

KB 建滔化工集團

KINGBOARD CHEMICAL HOLDINGS LIMITED

Stock Code 股份代號：148



Annual Report
2007 年報

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Cheung King-kei (Chairman)
Mr. Cheung King-yeung (Managing Director)
Mr. Cheung King-yeung
Mr. Cheung King-yeung
Mr. Ho Siu-sang
(於二零零七年一月十一日獲委任)
Mrs. Cheung Lillian Shiu
(於二零零七年一月十一日獲委任)
Mr. Michael Hui, Chairman

Independent Non-Executive Directors

Mr. Cheung Mui-fu, P.O.
Mr. Cheung Ching-chung, Chairman
(於二零零七年一月十一日獲委任)
Mr. Tang Kam-hui
Mr. Ho Siu-tung

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Leung Lian-ke

PRINCIPAL BANKERS

Bank of America, N.A.
Bank of Communications, Hong Kong Branch
Cheong Cheuk-yeung, B.
Citic, N.A.
DBS Bank, Hong Kong Branch
The Hongkong & Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

AUDITOR

Deloitte Touche Tohmatsu
Chartered Public Accountants

董事會

執行董事

張國榮先生(主席)
陳永鋌先生(董事總經理)
張廣軍先生
鄭永耀先生
何燕生先生
(於二零零七年一月十一日獲委任)
張偉連女士
(於二零零七年一月十一日獲委任)
莫漢雄先生

獨立非執行董事

鄭明訓先生
鄭維志先生
(於二零零七年七月丁丑黃荅樹)



Chairman's Statement

主席報告

BUSINESS REVIEW

本人欣然公佈，建滔化工集團（「集團」）於截至二零零七年十二月三十一日止財政年度，再次錄得破紀錄之全年業績，營業額及純利均創新高。集團能取得此豐碩成果，有賴全體員工共同努力，克服種種挑戰的經營環境。集團在年一應付各項挑戰，業務回顧如下：

回顧過去一年，集團在多個方面均取得顯著成就。在二零零六年，集團的總收入為港幣2,618.7 million，較二零零五年增長了20%。二零零六年（即截至二零零六年十二月三十一日止）的總收入為港幣2,618.7 million，較二零零五年增長了20%。二零零六年（即截至二零零六年十二月三十一日止）的總收入為港幣2,618.7 million，較二零零五年增長了20%。

在二零零六年，集團在多個方面均取得顯著成就。在二零零六年，集團的總收入為港幣2,618.7 million，較二零零五年增長了20%。二零零六年（即截至二零零六年十二月三十一日止）的總收入為港幣2,618.7 million，較二零零五年增長了20%。二零零六年（即截至二零零六年十二月三十一日止）的總收入為港幣2,618.7 million，較二零零五年增長了20%。

業務回顧

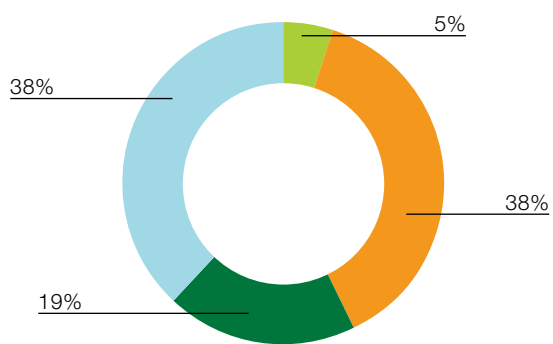
本人欣然公佈，建滔化工集團（「集團」）於截至二零零七年十二月三十一日止財政年度，再次錄得破紀錄之全年業績，營業額及純利均創新高。集團能取得此豐碩成果，有賴全體員工共同努力，克服種種挑戰的經營環境。集團在年一應付各項挑戰，業務回顧如下：

Chairman's Statement 主席報告

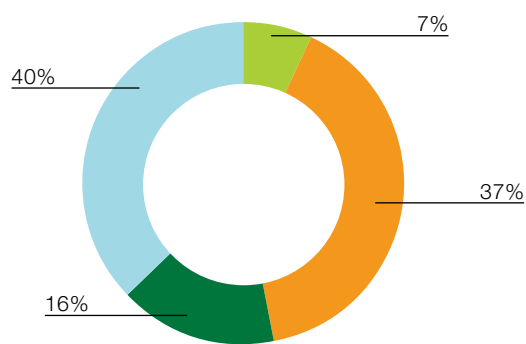
FINANCIAL HIGHLIGHTS

Return to shareholders 19%
HK\$

Revenue Breakdown by Product 營業額分佈



FY 2007
二零零七年財政年度



FY 2006
二零零六年財政年度

Laminates
覆銅面板

Chemicals
化工產品

Printed Circuit Boards
印刷線路板

Others
其他

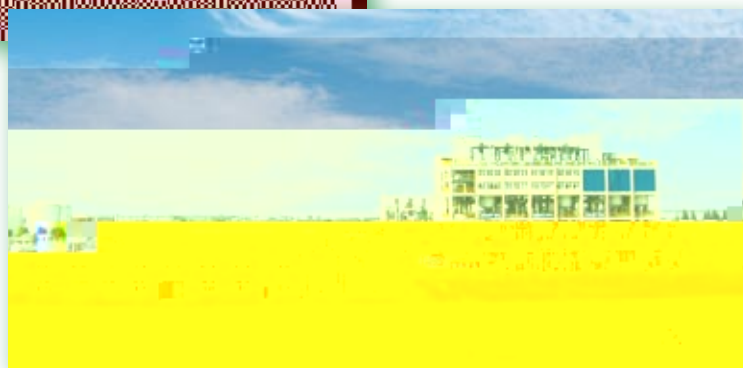
Chairman's Statement 主席報告

Performance

Throughout the year, management has continued to focus on the growth of the Group's core businesses, while also exploring new opportunities for expansion. In 2007, the Group's operating income increased by 25% to HK\$10,276.2 million. Earnings before interest and taxes ("EBIT") increased by 18% to HK\$2,126.8 million. The Group's net profit after tax increased by 13% to HK\$1,388.3 million. The Group's return on equity increased by 8.3 percentage points to 15.2%.

The Group's performance in 2007 was driven by the strong performance of its core businesses, particularly in the area of chemical products. The Group's sales of chemical products increased by 15% to HK\$8,542.1 million. The Group's gross profit margin for chemical products was 28.5%, compared with 27.8% in 2006.

The Group's management has continued to focus on improving operational efficiency and reducing costs. The Group's operating expenses as a percentage of sales decreased from 22.5% in 2006 to 21.8% in 2007. The Group's management has also continued to invest in research and development to develop new products and improve existing ones.



Chairman's Statement 主席報告

印刷線路板（PCB）是電子產品的重要組件，其生產過程涉及化學、物理及機械等多種技術。本公司在2007年上半年的表現如下：總收入為港幣7,601.2萬元，較去年同期增長14%；EBIT為港幣578.6萬元，較去年同期下降16%。EBIT下降的主要原因是：（1）原料價格大幅波動；（2）依利安達的利潤下降；（3）依利安達的利潤下降。本公司在2007年上半年的表現如下：

印刷線路板部門方面，電腦及周邊行業需求在二零零七年上半年略為放緩。然而，隨著電腦市場於下半年出現強勁反彈，加上電子消費品及汽車行業平穩增長，印刷線路板部門的收入增加14%至七十六億零一百二十萬港元。然而，未扣除利息及稅項之盈利則為五億七千八百六十萬港元，較上一財政年度下降16%，盈利下降是由於（1）原料價格大幅波動；（2）依利安達的利潤下降；（3）依利安達的利潤下降。

依利安達及科惠積極參與展覽會。

二零零七年年報 建滔化工集團

11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 10

Chairman's Statement 主席報告



LIQUIDITY AND CAPITAL RESOURCES

Our current assets less current liabilities as at 31 December 2007, were HK\$6,377.6 million (31 December 2006: HK\$9,467.1 million), 1.89 (31 December 2006: 2.90) times the current liabilities.

The average number of days to settle accounts payable in 2007 was 84 days (31 December 2006: 96 days).

The average number of days to settle accounts receivable in 2007 was 64 days (31 December 2006: 73 days).

The average number of days to settle trade payables in 2007 was 90 days (31 December 2006: 97 days).

The average number of days to settle trade and bills payable in 2007 was 70 days (31 December 2006: 74 days).

流動資金及財務狀況

集團的財務狀況持續保持穩健。集團於二零零七年十二月三十一日之流動資產淨值約為六十三億七千七百六十萬港元(二零零六年十二月三十一日：九十四億六千七百一十萬港元)，流動比率則為1.89(二零零六年十二月三十一日：2.90)。

淨營運資金週轉期由二零零六年十二月三十一日的九十六日縮短至二零零七年十二月三十一日的八十四日，細分如下：

存貨週轉期縮短至六十四日(二零零六年十二月三十一日：七十三日)

貿易應收款項的週轉期改善至九十日(二零零六年十二月三十一日：九十七日)

貿易及票據應付帳款的週轉期縮短至七十日(二零零六年十二月三十一日：七十四日)

Chairman's Statement 主席報告

HUMAN RESOURCES

As at 31 December 2007, the Group had employed 47,200 (31 December 2006: 42,900). The increase in the number of employees was mainly due to the expansion of the Group's business. The Group has provided competitive remuneration packages to its employees, and will continue to attract and retain top talent to support its business growth.

人力資源

於二零零七年十二月三十一日，集團在全球合共聘用員工約47,200人(二零零六年十二月三十一日：42,900人)，員工人數增加主要為配合集團業務擴展之步伐。集團除了提供具競爭力的薪酬待遇外，亦會根據公司整體財政狀況和個別員工的表現，發放優先購芯優惠計劃。



The Group's Huaihua Plant, Hunan, is a new source of growth for the Group's chemical business.

位於湖南省衡陽的燒碱廠為集團化工業務發展締造新動力。

PROSPECTS

2008 marks the 20th anniversary of the Group's establishment in Hong Kong. The Group has achieved significant milestones in its 20-year history, and we are confident that we will continue to achieve success in the future. The Group's business is diversified, and we have a strong focus on research and development. We will continue to invest in our R&D activities to develop new products and technologies. The Group's financial performance is strong, and we have a solid financial base to support our business growth. We will continue to provide competitive remuneration packages to our employees and attract top talent to support our business growth.

Chairman's Statement 主席報告

Dear Shareholders, 2008 is a year of challenges and opportunities. The global financial crisis has led to a significant decline in demand for electronic products, which has had a negative impact on the PCB industry. However, the demand for PCBs in the automotive, industrial, and medical sectors remains strong. Kingboard Chemical has successfully navigated these challenges by focusing on product innovation and operational efficiency. In 2008, our revenue increased by 11.3% compared to the same period last year, and our net profit grew by 9.3%. We are confident that our strong financial position and diversified product portfolio will enable us to maintain our competitive advantage in the long term.

