

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)
Ms. Cheung Lillian
(於二零零七年一月十一日獲委任)
Mr. Mo Chiu-hung, Cheung

Independent Non-Executive Directors

Mr. Cheung Mui-fu, P. C.
Mr. Cheung Chiu-chung, Christopher
(於二零零七年一月十一日獲委任)
Mr. Tang Kam-hung
Mr. Ho Siu-tung

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Leung K. L.

PRINCIPAL BANKERS

Bank of America, N.A.
Bank of Communications, Hong Kong Branch
Cheong Cheong Bank
Citibank, 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)

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m r e r h e 150% r e r u e r 2006
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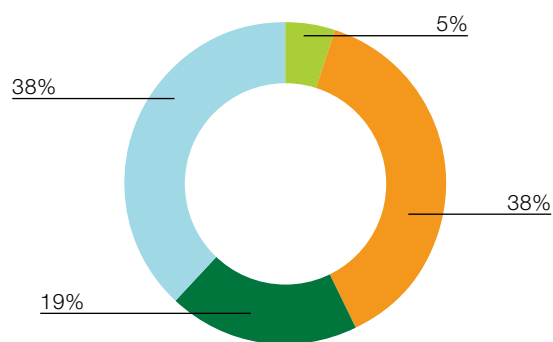
本人欣然公佈，建滔化工集團(「集團」)於截至二零零七年十二月三十一日止財政年度，再次錄得破紀錄之全年業績，營業額及純利均創新高。集團能取得此豐碩成果，有賴全體員工不懈之努力，克服充滿挑戰的經營環境。集團在年

Chairman's Statement 主席報告

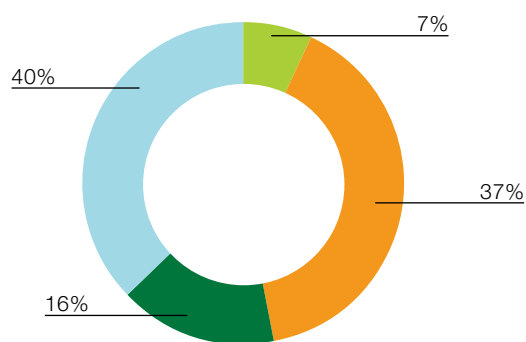
FINANCIAL HIGHLIGHTS

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

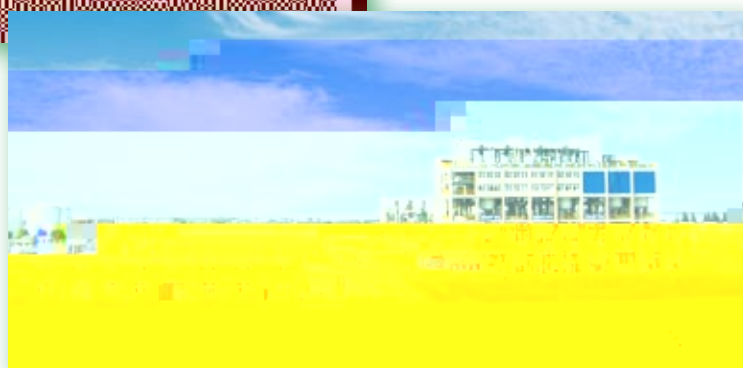
Others
其他

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 results were as follows:

The Group's revenue for the year ended 31 December 2007 was HK\$10,276.2 million, an increase of 25% from HK\$8,218.5 million in 2006. The Group's profit before income tax ("EBIT") was HK\$2,126.8 million, an increase of 18% from HK\$1,803.5 million in 2006. The Group's profit after income tax was HK\$1,583.5 million, an increase of 13% from HK\$1,395.5 million in 2006. The Group's earnings per share ("EPS") was HK\$0.83, an increase of 8.3% from HK\$0.77 in 2006. The Group's return on equity ("ROE") was 15.2%, an increase of 0.5 percentage points from 14.7% in 2006. The Group's return on assets ("ROA") was 8.3%, an increase of 0.2 percentage points from 8.1% in 2006. The Group's operating cash flow was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's capital expenditure was HK\$567.8 million, an increase of 15% from HK\$493.5 million in 2006. The Group's dividend per share was HK\$0.50, an increase of 10% from HK\$0.45 in 2006. The Group's total assets were HK\$10,276.2 million, an increase of 25% from HK\$8,218.5 million in 2006. The Group's total liabilities were HK\$5,678.5 million, an increase of 15% from HK\$4,935.5 million in 2006. The Group's net assets were HK\$4,597.7 million, an increase of 25% from HK\$3,283.0 million in 2006. The Group's net debt was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net cash was HK\$3,363.2 million, an increase of 10% from HK\$3,161.0 million in 2006. The Group's net working capital was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net fixed assets were HK\$5,678.5 million, an increase of 15% from HK\$4,935.5 million in 2006. The Group's net intangible assets were HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other assets were HK\$3,363.2 million, an increase of 10% from HK\$3,161.0 million in 2006. The Group's net other liabilities were HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other income was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other expenses were HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other gains were HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other losses were HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other income tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other expenses tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other gains tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other losses tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other income tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other expenses tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other gains tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006. The Group's net other losses tax was HK\$1,234.5 million, an increase of 10% from HK\$1,122.5 million in 2006.



Chairman's Statement 主席報告

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()原料價格大幅波動；()依利安達的 利 利 度 是 足 K E & E ； () 依 利 安 達 的 利 利 度 是 足 h r g h e h r .

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()原料價格大幅波動；()依利安達的 利 利 度 是 足

E & E T h g h r r h e g
依利安達及科惠積極參與展覽會。

在二零零七年，集團的化工部門繼續受惠於過去數年持續進行的投資，取得極其驕人的業績。二零零七年營業額較上年攀升35%，至五十四億二千五百七十萬港元，未扣除利息及稅項之盈利較上年增長92%，至六億五千八百一十萬港元。由於中國焦炭行業持續進行整合，為供應商提供了一個較有利的經營環境，河北省焦炭 甲醇廠因而取得驕人佳績，未扣除利息及稅項之盈利較二零零六年大幅上升1022%。

Chairman's Statement 主席報告



LIQUIDITY AND CAPITAL RESOURCES

Our current ratio as at 31 December 2007, after taking into account the Group's cash and cash equivalents of HK\$6,377.6 million (31 December 2006: HK\$9,467.1 million), is 1.89 (31 December 2006: 2.90).

The Group's working capital period as at 31 December 2006 is 84 days (31 December 2007: 64 days).

The Group's inventory period as at 31 December 2006 is 73 days.

The Group's trade receivables period as at 31 December 2006 is 97 days.

The Group's trade payables period as at 31 December 2006 is 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 attract and retain talented employees. The Group has also provided training and development opportunities for its employees to enhance their skills and knowledge.

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 development over the past two decades. The Group has expanded its business operations globally and has established a strong presence in the chemical industry. The Group has also invested in research and development to enhance its technological capabilities. The Group is confident that it will continue to achieve success in the future.

Chairman's Statement 主席報告

For the PCB segment, the Group's main business is the production and sale of PCBs. The Group's main products are single and double layer PCBs, which are used in a wide range of applications. The Group's main customers are in the electronics industry. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region.

Moreover, the Group is also engaged in the production and sale of HDI PCBs. HDI PCBs are used in a wide range of applications. The Group's main customers are in the electronics industry. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region.

The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region. The Group's main products are sold in the Asia-Pacific region.

Chairman's Statement 主席報告

APPRECIATION

For the past year, Kingboard Chemical has achieved significant milestones. We are grateful to our shareholders, customers, suppliers, and employees for their support and contribution. We will continue to strive for excellence and create value for all stakeholders.

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戶則會

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 KONG KONG, 52, Chinese male

Mr. MOK Ch m Hu , Ch , 43, h Gr W
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Pr h h h h h Gr U
r 11 Mr. M m m r h l u
Ch r r A W E &
m m r H K l u Cr Pu A W
H h MA E r I am E r r n
h C m r MBA h r ai
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Mr. HO S , 53, h r h r - - (Mr. Ch u
K M Ch u L , S h . H
h Gr u 1989 h Gr u h m
u H Sh r . H
(KCFH.

