and HK\$68.8 million) respectively. Highly liquid short term investments, classified as held-for-trading investments, with a market value of HK\$47.3 million as at 30 June 2017 (31 December 2016: HK\$38.2 million), were also held by the Group.

The maturity profile of the Group's bank loans as at 30 June 2017 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

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)

本集團於二零一七年六月三十日之流動比率為2.00 (二零一六年十二月三十一日: 1.85)。於二零一七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。

於二零一七年六月三十日，本集團之現金及銀行結餘總額為4,196,000,000港元 (二零一六年十二月三十一日: 4,341,800,000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74,800,000港元、17,800,000港元及70,200,000港元 (二零一六年十二月三十一日: 83,200,000港元、17,300,000港元及68,800,000港元))。於二零一七年六月三十日，本集團亦持有市值為47,300,000港元 (二零一六年十二月三十一日: 38,200,000港元) 分類為持作交易用途之投資之高流動性短期投資。

於二零一七年六月三十日，本集團銀行貸款之到期還款概況如下：

30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
2,094,273	2,295,456
1,289,000	1,458,000
5,148,000	5,664,800
8,531,273	9,418,256

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

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

There was no material effect of seasonality on the Group's borrowing requirement. As at 30 June 2017, HK\$180.0 million of the bank loans was denominated in HK\$, HK\$6,903.0 million in US\$ and HK\$1,448.3 million in RMB. All of the bank loans are of floating rate structures.

The net gearing ratio of the Group as at 30 June 2017 is as follows:

管理層討論及分析 (續)

流動資金、財務資源、資本架構及淨資產負債比率 (續)

本集團之借貸需要並未受到重大季節性影響。於二零一七年六月三十日，銀行貸款中180,000,000港元以港元為貨幣單位、6,903,000,000港元以美元為貨幣單位及1,448,300,000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。

本集團於二零一七年六月三十日之淨資產負債比率如下：

		30 June 2017 二零一七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2016 二零一六年 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	8,531,273	9,418,256
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	(4,195,954)	(4,341,753)
Net borrowings	借貸淨額	4,335,319	5,076,503
Equity attributable to owners of the Company	本公司擁有人應佔權益	19,645,529	18,548,856
Net gearing ratio	淨資產負債比率	22.1%	27.4%

MANAGEMENT DISCUSSION AND ANALYSIS

(Continued)

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

As at 30 June 2017, 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 22.1% (31 December 2016: 27.4%). 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 2017 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\$79.5 million and HK\$16.5 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)

流動資金、財務資源、資本架構及淨資產負債比率 (續)

於二零一七年六月三十日，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22.1%（二零一六年十二月三十一日：27.4%）。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。於二零一七年六月三十日，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79,500,000港元及16,500,000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 residual balances to be used as at 1 January 2017 and 30 June 2017 are as follows:

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。於二零一七年一月一日及二零一七年六月三十日將予動用之餘額如下：

	Residual balances to be used as at 1 January 2017 and 30 June 2017 於二零一七年 一月一日及 二零一七年 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 -
(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 531.8
(iii) General working capital	(iii) 一般營運資金 -
	<hr/> 531.8

Charge on assets

As at 30 June 2017, bank deposits amounting to HK\$17.8 million have been pledged by the Group as a performance guarantee in relation to certain mining contracts.

質押資產

於二零一七年六月三十日，17,800,000 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.

In addition, the Group entered into short-term forward foreign exchange contracts (less than 3 months) for hedging purpose. The Group utilises a variety of forward foreign exchange contracts to hedge its exposure to foreign currencies on a regular basis.

No foreign exchange contracts were outstanding as at 30 June 2017.

Major capital commitments

As at 30 June 2017, 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 approximately HK\$579.6 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。

此外，本集團訂立短期遠期外匯合約（少於3個月）作對沖用途。本集團經常利用多種遠期外匯合約以對沖其外匯風險。

於二零一七年六月三十日，並無任何未完成之外匯合約。

主要資本承擔

於二零一七年六月三十日，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約為579,600,000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 2017, 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 RMB630,000,000 (equivalent to approximately HK\$724,500,000) of which RMB230,000,000 (equivalent to approximately HK\$264,500,000) 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 RMB69,000,000 (equivalent to approximately HK\$79,350,000).

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 2017, the Group had 9,528 full-time employees. Total expenses in wages and salaries of the Group for the period ended 30 June 2017 amounted to HK\$376.0 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

於二零一七年六月三十日，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630,000,000元（相等於約724,500,000港元）之銀行融資（其中人民幣230,000,000元（相等於約264,500,000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69,000,000元（相等於約79,350,000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

於二零一七年六月三十日，本集團共有9,528名全職僱員。本集團於截至二零一七年六月三十日止期間之工資及薪金開支總額達376,000,000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

According to Digital Cement, full-year cement demand for 2017 is expected to be roughly the same as that of the previous year and will be approximately 2.4 billion metric tons. Domestic cement demand remained at the same level since 2013, suggesting that the country's cement product has reached its consumption plateau. Stringent restriction on the development of new facilities is necessary to suppress capacity. Under the "Cement Industry 13th Five-year Plan Development Scheme" published in June 2017 by the China Cement Association, 400 million metric tons of excess clinker capacity are scheduled to be phased out by 2020.