受農曆新年的季節性影響，二零零八年初的覆銅面板需求略為放緩。內地華東及華南地區的雪災造成了電力供應短缺和物流瓶頸阻礙，導致集團於粵北地區部分廠房運作短暫停頓約一星期，但受影響的生產設施已迅速恢復正常運作。鑑於新興市場包括中國對覆銅面板需求增長迅速，集團在廣東省佛岡及江蘇省江陰的廠房將繼續擴充產能，至二零零八年年底，覆銅面板之每月總產能



Chairman's Statement 主席報告

APPRECIATION

For the past year, I would like to thank all the shareholders, customers, banks, management and employees of Kingboard Chemical Group for their support.

致謝

最後，本人謹代表董事會藉此機會向各位股東、客戶、銀行、管理人員及員工過關門則會

CHEUNG Kwok Wing

Chairman

Hong Kong, 17 March 2008

Directors' and Senior Management's Biographies

董事及高級管理人員之資歷

EXECUTIVE DIRECTORS

Mr. CHENG K. 52,



Directors' and Senior Management's Biographies 董事及高級管理人員之資歷

Mr. MOK Chai-ming, Chairman, 43, is the Group's Chief Executive Officer. He joined the Group in 2000. Mr. MOK is a Chartered Accountant and a member of the Hong Kong Institute of Chartered Accountants. He is also a member of the Hong Kong Institute of Directors. He holds a Master of Business Administration (MBA) degree from the University of Hong Kong. He is also a member of the Hong Kong Institute of Directors. He is also a member of the Hong Kong Institute of Directors. He is also a member of the Hong Kong Institute of Directors.

莫湛雄先生，43歲，於二零零零年加盟本集團，負責本集團之財務管理。於加盟本集團前，莫先生於金融服務業工作逾11年。莫先生為英格蘭及威爾斯特許會計師公會會員和香港會計師公會資深會員。彼持有劍橋大學頒授之電子及資訊工程碩士學位，並以優異成績獲倫敦大學帝國學院頒授之工商管理碩士學位。彼亦為EEIC之執行董事，負責EEIC之策略規劃工作。

Mr. HO Sui-ling, 53, is the Group's Chief Financial Officer. She is a Chartered Accountant and a member of the Hong Kong Institute of Chartered Accountants. She is also a member of the Hong Kong Institute of Directors. She holds a Master of Business Administration (MBA) degree from the University of Hong Kong. She is also a member of the Hong Kong Institute of Directors. She is also a member of the Hong Kong Institute of Directors.

何燕生先生，53歲，為張國榮先生之妹夫及張偉連女士之姐夫，自一九八九年起加盟於本集團，現時負責本集團於河北省及山西省之分銷業務。

Mr. CHENG Mui-fu, 71, is the Group's Chief Operating Officer. He is a Chartered Accountant and a member of the Hong Kong Institute of Chartered Accountants. He is also a member of the Hong Kong Institute of Directors. He holds a Master of Business Administration (MBA) degree from the University of Hong Kong. He is also a member of the Hong Kong Institute of Directors. He is also a member of the Hong Kong Institute of Directors.

Mr. CHENG Mui-fu, 71, is the Group's Chief Operating Officer. He is a Chartered Accountant and a member of the Hong Kong Institute of Chartered Accountants. He is also a member of the Hong Kong Institute of Directors. He holds a Master of Business Administration (MBA) degree from the University of Hong Kong. He is also a member of the Hong Kong Institute of Directors. He is also a member of the Hong Kong Institute of Directors.

Directors' and Senior Management's Biographies 董事及高級管理人員之資歷

Mr. CHENG Ch , Chr s h r, 59, s
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Directors' and Senior Management's Biographies 董事及高級管理人員之資歷

Mr. LO K L , 34, h C an S r r , h Gr u M 1999. Pr i h , h s r r r r r r m. Mr. L s m m r H K I u C r Pu A u s H h s B h i's D r Pr s s A u r an Th Ch s r s H K . H s h r h an s r r i m m h Gr u . H s r u r i K r L m s H s L m (KLHL), 74.77%- s r s h m r e h S E h .

羅家亮先生，34歲，公司秘書，於一九九九年五月加盟本集團。於加盟本集團前，羅先生於一所國際會計師行任職會計師。彼為香港會計師公會資深會員，並持有香港中文大學專業會計學學士學位。彼現負責處理本集團之公司秘書工作及財務管理。羅先生同時為建滔積層板控股有限公司（「建滔積層板」，本公司擁有74.77%權益的附屬公司，其股份於聯交所主板上市）之非執行董事。

Directors' Report

董事會報告

The Board has pleasure in presenting to the shareholders the annual report of the Group for the year ended 31 December 2007.

董事會欣然提呈本集團截至二零零七年十二月三十一日止年度之年報及經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company are set out in paragraphs 22, 25 and 41 of the annual report.

主要業務

本公司為投資控股公司，其聯營公司、共同控制實體及主要附屬公司之業務分別載於綜合財務報表附註22、25及41。

RESULTS AND APPROPRIATIONS

The Board has pleasure in presenting to the shareholders the annual report of the Group for the year ended 31 December 2007.

業績及分派

本集團之本年度業績載於第54頁綜合收益表內。

At the annual general meeting of the Company held on 15 May 2008, the Board has pleasure in presenting to the shareholders the annual report of the Group for the year ended 31 December 2007.

年內，本公司已派付中期股息每股普通股30港仙予本公司股東。董事現建議向於二零零八年五月五日名列本公司股東名冊之股東派付末期股息每股普通股70港仙，並保留剩餘的溢利於本公司。

SHARE CAPITAL

The Board has pleasure in presenting to the shareholders the annual report of the Group for the year ended 31 December 2007.

股本

本公司已發行股本於年內之變動詳情載於綜合財務報表附註34。

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company has not purchased, sold or redeemed any of its shares.

購買、出售或贖回股份

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司上市之證券。

Directors' Report 董事會報告

During the management year, the Board has reviewed the Group's business performance and the management's strategy for 2007/08.

In the interim financial results, the Company has reported a profit of HK\$1,000 million for the year ended 31 December 2007. The Board has reviewed the Group's performance and the management's strategy for 2007/08. The Board has approved the management's strategy for 2007/08, which is to continue to expand the Group's business in the Asia-Pacific region.

At 31 December 2007, the Company has reported a profit of HK\$1,000 million for the year ended 31 December 2007. The Board has reviewed the Group's performance and the management's strategy for 2007/08. The Board has approved the management's strategy for 2007/08, which is to continue to expand the Group's business in the Asia-Pacific region.

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Long position

(a) Ordinary shares of HK\$0.10 each of the Company ("Shares")

董事姓名	權益性質	所持已發行股份數目	佔本公司已發行股本之概約百分比
Mr. Cheuk K.	Beneficial Owner	3,880,685	0.46
張國榮先生	實益擁有人		
Mr. Chan K. (N/A)	Beneficial Owner	791,000	0.09
陳永鋐先生(附註1)	實		

Directors' Report 董事會報告

DIRECTORS' INTERESTS IN SHARES (continued)

Long position (continued)

(a) Ordinary shares of HK\$0.10 each of the Company ("Shares") (continued)

附註：

(1)	Mr. Cheung K. K.	791,000 Shares	731,000 Shares	60,000 Shares	Mr. Cheung K. K.
(2)	Mr. Cheung Y. U.	2,769,174 Shares	1,928,974 Shares	840,200 Shares	Mr. Cheung Y. U.
(3)	Mr. He S. N.	1,504,079 Shares	477,079 Shares	1,027,000 Shares	Mr. He S. N.

董事之股份權益(續)

長倉(續)

() 本公司每股面值0.10港元之普通股(「股份」)(續)

附註：

(1)	於該791,000股股份當中，其中731,000股股份乃由陳永鋸先生本人持有，而60,000股股份則由其配偶持有。
(2)	於該2,769,174股股份當中，其中1,928,974股股份乃由鄭永耀先生本人持有，而840,200股股份則由其配偶持有。
(3)	於該1,504,079股股份當中，其中477,079股股份乃由何燕生先生本人持有，而1,027,000股股份則由其配偶持有。

(b) Share options of the Company

() 本公司優先購股權

董事姓名	本公司優先購股權項下相關股份權益
Mr. Cheung K. K. 張國榮先生	B 實益擁有人 210,600
Mr. Cheung Y. U. 陳永鋸先生	B 實益擁有人 2,558,800
Mr. Cheung Y. U. 鄭永耀先生	B 實益擁有人 3,175,800
Mr. He S. N. (附註) 何燕生先生(附註)	B 實益擁有人 5,104,800
Mr. Cheung K. K. 張廣軍先生	B 實益擁有人 2,951,800

Mr. He S. N.	5,104,800 Shares	3,120,800 Shares	1,984,000 Shares
--------------	------------------	------------------	------------------

附註：於該5,104,800份優先購股權當中，其中3,120,800份乃由何燕生先生本人持有，而1,984,000份則由其配偶持有。

長倉(續)

() 建滔積層板控股有限公司(「建滔積層板」)
每股面值0.10港元之普通股(「建滔積層板
股份」)

董事姓名	職銜	本公司權益性質	所持已發行 建滔積層板 股份數目	佔建滔積層板 已發行股本 之概約百分比
Mr. Cheung Koon	(附註1)	Beneficial Owner	934,500	0.03
張國榮先生		實益擁有人		
Mr. Chan Kin (N/A 1)	(附註1)	Beneficial Owner	100,000	0.003
陳永錕先生(附註1)		實益擁有人		
Mr. Chan Yuen (N/A 2)	(附註2)	Beneficial Owner	100,000	0.003
鄭永耀先生(附註2)		實益擁有人		
Mr. He Si (N/A 3)	(附註3)	Beneficial Owner	540,000	0.01
何燕生先生(附註3)		實益擁有人		
Mrs. Chiu Lai, Susan		Beneficial Owner	804,000	0.02
張偉連女士		實益擁有人		

附註：

- | | | | |
|-----|---|-----|-----------------------------|
| (1) | Th 100,000 KLHL Sh r s r h h s s s Mr. Ch K . | (1) | 陳永鑑先生之配偶持有該100,000股建滔積層板股份。 |
| (2) | Th 100,000 KLHL Sh r s r h h s s s Mr. Ch u. | (2) | 鄭永耀先生之配偶持有該100,000股建滔積層板股份。 |
| (3) | Th 540,000 KLHL Sh r s r h h s s s Mr. H S . | (3) | 何燕生先生之配偶持有該540,000股建滔積層板股份。 |

Directors' Report 董事會報告

DIRECTORS' INTERESTS IN SHARES (continued)

Long position (continued)

- (d) *Non-voting deferred shares of HK\$1 each in the share capital of Kingboard Laminates Limited, a non wholly-owned subsidiary of the Company*

Name of Director	Number of Shares Held	Number of Shares Held as a Director

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長倉(續)

() *EEIC*

董事姓名	權益性質	優先購股權項下 相關EEIC股份權益 (附註)
Mr. Cheuk K. (張國榮先生)	B 實益擁有人	973,200
Mr. Cheung K. (陳永錕先生)	B 實益擁有人	973,200
Mr. Cheung W. (鄭永耀先生)	B 實益擁有人	973,200
Mr. Mo Ching-ho (莫湛雄先生)	B 實益擁有人	973,200

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26 N e m r 2006, 26 N e m r 2007, 26 N e m r 2008, 26
N e m r 2009 26 M r h 2010 r s
24 M 2010.

