



上海聯合水泥股份有限公司
Shanghai Allied Cement Limited

Interim Report

2005

中期報告

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公司資料

董事會

執行董事

黃清海 (總裁及行政總裁)

高成明 (副總裁)

李志剛

非執行董事

李兆忠

獨立非執行董事

陳靜

金惠志

李澤雄

執行委員會

黃清海 (主席)

高成明

李志剛

薪酬委員會

陳靜 (主席)

金惠志

李澤雄

審核委員會

李澤雄 (主席)

陳靜

金惠志

李兆忠

公司秘書

黃韜

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ng Qing Hai (*President and Chief Executive Officer*)

Ko Sing Ming (*Vice President*)

Li Chi Kong

Non-Executive Director

Lee Siu Chung, Steven

Independent Non-Executive Directors

Chen Ching

Jin Hui Zhi

Li Chak Hung

EXECUTIVE COMMITTEE

Ng Qing Hai (*Chairman*)

Ko Sing Ming

Li Chi Kong

REMUNERATION COMMITTEE

Chen Ching (*Chairman*)

Jin Hui Zhi

Li Chak Hung

AUDIT COMMITTEE

Li Chak Hung (*Chairman*)

Chen Ching

Jin Hui Zhi

Lee Siu Chung, Steven

COMPANY SECRETARY

Wong Yan



公司資料 (續)

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港總辦事處及 主要營業地點

香港
灣仔
駱克道333號
中國網絡中心
26樓2602室

電話 : (852) 2877 8313
傳真 : (852) 2511 5267
電郵 : info@sacl.com.hk

律師

胡百全律師事務所

核數師

德勤 • 關黃陳方會計師行

主要銀行

香港
亞洲商業銀行有限公司
中信嘉華銀行有限公司
富邦銀行(香港)有限公司
中國工商銀行(亞洲)有限公司
渣打銀行(香港)有限公司
東亞銀行有限公司

中國
中國農業銀行
中國銀行
交通銀行
中國建設銀行
招商銀行
中國民生銀行
中信實業銀行
中國工商銀行
東亞銀行有限公司

CORPORATE INFORMATION (continued)

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2602, 26th Floor
China Online Centre
333 Lockhart Road
Wanchai
Hong Kong

Tel : (852) 2877 8313
Fax : (852) 2511 5267
E-mail : info@sacl.com.hk

SOLICITORS

P. C. Woo & Co.

AUDITORS

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

In Hong Kong
Asia Commercial Bank Limited
CITIC Ka Wah Bank Limited
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited

In the PRC
Agricultural Bank of China
Bank of China
Bank of Communications
China Construction Bank Corporation
China Merchants Bank
China Minsheng Banking Corp., Ltd.
CITIC Industrial Bank
Industrial and Commercial Bank of China
The Bank of East Asia, Limited



公司資料(續)

主要股份過戶 及登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

香港股份過戶 及登記分處

秘書商業服務有限公司
香港
灣仔
告士打道56號
東亞銀行港灣中心地下

新加坡股份過戶代理人

Lim Associates (Pte) Limited
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

股份代號

香港聯合交易所有限公司
股份代號：1060

新加坡證券交易所
股份代號：ShanghaiAC 2k HK\$

CORPORATE INFORMATION (continued)

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Secretaries Limited
Ground Floor, Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

SINGAPORE SHARE TRANSFER AGENT

Lim Associates (Pte) Limited
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

STOCK CODE

Stock Code on The Stock Exchange of
Hong Kong Limited: 1060

Stock Code on Singapore Exchange Securities
Trading Limited: ShanghaiAC 2k HK\$



公司資料 (續)

其他公司資料

上海聯合水泥有限公司

中國

上海市

龍水南路1號

郵政編碼 : 200232

電話 : (86-21) 5409 0945

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山東聯合王晁水泥有限公司

中國

山東省

棗莊市

台兒莊區

潤頭集鎮

頓莊村

郵政編碼 : 277405

電話 : (86-632) 6812 890

傳真 : (86-632) 6818 521/6818 696

山東上聯水泥發展有限公司

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孫蘇莊

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電郵 : yuzhong@sac-cement.com

北京上聯首豐建材有限公司

中國

北京市

豐台區

射擊場路5號

郵政編碼 : 100072

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CORPORATE INFORMATION (continued)

OTHER CORPORATE INFORMATION

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Taierzhuang District

Zaozhuang

Shandong

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Post Code : 277405

Tel : (86-632) 6812 890

Fax : (86-632) 6818 521/6818 696

Shandong Shanghai Allied Cement Co., Ltd.

Sunsuzhuang

Taierzhuang District

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Post Code : 277405

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上海聯合水泥有限公司獲上海市政府委托的評估機構——天誠企業徵信頒發2005年度AA級信用等級證書。

Shanghai Allied Cement Co., Ltd. has been awarded the AA Credit Rating of 2005 certificate by T&C Credit Information Services (valuer assigned by The Shanghai Municipal Government).



上海聯合水泥有限公司榮獲上海市水泥產品質量誠信評委會頒發2004-2005年度上海市水泥產品質量誠信優勝企業證書。

Shanghai Allied Cement Co., Ltd. has the honor of being awarded a Certificate of Excellent Business Enterprise of Shanghai Cement Product Quality Trustworthiness in 2004-2005 by Shanghai Appraisal Committee of Cement Product Quality Trustworthiness.

上海聯合水泥股份有限公司(「本公司」)之董事會(「董事會」)公佈本公司及其附屬公司(統稱「本集團」)截至二零零五年六月三十日止六個月之未經審核綜合業績如下：

The board of directors (the "Board") of Shanghai Allied Cement Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th June, 2005 were as follows:

簡明綜合收益表

截至二零零五年六月三十日止六個月

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2005

截至六月三十日止六個月
Six months ended 30th June,

二零零五年
2005
港幣千元
HK\$'000
(未審核)
(unaudited)

二零零四年
2004
港幣千元
HK\$'000
(未審核)
(unaudited)

附註
Notes

營業額	Turnover		141,454	199,094
銷售成本	Cost of sales		(140,560)	(150,194)
毛利	Gross profit		894	48,900
其他經營收入	Other operating income		8,062	9,932
分銷成本	Distribution costs		(3,376)	(3,689)
行政開支	Administrative expenses		(11,717)	(13,530)
商譽攤銷	Amortisation of goodwill		—	(2,553)
呆帳準備	Allowance for doubtful debts		(7,040)	(1,481)
經營(虧損)溢利	(Loss) profit from operations	6	(13,177)	37,579
融資成本	Finance costs	7	(4,313)	(3,181)
除稅前(虧損)溢利	(Loss) profit before taxation		(17,490)	34,398
稅項	Taxation	8	(1,397)	(10,583)
本期(虧損)溢利	(Loss) profit for the period		(18,887)	23,815
下列各項應佔：	Attributable to:			
本公司股東	Shareholders of the Company		(16,513)	13,497
少數股東權益	Minority interests		(2,374)	10,318
			(18,887)	23,815
			港仙 HK cents	港仙 HK cents
每股(虧損)盈利	(Loss) earnings per share	9	(2.26)	1.85
— 基本及攤薄	— basic and diluted			



簡明綜合資產負債表

於二零零五年六月三十日

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th June, 2005

		附註 Notes	於二零零五年 六月三十日 At 30th June, 2005 港幣千元 HK\$'000 (未審核) (unaudited)	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (經審核) (audited) (重列) (restated)
非流動資產	NON-CURRENT ASSETS			
物業、廠房及設備	Property, plant and equipment	10	454,679	430,200
無形資產	Intangible asset		6,782	—
商譽	Goodwill		83,618	83,618
土地使用權之預付租賃款項	Prepaid lease payments on land use rights		14,029	14,138
所佔一間共同控制機構權益	Interest in a jointly controlled entity		—	—
所佔一間聯營公司權益	Interest in an associate		—	—
會所債券	Club debenture		330	330
			559,438	528,286
流動資產	CURRENT ASSETS			
待售物業	Properties held for sale		4,639	4,630
土地使用權之預付租賃款項	Prepaid lease payments on land use rights		318	318
存貨	Inventories		46,442	33,376
貿易及其他應收款項	Trade and other receivables	11	205,354	184,269
按金及預付款項	Deposits and prepayments		5,619	4,795
應收同系附屬公司款項	Amounts due from fellow subsidiaries		620	3,381
已抵押短期銀行存款	Pledged short-term bank deposits		11,311	5,924
銀行結存及現金	Bank balances and cash		60,192	62,051
			334,495	298,744
流動負債	CURRENT LIABILITIES			
貿易及其他應付款項與按金	Trade and other payables and deposits	12	106,910	71,835
應付最終控股公司款項	Amount due to ultimate holding company		5,646	5,555
應付一同系附屬公司款項	Amount due to a fellow subsidiary		9,071	—
應付一少數股東款項	Amount due to a minority shareholder		5,487	5,106
應付少數股東股息	Dividends payable to minority shareholders		5,670	3,334
應付一間關連公司款項	Amount due to a related company		74	116
稅項負債	Tax liabilities		1,497	4,730
於一年內到期之 融資租約承擔	Obligations under a finance lease due within one year		10	10
於一年內到期之銀行借款	Bank borrowings due within one year	13	181,991	125,418
			316,356	216,104
流動資產淨額	NET CURRENT ASSETS		18,139	82,640
總資產減流動負債	TOTAL ASSETS LESS CURRENT LIABILITIES		577,577	610,926
股本及儲備	CAPITAL AND RESERVES			
股本	Share capital		182,349	182,349
儲備	Reserves		122,482	137,790
本公司股東應佔權益	Equity attributable to shareholders of the Company		304,831	320,139
少數股東權益	Minority interests		153,179	159,703
總權益	TOTAL EQUITY		458,010	479,842
非流動負債	NON-CURRENT LIABILITIES			
應付同系附屬公司款項	Amounts due to fellow subsidiaries		127	1,087
應付一少數股東款項	Amount due to a minority shareholder		309	2,641
於一年後到期之 融資租約承擔	Obligations under a finance lease due after one year		2	7
於一年後到期之銀行借款	Bank borrowings due after one year		94,500	105,000
遞延稅項	Deferred taxation		24,629	22,349
			119,567	131,084
			577,577	610,926