Cement ASP began to soften in June 2017, due to the approaching rainy season and hot summer. To reduce the pressure from the imbalance in supply and demand and to meet the State's pollution control requirements, cement plants in many parts of Mainland China are subject to production restrictions from June to August during the summer months. The measure is expected to result in lower overall inventory and to support a strong ASP rebound in the fourth quarter this year with the arrival of the industry's peak season.

The State government's commitment in intensified inter-city road connections, sewage treatment and sponge city development will continue to drive cement demand in the second half of the year.

On the other hand, despite strong demand from the property sector during the first half of the year, there are signs of slowing down in the sector's development, evidenced by significant reduction in July 2017 sales of most major players when compared with those of June 2017.

Impact of the State's tightened austerity measures will become more visible in the property market in the second half of the year. Demand for cement from building construction is, therefore, likely to be affected.

The Group's Southern and Eastern operations are expected to continue to enjoy healthy ASP due to better peer coordination in output control. Demand in these two regions will remain strong with heavy consumption from urban facility and property development. Certain of the Group's plants in the Southwestern region are subject to production suspension during summer. Reduction in inventory in this region is likely to help stabilise product ASP.

展望

根據數字水泥網的資料，二零一七年全年水泥需求預期將與去年相同並將約為24億公噸。國內水泥需求自二零一三年以來均維持相同水平，顯示國家水泥產品消耗已達致其穩定階段。因此，有需要對新設施建設進行嚴格限制以壓抑產能。根據中國水泥協會於二零一七年六月頒佈之「水泥行業十三五規劃發展計劃」，中國大陸計劃至二零二零年淘汰4億公噸過剩熟料產能。

由於雨季及酷熱夏天的來臨，水泥平均售價於二零一七年六月開始下調。為減輕供需失衡之壓力以及滿足國家控制環境污染的規定，中國大陸眾多地區之水泥廠於夏季六月至八月須實施限產。該措施預期可導致整體存貨下降，並有利於今年第四季行業旺季時產品平均售價大幅反彈。

中央政府對加強城際交通、污水處理及海綿城市發展之支持將繼續支撐下半年水泥需求。

另一方面，儘管上半年房地產行業需求強勁，惟大部份主要房地產開發商於二零一七年七月銷量與六月比較明顯下調，顯示該行業發展已出現放緩跡象。

政府加強對房地產的調控措施對市場的影響將在下半年更趨明顯。來自樓宇建造方面的水泥需求可能因此受到影響。

本集團華南及華東地區業務預計由於業界對產出控制的有效協作而繼續維持穩健之產品平均售價。由於城市設施及房地產開發消耗大量水泥，於該兩個地區的需求將維持強勁。本集團若干於西南地區之廠房於夏季短暫停產。該地區內存貨減少應有助於穩定產品平均售價。

PROSPECTS (Continued)

The Group has already obtained the license for the development of a clinker and cement production line of 2 million metric tons in Shaoguan, Guangdong province. Construction of the plant will commence in the fourth quarter this year and is scheduled for completion by the end of 2018. The Group is also planning to set up its second waste treatment plant in Shaoguan, signifying a step forward in realising the Group's plan to establish a network of eco-solution projects alongside its existing cement facilities.

Given the expected improvement in the balance of supply and demand resulting from better orchestrated output control and the State's continued commitment in infrastructure development, the Group is cautiously optimistic about its full year's performance. The Group will also maintain its vigilance to check operational risks such as rising coal prices and probable volatility in demand from the property sector.

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

As at 30 June 2017, 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 2017

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
CHANG, Kang-Lung, Jason	Interest of spouse	3,000,000	0.06%
張剛綸	配偶權益	(Note 1) (附註1)	

展望 (續)

本集團已就於廣東省韶關市建設兩百萬公噸之熟料及水泥生產線獲得相關證照。該廠房將於本年度第四季度動工並預計於二零一八年底竣工。本集團亦計劃於韶關建立第二個廢物處理廠，顯示本集團於實現其現有水泥設施附設生態解決方案項目的規劃邁進一步。

預期就限制產出進行更有效同業協作及國家對基建發展之持續承擔將有助改善供需平衡，本集團對全年表現持謹慎樂觀態度。本集團亦將保持警覺以控制如煤炭價格攀升及房地產行業需求之可能出現波動等營運風險。

董事及行政總裁於股份、相關股份及債券之權益及淡倉

於二零一七年六月三十日，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) 於二零一七年六月三十日，於本公司普通股之好倉

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

(Continued)

(i) Long positions in ordinary shares of the Company as at 30 June 2017 (Continued)

note:

- (1) The shares are held by a corporation controlled by the spouse of Mr. Chang, Kang-Lung, Jason and accordingly, he is deemed to be interested in the 3,000,000 ordinary shares of the Company pursuant to Section 316 of the SFO.