Directors' Report 董事會報告

DIRECTORS' INTERESTS IN SHARES (continued)

Long position (continued)

- (g) Ordinary shares ("KCFL Shares") of US\$0.10 each in Kingboard Copper Foil Holdings Limited ("KCFL"), a non wholly-owned subsidiary of the Company

Name of Director 董事姓名	Capacity 職位	Approximate percentage of KCFL Shares held 佔KCFL已發行股本之概約	
		Number of Shares 股數	Percentage 百分比

Directors' Report 董事會報告

Principal shareholder, KLHL Investment Management Limited, EEIC
 KLHL Investment Management Limited, 35% shareholding
 35% shareholding

The following table shows the shareholding of the Company's directors
 as at the end of the year:

	Outstanding as at 1.1.2007 於二零零七年 一月一日	Reserves 尚未行使 重新分類	Exercised 已於 本年度行使	Outstanding as at 31.12.2007 於二零零七年 十二月三十一日
Category 1: Directors				
Mr. Cheung Kwok-kei 張國榮先生	1,145,000		(934,400)	210,600
Mr. Cheung Kwok-kei 陳永錕先生	3,026,000		(467,200)	2,558,800
Mr. Cheung Kwok-kei 張廣軍先生	3,419,000		(467,200)	2,951,800
Mr. Cheung Kwok-kei 鄭永耀先生	3,643,000		(467,200)	3,175,800
Mr. Ho Siu-ling (N/A) 何燕生先生(附註)		3,588,000	(467,200)	3,120,800
	11,233,000	3,588,000	(2,803,200)	12,017,800
Category 2: Employees	19,989,000	(3,588,000)	(2,496,800)	13,904,200
Total	31,222,000			

Directors' Report 董事會報告

SHARE OPTIONS *(continued)*

The following table shows the movement of the Company's share options during the year:

	Outstanding at 1.1.2007	Exercised during the year	Lapsed during the year	Outstanding at 31.12.2007
Class 1: Directors	於二零零七年一月一日尚未行使	已於本年度行使	於二零零七年十二月三十一日	年內



Directors' Report 董事會報告

Next, the Chairman of the Board of Directors of the Company, Mr. Liang, said that the Board of Directors of the Company has been fully engaged in the work of the Company, and has been fully engaged in the work of the Company, and has been fully engaged in the work of the Company.

Directors' Report 董事會報告

SUBSTANTIAL SHAREHOLDERS (continued)

Long position (continued)

Other than the shares held by the Company, the following persons are known to be substantial shareholders of the Company as at 31 December 2007.



Directors' Report 董事會報告

Directors' Report 董事會報告

CONNECTED TRANSACTIONS (continued)

Other than the transactions disclosed above, the Company has not entered into any connected transactions with related parties, other than the transactions mentioned above, during the year ended 31 December 2007.

關連交易(續)

除上文所披露者外，本公司年內亦為一間非全資擁有附屬公司(科惠)取得一般信貸額而向財冕嚴

EMOLUMENT POLICY

The maximum emoluments payable to each Group executive under the Remuneration Committee's policy are set out below.

The maximum salary payable to each Director under the Remuneration Committee's policy, other than the Company's executive directors, is set out below.

The Company has not paid any cash bonus to any Director under the Remuneration Committee's policy during the year ended 31 December 2007.

PRE-EMPTIVE RIGHTS

The pre-emptive rights provisions in the Memorandum and Articles of Association of the Company have not been applied during the year ended 31 December 2007.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2007.

POST BALANCE SHEET EVENT

During the year ended 31 December 2007, the Company has not been involved in any post balance sheet event.

Directors' Report 董事會報告

Arthur Cooper - Chartered Accountant 續聘德勤
Arthur Ch Chan - Chartered Accountant
Arthur Ch Chan - Chartered Accountant
Arthur Ch Chan - Chartered Accountant

Or Hei Ch Bar
Cheung Kwok Wing
CHAIRMAN

17 March 2008

Corporate Governance Report

企業管治報告

建滔化工集團(「本公司」及其附屬公司(統稱「本集團」))董事會明瞭上市公司企業管治常規之重要性。上市公司之營運具透明度，採納各種自行規管政策與程序以及監控機制，並清楚界定董事與管理層權責，乃符合權益持有人及股東之利益。

建滔化工集團(「本公司」及其附屬公司(統稱「本集團」))董事會明瞭上市公司企業管治常規之重要性。上市公司之營運具透明度，採納各種自行規管政策與程序以及監控機制，並清楚界定董事與管理層權責，乃符合權益持有人及股東之利益。

於回顧年度，董事會一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「守則」)之條文，惟偏離守則條文A.4.1條除外。根據守則條文A.4.1條，非執行董事的委任應有指定任期，並須接受重新選舉。本公司現時並無任何非執行董事，而本公司獨立非執行董事之委任並無指定任期，惟須輪值退任及符合資格膺選連任。

於回顧年度，董事會一直遵守香港聯合交易所有限公司證券上市規則(「上市規則」)附錄14所載之企業管治常規守則(「守則」)之條文，惟偏離守則條文A.4.1條除外。根據守則條文A.4.1條，非執行董事的委任應有指定任期，並須接受重新選舉。本公司現時並無任何非執行董事，而本公司獨立非執行董事之委任並無指定任期，惟須輪值退任及符合資格膺選連任。

除屬強制性質之守則外，董事會亦參考上市規則附錄14所載之建議最佳常規(「建議最佳常規」)，並採納適合本公司現行情況之若干建議最佳常規。董事會將於合適及適當情況下參考建議最佳常規，從而不斷提升本公司之企業管治水平。

除屬強制性質之守則外，董事會亦參考上市規則附錄14所載之建議最佳常規(「建議最佳常規」)，並採納適合本公司現行情況之若干建議最佳常規。董事會將於合適及適當情況下參考建議最佳常規，從而不斷提升本公司之企業管治水平。

本公司已採納條款不寬鬆於上市規則附錄10所載規定標準(「標準守則」)之有關董事進行證券交易之操守守則。經向全體董事作出特定查詢後，全體董事確認，彼等一直遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易之操守守則。

本公司已採納條款不寬鬆於上市規則附錄10所載規定標準(「標準守則」)之有關董事進行證券交易之操守守則。經向全體董事作出特定查詢後，全體董事確認，彼等一直遵守標準守則所載規定標準及本公司所採納有關董事進行證券交易之操守守則。

Corporate Governance Report 企業管治報告

During the reporting period, the Board has held four meetings. The attendance of the Board members is as follows:

於回顧年度內，董事會舉行了四次會議，董事於董事會會議及董事委員會會議之出席記錄如下：瓊虹

	Board Meeting	Audit Committee	Nominations Committee	Remuneration Committee
	董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議
Number of Meeting	4	3	2	2
Executive directors				
Chiu K. (Chairman)	4			
Chiu K. (Managing Director)	4	2	2	2
Chiu K. K.	4			
Chiu Y.	4			
M. Chiu Hui, Chiu H. S.	4	2	2	2
(Appointed 11 July 2007)	4			
Chiu L. S. h.	4			
(Appointed 11 July 2007)	4			
Independent non-executive directors				
Chiu M. Fu, P. Y.	4	3	2	2
Chiu Ch. Ching, Chiu Ch. (Appointed 1 July 2007)	3			
T. K. m. Hui	4	3	2	2
H. T.	4	3	2	2

The Board has also held four meetings. The attendance of the Board members is as follows:

Division and responsibilities

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Dr a r s r r e r s h
s m u .

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h M Dr h

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h Gr u .

分工及職責

本公司董事會由主席領導，其職務略別於本公司董事總經理。主席及董事總



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e. u. r. 33 m. Mr. T. 33

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Corporate Governance Report 企業管治報告

Corporate Governance Report 企業管治報告

審核委員會之職責包括檢討核數師之範疇、結果以及成本效益，以及本公司外聘核數師德勤 關黃陳方會計師行之獨立性及客觀性。審核委員會每年至少一次檢討本公司外聘核數師之獨立性、內部核數職能有否足夠資源及稱職。倘若核數師向本公司提供非核數服務，委員會亦會檢討該等服務之性質及所涉範圍，務求在保持客觀性及成本之間取得平衡。於回顧年度內，就本公司外聘核數師向本集團提供之核數及非核數服務而已付 應付本公司核數師費用如下：	審閱本公司之資產負債表及損益表以及本集團之綜合資產負債表及損益表，並呈交董事會；
提名核數師；	與內部及外聘核數師檢討彼等對本公司內部控制制度之評審結果，以協助董事會制訂有助提升本公司監控及運作制度之政策；及
作為正常程序之一部分，審閱關連交易及審查本集團內部監控是否足夠。	審核委員會之職責包括檢討核數之範疇、結果以及成本效益，以及本公司外聘核數師德勤 關黃陳方會計師行之獨立性及客觀性。審核委員會每年至少一次檢討本公司外聘核數師之獨立性、內部核數職能有否足夠資源及稱職。倘若核數師向本公司提供非核數服務，委員會亦會檢討該等服務之性質及所涉範圍，務求在保持客觀性及成本之間取得平衡。於回顧年度內，就本公司外聘核數師向本集團提供之核數及非核數服務而已付 應付本公司核數師費用如下：
服務性質	Amount (HK\$) 金額(港元)
核數服務	9,264,000
非核數服務	
() 稅務服務	1,619,000
() 其他服務	242,000

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u u s m s e h r 31
D m r 2007.

審核委員會與管理層已檢討本集團採納之會計原則及常規，並已討論核數、內部監控及財務匯報事宜，包括審閱截至二零零七年十二月三十一日止年度之經審核年度財務報表。

Management function

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m m m s e r u r s s e r s
h s e r e s r i m h Gr u
m e i s r h m m r u h
r e s s r s s h B r e r i s
r r e r . C r s u e s r e
h m m s h m r s h h h u r e
h e m h B r e h
h C an .

管理功能

本公司之組織章程載列指明須由董事會決定之事項。執行董事一般每兩星期舉行非正式會議，並定期參與高級管理層之會議，以便掌握本集團近期之營運及表現，且監察及確保管理層正確及恰當地執行董事會制訂之指示及策略。管理層已獲清晰指示，得知須提呈董事會垂注並由董事會代表本公司作出決定之事宜。

Board committees

Th B e r h e s s u h r B e r n m e s s
m A u C a n n , N a n C a n n
R m u r C a n n , h h r r
e u r h B e r
h r u h a n n . E h
B e r n m h e r r m s r r
s u h r s r e u r r m s
h h r y h m s h h B e r .