簡明綜合權益變動表

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零五年六月三十日止六個月

For the six months ended 30th June, 2005

本公司股東應佔
Attributable to shareholders of the Company

	股本 Share Capital HK\$'000	股本 贖回儲備 Redemption Reserve HK\$'000	實繳盈餘 Contributed Surplus HK\$'000	匯兌儲備 Translation Reserve HK\$'000	合併儲備 Merger Reserve HK\$'000	股本儲備 Capital Reserve HK\$'000	其他儲備 Other Reserves HK\$'000	累計溢利 Accumulated Profits HK\$'000	總額 Total HK\$'000	少數 股東權益 Minority Interests HK\$'000	總額 Total HK\$'000
於二零零四年一月一日											
At 1st January, 2004	182,349	918	44,203	(3,654)	1,799	824	2,405	110,059	338,903	164,543	503,446
少數股東注資											
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	-	754	754
已付予一少數股東之股息											
Dividend paid to a minority shareholder	-	-	-	-	-	-	-	-	-	(19,022)	(19,022)
已付二零零三年之股息											
Dividend paid for 2003	-	-	-	-	-	-	-	(29,176)	(29,176)	-	(29,176)
本期溢利											
Profit for the period	-	-	-	-	-	-	-	13,497	13,497	10,318	23,815
轉至儲備											
Transfer to reserves	-	-	-	-	-	-	7,085	(7,085)	-	-	-
於二零零四年六月三十日											
At 30th June, 2004	182,349	918	44,203	(3,654)	1,799	824	9,490	87,295	323,224	156,593	479,817
本期(虧損)溢利											
(Loss) profit for the period	-	-	-	-	-	-	-	(3,083)	(3,083)	2,866	(217)
少數股東注資											
Capital contribution by minority shareholders	-	-	-	-	-	-	-	-	-	3,578	3,578
換算香港以外地區業務的財務報表 而並未於綜合收益表中確認之匯兌差額											
Exchange difference arising from translation of financial statements of operations outside Hong Kong not recognised in the consolidated income statement	-	-	-	(2)	-	-	-	-	(2)	-	(2)
已付予一少數股東之股息											
Dividend paid to a minority shareholder	-	-	-	-	-	-	-	-	-	(3,334)	(3,334)
轉至儲備											
Transfer to reserves	-	-	-	-	-	-	3,437	(3,437)	-	-	-
於二零零四年十二月三十一日											
At 31st December, 2004	182,349	918	44,203	(3,656)	1,799	824	12,927	80,775	320,139	159,703	479,842
於二零零五年一月一日											
At 1st January, 2005											
- 原先呈列											
- as originally stated	182,349	918	44,203	(3,656)	1,799	824	12,927	80,775	320,139	159,703	479,842
- 採納新會計準則作出調整 (附註2及3)											
- adjustments on adoption of new accounting standard (notes 2 and 3)	-	-	-	-	-	-	-	1,205	1,205	1,205	2,410
- 重列											
- as restated	182,349	918	44,203	(3,656)	1,799	824	12,927	81,980	321,344	160,908	482,252
本期虧損											
Loss for the period	-	-	-	-	-	-	-	(16,513)	(16,513)	(2,374)	(18,887)
已付予一少數股東之股息											
Dividend paid to a minority shareholder	-	-	-	-	-	-	-	-	-	(5,355)	(5,355)
轉至儲備											
Transfer to reserves	-	-	-	-	-	-	1,181	(1,181)	-	-	-
於二零零五年六月三十日											
At 30th June, 2005	182,349	918	44,203	(3,656)	1,799	824	14,108	64,286	304,831	153,179	458,010

附註：其他儲備歸屬為上海聯合水泥有限公司及山東上聯水泥發展有限公司之儲備資金及企業擴展資金。儲備資金乃用作擴展企業之營運資金。當企業出現虧損時，儲備資金可於特殊情況下用作填補不可收回之虧損。企業擴展資金乃用作擴展業務，並可在獲得批准之情況下用作增加資本。

Note: Other reserves are attributable to reserve fund and enterprise expansion fund of Shanghai Allied Cement Co., Ltd and Shandong Shanghai Allied Cement Co., Ltd. The reserve fund is to be used to expand the enterprise's working capital. When the enterprise suffers losses, the reserve fund may be used to make up unrecovered losses under special circumstances. The enterprise expansion fund is to be used for business expansion and, if approved, can also be used to increase capital.



簡明綜合現金流量表

截至二零零五年六月三十日止六個月

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June, 2005

		截至六月三十日止六個月 Six months ended 30th June,	
		二零零五年 2005 港幣千元 HK\$'000 (未審核) (unaudited)	二零零四年 2004 港幣千元 HK\$'000 (未審核) (unaudited)
經營業務所(耗用)產生之 現金淨額	Net cash (used in) from operating activities	(5,313)	46,177
投資活動所耗用之現金淨額	Net cash used in investing activities	(44,745)	(61,701)
融資活動所產生(耗用)之 現金淨額	Net cash from (used in) financing activities	48,199	(8,966)
現金及等同現金項目減少淨額	Net decrease in cash and cash equivalents	(1,859)	(24,490)
期初現金及等同現金項目	Cash and cash equivalents at beginning of the period	62,051	99,262
期終現金及等同現金項目	Cash and cash equivalents at end of the period	60,192	74,772
現金及等同現金項目結餘分析	Analysis of balances of cash and cash equivalents		
銀行結存及現金	Bank balances and cash	60,192	74,772



簡明財務報表附註

截至二零零五年六月三十日止六個月

1. 呈報基準

簡明財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16所適用之披露規定，以及由香港會計師公會(「香港會計師公會」)頒佈之香港會計實務準則第34號「中期財務報告」之規定而編撰。

2. 主要會計政策

簡明財務報表已按原成本常規編撰，惟若干金融工具按公允值計算(如適用)則除外。

編製簡明財務報表所採用之會計政策與編製本集團截至二零零四年十二月三十一日止年度之年度財務報表所採用者一致，惟下文所述者除外。

於本期間，本集團首次採用香港會計師公會頒佈之多項新頒香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(於本公佈統稱「新香港財務報告準則」)，該等新香港財務報告準則於二零零五年一月一日或之後開始之會計期間生效。應用新香港財務報告準則導致收益表、資產負債表及權益變動表之呈列方式出現變動。特別是少數股東權益及分佔聯營公司／共同控制機構之稅項之呈列方式之變更。呈列方式之變動已追溯應用。採納該等新香港財務報告準則已導致本集團下列方面之會計政策出現變動，該等方面會對編製及呈列本期或過往期間之業績構成影響。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30th June, 2005

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2004 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRS(s)"), Hong Kong Accounting Standards ("HKAS(s)") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in a change in the presentation of the income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests and share of tax of associates/jointly controlled entities has been changed. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

2. 主要會計政策 (續)

業務合併

香港財務報告準則第3號「業務合併」適用於協議日期為二零零五年一月一日或之後之業務合併。應用香港財務報告準則第3號對本集團之主要影響概述如下：

商譽

於過往期間，因收購所產生之商譽已資本化及按其可使用年期攤銷。本集團已應用香港財務報告準則第3號之相關過渡性條文。就先前於資產負債表資本化之商譽而言，本集團自二零零五年一月一日起不再將有關商譽攤銷，而商譽將最少於每年及於收購之時之財政年度作減值之測試。於二零零五年一月一日後進行收購所產生之商譽乃於初次確認時按成本值減累計減值(如有)後衡量。由於此項會計政策之變動，本期間概無扣除商譽攤銷。二零零四年之比較數字並無重列。

無形資產

本集團已確認採礦權為無形資產。採礦權以原值減累計攤銷及任何已識別之減值虧損列示。採礦權成本乃按估計使用年期以直線法分50年攤銷。

於共同控制機構之權益

於過往期間，於共同控制機構之權益乃採用股本法列帳。於本期間，本集團採納香港會計準則第31號「於共同控制機構之權益」，該項準則允許使用比例綜合或權益法為於共同控制機構之權益列帳。於應用香港會計準則第31號時，本集團已選擇繼續應用權益法為本身於共同控制機構之權益列帳。因此，本集團對於共同控制機構之權益之會計處理方法並無任何變動。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Business Combinations

HKFRS 3 “Business Combinations” is effective for business combinations for which the agreement date is on or after 1st January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

Goodwill

In previous periods, goodwill arising on acquisitions was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. With respect to goodwill previously capitalised on the balance sheet, the Group has discontinued amortising such goodwill from 1st January, 2005 onwards and goodwill will be tested for impairment at least annually and in the financial year in which the acquisition takes place. Goodwill arising on acquisitions after 1st January, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition. As a result of this change in accounting policy, no amortisation of goodwill has been charged in the current period. Comparative figures for 2004 have not been restated.

Intangible Asset

The Group has recognised an intangible asset in relation to the mining right. Mining right is stated at cost less accumulated amortisation and any identified impairment loss. The cost of mining rights is amortised on straight line method over the estimated useful life of 50 years.

Interests in Jointly Controlled Entities

In previous periods, interests in jointly controlled entities were accounted for using the equity method. In the current period, the Group has applied HKAS 31 “Interests in Jointly Controlled Entities” which allows entities to use either proportionate consolidation or the equity method to account for its interests in jointly controlled entities. Upon the application of HKAS 31, the Group has elected to continue applying the equity method to account for its interests in jointly controlled entities. As a result, there has been no change in accounting method in respect of the Group’s interests in jointly controlled entities.



簡明財務報表附註

(續)

截至二零零五年六月三十日止六個月

2. 主要會計政策 (續)

金融工具

香港會計準則第32號「金融工具：披露及呈報」規定追溯應用。香港會計準則第39號「金融工具：確認及計量」於二零零五年一月一日或之後開始的年度期間生效，一般不會按追溯基準對財務資產及負債作出確認、取消確認或計量。採納香港會計準則第32號及香港會計準則第39號之主要影響概述如下：

財務資產及財務負債分類及計量

本集團已採納香港會計準則第39號有關香港會計準則第39號範圍內之財務資產與財務負債分類及計量之過渡性條文。

除債務及股本證券以外之財務資產及財務負債

自二零零五年一月一日起，本集團根據香港會計準則第39號之規定分類及計量除債務及股本證券以外之財務資產及財務負債。誠如上文所述，香港會計準則第39號項下之財務資產乃分類列作「按公允值列帳並在損益表內處理之財務資產」、「可供出售財務資產」、「貸款及應收款項」或「持至到期之財務資產」。財務負債一般分類列作「按公允值列帳並在損益表內處理之財務負債」或「按公允值列帳並在損益表內處理之財務負債以外之財務負債(其他財務負債)」。「其他財務負債」利用實際利息法按已攤銷成本列帳。應用香港會計準則第39號時，本集團已計算應付同系附屬公司及一少數股東之免息款項之隱含利息。因此，應付同系附屬公司及一少數股東款項之帳面值減少港幣3,301,000元。相關之遞延稅項負債為港幣891,000元，已於二零零五年一月一日確認。已於本集團之累計溢利及少數股東權益中作出相關調整(有關財務影響，見附註3)。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(continued)

For the six months ended 30th June, 2005

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial Instruments

HKAS 32 "Financial Instruments: Disclosure and Presentation" requires retrospective application. HKAS 39 "Financial Instruments: Recognition and Measurement", which is effective for annual periods beginning on or after 1st January, 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 32 and HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

Financial assets and financial liabilities other than debt and equity securities

From 1st January, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than debt and equity securities in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as "financial assets at fair value through profit or loss", "available-for-sales financial assets", "loans and receivables" or "held-to-maturity financial assets". Financial liabilities are generally classified as "financial liabilities at fair value through profit or loss" or "financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)". "Other financial liabilities" are carried at amortised cost using the effective interest method. Upon applying HKAS 39, the Group calculated the implied interest of interest-free amounts due to fellow subsidiaries and a minority shareholder. As a result, the carrying amount of the amounts due to fellow subsidiaries and a minority shareholder have been decreased by HK\$3,301,000. Related deferred tax liabilities of HK\$891,000 have been recognised on 1st January, 2005. Corresponding adjustment has been made to the Group's accumulated profits and minority interests (see note 3 for financial impact).