(ii) Long positions in shares and underlying shares of associated corporations as at 30 June 2017

Taiwan Cement Corporation ("T'Cement") *

董事及行政總裁於股份、相關股份及債券之權益及淡倉 (續)

(i) 於二零一七年六月三十日，於本公司普通股之好倉 (續)

附註：

- (1) 該等股份由張剛綸先生之配偶透過受控制法團持有，因此，根據證券及期貨條例第316條，彼被視為於本公司3,000,000股普通股中擁有權益。

(ii) 於二零一七年六月三十日，於相聯法團股份及相關股份之好倉

**台灣水泥股份有限公司
("T'Cement") ***

Number of shares held, capacity and nature of interest 所持之股份數目、身份及權益性質

Name of Directors 董事姓名	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	Total 總計	Approximate percentage of shareholding 股權概約 百分比
CHANG, An-Ping, Nelson 張安平	156,573	3,059,817 (note 1) (附註1)	7,155,821 (note 2) (附註2)	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 2017 (Continued)

notes:

- (1) The shares are held by the respective Directors' spouses as the registered and beneficial shareholders.
- (2) 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 2017, 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) 於二零一七年六月三十日，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) 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，於二零一七年六月三十日，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 2017, 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 2017

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") TCC International Limited ("TCCI")	Directly beneficially owned 直接實益擁有	3,117,016,329(L)	63.05%
T'Cement T'Cement	Through a controlled corporation (note 2) 透過受控制法團 (附註2)	3,117,016,329(L)	63.05%
Chia Hsin Pacific Limited ("CHPL") Chia Hsin Pacific Limited ("CHPL")	Directly beneficially owned 直接實益擁有	479,849,250(L)	9.71%
Chia Hsin Cement Corporation ("Chia Hsin Cement") 嘉新水泥股份有限公司 ("嘉新水泥")	Through a controlled corporation (note 3) 透過受控制法團 (附註3)	479,849,250(L)	9.71%
	Directly beneficially owned 直接實益擁有	8,829,262(L)	0.18%

擁有須申報權益之股東

於二零一七年六月三十日，根據本公司按照證券及期貨條例第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) 於二零一七年六月三十日，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 2017 (Continued)

notes:

- (1) The letter "L" denotes a long 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 2017

擁有須申報權益之股東 (續)

(i) 於二零一七年六月三十日，於本公司普通股之好倉 (續)

附註：

- (1) 英文字母「L」表示該等股份的好倉。
- (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) 於二零一七年六月三十日，於本公司可轉換優先股之相關股份之好倉

Name of shareholders 股東名稱	Number of the underlying ordinary shares held 所持相關 普通股數目	Percentage of the Company's total issued ordinary share capital 佔本公司已發行 普通股股本總額 之百分比
TCCI	539,383,608	10.91%
T'Cement (note 1) T'Cement (附註1)	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 2017, 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 2017.

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 17 August 2016 between the Company and certain banks relating to a five-year term loan facility of US\$240,000,000, 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.

擁有須申報權益之股東 (續)

除上文所披露者外，於二零一七年六月三十日，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二零一七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二零一六年八月十七日訂立有關240,000,000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40%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, a termination event would arise if (i) T'Cement ceases to own legally and beneficially, at least 30% of the shares in the Company's capital or (ii) the Group fails to meet the financial covenants stipulated in the loan facility.

Pursuant to a loan agreement dated 19 June 2017 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 August 2016 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.

Pursuant to a loan agreement dated 5 May 2015 between the Company and a bank relating to a one-year loan facility of US\$30,000,000 and further extended for another year, a termination event would arise if T'Cement ceases to own legally and beneficially, at least 40% 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，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二零一七年六月十九日訂立有關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二零一六年八月五日訂立有關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。

根據本公司與一間銀行於二零一五年五月五日訂立有關30,000,000美元之一年期貸款融資及其後進一步再延期一年之貸款協議，如T'Cement終止合法及實益擁有本公司股本中至少40%股份，該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 2017. In respect of code provisions A.4.1 and D.1.4 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election, and directors should have formal letters of appointment. The non-executive Directors are not appointed for a specific term and all Directors do not 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 provisions of the Company’s Articles of Association, and their appointment will be reviewed when they are due for re-election.

CODE 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 inside 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 2017.

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，於截至二零一七年六月三十日止六個月內，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A.4.1條及第D.1.4條而言，非執行董事的委任應有指定任期，並須重選連任，同時亦應有正式的董事委任書。本公司非執行董事無特定任期，所有董事並無正式的董事委任書，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，須就其委任再作檢討。

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內幕資料。經作出特定查詢後，全體董事確認彼等於截至二零一七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。

AUDIT COMMITTEE

The Company's Audit Committee was established in 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 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 2017.

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
TCC International Holdings Limited
CHANG, An-Ping, Nelson
Chairman and Executive Director

11 August 2017

審核委員會

本公司已於一九九九年成立審核委員會，並根據現行企業管治守則的條文制定書面職權範圍及不時作出修訂。審核委員會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二零一七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
台泥國際集團有限公司
主席兼執行董事
張安平

香港，二零一七年八月十一日



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