董事委員會

董事會已設立三個委員會，分別為審核委員會、提名委員會及薪酬委員會，分別由不同獨立非執行董事出任主席，以協助董事會履行各委員會獲委派之特定職能。各董事委員會均書面訂明其特定的職權範圍，所載列之原則、程序及安排均與董事會之原則、程序及安排大致相同。

Th N an e C an m an r s s hr m m r s
h e r e u r a s m
Mr. H r T (Ch r m), Mr. Ch M Fu , P u ,
Mr. T s K m Hu . A a h r m s
e r r e h N an e C an m , h m a
r s s s h N an e C an m u :

提名委員會由三名獨立非執行董事：陳亨利先生(主席)、鄭明訓先生及謝錦洪先生組成。根據提名委員會書面訂明的職權範圍，提名委員會之主要職責包括：

r u r r h u u r , s n s
 h B r m r nm s h
 B r h r r u s m s h r
 m r ;

定期就董事會之架構、人數及組成作出檢討，並就任何認為需作出的調整向董事會提供推薦建議；



Corporate Governance Report 企業管治報告

The Board comprises three independent non-executive directors and two executive directors. All directors are highly experienced and have extensive knowledge and expertise in the financial services industry.

Independent Auditor's Report

獨立核數師報告

TO THE SHAREHOLDERS OF
 KINGBOARD CHEMICAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

致建滔化工集團股東
 (於開曼群島註冊成立的有限公司)

吾等已審核載於第54至179頁的建滔化工集團(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，此等綜合財務報表包括於二零零七年十二月三十一日的綜合資產負債表及截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋。

吾等已完成審核載於第54至179頁的建滔化工集團(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，此等綜合財務報表包括於二零零七年十二月三十一日的綜合資產負債表及截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表以及主要會計政策概要及其他附註解釋。

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

貴公司董事須負責根據香港會計師公會頒佈的香港財務申報準則及香港公司條例披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務申報準則及香港公司條例披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。

AUDITOR'S RESPONSIBILITY

我們的責任是根據我們的審計，對上述綜合財務報表發表意見。我們按照香港審計準則進行審計。這些準則要求我們遵守專業道德規範，並計劃及執行審計，以合理相信我們能發現任何重大錯誤陳述。審計涉及執行程序，以收集有關財務報表資料的審計證據。我們的程序包括：評估重大錯誤陳述的風險，包括欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況作出合理的會計估計。



Independent Auditor's Report 獨立核數師報告

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審核涉羈執行程以獲取有關綜合財務報表所載金
額及披露資料的審

Deloitte Touche Tohmatsu
Certified Public Accountants
H e K e
17 M r h 2008

綜合資產負債表

At 31 December 2007 於二零零七年十二月三十一日

[illegible]

綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	3,717,184	7,596,154
Adjustments:	調整：		
Share of profits of associates	應佔聯營公司業績	(298,283)	(39,924)
Share of profits of jointly controlled entities	應佔共同控制實體業績	1,070	1,755
Amortisation of intangible assets	無形資產攤銷	632	500
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,000,000	1,000,000
Change in provisions	撥備變動	(1,000,000)	(1,000,000)
Change in prepayments, receivables and payables	預付款項、應收款項及應付款項變動	(1,000,000)	(1,000,000)
Change in cash and cash equivalents	現金及現金等價物變動	(1,000,000)	(1,000,000)
Net change in cash and cash equivalents	現金及現金等價物淨變動	(1,000,000)	(1,000,000)
At the beginning of the year	年初	1,000,000	1,000,000
At the end of the year	年終	1,000,000	1,000,000



Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
	NOTE 附註		
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,518,081)	(2,026,971)
Purchase of investment property		(1,084,477)	
Purchase of investment in subsidiaries		(616,905)	(350,271)
Disposal of property, plant and equipment			
Less: Depreciation		(993,168)	(265,430)
Acquisition of subsidiaries		(335,712)	(121,852)
Prepaid lease payments		(784,506)	(106,071)
Acquisition of subsidiaries		(324,468)	(69,747)
Cost of acquisition of subsidiaries	37		
Less: Depreciation		(449,728)	(66,078)
Purchase of convertible bonds		(108,000)	
Purchase of intangible assets		(245)	(907)
Net disposal of subsidiaries			
Less: Depreciation		-	4,985,909
Prepaid lease payments			
Less: Depreciation		6,543	
Prepaid lease payments			
Less: Depreciation		23	
Prepaid lease payments			
Less: Depreciation			





Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

The Group has adopted the HKFRSs issued by the HKICPA (the "Group") in its consolidated financial statements for the year ended 31 December 2007. The Group has also adopted the HKFRSs issued by the HKICPA in its consolidated financial statements for the year ended 31 December 2007.

HKAS 1 (Amended) Consolidated Financial Statements
HKFRS 7 Financial Instruments: Disclosures
HK(IFRIC) INT 7 Application of HKAS 29 Financial Instruments: Recognition and Measurement

HK(IFRIC) INT 8 Scope of HKFRS 2

HK(IFRIC) INT 9 Recognition and Measurement of Financial Instruments

HK(IFRIC) INT 10 Financial Instruments: Recognition and Measurement

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

2.



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

綜合財務報表乃按歷史成本基準編製，惟如下列會計政策所闡述，若干物業及若干金融工具則按公平值計量。

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements have been prepared in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong.

綜合財務報表乃按香港會計師公會頒佈之香港財務申報準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適用披露。

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the Group) as at and for the year ended 31 December 2007. The consolidated financial statements have been prepared on the basis of the accounting policies of the Company and its subsidiaries.

綜合賬目基準

綜合財務報表包括本公司及本公司控制之實體（附屬公司）截至每年十二月三十一日止之財務報表。當本公司有權力操縱某實體之財政及經營政策以藉其活動之中獲益，將視為擁有控制權。

The consolidated financial statements have been prepared on the basis of the accounting policies of the Company and its subsidiaries. The consolidated financial statements have been prepared on the basis of the accounting policies of the Company and its subsidiaries.

於年內收購或出售之附屬公司之業績，自實際收購日期起或結算至實際出售日期止（視適用情況而定）列入綜合收益表內。

The consolidated financial statements have been prepared on the basis of the accounting policies of the Company and its subsidiaries. The consolidated financial statements have been prepared on the basis of the accounting policies of the Company and its subsidiaries.

如需要，將會就附屬公司之財務報表作出調整，致使其會計政策與本集團其他成員公司所用者貫徹一致。

All intra-group transactions, balances, income and expenses have been eliminated.

所有集團內公司間交易、結餘、收入及開支於綜合賬目時對銷。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Business combinations (continued)

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable intangible assets acquired. The goodwill is attributable to the synergies expected from the combination of the acquired businesses with the Group's existing businesses. The goodwill is expected to be realized through the combined efforts of the Group's management and the management of the acquired businesses.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates (continued)

Any cost in excess of the Group's share of the net assets of the associate at the acquisition date is recognised as goodwill. The goodwill is included in the investment and is not amortised. The goodwill is tested for impairment at each reporting date.

Any goodwill arising from the acquisition of an associate is included in the investment and is not amortised. The goodwill is tested for impairment at each reporting date.

When the Group's share of the net assets of the associate is less than the carrying amount of the investment, the Group's share of the net assets of the associate is written down to zero and the carrying amount of the investment is reduced to zero.

Deemed disposal of interests in associates

Goodwill is amortised over the estimated useful life of the goodwill. The amortisation is charged to the consolidated income statement. The amortisation is based on the carrying amount of the goodwill at the acquisition date.

3. 主要會計政策(續)

於聯營公司之投資(續)

任何收購成本超出本集團應佔於收購日期已確認之聯營公司可識別資產、負債及或然負債中之公平值淨額，均確認為商譽。商譽乃計入投資之賬面值中，並以投資之一部分進行減值評估。

任何本集團應佔可識別資產、負債及或然負債之公平值淨額超出收購成本之部分，經重估後即時於損益中確認。

當集團實體與本集團聯營公司進行交易時，損益會按本集團應佔有關聯營公司之權益予以對銷。

視作出售聯營公司權益

視作出售聯營公司權益之收益或虧損分別為本集團應佔有關聯營公司資產淨值之增加或減少，並作撥回商譽及有關支出應佔儲備之調整。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill

Goodwill arising on acquisitions after 1 January 2001 and prior to 1 January 2005

Goodwill arising on acquisitions after 1 January 2001 and prior to 1 January 2005 is measured as the excess of the cost of acquisition over the fair value of the identifiable intangible assets and net identifiable assets of the acquired entity at the acquisition date.

For acquisitions after 1 January 2001, the Group has adopted the fair value method. The fair value of the identifiable intangible assets and net identifiable assets of the acquired entity is determined by reference to the fair value of the acquired entity's identifiable intangible assets and net identifiable assets.

Goodwill arising on acquisitions on or after 1 January 2005

Goodwill arising on acquisitions on or after 1 January 2005 is measured as the excess of the cost of acquisition over the fair value of the identifiable intangible assets and net identifiable assets of the acquired entity at the acquisition date. The fair value of the identifiable intangible assets and net identifiable assets of the acquired entity is determined by reference to the fair value of the acquired entity's identifiable intangible assets and net identifiable assets.

Goodwill arising on acquisitions on or after 1 January 2005 is measured as the excess of the cost of acquisition over the fair value of the identifiable intangible assets and net identifiable assets of the acquired entity at the acquisition date.

3. 主要會計政策(續)

商譽

於二零零一年一月一日後及二零零五年一月一日前因收購所產生之商譽

收購一間附屬公司(協議日期為二零零五年一月一日前)所產生之商譽，乃指收購成本超出本集團於收購日期應佔有關被收購方之可識別資產及負債公平值之權益之數額。

就於二零零一年一月一日後收購所產生並應先認資本化之商譽，本集團自收購起計，每戶賬目起不再攤銷，而在有關賬目內，及凡與商譽有關之現金產生單



Notes to the Consolidated Financial Statements 綜合財務報表附註
For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties (continued)

At the end of the reporting period, the carrying amount of investment properties was HK\$1,111 million (2006: HK\$1,111 million). The carrying amount of investment properties is determined on the basis of the fair value less costs to sell. The fair value is determined by reference to the market value of similar properties in the same area, taking into account the condition of the properties and the current market conditions. The carrying amount of investment properties is reviewed at the end of each reporting period and is adjusted to reflect the fair value less costs to sell at the end of the reporting period.

Properties, plant and equipment

Properties, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets. The estimated useful lives and the depreciation rates are as follows:

Buildings 25 years
Plant and machinery 5 to 10 years
Leasehold improvements 5 years
Furniture and fixtures 5 years
Motor vehicles 5 years
Other tangible assets 5 years

3. 主要會計政策(續)

投資物業(續)

投資物業於出售後應





Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Intangible assets (continued)

Research and development expenditure

Entire research and development expenditure is expensed as incurred.

As a result of the research and development activities, the Group has identified certain intangible assets that are expected to generate future economic benefits. These intangible assets are identified as follows: (i) the Group's research and development activities in the field of new products; (ii) the Group's research and development activities in the field of new technologies; and (iii) the Group's research and development activities in the field of new markets.

The Group's research and development activities are carried out by the Group's research and development departments. The Group's research and development activities are carried out by the Group's research and development departments. The Group's research and development activities are carried out by the Group's research and development departments.