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

2. 主要會計政策 (續)

金融工具 (續)

取消確認

香港會計準則第39號規定，取消確認財務資產應用之準則較過往期間所採用者更為嚴格。根據香港會計準則第39號，一項資產僅會於資產現金流量之合約權利到期時，或已轉讓及轉讓中之資產根據香港會計準則第39號符合資格取消確認時方予取消。混合風險及回報及控制測試之方式乃用以決定有關轉讓是否符合取消確認之資格。本集團已採納相關過渡性條文，並將經修訂之會計政策追溯應用於二零零五年一月一日或之後轉讓之財務資產。因此，本集團並無重列於二零零五年一月一日前已取消確認之附全面追索權之應收票據。於二零零五年六月三十日，本集團並未取消確認附全面追索權之應收票據及讓售貿易應收帳款。取以代之，為數港幣33,004,000元及港幣18,868,000元之相關借款已於結算日確認。該項變動對本期間之業績概無重大影響。

業主自用於土地的租賃權益

於過往期間，業主自用之租賃土地及樓宇乃計入物業、廠房及設備，並使用成本模式計量。於本期間，本集團已應用香港會計準則第17號「租賃」。根據香港會計準則第17號，土地及樓宇之租賃之土地及樓宇成分乃就租賃分類分開考慮，除非土地及樓宇成分之間之租賃付款不能可靠地分配，在該情況下，整項租賃一般均視作融資租賃處理。倘土地及樓宇成分之間之租賃付款能可靠地分配，則於土地之租賃權益乃重新分類至經營租賃項下土地使用權之預付租賃付款，並按成本值列帳並以直線法按租賃年期攤銷。該項會計政策之變動已追溯應用(有關財務影響，見附註3)。另一方面，倘土地及樓宇成分之間不能可靠地分配，則於土地之租賃權益乃繼續以物業、廠房及設備列帳。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Derecognition

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. The Group has applied the relevant transitional provisions and applied the revised accounting policy prospectively for transfers of financial assets on or after 1st January, 2005. As a result, the Group's bill receivables with full recourse which were derecognised prior to 1st January, 2005 have not been restated. As at 30th June, 2005, the Group's bills receivables and factored trade receivables with full recourse have not been derecognised. Instead, the related borrowings of the HK\$33,004,000 and HK\$18,868,000 have been recognised on the balance sheet date. This change has had no material effect on the results for the current period.

Owner-occupied Leasehold Interest in Land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments on the land use rights under operating lease, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively (see Note 3 for the financial impact). Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

3. 會計政策變動之影響概要

上文所述之會計政策變動對本期及過往期間業績之影響如下：

3. SUMMARY OF THE EFFECTS OF THE CHANGES IN ACCOUNTING POLICIES

The effects of the changes in the accounting policies described above on the results for the current and prior periods are as follows:

		截至六月三十日止六個月 Six months ended 30th June, 二零零五年 2005 港幣千元 HK\$'000		二零零四年 2004 港幣千元 HK\$'000
商譽攤銷減少	Decrease in amortisation of goodwill	2,553		—

應用新香港財務報告準則於二零零四年十二月三十一日及二零零五年一月一日之累計影響概述如下：

The cumulative effects of the application of the new HKFRSs at 31st December, 2004 and 1st January, 2005 are summarised below:

於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (原先呈列) (Originally stated)	香港會計 準則第17號 之影響 Effect of HKAS 17 港幣千元 HK\$'000	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (重列) (Restated)	香港會計 準則第32號 及香港會計 準則第39號 之影響 Effect of HKAS 32 and HKAS 39 港幣千元 HK\$'000	於二零零五年 一月一日 At 1st January, 2005 港幣千元 HK\$'000 (重列) (Restated)
受影響之資產負債表項目：	Balance Sheet items affected:			
物業、廠房及設備	Property, plant and equipment	444,656	(14,456)	430,200
土地使用權之預付租賃款項	Prepaid lease payments on land use rights	—	14,456	14,456
應付同系附屬公司之款項	Amounts due to fellow subsidiaries	(1,087)	—	(1,087)
應付一少數股東之款項	Amount due to a minority shareholder	(2,641)	—	(2,641)
遞延稅項	Deferred taxation	(22,349)	—	(22,349)
對資產及負債構成之影響總額	Total effects on assets and liabilities	418,579	—	418,579
累計溢利	Accumulated profits	80,775	—	80,775
少數股東權益	Minority interests	159,703	—	159,703
對權益構成之影響總額	Total effects on equity	240,478	—	240,478



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

4. 尚未生效之新會計準則產生之潛在影響

本集團並無提早應用下列已頒佈但尚未生效之新香港財務報告準則。本公司董事(「董事」)預測，應用該等新香港財務報告準則將不會對本集團之財務報表造成重大影響。

香港會計準則第19號修訂本
HKAS 19 Amendment

香港會計準則第39號修訂本
HKAS 39 Amendment

香港會計準則第39號修訂本
HKAS 39 Amendment

香港財務報告準則第6號
HKFRS 6

香港財務報告準則詮釋第4號
HKFRS-Int 4

香港財務報告準則詮釋第5號
HKFRS-Int 5

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

4. POTENTIAL IMPACT ARISING ON THE NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The directors of the Company (the "Directors") anticipate that the applications of these new HKFRSs will have no material impact on the financial statements of the Group.

精算盈虧、集團計劃及披露
Actuarial Gains and Losses, Group Plans and Disclosures

預測集團內部交易之現金流量對沖會計法
Cash Flow Hedge Accounting of Forecast Intragroup Transactions

公允值期權
The Fair Value Option

勘探及評估礦物資源
Exploration for and Evaluation of Mineral Resources

釐定安排是否包括租賃
Determining whether an Arrangement Contains a Lease

享有解除運作、修復及環境修復基金所產生權益之權利
Rights to Interests Arising from Decommissioning, Restoration
and Environmental Rehabilitation Funds



簡明財務報表附註

(續)

截至二零零五年六月三十日止六個月

5. 分類資料

就管理而言，本集團之業務目前由三項經營業務組成—(1)分銷及製造水泥與熟料，(2)分銷及製造礦渣粉以及(3)分銷瓷磚、花崗石及雲石產品。本集團業務主要集中在香港及中華人民共和國(「中國大陸」或「中國」)其他地區。按業務劃分之本集團收入及分類業績分析如下：

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(continued)

For the six months ended 30th June, 2005

5. SEGMENT INFORMATION

For management purposes, the Group is currently organised into three operating divisions – (1) distribution and manufacturing of cement and clinker, (2) distribution and manufacturing of slag powders and (3) distribution of ceramic tiles, granite and marble products. The Group's operations are principally located in Hong Kong and other areas in the People's Republic of China ("Mainland China" or the "PRC"). An analysis of the Group's revenue and segment results by business segments is as follows:

		分銷及製造 水泥與熟料 Distribution and manufacturing of cement and clinker 港幣千元 HK\$'000 (未審核) (unaudited)	分銷及製造 礦渣粉 Distribution and manufacturing of slag powders 港幣千元 HK\$'000 (未審核) (unaudited)	分銷瓷磚、 花崗石及 雲石產品 Distribution of ceramic tiles, granite and marble products 港幣千元 HK\$'000 (未審核) (unaudited)	綜合 Consolidated 港幣千元 HK\$'000 (未審核) (unaudited)
截至二零零五年 六月三十日 止六個月	For the six months ended 30th June, 2005				
分類收入	Segment revenue	135,597	4,246	1,611	141,454
分類業績	Segment results	(6,953)	320	(2,951)	(9,584)
未能分攤費用	Unallocated expenses				(3,593)
經營虧損	Loss from operations				(13,177)
融資成本	Finance costs				(4,313)
除稅前虧損	Loss before taxation				(17,490)
					(重列) (Restated)
截至二零零四年 六月三十日 止六個月	For the six months ended 30th June, 2004				
分類收入	Segment revenue	188,972	–	10,122	199,094
分類業績	Segment results	39,892	–	1,554	41,446
未能分攤費用	Unallocated expenses				(3,867)
經營溢利	Profit from operations				37,579
融資成本	Finance costs				(3,181)
除稅前溢利	Profit before taxation				34,398



簡明財務報表附註
(續)

截至二零零五年六月三十日止六個月

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
(continued)

For the six months ended 30th June, 2005

6. 經營(虧損)溢利

6. (LOSS) PROFIT FROM OPERATIONS

		截至六月三十日止六個月	
		Six months ended 30th June,	
		二零零五年	二零零四年
		2005	2004
		港幣千元	港幣千元
		HK\$'000	HK\$'000
		(未審核)	(未審核)
		(unaudited)	(unaudited)
經營(虧損)溢利乃	(Loss) profit from operations		
經扣除(計入)以	has been arrived at after		
下項目後計算:	charging (crediting):		
無形資產之攤銷	Amortisation of intangible asset	12	—
土地使用權之預付租賃	Amortisation of prepaid lease		
款項之攤銷	payments on land use rights	109	—
物業、廠房及設備	Depreciation of property,		
之折舊	plant and equipment	8,256	7,470
利息收入	Interest income	(211)	(386)

7. 融資成本

7. FINANCE COSTS

		截至六月三十日止六個月	
		Six months ended 30th June,	
		二零零五年	二零零四年
		2005	2004
		港幣千元	港幣千元
		HK\$'000	HK\$'000
		(未審核)	(未審核)
		(unaudited)	(unaudited)
以下項目之利息:	Interest on:		
須於五年內全數償還	Bank borrowings wholly		
之銀行借款	repayable within five years	4,301	3,180
長期應付款項之	Implied interest on long term		
隱含利息	payables	11	—
融資租約承擔	Obligations under		
	a finance lease	1	1
		4,313	3,181



簡明財務報表附註

(續)

截至二零零五年六月三十日止六個月

8. 稅項

本期間稅項
遞延稅項

由於在香港經營之集團公司在兩個期間內並無任何應課稅溢利，故並無就香港利得稅撥備。

中國所得稅乃按分別適用於各附屬公司之稅率計算。根據適用於外資企業之稅務法例，若干中國附屬公司可由首個經營獲利年度起計兩年內獲豁免繳付中國所得稅，而其後三年則獲寬減50%中國所得稅。

9. 每股(虧損)盈利

每股基本(虧損)盈利乃根據本期間本公司股東應佔虧損港幣16,513,000元(截至二零零四年六月三十日止六個月：溢利港幣13,497,000元)及本期間已發行股份729,395,043股(截至二零零四年六月三十日止六個月：729,395,043股)計算。

由於本公司購股權之行使價高出股份平均市價，故並無就該兩段期間呈列每股攤薄盈利。

10. 物業、廠房及設備變動

期內，本集團購入港幣33,487,000元之物業、廠房及設備。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(continued)

For the six months ended 30th June, 2005

8. TAXATION

截至六月三十日止六個月
Six months ended 30th June,

二零零五年 2005 港幣千元 HK\$'000 (未審核) (unaudited)	二零零四年 2004 港幣千元 HK\$'000 (未審核) (unaudited)
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Current tax	8	9,573
Deferred tax	1,389	1,010
	<u>1,397</u>	<u>10,583</u>

No provision for Hong Kong Profits Tax is made as the group companies operating in Hong Kong do not have any assessable profit for both periods.