Subsequent to the initial recognition, the Group's research and development activities are carried out by the Group's research and development departments. The Group's research and development activities are carried out by the Group's research and development departments.

Intangible assets acquired in a business combination

In the course of the business combination, the Group has identified certain intangible assets that are expected to generate future economic benefits. These intangible assets are identified as follows: (i) the Group's research and development activities in the field of new products; (ii) the Group's research and development activities in the field of new technologies; and (iii) the Group's research and development activities in the field of new markets.

Subsequent to the initial recognition, the Group's research and development activities are carried out by the Group's research and development departments. The Group's research and development activities are carried out by the Group's research and development departments.

無形資產(續)

研究及開發費用

研究活動費用於產生期間確認為開支。

開發費用產生之內部產生無形資產，在預期清晰界定計劃項目產生之開發成本將可透過日後商業活動收回之情況下，方會確認。因而產生之資產於其估計可用年期按直線法攤銷，按成本減其後累計攤銷及任何累計減值虧損入賬。

就內部產生無形資產初步確認之金額為該等無形資產首次符合確認標準當日起產生之開支總額。倘未能確認內部產生無形資產，則開發費用於產生期間在損益扣除。

於初次確認後，內部產生無形資產以個別購入之無形資產之相同基準按成本減累計攤銷及累計減值虧損列賬。

於業務合併中收購之無形資產

倘於業務合併中收購之無形資產符合無形資產之定義，而其公平值能可靠計算，該等資產則獨立於商譽識別及確認。有關無形資產之成本為其於收購日期之公平值。

於初步確認後，具有有限使用年



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Retirement benefit costs

Provision is made for retirement benefit costs of the Group's subsidiaries. The provision is based on the actuarial valuation of the retirement benefit costs of the subsidiaries. The provision is based on the actuarial valuation of the retirement benefit costs of the subsidiaries.

Taxation

The Group's tax is based on the profits of the subsidiaries.

The Group's tax is based on the profits of the subsidiaries. The Group's tax is based on the profits of the subsidiaries. The Group's tax is based on the profits of the subsidiaries.

The Group's tax is based on the profits of the subsidiaries. The Group's tax is based on the profits of the subsidiaries. The Group's tax is based on the profits of the subsidiaries.

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Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Taxation (continued)

Direct taxation comprises income tax payable by the Group on its assessable profits. The Group has no subsidiaries or associates that are subject to income tax in Hong Kong. The Group's subsidiaries and associates are subject to income tax in the PRC. The Group's subsidiaries and associates are subject to income tax in the PRC.

The Group's management has reviewed the Group's tax positions and has concluded that the Group has no material tax liabilities. The Group's management has reviewed the Group's tax positions and has concluded that the Group has no material tax liabilities.

Direct taxation comprises income tax payable by the Group on its assessable profits. The Group has no subsidiaries or associates that are subject to income tax in Hong Kong. The Group's subsidiaries and associates are subject to income tax in the PRC. The Group's subsidiaries and associates are subject to income tax in the PRC.

Financial instruments

Financial instruments are those contracts that give rise to a financial asset or financial liability. The Group's financial instruments are primarily cash and bank balances, trade receivables, trade payables, and other financial assets and liabilities.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

The Group's financial assets at fair value through profit or loss are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

The Group's financial assets at fair value through profit or loss are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

The Group's financial assets at fair value through profit or loss are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost. The Group's financial assets are classified into the following categories: (1) Financial assets at fair value through profit or loss (FVTPL), (2) Financial assets at fair value through other comprehensive income (FVOCI), and (3) Financial assets at amortised cost.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss (continued)

At the beginning of the year, the fair value of the financial assets at fair value through profit or loss was HK\$1,000 million. During the year, the fair value of the financial assets at fair value through profit or loss was HK\$1,000 million. The fair value of the financial assets at fair value through profit or loss was HK\$1,000 million.

Loans and receivables

Loans and receivables are measured at amortised cost. At the beginning of the year, the carrying amount of loans and receivables was HK\$1,000 million. During the year, the carrying amount of loans and receivables was HK\$1,000 million. The carrying amount of loans and receivables was HK\$1,000 million.

Available-for-sale financial assets

Available-for-sale financial assets are measured at fair value. At the beginning of the year, the fair value of available-for-sale financial assets was HK\$1,000 million. During the year, the fair value of available-for-sale financial assets was HK\$1,000 million. The fair value of available-for-sale financial assets was HK\$1,000 million.

At the beginning of the year, the fair value of the financial assets at fair value through profit or loss was HK\$1,000 million. During the year, the fair value of the financial assets at fair value through profit or loss was HK\$1,000 million. The fair value of the financial assets at fair value through profit or loss was HK\$1,000 million.

金融工具(續)

財務資產(續)

按公平值計入損益之財務資產(續)

於初次確認後計入損益，按公平值計入損益之財務資產按公平值計量，公平值之變動於產生期間直接於損益中確認。

於損益於

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

(continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)

Financial assets available-for-sale are measured at fair value. Changes in fair value are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses, which are recognized in profit or loss. Financial assets available-for-sale are classified into two categories: (i) financial assets that are designated as available-for-sale at initial recognition; and (ii) financial assets that are not designated as available-for-sale at initial recognition but are subsequently classified as available-for-sale.

Impairment of financial assets

Financial assets are assessed for impairment at each reporting date. Impairment is recognized when there is objective evidence that a financial asset or group of financial assets is impaired. Impairment is measured as the difference between the carrying amount and the present value of the estimated future cash flows. Impairment losses are recognized in profit or loss.

Financial assets are classified into two categories: (i) financial assets that are designated as available-for-sale at initial recognition; and (ii) financial assets that are not designated as available-for-sale at initial recognition but are subsequently classified as available-for-sale.

Financial assets are classified into two categories: (i) financial assets that are designated as available-for-sale at initial recognition; and (ii) financial assets that are not designated as available-for-sale at initial recognition but are subsequently classified as available-for-sale.

金融工具

財務資產(續)

可供出售財務資產(續)

可供出售財務資產(續)

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Impairment of financial assets *(continued)*



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at fair value through profit or loss

F	3	F, TPL h	3	4	3
U		h	3	h	3
3		F, TPL	3	3	3
A	3	3	3	h	3

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derivative financial instruments and hedging

Derivative financial instruments are contracts that derive their value from the price of an underlying asset, liability or financial instrument. They are used to hedge the risk of changes in the fair value of an asset, liability or financial instrument. The Group uses derivative financial instruments to hedge the risk of changes in the fair value of its financial assets and liabilities. The Group's derivative financial instruments are classified as either trading or held for hedging. Trading derivative financial instruments are those that are held for the purpose of generating a profit from short-term price fluctuations. Held for hedging derivative financial instruments are those that are held to hedge the risk of changes in the fair value of an asset, liability or financial instrument.

Derivative financial instruments are contracts that derive their value from the price of an underlying asset, liability or financial instrument. They are used to hedge the risk of changes in the fair value of an asset, liability or financial instrument.

The Group uses derivative financial instruments to hedge the risk of changes in the fair value of its financial assets and liabilities. The Group's derivative financial instruments are classified as either trading or held for hedging.

Embedded derivatives

Embedded derivatives are financial instruments that contain one or more derivatives. They are used to hedge the risk of changes in the fair value of an asset, liability or financial instrument. The Group uses embedded derivatives to hedge the risk of changes in the fair value of its financial assets and liabilities. The Group's embedded derivatives are classified as either trading or held for hedging.

Hedge accounting

The Group uses hedge accounting to recognize the effects of hedging transactions in its financial statements. Hedge accounting is used to recognize the effects of hedging transactions in its financial statements.

At the end of the reporting period, the Group's derivative financial instruments are classified as either trading or held for hedging. The Group's derivative financial instruments are classified as either trading or held for hedging. The Group's derivative financial instruments are classified as either trading or held for hedging. The Group's derivative financial instruments are classified as either trading or held for hedging.

3. 主要會計政策(續)

金融工具(續)

衍生金融工具及對沖

衍生工具以衍生工具合約簽訂日之公平值作初次確認及其後以各結算日之公平值重新計量。所產生的收益或虧損將即時於損益內確認。除非該衍生工具是指定而有效之對沖工具，在此情況下，於損益內確認的時間取決於對沖關係的類別。

不符合對沖會計法之衍生工具被視為持作買賣之財務資產或財務負債。

本集團利用若干衍生工具(即利率掉期)作為浮息銀行借貸現金流量之對沖。

內置衍生工具

非衍生合約之內置衍生工具當其之風險及特徵與主要合約之風險及特徵並非密切相關時，作為獨立衍生工具處理，而主要合約並非按公平值計算，而公平值變動於損益表中確認。

對沖會計法

本集團指定某些衍生工具為對沖工具，用作現金流量對沖。

於對沖關係之開始，實體記錄對沖工具和被對沖項目的關係，及進行各類對沖交易之風險管理目標及其策略。此外，於對沖開始和進行期間，本集團記錄用於對沖關係之對沖工具是否能高度有效地抵銷被對沖項目的公平值或現金流量變動。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Financial instruments (continued)

Hedge accounting (continued)

Commodity hedge

The Group has entered into commodity hedge contracts to hedge the price risk of the purchase of certain commodities. The Group has entered into commodity hedge contracts to hedge the price risk of the purchase of certain commodities.

Amounts of the commodity hedge contracts are as follows:

The Group has entered into commodity hedge contracts to hedge the price risk of the purchase of certain commodities. The Group has entered into commodity hedge contracts to hedge the price risk of the purchase of certain commodities.

Derecognition

The Group has entered into commodity hedge contracts to hedge the price risk of the purchase of certain commodities. The Group has entered into commodity hedge contracts to hedge the price risk of the purchase of certain commodities.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

3. SIGNIFIC



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Notes to the Consolidated Financial Statements 綜合財務報表附註

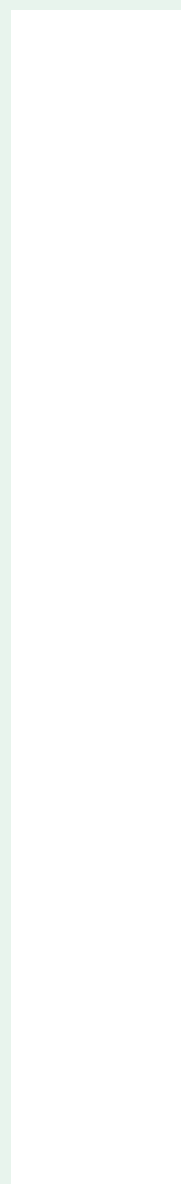
For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group's financial statements are prepared using accounting policies that require the use of estimates and assumptions. The Group's management has evaluated the estimates and assumptions used in the preparation of the financial statements and has concluded that the estimates and assumptions are reasonable. The Group's management has also evaluated the impact of the estimates and assumptions on the financial statements and has concluded that the estimates and assumptions are reasonable.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度





Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate (continued)

Sensitivity analysis

The sensitivity analysis shows that the change in the fair value of the Group's financial assets and liabilities arising from a hypothetical change in the interest rate of 50 basis points at the end of the reporting period would be HK\$18,277,000 (2006: HK\$3,562).