PRC income tax is calculated at the rates applicable to respective subsidiaries. In accordance with the tax legislations applicable to foreign investment enterprises, certain subsidiaries in the PRC are entitled to exemptions from PRC income tax for the two years commencing from the first profit-making year of operation and thereafter, entitled to a 50% relief from PRC income tax for the following three years.

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the loss for the period attributable to the shareholders of the Company of HK\$16,513,000 (six months ended 30th June, 2004: profit of HK\$13,497,000) and on 729,395,043 (six months ended 30th June, 2004: 729,395,043) shares in issue throughout the period.

No diluted earnings per share has been presented for both periods, because the exercise price of the Company's share option was higher than the average market price of shares.

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment of HK\$33,487,000.



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

11. 貿易及其他應收款項

本集團給予其貿易客戶之信貸期一般由30日至120日不等。貿易及其他應收款項乃包括貿易應收款項港幣186,270,000元(於二零零四年十二月三十一日:港幣161,900,000元),其帳齡分析如下:

		於二零零五年 六月三十日 At 30th June, 2005 港幣千元 HK\$'000 (未審核) (unaudited)	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (經審核) (audited)
零 – 90日	0 – 90 days	94,359	105,761
91 – 180日	91 – 180 days	47,668	27,996
181 – 365日	181 – 365 days	31,171	12,967
超過1年	Over 1 year	13,072	15,176
		<u>186,270</u>	<u>161,900</u>

於二零零五年六月三十日,貿易應收款項中,包括已貼現應收票據港幣33,004,000元及有追索權之已讓售貿易應收款項港幣18,868,000元。

本集團並無重列於二零零四年十二月三十一日已取消確認之附全面追索權之應收票據(附註2)。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

11. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing its trade customers credit periods normally ranging from 30 days to 120 days. Included in trade and other receivables are trade receivables of HK\$186,270,000 (at 31st December, 2004: HK\$161,900,000) and their aged analysis is as follows:

At 30th June, 2005, discounted bills receivable of HK\$33,004,000 was included in trade receivables. Besides, trade receivable of HK\$18,868,000 had been factored with recourse.

The Group's bills receivable with full recourse which were derecognised as at 31st December, 2004 have not been restated (note 2).

12. 貿易及其他應付款項與按金

貿易及其他應付款項與按金乃包括貿易應付款項港幣53,844,000元(於二零零四年十二月三十一日:港幣28,521,000元),其帳齡分析如下:

		於二零零五年 六月三十日 At 30th June, 2005 港幣千元 HK\$'000 (未審核) (unaudited)	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (經審核) (audited)
零 – 90日	0 – 90 days	46,364	23,511
91 – 180日	91 – 180 days	3,137	1,401
181 – 365日	181 – 365 days	1,541	1,428
超過1年	Over 1 year	2,802	2,181
		<u>53,844</u>	<u>28,521</u>

12. TRADE AND OTHER PAYABLES AND DEPOSITS

Included in trade and other payables and deposits are trade payables of HK\$53,844,000 (at 31st December, 2004: HK\$28,521,000) and their aged analysis is as follows:



簡明財務報表附註

(續)

截至二零零五年六月三十日止六個月

13. 銀行借款

期內，本集團獲得新造銀行借款港幣103,661,000元及償還銀行借款港幣57,588,000元。銀行借款用作本集團業務之融資。新造銀行借款包括已貼現應收票據及已讓售貿易應收款項分別港幣33,004,000元及港幣18,868,000元。

本集團並無重列於二零零四年十二月三十一日已取消確認之附全面追索權之應收票據的承擔(附註2)。

14. 經營租約承擔

於二零零一年六月，本集團與中國第三者訂立協議租用其水泥生產設施，為期二十年。根據與該中國第三者訂立之補充協議，本集團有權於提出三個月通知期後每兩年內終止上述租約。現時本集團無意終止該租約。

於二零零五年六月三十日，本集團根據上述安排及其他不可撤銷之物業經營租約而須於未來支付之最低租金承擔如下：

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

(continued)

For the six months ended 30th June, 2005

13. BANK BORROWINGS

During the period, the Group obtained new bank loans of HK\$103,661,000 and repaid bank loans of HK\$57,588,000. The bank loans are used to finance the operations of the Group. Included in new bank borrowings, there were discounted bill receivable and factored trade receivable of HK\$33,004,000 and HK\$18,868,000 respectively.

The Group's obligations under bills receivable with full recourse which were derecognised as at 31st December, 2004 have not been restated (note 2).

14. OPERATING LEASE COMMITMENTS

In June 2001, the Group entered into an arrangement with a third party in the PRC to lease the production facilities for manufacture of cement with a term of twenty years. Under a supplemental agreement with the third party in the PRC, the Group has an option to terminate the said lease once every two years provided that a notice period of three months is given. The Group has no current intention to terminate the lease.

At 30th June, 2005, the Group had commitments for future minimum lease payments under the above arrangement and other non-cancellable operating leases for premises which fall due as follows:

	於二零零五年 六月三十日 At 30th June, 2005 港幣千元 HK\$'000 (未審核) (unaudited)	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (經審核) (audited)
一年內	Not later than one year	1,424
超過一年 但少於五年	Later than one year and not later than five years	1,557
超過五年	Later than five years	656
	5,127	3,637



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

15. 其他承擔

於二零零五年六月三十日，本集團之承擔如下：

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

15. OTHER COMMITMENTS

At 30th June, 2005, the Group had the following commitments:

	於二零零五年 六月三十日 At 30th June, 2005 港幣千元 HK\$'000 (未審核) (unaudited)	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (經審核) (audited)
就物業、廠房及設備之 已簽約但並無 於簡明財務報表 作出撥備 之資本開支	4,943	34,921

16. 或然負債

就以下各方已動用之銀行融資
向銀行及財務機構作出擔保：

- 同系附屬公司
 - 第三方
- 附追索權之貼現票據

本集團並無重列於二零零四年十二月三十一日已取消確認之附全面追索權之應收票據的承擔(附註2)。

16. CONTINGENT LIABILITIES

	於二零零五年 六月三十日 At 30th June, 2005 港幣千元 HK\$'000 (未審核) (unaudited)	於二零零四年 十二月 三十一日 At 31st December, 2004 港幣千元 HK\$'000 (經審核) (audited)
Guarantees given to banks and financial institutions in respect of banking facilities utilised by:		
– Fellow subsidiaries	56,604	75,472
– Third parties	28,302	–
Bill of exchange discounted with recourse	–	18,208
	84,906	93,680

The Group's obligations under bills receivable with full recourse which were derecognised as at 31st December, 2004 have not been restated (note 2).



簡明財務報表附註 (續)

截至二零零五年六月三十日止六個月

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

For the six months ended 30th June, 2005

17. 有關連人士交易

期內，本集團曾進行下列有關連人士交易：

17. RELATED PARTY TRANSACTIONS

During the period, the Group has entered into the following related party transactions:

		截至六月三十日止六個月 Six months ended 30th June,	
		二零零五年 2005 港幣千元 HK\$'000 (未審核) (unaudited)	二零零四年 2004 港幣千元 HK\$'000 (未審核) (unaudited) (重列) (restated)
(i) 同系附屬公司	(i) Fellow subsidiaries		
利息支出	Interest charge	71	—
管理費	Management fee	315	315
擔保費收入	Guarantee fee income	373	373
擔保費開支	Guarantee fee expense	206	113
銷售瓷磚、花崗石 及雲石產品	Sales of ceramic tiles, granite and marble products	1,319	3,113
(ii) 少數股東	(ii) Minority shareholder		
租金開支、維修及保養	Rental expenses and repairs and maintenance	1,835	2,390
(iii) 持有本公司最終控股公司 重大實益權益之 一間公司之 附屬公司	(iii) Subsidiaries of a company which has significant beneficial interests in the Company's ultimate holding company		
辦公室清潔費用、 維修及保養	Office cleaning charges and repairs and maintenance	17	17
辦公室租金開支 及管理費	Rental expenses and office management fee for office	217	251
保險費用	Insurance expense	96	99
辦公室額外空調費	Additional air conditioning charges for office	11	9
(iv) 主要管理人員之酬金	(iv) Key management compensation		
薪酬及其他短期僱員福利	Salaries and other short-term employee benefits	1,511	1,627
退休福利支出	Employment benefit costs	44	45

上述交易乃按與有關連人士協定之條款進行。

The above transactions were carried out at terms agreed between the related parties.



「泰立」牌水泥經典項目 Major projects for "TITAN" cement

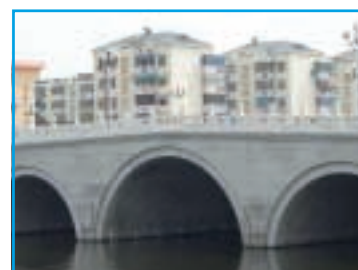
山東項目 Projects for Shandong



徐州黃海景園
Xuzhou Huanghaijing Garden



徐州濱湖花園
Xuzhou Binhu Garden



徐州和平橋
Xuzhou Heping Bridge



徐州金地百貨
Xuzhou Jindi Department Store



徐州望景花園
Xuzhou Wangjin Garden



徐州礦業大學
China University of Mining &
Technology in Xuzhou



邳州同盛廣場
Pizhou Tongsheng Square

上海項目 Projects for Shanghai



浦東鐵路
Pudong Railway



旗忠國際網球中心
Qizhong International Tennis Centre



浦江世博家園
Pujiang World Expo Garden



「賽華」牌瓷磚及石材經典項目
Major project for "TRIWA" tiles and stone



深圳華為技術有限公司綜合樓科研樓
 Complex Building and Research and Development Center of Shenzhen Huawei Technologies Co., Ltd.

山東聯合王晁廠房
Factory buildings of Allied Wangchao in Shandong



中央控制室
 Central control room



聯合王晁廠房
 Factory buildings of Allied Wangchao



點火儀式
 Fire-lighting ceremony



聯合王晁廠房
 Factory buildings of Allied Wangchao

中期股息

董事會決議不宣派截至二零零五年六月三十日止六個月之中期股息(截至二零零四年六月三十日止六個月：無)。

管理層討論與分析

截至二零零五年六月三十日止六個月，本集團營業額為港幣141,454,000元，比去年同期減少29.0%，經營虧損為港幣13,177,000元，本公司之股東(「股東」)應佔虧損為港幣16,513,000元，每股虧損港幣2.26仙。期內虧損主要由於二零零五年上半年水泥價格持續下降以及國內原材料及煤價格高企等因素影響。

業務回顧

本集團主要業務為製造及銷售水泥和礦渣粉及分銷石材、瓷磚業務，並以中國大陸為主要市場。

水泥業務

二零零五年上半年國內受宏觀調控政策影響，水泥市場需求增長放緩。總體上，內地水泥市場競爭比較激烈，一些主要大生產商以降價為基本競爭手段，更加劇了價格回落，但原材料及煤炭價格仍然高企，本集團毛利因此受到較大影響。期內營業額港幣135,597,000元，比去年同期減少28.2%。水泥及熟料銷量697,000噸，比去年同期增長0.9%。經營虧損港幣6,953,000元，去年同期為經營溢利港幣39,892,000元。

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30th June, 2005 (six months ended 30th June, 2004: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30th June, 2005, the Group's turnover was HK\$141,454,000, representing a decrease of 29.0% as compared to the corresponding period of the preceding year. The loss from operations was HK\$13,177,000, the loss attributable to the shareholders of the Company (the "Shareholders") was HK\$16,513,000, and loss per share was HK2.26 cents. The main factors causing loss for the period include the continuous decline in cement prices and that prices of domestic raw materials and coal remained at a high level in the first half of 2005.

BUSINESS REVIEW

The primary business of the Group is the manufacture and sales of cement and slag powders and the distribution of stones and ceramic tiles with Mainland China as our major market.

Cement Business

Affected by the macro-economic adjustments and control policies in the PRC, the cement market experienced a slowdown in the growth of demand during the first half of 2005. Competition in Mainland China's cement market was in general keen and some major producers cut prices so as to maintain their competitiveness, aggravating the decline in price. As the prices of raw materials and coal remained high, the Group's gross profit was seriously affected. Turnover for the period was HK\$135,597,000, representing a decrease of 28.2% as compared to the corresponding period of the preceding year. The sales volume of cement and clinker amounted to 697,000 tonnes, representing an increase of 0.9% as compared to the corresponding period of the preceding year. Operating loss was HK\$6,953,000 compared to an operating profit of HK\$39,892,000 for the corresponding period last year.



管理層討論與分析 (續)

業務回顧(續)

1. 上海聯合水泥有限公司(「上海水泥」)

上海水泥生產熟料及水泥分別為339,000噸及417,000噸，比去年增加18.9%及減少6.1%，期內水泥銷量441,000噸，比去年增加1.6%，經營虧損港幣138,000元，去年同期則為溢利。上海水泥市場仍為其他水泥公司之主要市場，縱使上海建材市場對水泥需求不變，外地水泥公司仍不斷進入上海市場，加上年初為行業淡季，使年初價格不斷下降。但二零零五年第二季，隨著基建施工週期進入高峰段，各項工程開始動工，水泥價格趨向平穩，毛利下降情況得到控制。上海水泥與此同時亦開拓PII52.5高標號水泥，增加產品種類，減少依賴單一品種的風險。期內熟料產量比去年高18.9%，水泥綜化電耗降低5.72度／噸水泥；煤耗則下降12公斤／噸熟料；噸水泥成本降低人民幣24元，降低成本約人民幣10,000,000元。但是噸水泥售價則下降人民幣95元，減少收益人民幣39,610,000元，兩項相抵還有約人民幣30,000,000元減利，這是利潤下降的主要原因。從深層次分析，還在於本集團規模有限，儘管水泥同業加強合作，但市場仍然不規範，同業對水泥產品市場價格不具備影響力。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

1. Shanghai Allied Cement Co., Ltd. ("Shanghai SAC")

The clinker and cement produced by Shanghai SAC amounted to 339,000 tonnes and 417,000 tonnes respectively, representing an increase of 18.9% and a decrease of 6.1% as compared to the preceding year. The sales volume of cement during the period was 441,000 tonnes, representing an increase of 1.6% as compared to the preceding year and the operating loss was HK\$138,000, compared with a profit for the preceding year. The cement market in Shanghai was still a major market for other cement companies. Notwithstanding that the demand for cement by the Shanghai construction materials market remained unchanged, cement companies in other regions continued to flux into the Shanghai market. This, coupled with the fact that the beginning of the year was traditionally a slack season, resulted in a continual decline in prices in early 2005. It was not until the second quarter of the year when infrastructure construction entered its peak season with the commencement of various construction works, cement prices began to stabilise and the decline in gross profit came under control. In the meantime, Shanghai SAC developed the PII52.5 high grade cement, expanding its product range so that the risk of relying on a single product line was reduced. During the period, production of clinker was 18.9% higher than the preceding year and the comprehensive power consumption of cement production was lowered by 5.72 KWH per tonne of cement; the consumption of coal decreased by 12 kg per tonne of clinker; the cost of cement decreased by RMB24 per tonne and the total cost decreased by approximately RMB10,000,000. As the selling price of cement fell by RMB95 per tonne, our profit decreased by RMB39,610,000. Combining these two factors which were the major reasons for the decrease in profit, resulting in a decrease in profit of approximately RMB30,000,000. In-depth analysis shows that as the production scale of the Group is limited and the market is lack of regulation, even if cooperation within the industry is strengthened, there is little impact on the market price of cement products.



管理層討論與分析 (續)

業務回顧 (續)

2. 山東上聯水泥發展有限公司 (「山東水泥」)

山東水泥期內生產熟料為137,000噸，比去年同期減少21.7%。水泥生產為167,000噸，比去年減少24.1%，期內熟料水泥銷量181,000噸，比去年減少29.6%，經營虧損港幣5,637,000元，比去年同期則為溢利。期內進行一次大型修理，修理費用港幣2,500,000元，影響上半年經營利潤。同時，期內亦開拓不同產品種類，改善產品結構。期內噸水泥電耗比去年下降6度，噸熟料煤耗也下降4公斤，噸水泥成本上升人民幣29元。成本上升的主要原因是產量降低，而一季度大修費用一次性攤入成本所致。分析表明，由於煤炭價格居高不下，而山東水泥日產1,000噸新型幹法生產線受技術限制，因此煤耗較高，難予跟日產2,000噸以上的生產線競爭，從長遠考慮，需研究恰當的調整途徑。

3. 山東聯合王晁水泥有限公司 (「聯合王晁」)

聯合王晁之日產2,500噸熟料廠已於二零零五年上半年開始調試及生產。期內熟料產量及銷售分別為206,000噸及75,000噸，由於仍然處於生產前期階段，經營虧損港幣1,178,000元。長遠看，該生產線技術含量高，煤耗低，且鄰近礦山及自備碼頭，生產正常以後將具有較高競爭力。

石材和瓷磚業務

期內營業額港幣1,611,000元，較去年減少84.1%，經營虧損港幣2,951,000元，較去年同期為溢利港幣1,554,000元。經營業績下跌主要是本集團調整經營策略。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

2. Shandong Shanghai Allied Cement Co., Ltd. ("Shandong SAC")

During the period, Shandong SAC produced 137,000 tonnes of clinker, representing a decrease of 21.7% as compared to the preceding year. Production of cement during the period amounted to 167,000 tonnes, a decrease of 24.1% from the preceding year. A total of 181,000 tonnes of clinker and cement were sold during the period, a decrease of 29.6% from the preceding year. Operating loss was HK\$5,637,000, compared with a profit for the preceding year. During the period, an overhaul was performed with expenses of HK\$2,500,000, and hence the operating profit for the first half year was affected. In the meantime, the company expanded into different types of products which improved its product mix. Power consumption per tonne of cement during the period reduced by 6 KWH, coal consumption per tonne of clinker decreased by 4kg but the cost per tonne of cement rose by RMB29 as compared to the preceding year. The increase in cost was mainly due to lower output and the impact of one-off charge of the overhaul expenses in the first quarter. Analysis indicates that as the coal price remained high and the new dry process production line of Shandong SAC with a daily output of 1,000 tonnes of cement was constrained by the technology used, thus consuming more coal, this made it more difficult to compete with other production lines with daily output of over 2,000 tonnes. In the long run, we need to look into appropriate means of adjustment.

3. Shandong Allied Wangchao Cement Limited ("Allied Wangchao")

The plant of Allied Wangchao which produced 2,500 tonnes of clinker per day commenced testing and production in the first half of 2005. During the period, the output and sale, volume of clinker amounted to 206,000 tonnes and 75,000 tonnes respectively. As the plant was still in the early stage of production, the operating loss was HK\$1,178,000. In the long term, the production line will be more competitive in the future when normal production begins as it is located near a quarry and has its own pier and is technologically more advanced with less coal consumption.

Stone and Ceramic Tile Business

During the period, the turnover was HK\$1,611,000, representing a decrease of 84.1% as compared to the preceding year, and operating loss was HK\$2,951,000 as compared to the operating profit of HK\$1,554,000 in the corresponding period of the preceding year. The decrease in operating results was mainly attributable to the adjustment of business strategy by the Group.



管理層討論與分析 (續)

業務回顧(續)

礦渣粉業務

本集團於二零零四年投資礦渣粉工廠，於二零零五年第一季度開始試產。期內產量及銷售分別為29,000噸及29,000噸，銷售額為港幣4,246,000元，經營溢利港幣320,000元。該生產線生產已基本正常，產品投放市場後，頗受市場接受，產品暢售。

財務回顧

流動資金、財政來源及資本架構

本集團資本支出、日常營運及投資的資金來自內部營運產生之現金及主要往來銀行借款。本集團資產負債情況仍保持良好，流動性亦屬合理，現金儲備約港幣71,503,000元，其中包括約港幣11,311,000元已抵押短期銀行存款。本集團流動比率約1.06(於二零零四年十二月三十一日：1.38)。於二零零五年六月三十日，本集團淨資產港幣304,831,000元。負債項下借款共為港幣285,491,000元，其中包括同系公司借款港幣9,000,000元，借款中約54.8%為固定息率借款。資產負債率(淨銀行借款/淨資產)為70.2%(於二零零四年十二月三十一日：50.7%)。本集團二零零四年年底安排之銀行借款港幣105,000,000元，主要作為聯合王晁之建廠資金，因此導致資產負債處較高水準，本集團將密切控制貸款情況以便將資本負債率維持在可接受水平。

外匯波動

由於本集團的營運主要位於國內，交易之進行主要以人民幣計算，因此以外匯波動之風險對本集團並無重大影響，惟上段所述之港幣銀行借款除外。

抵押資產

於二零零五年六月三十日，港幣11,311,000元之銀行存款抵押給銀行作為本集團銀行借款之擔保。另外，於分別二零零五年六月三十日及二零零四年十二月三十一日，本集團已將一間附屬公司，聯合王晁之95%權益作為銀行借款港幣105,000,000元之抵押品。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS REVIEW (continued)

Slag Powders Business

The Group invested in a slag powders plant in 2004 which commenced trial production in the first quarter of 2005. During the period, the output and sales volume were 29,000 tonnes and 29,000 tonnes respectively, and the sales amount was HK\$4,246,000 while achieving an operating profit of HK\$320,000. Output of this production line was basically operating normally and its products were well received by the market with good sales.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's capital expenditure and daily operations and investments were funded by cash generated from internal operations and loans by principal bankers. The Group continued to maintain a sound balance sheet, with reasonable liquidity and cash reserves of HK\$71,503,000, which included HK\$11,311,000 of pledged short-term bank deposit. The Group had a current ratio of approximately 1.06 (at 31st December, 2004: 1.38). At 30th June, 2005, the net assets of the Group amounted to HK\$304,831,000. The borrowings in liabilities amounted to HK\$285,491,000, of which borrowings from a fellow subsidiary amounted to HK\$9,000,000, and approximately 54.8% of borrowings were at fixed rates. The gearing ratio (net bank borrowings over net assets) was 70.2% (at 31st December, 2004: 50.7%). At the end of 2004, the Group arranged a bank loan in the amount of HK\$105,000,000 mainly for funding the construction of Allied Wangchao plant, resulting in a higher gearing ratio. The Group will closely monitor its borrowings to maintain the gearing ratio at an acceptable level.