The sensitivity analysis shows that the change in the fair value of the Group's financial assets and liabilities arising from a hypothetical change in the interest rate of 50 basis points at the end of the reporting period would be HK\$18,277,000 (2006: HK\$3,562).

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

6b. Financial risk management objectives and policies (continued)

Market risk (continued)

Equity price risk (continued)

Sensitivity analysis

The sensitivity analysis below illustrates how the Group's profit or loss and equity would have been affected by changes in the fair value of equity price risk instruments.

For the equity price risk, the sensitivity analysis assumes a 5% increase/decrease in the share price of the Group's listed equity instruments. The Group's profit or loss and equity would have increased/decreased by HK\$27,217,000 (2006: HK\$11,150,000) as a result of the above changes.

Credit risk

The Group's maximum exposure to credit risk at the reporting date is represented by the carrying amount of financial assets. At 31 December 2007, the Group's credit risk is concentrated in the following financial assets: trade receivables, bank balances and cash, and other receivables. The Group's credit risk is managed by the Group's credit management department. The Group's credit management department monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables.

The Group's credit risk is managed by the Group's credit management department. The Group's credit management department monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables.

The Group's credit risk is managed by the Group's credit management department. The Group's credit management department monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables. The Group's credit management department also monitors the credit risk of the Group's trade receivables, bank balances and cash, and other receivables.

6b. 財務風險管理目標及政策(續)

市場風險(續)

股本價格風險(續)

敏感度分析

下文的

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

6b. Financial risk management objectives and policies (continued)

Liquidity risk

The management monitors the liquidity risk, the Group's cash and cash equivalents, and the Group's financial assets and liabilities. The Group's management monitors the Group's cash and cash equivalents, and the Group's financial assets and liabilities. The Group's management monitors the Group's cash and cash equivalents, and the Group's financial assets and liabilities.

The Group's cash and cash equivalents are HK\$8,968,937,000 (2006: HK\$5,083,919,000).

The Group's cash and cash equivalents are HK\$8,968,937,000 (2006: HK\$5,083,919,000).

The Group's cash and cash equivalents are HK\$8,968,937,000 (2006: HK\$5,083,919,000).

6. 金融工具(續)

6b

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

6c. Fair value

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

7. REVENUE

Revenue is derived from the sale of products and services provided by the Group. The Group's revenue is derived from the sale of products and services provided by the Group.

7. 營業額

營業額指本集團於各年內自對外客戶銷售貨品(減折扣、退貨及銷售相關稅項)及提供服務之所收及應收金額淨額，分析如下：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Sales of copper clad boards 銷售覆銅面板	7,590,476	6,288,922
Sales of PCBs 銷售印刷線路板	7,601,201	6,649,997
Sales of chemicals 銷售化工產品	3,806,630	2,725,653
Others (Note 1) 其他(附註1)	1,026,805	1,108,776
	20,025,112	16,773,348

Note: Amount included in revenue HK\$28,637,000 (2006: HK\$24,320,000).

附註：包括服務收入28,637,000港元(二零零六年：24,320,000港元)。

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Group's business segments are derived from the sale of products and services provided by the Group. The Group's business segments are derived from the sale of products and services provided by the Group.

8. 業務及地區分部

業務分部

在管理方面，本集團目前分成四大營運部門 - 覆銅面板、印刷線路板、化工產品及其他。此等部門為本集團申報其主要分部資料之基準。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

	Laminates	PCBs	Chemicals	Others	Consolidated
	覆銅面板	印刷線路板	化工產品	其他	綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2007	截至二零零七年十二月三十一日止年度				
Other income	其他資料				
Capital increase	1,515,028	756,006	2,623,316	1,233,569	6,127,919
Depreciation and amortization	492,876	440,737	178,045	58,705	1,170,363
Income from other receivables					
Impairment loss	19,854	39,107	30,043	-	89,004
Losses from disposal of assets					

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Business segments (continued)

		Lam 覆銅面板 HK\$'000 千港元	PCB 印刷線路板 HK\$'000 千港元	Chem 化工產品 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Elimination 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
For the year ended 31 December 2006 截至二零零六年十二月三十一日止年度							
Summary 分部收益							
External sales 對外銷售額		6,288,922	6,649,997	2,725,653	1,108,776		16,773,348
Inter-segment sales 分部間之銷售額		1,954,390		1,285,722	15,571	(3,255,683)	
Total 合計		8,243,312	6,649,997	4,011,375	1,124,347	(3,255,683)	16,773,348
Results 業績							
Segment results 分部業績		1,807,375	686,182	342,027	80,248		2,915,832
Goodwill impairment 出售及視作出售一間 附屬公司部分權益 之收益		4,830,916					4,830,916
Disposal of subsidiaries 收購一間聯營公司折讓			48,182				

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

8. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

	Laminate 覆銅面板	PCB 印刷線路板	Chemicals 化工產品	Others 其他	Consolidated 綜合
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千			



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

During the year ended 31 December 2006, the Group
acquired 3,333,333 shares of Kowloon Telecommunications
Limited ("KLHL"), a listed company in Hong Kong,
from its wholly owned subsidiary, the company
incorporated in the United States of America, the
company known as the "SEH" (the "SEH").
The Group paid 675,000,000 shares of KLHL
in full consideration for HK\$7.73 per share.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Th m u m r s s	稅項包括：		
H e K e P r e s T	香港利得稅		
Ch r i h r	本年度之稅項支出	94,330	16,310
O r r e s e r u s r s	過往年度超額撥備	(4,558)	(8,433)
		89,772	7,877
T e r s h r u r s e s	其他司法權區之稅項		
Ch r i h r	本年度之稅項支出	167,258	246,190
(O n) u r r e s e r u s r s	過往年度(超額撥備) 撥備不足	(3,544)	4,404
		163,714	250,594
D r r e s (N e 33)	遞延稅項(附註33)		
Cr i h r	本年度撥回	(9,622)	(18,036)
A r u e h	稅率變動之影響	1,166	
		(8,456)	(18,036)
		245,030	240,435

H e K e P r e s T s u 17.5% e h
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T e r s h r u r s e s s u h
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Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Notes to the Consolidated Financial Statements
 The following table sets out the Group's
 results for the year ended 31 December 2007 compared with
 the results for the year ended 31 December 2006:
 (i) The Group's results for the year ended 31 December 2007
 compared with the results for the year ended 31 December 2006:
 (ii) The Group's results for the year ended 31 December 2007
 compared with the results for the year ended 31 December 2006:

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Salaries and other benefits Cost of retirement schemes	2,300	



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Through the year

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2006	於二零零六年一月一日	33,057
Transfer from	公平值增加	7,163
At 31 December 2006	於二零零六年十二月三十一日	
At 1 January 2007	及二零零七年一月一日	40,220
Assets	添置	1,084,477
Transfer from other assets	轉撥自物業、廠房及設備	
At 31 December 2006	(附註)	68,137
Transfer from	公平值增加	5,118
At 31 December 2007	於二零零七年十二月三十一日	1,197,952

Note: The fair value of the transferred property, plant and equipment is determined by the independent professional valuers, Messrs. Chu, Chiu & Associates, Chartered Accountants, on the basis of the fair value of the property, plant and equipment at the date of transfer.

附註：該等轉撥自物業、廠房及設備之物業於轉撥日期之公平值，乃按與本集團並無關連之獨立合資格估值師衡量行於該日進行估值之基準達致。

The fair value of the Group's investment properties at 31 December 2006 has been determined by the independent professional valuers, Messrs. B.I. Aarons & Co., Chartered Accountants, on the basis of the fair value of the property, plant and equipment at the date of transfer. At 31 December 2007, the fair value of the Group's investment properties has been determined by the independent professional valuers, Messrs. Chu, Chiu & Associates, Chartered Accountants, on the basis of the fair value of the property, plant and equipment at the date of transfer. The fair value of the property, plant and equipment at the date of transfer is determined by the independent professional valuers, Messrs. Chu, Chiu & Associates, Chartered Accountants, on the basis of the fair value of the property, plant and equipment at the date of transfer.

All the Group's investment properties are held for long-term rental income and capital appreciation.



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Freehold land 永久產權土地 HK\$'000 千港元	Buildings for own use 自用樓宇 HK\$'000 千港元	Leasehold improvements 租約 物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Properties, plant and equipment under construction 在建中物業、 廠房及設備 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本								
At 1 January 2006	於二零零六年一月一日	55,653	1,828,502	197,325	7,726,392	195,161	111,146	878,498	10,992,677
Exchange adjustments	匯兌調整	5,054	18,639	52,797	118,383	11,342	4,641	35,137	245,993
Acquisitions	添置		367,221	28,150	764,753	60,092	39,190	1,133,826	2,393,232
Acquired from subsidiaries	收購附屬公司而獲取		3,382		33,148	1,198	1,089	387	39,204
Disposals	出售及撇銷		(29,407)	(20,343)	(109,912)	(28,735)	(19,992)		(208,389)
Reclassifications	重新分類		133,418	4,801	591,153	4,145	297	(733,814)	
At 31 December 2006	於二零零六年十二月三十一日								
1 January 2007	及二零零七年一月一日	60,707	2,321,755	262,73					

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

19. PROPERTIES, PLANT AND EQUIPMENT 19.

(continued)

The management has determined that the carrying amount of properties, plant and equipment is not significantly different from their fair value.

Franchise	100%
Buildings	100%
Plant and equipment	100%
Leasehold improvements	100%
Patents	100%
Furniture, fixtures and equipment	100%
Motor vehicles	100%

20. PREPAID LEASE PAYMENTS

The Group has prepaid lease payments for the use of land and buildings in Hong Kong.

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
As at 31 December 2007	28,029	9,513
As at 31 December 2006	1,265,127	471,727
	1,293,156	481,240

就報告分析如下：

流動資產
非流動資產



Notes to the Consolidated Financial Statements 綜合財務報表附註
For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

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Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

22. INVESTMENTS IN ASSOCIATES (continued)

During the year ended 31 December 2007, the Group acquired an additional 740,518,325 shares of G-Praxair, which represents 36.51% of the issued share capital of G-Praxair, at a cost of HK\$119,964,000. The Group also acquired 108,000 shares of G-Praxair at a cost of HK\$108,000,000. Details of the acquisition are set out in Note 24.

The Group also acquired 25% of the equity of 實友化工(揚州)有限公司 (Shiyou Chemical (Yangzhou) Co., Ltd.) at a cost of HK\$213,045,000 during the year ended 31 December 2007.

In addition, during the year ended 31 December 2007, the Group also acquired 25.04% of the equity of 揚州實友化工有限公司 (Yangzhou Shiyou Chemical Co., Ltd.) at a cost of HK\$23,658,000. The Group also acquired 21.15% of the equity of 揚州實友化工有限公司 (Yangzhou Shiyou Chemical Co., Ltd.) at a cost of HK\$23,658,000. Details of the acquisition are set out in Note 24.