Foreign Exchange Fluctuation

Since the Group's operations were mainly located in Mainland China, transactions which were carried out were primarily denominated in Renminbi. As such, the foreign exchange exposure will have no significant impact to the Group, except for the Hong Kong Dollar bank loan mentioned in the above paragraph.

Charges on Assets

At 30th June, 2005, bank deposits of HK\$11,311,000 were pledged to banks for securing the Group's bank borrowings. In addition, on 30th June, 2005 and 31st December, 2004 respectively, the Group pledged 95% equity interest of a subsidiary, Allied Wangchao, as collaterals for securing bank borrowings in the amount of HK\$105,000,000.



管理層討論與分析 (續)

財務回顧 (續)

或然負債

有關或然負債詳情，請參閱第二十二頁簡明財務報表附註第十六項。

承擔

有關承擔詳情，請參閱第二十二頁簡明財務報表附註第十五項。

業務發展

二零零五年，國內經濟增長仍然預期保持增長，整體固定資產投資將回復正常發展。在整體經濟發展正常的情況下，本集團籍著多年在水泥行業的經驗，不斷調整本身經營策略，以適應行業營商環境變化所帶來的各種衝擊。

水泥業務

二零零五年上半年，就本集團的主要銷售市場上海而言，總體上供應量仍大於需求量，引致價格不斷下滑。但到年中，價格已經相對穩定。本集團正加強在山東、蘇北及皖北及其它地區的銷售力度，以分散集團過分集中單一市場的風險。同時，本集團仍正推出高標號水泥，及增加其他不同水泥產品，改善產品結構，以符合不同客戶的需求。

與此同時，在短期內預期原材料及煤炭價格仍維持在高水準，對本集團經營毛利仍存在一定壓力，本集團仍需不斷改善技術改造，加強成本控制，減輕此方面壓力。最近國家已批准建立13個新的煤炭供應基地，加上經濟增長逐步放緩，煤炭之供應價格將逐步恢復正常。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL REVIEW (continued)

Contingent Liabilities

Details regarding the contingent liabilities are set out in note 16 to the condensed financial statements on page 22.

Commitments

Details regarding the commitments are set out in note 15 to the condensed financial statements on page 22.

BUSINESS DEVELOPMENT

In 2005, the domestic economy in China is still expected to grow and the overall fixed assets investment will resume normal development. In light of the normal development of the overall economy and with years of experience in the cement industry, the Group will continue to adjust its own operating strategy to overcome the various challenges brought about by the changes in the operating environment of the sector.

Cement Business

In respect of Shanghai, the principal sales market of the Group, the overall supply was still higher than demand in the first half of 2005, leading to continuous decrease in price. By the middle of the year, cement price became more stable. The Group is strengthening its sales efforts in Shandong, the northern part of Jiangsu, and northern part of Anhui in order to alleviate the risk of over reliance on a single market. Meanwhile, the Group is launching high grade cement to the market and developing other cement products of different types to improve the product structure and meet the needs of various customers.

In the short term, the prices of raw materials and coal are expected to remain high, which would create certain pressure on the Group's gross operating profit. To overcome such difficulty, the Group still needs to upgrade its technology continuously and to strengthen its cost control. As recently the State approved the building of 13 new coal supply bases coupled with the gradual slowdown of economic growth, the price of coal supply will gradually return to normal.



管理層討論與分析 (續)

業務發展 (續)

石材及瓷磚業務

下半年，本集團對石材及瓷磚業務會以謹慎態度去發展此項業務，並加強評估新項目，減少各項經營風險。

礦渣粉業務

北京及周邊地區對礦渣粉需求仍不斷增加，本集團正集中加強對各建築工程的銷售力度，穩定客源。

僱員及薪酬政策

於二零零五年六月三十日，本集團(包括其附屬公司但不包括其聯營公司)僱用878名員工。本集團之薪酬政策主要按現行市場薪酬水平及各有關公司及個別僱員之表現釐定。

風險管理

本集團正在對各項風險，包括客戶信用評估、政府政策風險、資金管理等各項制度作出相應修改以加強風險管理力度。

展望

此輪宏觀調控，對於經濟之中長期健康發展是有利的。種種跡象表明，下半年中國經濟增長開始放緩。水泥生意對經濟增長依賴性較高，加上這幾年來新增水泥生產能力超過兩億噸，而立窯水泥沒有同步退出市場，所以全國水泥行業經營普遍不景氣，效益大幅下降。這種陣痛會持續一段時間，對此，本集團要有足夠思想準備。另一方面，本集團自二零零一年變更管理層以來按照發展水泥之策略，產能已基本達到3,000,000噸，現已有四個生產經營管理中心。本集團也有針對性地加強制度建設，加強集團化管理，控制成本，增加產品品種，開拓蘇北、魯南、皖北市場；為迎接下一個經濟高潮的到來作好各方面準備。從中長期看，中國經濟仍然看好，水泥行業仍然有機會迎來新的機遇。謹此對廣大客戶、股東及員工，對本集團之支持一併表示深切謝意。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

BUSINESS DEVELOPMENT (continued)

Stone and Ceramic Tile Business

In the second half of the year, the Group will cautiously develop the stone and ceramic tile business and evaluate carefully its new projects in order to reduce various operating risks.

Slag Powders Business

In Beijing and its surrounding areas, the demand for slag powders is still increasing. The Group will concentrate more on sales efforts to the various construction projects in order to keep its customers.

EMPLOYEES AND REMUNERATION POLICIES

At 30th June, 2005, the Group, including its subsidiaries but excluding its associates, employed 878 employees. The remuneration policies of the Group are based on the prevailing remuneration level in the market and the performance of respective companies and individual employees.

RISK MANAGEMENT

The Group is making modification to its various risk management systems, including customer credit assessment, government policy risk, treasury management etc, in order to enhance its risk management.

PROSPECTS

The macro-economic adjustments and control policies will be beneficial to the healthy development of the economy in the medium-to-long term. Various indications show that China's economic growth has begun to slow down in the second half of 2005. As the cement business highly depends on economic growth, and the production capacity of cement has increased by over 200,000,000 tonnes in recent years while the production from vertical kilns has not been withdrawn from the market, the cement industry across the country is generally depressed with profitability declining substantially. Such situation will prevail for some time and the Group should be mentally prepared for it. On the other hand, the cement production capacity of the Group has basically reached 3,000,000 tonnes, being in line with its strategy of cement development since the change of management in 2001. It now has four centres of production and operation management. The Group also strengthens, in particular, its operation system, overall management, cost control and increases the range of products as well as develops the markets in the northern part of Jiangsu, southern part of Shandong and northern part of Anhui, so as to prepare for the next economic boom. In the medium-to-long term, the outlook for China's economy is still positive and will create new business opportunities for the cement industry. We hereby express sincere thanks to all customers, Shareholders and staff for their support to the Group.



根據上市規則第13.20條 作出披露

於二零零五年六月三十日，應收下述個別實體的貿易結餘(個別均超過本公司市值8%)列載如下：

實體 Entity

龍元建設集團股份有限公司
上海建工物資公司

貿易結餘額
Amount of trading balances
港幣千元
HK\$'000

33,832
26,625

董事權益

根據證券及期貨條例(「證券及期貨條例」)第352條保存之登記名冊所載或根據上市公司董事進行證券交易的標準守則(「標準守則」)須通知本公司及香港聯合交易所有限公司(「聯交所」)之資料，董事於二零零五年六月三十日擁有本公司或其任何相聯法團(定義見證券及期貨條例XV部)之股份、債券或相關股份之權益及淡倉如下：

本公司

董事姓名 Name of Directors	權益性質 Nature of interests	根據購股權持有之 相關股份數目 Number of underlying shares held pursuant to share options	佔已發行股本 之百分比 Percentage to the issued share capital
黃清海 Ng Qing Hai	個人 Personal	4,000,000	0.54%
高成明 Ko Sing Ming	個人 Personal	1,500,000	0.21%
李志剛 Li Chi Kong	個人 Personal	600,000	0.08%

董事及主要行政人員於本公司購股權之權益詳情載於下文購股權一節中。

上述所有權益均為好倉。於二零零五年六月三十日，董事概無擁有載於董事及主要行政人員之權益及淡倉之登記名冊內之任何淡倉(定義見證券及期貨條例)。

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

At 30th June, 2005, trading balances due from the following entities which individually have exceeded 8% of the market capitalisation of the Company are set out as follows:

DIRECTORS' INTERESTS

As at 30th June, 2005, the interests and short positions of the Directors in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) or which were required, pursuant to section 352 of the SFO to be entered in the register referred therein or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

The Company

根據購股權持有之 相關股份數目 Number of underlying shares held pursuant to share options	佔已發行股本 之百分比 Percentage to the issued share capital
The interests of the Directors and chief executive in the share options of the Company are detailed in the share options section below.	

All the interests stated above represent long positions. As at 30th June, 2005, none of the Directors held any short positions as defined under SFO as recorded in the register of directors and chief executives' interests and short positions.