In addition, during the year ended 31 December 2007, the Group also acquired 25.04% of the equity of 揚州實友化工有限公司 (Yangzhou Shiyou Chemical Co., Ltd.) at a cost of HK\$152,820,000 (2006: N/A).

22. 於聯營公司之投資(續)

截至二零零七年十二月三十一日止年度，本公司與金匡訂立認購協議，以認購()金匡740,518,325股普通股，佔金匡經擴大已發行股本36.51%，代價約為119,964,000港元；及()三年零息可換股債券，本金額為108,00

		HK\$'000 千港元
A 1 J u r 2006, 31 D m r 2006 1 J u r 2007	於二零零六年一月一日、 二零零六年十二月三十一日 及二零零七年一月一日	
Ar - s e u s e s s e s	收購聯營公司引起	152,820
A 31 D m r 2007	於二零零七年十二月三十一日	152,820

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

23. AVAILABLE-FOR-SALE INVESTMENTS

可供出售之投資

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
上市投資： 於香港上市之股本證券 於海外上市之債務證券，固定年息4.625% 於海外上市之債務證券，固定年息4.62%	544,332	230,206



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
非上市可換股債券		
- 借貸部分	86,188	
- 可換股及贖回選擇		
權衍生工具 - 公平值	205,461	
	291,649	

During the year ended 31 December 2007, the Group has issued a convertible loan note of HK\$108,000,000 (the "G-Pré") to the Group. The G-Pré is a convertible loan note with a principal amount of HK\$108,000,000 (i.e. 25 October 2007) and a maturity date of 24 October 2010. The G-Pré is convertible into shares of the Group at a conversion price of HK\$0.162 per share.

The G-Pré is a convertible loan note with a principal amount of HK\$108,000,000 (i.e. 25 October 2007) and a maturity date of 24 October 2010. The G-Pré is convertible into shares of the Group at a conversion price of HK\$0.162 per share.

The G-Pré is a convertible loan note with a principal amount of HK\$108,000,000 (i.e. 25 October 2007) and a maturity date of 24 October 2010. The G-Pré is convertible into shares of the Group at a conversion price of HK\$0.162 per share.

截至二零零七年十二月三十一日止年度，本集團認購其聯營公司金匡之三年零息可換股債券，本金額為108,000,000港元。可換股債券可自發行日期（即二零零七年十二月二十五日）起至到期日（即二零一零年十月二十四日）止任何時間以每股0.162港元（即每股0.162港元）換取本公司股份。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

25. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued) 25. 於共同控制實體之權益(續)

The following table sets out the financial information of the jointly controlled entities in which the Group has an interest, as disclosed in the consolidated financial statements.

以權益法列賬之本集團之共同控制實體之財務資料概述如下：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total assets	資產總值	79,183	95,889
Total liabilities	負債總值	(108,945)	(123,509)
Net assets	負債淨額	(29,762)	(27,620)
Group's share of net assets of jointly controlled entities	本集團應佔共同控制實體負債淨額	(14,881)	(13,811)
Revenue	營業額	32,430	94,649
Losses incurred	本年度虧損	(2,140)	(3,509)
Group's share of losses incurred by jointly controlled entities	年內本集團應佔共同控制實體虧損	(1,070)	(1,755)

26. NON-CURRENT DEPOSITS

Non-current deposits are deposits made by the Group for a period exceeding 12 months and are not redeemable at the reporting date. These deposits are made to various banks and financial institutions. The Group's non-current deposits are denominated in Hong Kong dollars and US dollars. The Group's non-current deposits are classified as non-current assets as they are not expected to be realized within the next 12 months.

26. 非流動訂金

非流動訂金指就購買物業、廠房及設備以及投資物業已支付之訂金。該等訂金在結算日起計12個月內不能變現。因此，該等款項計入非流動資產。該等訂金在供應商未能在與本集團協定的時間內將資產交付予本集團時，方可退回。本公司董事預期，本集團將於未來兩年內收取該等資產。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Mining right 採礦權 HK\$'000 千港元	Know-how fee 專業知識費 HK\$'000 千港元	Total 合計 HK\$'000 千港元
COST	成本			
At 1 January 2006	於二零零六年 一月一日		2,329	2,329
Acquisitions	增添		907	907
At 31 December 2006 1 January 2007	於二零零六年 十二月三十一日 及二零零七年 一月一日		3,236	3,236
Acquired from subsidiaries	收購一間附屬公司			
而獲取	而獲取	695,847		695,847
Exchange adjustments	匯兌調整	28,239		28,239
Acquisitions	添置		245	245
Disposals	出售		(6)	(6)

Notes to the financial statements of Kingboard Chemical Holdings Limited



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

29. OTHER FINANCIAL ASSETS (continued)

Trade and other receivables and prepayments (continued)

Balance at the beginning of the year

Trade receivables

Other receivables

Prepayments

Balance at the end of the year

Trade receivables

Other receivables

Prepayments

Trade receivables

Other receivables

Prepayments

Trade receivables

Other receivables

Prepayments

Trade receivables

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Trade receivables

Other receivables

Prepayments

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

29. OTHER FINANCIAL ASSETS (continued)

貿易及其他應收賬款及預付款項包括下列以集團實體之功能貨幣以外貨幣計值之款額：

29. 其他財務資產(續)

貿易及其他應收賬款及預付款項包括下列以集團實體之功能貨幣以外貨幣計值之款額：

	2007 二零零七年 Amount 金額 '000 千元	2006 二零零六年 Amount 金額 '000 千元
Bank balances and cash 銀行結餘及現金	230,494	136,119

Bank balances and cash

Bank balances and cash include cash and short-term deposits held with banks, which are classified as financial assets. At 31 December 2007, the bank balances and cash are denominated in the following currencies: 0.18% to 3.4% (2006: 0.72% to 5.17%) interest rate.

At 31 December 2007 and 2006, the bank balances and cash are denominated in the following currencies: HK\$1,316.4 million and HK\$865.4 million.

銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及原到期日為三個月或以下之短期銀行存款。於二零零七年十二月三十一日，銀行存款按現行市場年利率介乎0.18厘至3.4厘(二零零六年：介乎0.72厘至5.17厘)計息。

於二零零七年及二零零六年十二月三十一日，本集團不可自由兌換或須受中國外匯管制所規限之銀行結餘及現金分別約為1,316,400,000港元及865,400,000港元。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

30. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

During the year ended 31 December 2006, the Group entered into interest rate swap contracts with a notional amount of HK\$73,370,000 (2007: Nil) to hedge the interest rate risk of its bank borrowings. The interest rate swap contracts are designated as cash flow hedges. The Group has not entered into any other derivative financial instruments.

During the year ended 31 December 2006, the Group entered into interest rate swap contracts with a notional amount of HK\$73,370,000 (2007: Nil) to hedge the interest rate risk of its bank borrowings.

In December 2006, the Group entered into interest rate swap contracts with a notional amount of HK\$73,370,000 (2007: Nil) to hedge the interest rate risk of its bank borrowings. The interest rate swap contracts are designated as cash flow hedges. The Group has not entered into any other derivative financial instruments. As at 31 December 2006, the Group has not entered into any other derivative financial instruments.

30. 衍生金融工具(續)

截至二零零六年十二月三十一日止年度，本集團透過將借貸由浮息轉為定息，利用利率掉期減低按浮息計算之港元銀行借貸現金流量變動之風險。該等利率掉期之主要條款與對沖銀行借貸之主要條款相似，董事指定該衍生工具為現金流量對沖工具，並認為該等工具極有效。

截至二零零六年十二月三十一日止年度，為數約73,370,000港元之公平值變動虧損(二零零七年：沒有)已於股本遞延處理。

於二零零六年十二月，本集團已悉數償還以利率掉期有效對沖之按浮息計算之港元銀行借貸。然而，本集團並無同時終止該等利率掉期。因對沖會計經已終止，已計入儲備中約43,823,000港元之結餘已於截至年底時撥回。



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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

At the end of the reporting period, the main terms of the interest rate swap contracts entered into by the Group are as follows: 於結算日，利率掉期之主要條款如下：

Outstanding contracts as at 於以下日期尚未 到期之合約	Notional amount 面值 HK\$'000 千港元	Maturity 到期日	Receive floating 所收浮息	Pay fixed 所付定息
31 December 2007 二零零七年	300,000	within 1 year 一年內	HIBOR 香	2.55%

At the end of the reporting period, the Group has entered into forward commodity contracts. The main terms of the contracts entered into by the Group are as follows: 於結算日，本集團訂立遠期商品合約。該尚未到期之合約之主要條款如下：



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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

These financial statements were approved by the Board of Directors on 20 February 2008.

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2007
二零零七年
HK\$'000
千港元

2006
二零零六年
HK\$'000
千港元

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

若干遞延稅項資產及負債因應資產負債表呈示用途而作出抵銷。以下為該等遞延稅項結餘用作財務報表的用途時作出的分析：

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Deferred tax liabilities 遞延稅項負債	29,165	36,323
Deferred tax assets 遞延稅項資產	(21,994)	(19,499)
	7,171	16,824

於二零零七年十二月三十一日，有關未動用稅項虧損及存貨撇減為數分別約9,303,000港元(二零零六年：9,678,000港元)及約23,090,000港元(二零零六年：14,580,000港元)之遞延稅項資產已於本集團綜合資產負債表確認，而本集團並無未確認遞延稅項資產，原因為無法預計為數約20,085,000港元(二零零六年：6,258,000港元)之稅項虧損所產生未來溢利來源。所有稅項虧損可無限期結轉。

於二零零七年十二月三十一日，有關未動用稅項虧損及存貨撇減為數分別約9,303,000港元(二零零六年：9,678,000港元)及約23,090,000港元(二零零六年：14,580,000港元)之遞延稅項資產已於本集團綜合資產負債表確認，而本集團並無未確認遞延稅項資產，原因為無法預計為數約20,085,000港元(二零零六年：6,258,000港元)之稅項虧損所產生未來溢利來源。所有稅項虧損可無限期結轉。

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

34. SHARE CAPITAL

34. 股本

		Number of shares		Share capital	
		股數		股本	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年 HK\$'000 千港元	二零零六年 HK\$'000 千港元
Ordinary shares	每股面值0.10港元之普通股				
Authorized	法定	1,200,000,000	1,200,000,000	120,000	120,000
Issued	已發行及繳足股款				
At the beginning of the year	於年初	832,799,046	784,767,161	83,280	78,477
Exercise of pre-emptive rights (Note 35)	行使優先購股權 (見附註35)	5,300,000	5,300,000	530	530
Exercise of认股权证 (Note 36)	行使認股權證之認購權利 (附註36)	-	42,731,885	-	4,273
At the end of the year	於年終	838,099,046	832,799,046	83,810	83,280

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For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

(a) Employees' share option scheme of the Company

The Company's share option scheme (the "Scheme") was established on 2 July 2002, whereby the Company may, at its discretion, grant share options to its employees and directors of the Company (the "Participants") (the "Employees' Share Option Scheme" (the "Scheme") of the Company). The Scheme is governed by the Scheme Rules (the "Scheme Rules") which are set out in the Appendix to the Prospectus of the Company. The Scheme Rules provide that the maximum number of shares which may be issued under the Scheme is 10,000,000 shares, which is equal to 10% of the authorized share capital of the Company as at the date of the adoption of the Scheme. The Scheme Rules also provide that the maximum number of shares which may be issued under the Scheme is 10,000,000 shares, which is equal to 10% of the authorized share capital of the Company as at the date of the adoption of the Scheme. The Scheme Rules also provide that the maximum number of shares which may be issued under the Scheme is 10,000,000 shares, which is equal to 10% of the authorized share capital of the Company as at the date of the adoption of the Scheme.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

(a) Em0.Ar264 0 Tdh0 Tda0 TdrEMC 1.1(m0.Ar264o1.954)-62Dt-62Pi88Omm0.Ar264 0 Tdc0 Tdh0 Tde-61(e)-61(e)

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

35. SHARE OPTIONS (continued)

(b) Employees' share option scheme of EEIC

(continued)

The 2002 Scheme is a share option scheme for the purpose of providing incentives and rewards to eligible employees of EEIC who have made significant contributions to the development of EEIC.