購股權

本公司購股權於截至二零零五年六月三十日止六個月內之變動披露如下：

SHARE OPTIONS

The following table discloses movements in the Company's share options during the six months ended 30th June, 2005:

購股權 授出日期 Date of grant of share options	行使期間 Exercisable period	每股行使價 Exercise price per share 港幣 HK\$	購股權數目 Number of share options				
			於二零零五年 一月一日 尚未行使 Outstanding as at 1st January, 2005	期內授出 Granted during the period	期內失效 Lapsed during the period	於二零零五年 六月三十日 尚未行使 Outstanding as at 30th June, 2005	
董事姓名 Name of Directors							
黃清海	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	4,000,000	-	-	4,000,000
Ng Qing Hai	28th July, 2003	28th January, 2004 to 27th July, 2013					
高成明	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	1,500,000	-	-	1,500,000
Ko Sing Ming	28th July, 2003	28th January, 2004 to 27th July, 2013					
李志剛	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	600,000	-	-	600,000
Li Chi Kong	28th July, 2003	28th January, 2004 to 27th July, 2013					
僱員 Employees							
	二零零三年七月二十八日	二零零四年一月二十八日至 二零一三年七月二十七日	0.70	15,600,000	-	150,000	15,450,000
	28th July, 2003	28th January, 2004 to 27th July, 2013					
合計 Total				21,700,000	-	150,000	21,550,000

上述所有購股權均受六個月歸屬期規限。

All share options referred to above are subject to 6 months vesting period.

於回顧期內，概無根據本公司之購股權計劃授出、行使或註銷任何購股權。

No share options were granted, exercised or cancelled under the share option scheme of the Company during the period under review.



主要股東 及其他人士權益

於二零零五年六月三十日，根據證券及期貨條例第336條本公司須予保存之登記名冊所載，下列人士擁有本公司股份之權益或淡倉：

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30th June, 2005, the following persons had interests or short positions in the shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

股東名稱	Name of Shareholders	持有之股份數目 Number of shares held	附註 Notes	佔已發行股本 之百分比 Percentage to the issued share capital
天安中國酒店房地產投資有限公司 (「天安中國酒店」)	Tian An China Hotel and Property Investments Company Limited ("TACHP")	500,000,000	1, 8	68.54%
Oasis Star Limited (「OSL」)	Oasis Star Limited ("OSL")	43,485,640	2	5.96%
天安工業投資有限公司 (「天安工業」)	Tian An Industrial Investments Company Limited ("TAIICL")	43,485,640	2	5.96%
天安中國投資有限公司 (「天安」)	Tian An China Investments Company Limited ("Tian An")	543,485,640	3	74.51%
新鴻基有限公司(「新鴻基」)	Sun Hung Kai & Co. Limited ("SHK")	543,485,640	4	74.51%
聯合地產(香港)有限公司(「聯合地產」)	Allied Properties (H.K.) Limited ("APL")	543,485,640	5	74.51%
聯合集團有限公司(「聯合集團」)	Allied Group Limited ("AGL")	543,485,640	6	74.51%
Lee and Lee Trust (「LL Trust」)	Lee and Lee Trust ("LL Trust")	543,485,640	7	74.51%
Best Advantage Limited (「BAL」)	Best Advantage Limited ("BAL")	144,000,000	8	19.74%
吳小俊	Ng Siu Chun	144,000,000	8	19.74%
Honest Opportunity Limited (「HOL」)	Honest Opportunity Limited ("HOL")	72,858,680	9	9.99%
Classic Fortune Limited (「CFL」)	Classic Fortune Limited ("CFL")	72,858,680	10	9.99%
中國網絡資本有限公司(「中國網絡」)	COL Capital Limited ("COL")	72,858,680	11	9.99%

附註：

Notes:

- 該數字指天安之全資附屬公司天安中國酒店所實益擁有之356,000,000股股份以及由吳小俊先生(「吳先生」)向BAL抵押而被視為擁有之144,000,000股股份權益之總和。
- 由OSL持有之股份乃以實益擁有人之身份持有。OSL為天安工業之全資附屬公司，而天安工業則是天安之全資附屬公司。天安工業因此被視為於OSL持有之同一批43,485,640股股份中擁有權益。
- 該數字指OSL所持有之43,485,640股股份、天安中國酒店所持有之356,000,000股股份，及由吳先生向BAL抵押而被視為擁有之144,000,000股股份之總和。
- 新鴻基直接及間接擁有天安已發行股本約48.60%權益，因此被視為於天安持有之同一批543,485,640股股份中擁有權益。
- 聯合地產透過AP Jade Limited及AP Emerald Limited(聯合地產直接及間接全資擁有之附屬公司)擁有新鴻基已發行股本約74.99%權益，因此被視為於新鴻基持有之同一批股份中擁有權益。



主要股東 及其他人士權益 (續)

6. 聯合集團擁有聯合地產已發行股本約74.79%權益，因此被視為於聯合地產持有之同一批股份中擁有權益。
7. 全權信託LL Trust之信託人(即李成輝先生、李淑慧女士及李成煌先生)合共擁有聯合集團已發行股本約39.25%權益，因此被視為於聯合集團持有之同一批股份中擁有權益。
8. 於二零零一年十二月二十日，吳先生與天安中國酒店之全資附屬公司BAL訂立股份抵押協議，據此吳先生將7,200,000,000股(自二零零二年十二月二十日起因股份50合1而調整為144,000,000股)本公司股份抵押予BAL，作為吳先生適當遵守及履行由(其中包括)吳先生與BAL所訂立買賣協議及補充協議之保證。
9. 由HOL持有之股份乃以實益擁有人之身份持有。
10. CFL擁有HOL已發行股本之全部權益，因此被視為於HOL持有之同一批股份中擁有權益。
11. 中國網絡擁有CFL已發行股本之全部權益，因此被視為於CFL持有之同一批股份中擁有權益。

上文所列之全部權益皆屬好倉。於二零零五年六月三十日，本公司根據證券及期貨條例第336條所存置之登記冊內並無淡倉紀錄。

企業管治

企業管治常規守則

除以下偏離行為外，本公司於截至二零零五年六月三十日止六個月全期，已遵守上市規則附錄十四所載企業管治常規守則內之適用守則條文：

守則條文 A.1.7

此守則條文規定董事會應該商定程序，讓董事按合理要求，可在適當情況下尋求獨立專業意見，費用由發行人支付。

為遵守此守則條文，董事會已於二零零五年六月制定程序，讓其董事在履行職責時，可在適當情況下以合理費用尋求獨立專業意見，有關費用由本公司支付。

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS (continued)

6. AGL owned approximately 74.79% interest in the issued share capital of APL and was therefore deemed to have the same interest held by APL.
7. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of the LL Trust, being a discretionary trust. They together owned approximately 39.25% interest in the issued share capital of AGL and were therefore deemed to have the same interest held by AGL.
8. On 20th December, 2001, Mr. Ng entered into a share charge with BAL, a wholly-owned subsidiary of TACHP whereby Mr. Ng charged his 7,200,000,000 shares (adjusted to 144,000,000 shares for the share consolidation of 50 to 1 with effect from 20th December, 2002) in the Company to BAL to secure the due observance and performance by Mr. Ng of his obligations under a sale and purchase agreement and a supplemental agreement entered among, inter alia, Mr. Ng and BAL.
9. The shares held by HOL were held in the capacity of beneficial owner.
10. CFL owned 100% interest in the issued share capital of HOL and was therefore deemed to have the same interest held by HOL.
11. COL owned 100% interest in the issued share capital of CFL and was therefore deemed to have the same interest held by CFL.

All the interests disclosed above represent long positions. As at 30th June, 2005, no short positions were recorded in the register kept by the Company under section 336 of the SFO.

CORPORATE GOVERNANCE

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th June, 2005, except for the following deviations:

Code Provision A.1.7

This code provision stipulates that there should be a procedure agreed by the board to enable directors, upon reasonable request, to seek independent professional advice in appropriate circumstances at the issuer's expense.

To comply with this code provision, the Board has established in June 2005 a procedure to enable its Directors, in the discharge of their duties, to seek independent professional advice in appropriate circumstances at a reasonable cost to be borne by the Company.



企業管治 (續)

企業管治常規守則 (續)

守則條文A.2.1

此守則條文規定主席與行政總裁 (「行政總裁」) 之角色應有區分，並不應由一人同時兼任兩職。主席與行政總裁之間職責的分工應清楚界定並以書面列載。

本公司現時並無在任主席。本公司之總裁兼行政總裁黃清海先生負責本集團之業務營運，以及實踐本集團之策略以求達致整體業務之目標，並兼任主席之部份職務，此構成偏離守則條文A.2.1。

為遵守此守則條文，本公司現正考慮於本集團內部或以外物色一位具備領導才能、知識、技能及資歷之合適人選擔任董事會主席一職。主席與行政總裁之職責之分工已以書面列載，並於二零零五年六月經董事會批准。

守則條文A.4.1及A.4.2

守則條文A.4.1規定非執行董事之委任應有指定任期，並須接受重新選舉。守則條文A.4.2亦規定所有填補臨時空缺而獲委任之董事應在委任後之首次股東大會上接受股東選舉，而每名董事 (包括有指定任期之董事) 應至少每三年輪值退任一次。

於二零零五年六月二十二日前，本公司之非執行董事並無固定任期，惟須按照本公司細則之有關條文輪值退任。根據本公司細則，(i) 於本公司每屆股東週年大會上，三分之一當時在任之董事 (或，倘其人數並非三之倍數，則最接近但不多於三分之一之數目) 須輪值退任，惟本公司董事會主席及／或董事總經理不須按此規定輪值退任；及(ii) 任何填補空缺而獲委任之董事或為董事會新增之成員僅可任職至下屆股東週年大會為止，屆時彼可膺選連任。上述(i)及(ii)項均構成偏離守則條文A.4.2。

CORPORATE GOVERNANCE (continued)

CODE ON CORPORATE GOVERNANCE PRACTICES (continued)

Code Provision A.2.1

This code provision stipulates that the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

The Company does not at present have a Chairman. Mr. Ng Qing Hai, being the President and CEO of the Company, is responsible for running the business of the Group and implementation of the Group's strategy in achieving the overall commercial goals as well as part of the duties of Chairman which constitute a deviation from the code provision A.2.1.

To comply with this code provision, the Company is currently considering the appointment of a Chairman of the Board if a candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group. The division of responsibilities between the Chairman and CEO has been set out in writing and approved by the Board in June 2005.

Code Provisions A.4.1 and A.4.2

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election, and code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Non-Executive Directors of the Company had no fixed term of office prior to 22nd June, 2005, but retired from office on a rotational basis in accordance with the relevant provisions of the Company's Bye-laws. According to the Bye-laws of the Company, (i) at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) should retire from office by rotation, provided that the Chairman of the Board and/or the Managing Director of the Company should not be subject to retirement by rotation; and (ii) any Director appointed to fill a casual vacancy or as an addition to the Board should hold office only until the next following annual general meeting and would then be eligible for re-election. The above (i) and (ii) constitute deviations from the code provision A.4.2.