The 2002 Scheme, which is administered by the Board of Directors of EEIC (the "Committee"), is a share option scheme for the purpose of providing incentives and rewards to eligible employees of EEIC who have made significant contributions to the development of EEIC.

The 2002 Scheme is a share option scheme for the purpose of providing incentives and rewards to eligible employees of EEIC who have made significant contributions to the development of EEIC.

Pr 1, h h 2006 33(h)-33()-()-33()-320()-33(h)-33()-139()-33()-33(33(h)-1r3()3mHT 139(

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

(b) Employees' share option scheme of EEIC (continued)

The number of shares under the 2002 Share Option Scheme of EEIC is 5,000,000 shares. The maximum number of shares that may be issued under the scheme is 10% of the issued shares.

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

35. SHARE OPTIONS (continued)

(b) Employees' share option scheme of EEIC

(continued)

Employees' share options granted under the EEIC's share option scheme are exercisable at the discretion of the Board. The exercise price of the options is determined by the Board. The options are granted to employees of the Group who are eligible to participate in the scheme. The options are granted to employees of the Group who are eligible to participate in the scheme.

The Group's share options are exercisable at the discretion of the Board. The exercise price of the options is determined by the Board. The options are granted to employees of the Group who are eligible to participate in the scheme. The options are granted to employees of the Group who are eligible to participate in the scheme.

(c) Employees' share option scheme of KLHL

The share options granted to employees of KLHL (the "KLHL

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

() In April 2007, the Group acquired 51% equity interest in Jiangxi Hongfeng Plastic Co., Ltd. (the "Acquiree") in the People's Republic of China ("PRC") for a cash consideration of HK\$20,643,000. The Acquiree has been identified as an intangible asset of the Group. The management estimates the fair value of the acquired intangible asset at HK\$238,000.

The following table shows the assets and liabilities acquired by the Group:

() 二零零七年四月，本集團收購江西省宏豐塑膠有限公司(該公司主要從事製造塑料元件)之51%股權，現金代價約為20,643,000港元。此項收購以收購會計法列賬。收購所產生之商譽約為238,000港元。

收購所購入之資產淨值及所產生之商譽如下：

	Acquiree's carrying amount before combination and fair value
	被收購方於合併前之賬面值及公平值
	HK\$'000
	千港元
Net assets acquired:	購入資產淨值：
Property, plant and equipment	物業、廠房及設備
Prepaid lease payments	預付租賃款項
Inventory	存貨
Trade receivables	貿易及其他應收賬款及
Trade payables	預付款項
Bank balances and cash	銀行結餘及現金
Trade receivables	貿易及其他應付賬款
	40,010
Minority interests	少數股東權益
Goodwill	收購所產生之商譽
	(19,605)
	238
Total consideration	以現金支付之總代價
	20,643
Net cash outflow on acquisition:	收購產生之現金流出淨額：
Consideration paid	已付現金代價
Bank balances and cash	購入銀行結餘及現金
	20,643
	(363)
Net cash and cash equivalents	收購附屬公司之現金及
and cash equivalents	現金等值項目流出淨額
	20,280

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

() In 2006, the Group incurred 80% of the
Singer Future (H.K.) Limited, 7 million / ,

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

37. ACQUISITIONS OF SUBSIDIARIES (continued)

() (continued)

The acquisition of the subsidiary, Kingboard Chemicals (HK) Limited, is accounted for as an acquisition of a subsidiary under the acquisition method. The acquisition of Kingboard Chemicals (HK) Limited is accounted for as an acquisition of a subsidiary under the acquisition method.

The acquisition of Kingboard Chemicals (HK) Limited in 2006 is accounted for as an acquisition of a subsidiary under the acquisition method. The acquisition of Kingboard Chemicals (HK) Limited is accounted for as an acquisition of a subsidiary under the acquisition method. The acquisition of Kingboard Chemicals (HK) Limited is accounted for as an acquisition of a subsidiary under the acquisition method.

The acquisition of Kingboard Chemicals (HK) Limited in 2006 is accounted for as an acquisition of a subsidiary under the acquisition method. The acquisition of Kingboard Chemicals (HK) Limited is accounted for as an acquisition of a subsidiary under the acquisition method. The acquisition of Kingboard Chemicals (HK) Limited is accounted for as an acquisition of a subsidiary under the acquisition method.

37. 收購附屬公司(續)

() (續)

收購附屬公司所產生之商譽源自合併後分銷本集團產品(即：印刷線路板)之預計盈利能力。

於二零零六年收購之附屬公司自收購日期起至二零零六年十二月三十一日止期間對本集團營業額貢獻約為201,175,000港元及對本集團溢利貢獻約2,745,000港元。

倘收購於二零零六年一月一日完成，本年度集團總營業額將約為17,017,427,000港元，本年度溢利將約為7,390,219,000港元。備考資料僅供說明之用，並不表示假設收購已於二零零六年一月一日完成後本集團實際可達致之營業額及經營業績，亦不擬作為未來業績之預測。



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

39. OPERATING LEASES (continued)

At the end of the reporting period, the Group's operating lease commitments are as follows:

39. 經營租約 (續)

於結算日，本集團根據不可撤銷之經營租約於日後支付之租約付款須於下列期間支付：

	Premises 物業		Plant and machinery 廠房及機器	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within one year 於一年內	7,565	14,186	20	617
After one year but within five years 於一年後但於五年內	6,287	8,632	30	
After five years 於五年後	26,315	24,310	66	
	40,167	47,128	116	617

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
The Group's operating lease income 由本集團出租：		
Recognized in the consolidated income statement 於年內計入綜合收益表		
less: expenses incurred in connection with the lease income, net of income tax 之租金收入，已扣除支銷約157,000港元		
(2006: 120,000港元) (二零零六年：120,000港元)		
HK\$157,000 (2006: HK\$120,000)	30,184	5,894

Notes to the Consolidated Financial Statements 綜合財務報表附註

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Place of incorporation and jurisdiction	Actual Text	TEFF00090050005BDC ()	TDG1.0JEMC 1.7EMC (arort)ionf

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本 註冊資本	Proportion of the ownership interest held by the Group 本集團持有 權益比例		Principal activities 主要業務
			2007	2006	
			二零零七年 %	二零零六年 %	
Koosin Limited (澳門離岸商業服務)有限公司 Comer Oubai Limited	Macao 澳門	MOP100,000 澳門幣100,000元	74.77	72.50	Distributor 分銷覆銅面板
Koosin Limited (江門建滔積層板)有限公司 Chai L.	PRC 中國	HK\$189,491,052 189,491,052港元	74.77	72.50	Manufacturer 製造及分銷覆銅面板
Koosin Limited (昆山建滔積層板)有限公司 Chai L.	PRC 中國	US\$32,010,000 32,010,000美元	74.77	72.50	Manufacturer 製造及分銷覆銅面板
Koosin Limited (韶關建滔積層板)有限公司 Chai L.	PRC 中國	RMB7,490,000 人民幣7,490,000元	74.77	72.50	Manufacturer 製造及分銷覆銅面板
Kunshan Ronghua Chemical Co., Ltd. Chai L.	PRC 中國	US\$12,500,000 12,500,000美元	74.77	72.50	Manufacturer 製造及分銷覆銅面板
Teknicon Limited Lm	Hong Kong 香港	HK\$4,000,000 4,000,000港元	90	90	Investment holding 投資控股

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本 註冊資本	Proportion of the ownership interest held by the Group 本集團持有 權益比例		Principal activities 主要業務
			2007	2006	
			二零零七年 %	二零零六年 %	
T h 3 Sh r (F) C r v 3 L m	PRC ¹ 中國 ¹	HK\$135,000,000 135,00	63	63	M u u r

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration and operation 註冊成立 登記及營業地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本 註冊資本	Proportion of the ownership interest held by the Group 本集團持有 權益比例	Principal activities 主要業務
			2007 二零零七年 %	2006 二零零六年 %
K E E N 2 C n L m 開平依利安達電子第二有限公司	PRC ² 中國 ²	●S\$21,670,000 21,670,000美元	67.23	67.35
K E E N 3 C n L m 開平依利安達電子第三有限公司	PRC ² 中國 ²	●S\$86,960,000 86,960,000美元	67.23	67.55
K E E N 5 C n L m 開平依利安達電子第五有限公司	PRC ² 中國 ²	●S\$30,075,100 30,075,100美元	67.23	67.35
E E (Gu h u) E r C n L m 依利安達(廣州)電子有限公司	PRC ² 中國 ²	●S\$70,596,000 70,596,000美元	69.35	69.47



Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

Name of subsidiary	Place of incorporation/ registration and operation 註冊成立	Issued and fully paid share capital/ registered capital 已發行及繳足	Proportion of the ownership interest held by the Group 本集
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Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

The principal subsidiaries of the Company are as follows:

本公司之主要附屬公司如下：

Notes: (a) The subsidiaries are all wholly owned by the Company.

附註：(a) 該等附屬公司均為本公司全資擁有。

42. RELATED PARTY TRANSACTIONS

The Group has entered into the following related party transactions:

本集團已進行下列關聯方交易：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Sales of products to a subsidiary of a minority shareholder of the Company (Note 12)	向一間附屬公司之少數股東銷售貨品 (附註12)		486,661
Purchase of raw materials from a subsidiary of a minority shareholder of the Company (Note 12)	向一間附屬公司之少數股東購買原材料 (附註12)		



建滔化工集團

KINGBOARD CHEMICAL HOLDINGS LIMITED

5/F., Block K, Valiant Industrial Centre, 2-12 Au Pui Wan St., Fotan, Shatin, Hong Kong.

香港新界沙田火炭坳背灣街2-12號威力工業中心五樓K座

Tel 電話：(852) 2605 6493 Fax 傳真：(852) 2691 5245

E-mail 電郵：enquiry@kingboard.com Web site 網址：http://www.kingboard.com