企業管治 (續)

企業管治常規守則 (續)

守則條文A.4.1及A.4.2 (續)

為全面遵守守則條文A.4.1，本公司所有非執行董事之委任已於二零零五年六月二十二日設指定任期，直至二零零六年十二月三十一日止，惟須輪值退任，並由股東重選連任。為遵守守則條文A.4.2，董事會將於本公司即將舉行之股東特別大會或股東週年大會(以較早者為準)上向股東提呈批准有關修訂本公司細則之相關決議案。

守則條文A.5.4

此守則條文規定董事會應就可能擁有關於發行人或其證券之未公開股價敏感資料之有關僱員買賣發行人證券事宜設定書面指引，而有關之指引內容不比於上市規則附錄十所載之標準守則寬鬆。

為遵守此守則條文，本公司已於二零零五年六月就可能擁有關於本公司或其證券之未公開股價敏感資料之本公司或其任何附屬公司之若干僱員進行證券交易而採納標準守則。

守則條文B.1.1及B.1.4

守則條文B.1.1規定須按條文所載而設立具有特定成文權責範圍之薪酬委員會。守則條文B.1.4亦規定薪酬委員會應公開其職權範圍，解釋其角色及董事會轉授予其之權力。

為遵守守則條文B.1.1，本公司已於二零零五年六月設立具有特定成文權責範圍之薪酬委員會(「薪酬委員會」)，惟就該守則條文在薪酬委員會須釐定發行人所有執行董事及高級管理人員之薪酬待遇之職責方面有所偏離。董事會認為，薪酬委員會僅會就執行董事(不包括高級管理人員)之薪酬待遇作出檢討(而非釐定)，並僅向董事會提出建議，理由如下：

- (i) 董事會認為薪酬委員會並不適宜評估高級行政人員之表現，而有關評估程序由執行董事執行將更為有效；

CORPORATE GOVERNANCE (continued)

CODE ON CORPORATE GOVERNANCE PRACTICES (continued)

Code Provisions A.4.1 and A.4.2 (continued)

To fully comply with the code provision A.4.1, all Non-Executive Directors of the Company were appointed for a specific term on 22nd June, 2005 which shall continue until 31st December, 2006, but subject to retirement by rotation and re-election by the Shareholders. To comply with the code provision A.4.2, the Board will propose relevant amendments to be made to the Bye-laws of the Company for approval by the Shareholders at the forthcoming special general meeting or annual general meeting of the Company, whichever comes first.

Code Provision A.5.4

This code provision stipulates that the board should establish written guidelines on no less exacting terms than the Model Code as set out in Appendix 10 of the Listing Rules for the relevant employees, who are likely to be in possession of unpublished price sensitive information in relation to the issuer or its securities, in respect of their dealings in the securities of the issuer.

To comply with this code provision, the Company adopted in June 2005 the Model Code for securities transactions by certain employees of the Company or any of its subsidiaries who are considered to be likely in possession of unpublished price sensitive information in relation to the Company or its securities.

Code Provisions B.1.1 and B.1.4

Code provision B.1.1 stipulates the establishment of a remuneration committee with specific written terms of reference as set out in the provision, and code provision B.1.4 stipulates that the remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.

In June 2005, a remuneration committee (the "Remuneration Committee") with specific written terms of reference has been established in order to comply with code provision B.1.1, but with a deviation from the code provision of the remuneration committee's responsibilities to determine the specific remuneration packages of all executive directors and senior management of an issuer. The Board considers that the Remuneration Committee should review (as opposed to determine) and make recommendations to the Board on the remuneration packages of Executive Directors only and not senior management for the following reasons:

- (i) the Board believes that the Remuneration Committee is not properly in a position to evaluate the performance of senior executives and that this evaluation process is more effectively carried out by the Executive Directors;



企業管治 (續)

企業管治常規守則 (續)

守則條文B.1.1及B.1.4 (續)

- (ii) 薪酬委員會成員僅由獨立非執行董事(「獨立非執行董事」)組成，彼等來自不同行業、具有不同背景，或會對本公司經營之行業並不完全熟悉，且並無參與本公司之日常運作，彼等對有關業界慣例及薪酬待遇之標準亦可能無直接認識。因此，薪酬委員會並不適宜釐定執行董事之薪酬；
- (iii) 執行董事必須負責監管高級管理人員，因而須有權力操控彼等之薪酬；及
- (iv) 執行董事並無理由向高級管理人員支付高於業界標準之薪酬，而由彼等釐定其薪酬待遇可減省支出，將有利於股東。

為全面遵守守則條文B.1.4，薪酬委員會之職權範圍將按要求而公開，並於本公司網站成立後將資料上載。

守則條文C.3.3及C.3.4

守則條文C.3.3規定審核委員會之職權範圍至少包括該條文所載之職責。守則條文C.3.4亦規定審核委員會應公開其職權範圍，解釋其角色及董事會轉授予其之權力。

為遵守守則條文C.3.3，本公司審核委員會(「審核委員會」)之職權範圍已於二零零五年六月作出修訂，惟就該守則條文在審核委員會之職責方面有所偏離：

- (i) 執行委聘外聘核數師提供非核數服務之政策；
- (ii) 確保管理層已履行其職責建立有效的內部監控系統；
- (iii) 確保內部和外聘核數師之工作得到協調，也須確保內部核數功能在發行人內部獲得足夠資源運作，並且有適當之地位。

CORPORATE GOVERNANCE (continued)

CODE ON CORPORATE GOVERNANCE PRACTICES (continued)

Code Provisions B.1.1 and B.1.4 (continued)

- (ii) the Remuneration Committee members only consist of Independent Non-Executive Directors (“INEDs”) who may not be industry skilled and come from differing professions and backgrounds and they are not involved in the daily operation of the Company. They may have little direct knowledge of industry practice and standard compensation packages. The Remuneration Committee is thus not in a position to properly determine the remuneration of the Executive Directors;
- (iii) the Executive Directors must be in a position to supervise and control senior management and thus must be able to control their compensation; and
- (iv) there is no reason for Executive Directors to pay senior management more than industry standards and thus Shareholders will benefit by reducing costs in the fixing of such compensation packages.

The terms of reference of the Remuneration Committee shall be made available to the public on request and by including the information on the Company's website once it is set up to ensure full compliance with the code provision B.1.4.

Code Provisions C.3.3 and C.3.4

Code provision C.3.3 stipulates that the terms of reference of the audit committee should include at least those duties as set out in the provision, and code provision C.3.4 stipulates that the audit committee should make available its terms of reference, explaining its role and the authority delegated to it by the board.

The terms of reference of the audit committee of the Company (the “Audit Committee”) have been revised in June 2005 to comply with the code provision C.3.3, but with the deviations from the code provision of the audit committee's responsibilities to:

- (i) implement policy on the engagement of the external auditors to supply non-audit services;
- (ii) ensure that management has discharged its duty to have an effective internal control system; and
- (iii) ensure coordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the issuer.



企業管治 (續)

企業管治常規守則 (續)

守則條文C.3.3及C.3.4 (續)

董事會認為審核委員會應就委聘外聘核數師提供非核數服務之政策作出建議(而非執行)，理由如下：

- (i) 由董事會及其下設之委員會制定政策及作出合適之建議乃屬恰當及合適；
- (ii) 由執行董事及管理層執行該政策及建議乃屬恰當及合適之機制；及
- (iii) 獨立非執行董事並不適宜執行日常之政策及跟進工作。

此外，董事會認為審核委員會僅具備監察(而非確保)管理層已履行其職責建立有效的內部監控系統之有效能力。由於上述事宜涉及日常監控及僱用全職專家，因此審核委員會並沒有確保上述事宜獲得執行之能力。審核委員會並非確保內部和外聘核數師之工作得到協調之人選，惟其可推動上述事宜。同樣，審核委員會不可確保內部核數功能獲得足夠資源運作，惟可檢閱其是否獲得足夠資源運作。

為全面遵守守則條文C3.4，審核委員會經修訂之職權範圍將按要求而公開，並於本公司網站成立後將資料上載。

守則條文D.1.2

此守則條文規定發行人應規範賦予董事會之職能及轉授予管理層之職能，並應定期作出檢討以確保有關安排符合發行人之需要。

本公司董事會及管理層之職能已分別確立並以書面列載，且已於二零零五年六月獲董事會批准。董事會將就兩者之職能每年作一次檢討。

CORPORATE GOVERNANCE (continued)

CODE ON CORPORATE GOVERNANCE PRACTICES (continued)

Code Provisions C.3.3 and C.3.4 (continued)

The Board considers that the Audit Committee should recommend (as opposed to implement) the policy on the engagement of the external auditors to supply non-audit services for the following reasons:

- (i) it is proper, and appropriate for the Board and its Committees to develop policy and appropriate recommendations;
- (ii) the proper and appropriate mechanism for implementation of such policy and recommendations is through the Executive Directors and management; and
- (iii) INEDs are not in an effective position to implement policy and follow up the same on a day-to-day basis.

Further, the Board considers that the Audit Committee only possesses the effective ability to scrutinise (as opposed to ensure) whether management has discharged its duty to have an effective internal control system. The Audit Committee is not equipped to ensure that the same is in place as this would involve day-to-day supervision and the employment of permanent experts. The Audit Committee is not in a position either to ensure coordination between the internal and external auditors but it can promote the same. Similarly, the Audit Committee cannot ensure that the internal audit function is adequately resourced but it can check whether it is adequately resourced.

The revised terms of reference of the Audit Committee shall be made available to the public on request and by including the information on the Company's website once it is set up to ensure full compliance with the code provision C.3.4.

Code Provision D.1.2

This code provision stipulates that an issuer should formalise the functions reserved to the board and those delegated to the management and should review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the issuer.

The respective functions of the Board and management of the Company have been formalised and set out in writing which was approved by the Board in June 2005. The Board will review the same once a year.



企業管治 (續)

董事進行證券交易之行為守則

本公司已採納上市規則附錄十所載之標準守則，作為其董事進行證券交易之行為守則。經本公司作出特定查詢後，所有董事確認彼等於回顧期內已完全遵守標準守則所定之標準。

購回、出售或贖回股份

本公司或其任何附屬公司概無於截至二零零五年六月三十日止六個月內購回、出售或贖回本公司之任何股份。

審核委員會之審閱

審核委員會連同管理層已審閱本集團所採納之會計原則及慣例，並就內部監控及財務匯報事項進行商討，包括截至二零零五年六月三十日止六個月未經審核之中期財務報告之一般審閱。審核委員會倚賴本集團外聘核數師按照香港會計師公會頒佈之標準核數準則第700號所作出之審閱結果及管理層所提交報告而進行上述審閱工作。審核委員會並無進行詳細之獨立核數審查。

承董事會命
行政總裁
黃清海

香港，二零零五年八月三十日

CORPORATE GOVERNANCE (continued)

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30th June, 2005.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited interim financial report for the six months ended 30th June, 2005. In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditors in accordance with Statement of Auditing Standards 700 issued by the HKICPA as well as obtaining reports from management. The Audit Committee has not undertaken detailed independent audit checks.

By Order of the Board
Ng Qing Hai
Chief Executive Officer

Hong Kong, 30th August, 2005