M³ CHE⁴NG L⁵, S⁶ h⁷, 37, s⁸ h⁹ s¹⁰ r¹¹
Mr. Ch u¹² K¹³ . Sh¹⁴ h¹⁵ Gr¹⁶ 2002
s¹⁷ s¹⁸ s¹⁹ h²⁰ Gr²¹ s²² s²³, r²⁴ ur²⁵ m²⁶
ur²⁷ h²⁸ s²⁹ u³⁰ . Pr³¹ h³² h³³ Gr³⁴, h³⁵ h³⁶ s³⁷
m³⁸ s³⁹ s⁴⁰ s⁴¹ m⁴² r⁴³ s⁴⁴ m⁴⁵ h⁴⁶ u⁴⁷ 5
r⁴⁸

Mr. CHENG M Fu , P U , 71, 3
Dr . h h n 2003. H
Ch m r h H e K e L C u
Ch m h L M m L ., l h P
L ., NMR h h & S (H e K e) L ., h H e K e
G r Ch m r , C m m r h Am r Ch m r
C m m r H e K e . H urr
E r H e L . h e r s r h H e
K e J e Cu s u r e h H e
K e S & T h e .



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 n S r r, h Gr M 1999. Pr h , h s r r r r r m. Mr. L s m m r H K I u C r Pu A h H h B h 'sD r Pr s A r n Th Ch s r s H K .H s h r h m s r r r m m h Gr .H s r u r r K r L m s H s L m (KLHL), 74.77%- s r s h m r 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。

During the year, the Company has paid interim dividends of HK30 per ordinary share to the shareholders. The Board has also recommended a final dividend of HK70 per ordinary share for the year ended 31 December 2007, which will be paid in May 2008.

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 Company has issued 34 million ordinary shares during the year.

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 financial results for the year ended 31 March 2007.

In the year, the Board has reviewed the Group's financial performance and the Group's business performance. The Board has also reviewed the Group's financial results for the year ended 31 March 2007. The Board has also reviewed the Group's financial results for the year ended 31 March 2007.

At 31 December 2007, the Group's financial performance and the Group's business performance. The Board has also reviewed the Group's financial results for the year ended 31 March 2007.

A 31 D m r 2007, h r s h s h
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Or (SFO)), s h r s m h
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S ur s Tr s s Dr h s L s l s r s
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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. K.	實益擁有人	3,880,685	0.46
Mr. Chan K. (Note 1)	實	791,000	0.09

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

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. Y. 張國榮先生	B 實益擁有人 210,600
Mr. Cheung Y. C. 陳永鋸先生	B 實益擁有人 2,558,800
Mr. Cheung Y. C. 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. Y. K. 張廣軍先生	B 實益擁有人 2,951,800

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

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。

Directors' Report 董事會報告

Long position (continued)

(c) Ordinary shares of HK\$0.10 each ("KLHL Shares") in Kingboard Laminates Holdings Limited ("KLHL")

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」)

Director's Name 董事姓名	Beneficial Interest 權益性質	Number of KLHL Shares Held 所持已發行建滔積層板股份數目	Approximate Percentage of Issued Capital 佔建滔積層板已發行股本之概約百分比
Mr. Cheung Kwok-ching 張國榮先生	Beneficial Interest 實益擁有人	934,500	0.03
Mr. Chan Yung-ni (Note 1) 陳永鋹先生(附註1)	Beneficial Interest 實益擁有人	100,000	0.003
Mr. Chan Yung-yiu (Note 2) 鄭永耀先生(附註2)	Beneficial Interest 實益擁有人	100,000	0.003
Mr. Ho Yee-sing (Note 3) 何燕生先生(附註3)	Beneficial Interest 實益擁有人	540,000	0.01
Ms. Cheung Lai-shing 張偉連女士	Beneficial Interest 實益擁有人	804,000	0.02

Notes:

- (1) The 100,000 KLHL Shares are held by Mr. Chan Yung-ni.
- (2) The 100,000 KLHL Shares are held by Mr. Chan Yung-yiu.
- (3) The 540,000 KLHL Shares are held by Mr. Ho Yee-sing.

附註：

- (1) 陳永鋹先生之配偶持有該100,000股建滔積層板股份。
- (2) 鄭永耀先生之配偶持有該100,000股建滔積層板股份。
- (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	Capacity	Number of Shares Held	
		Number of Shares	Percentage of Total Shares

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Directors' Report 董事會報告

Long position (continued)

(f) Share options of EEIC

長倉(續)

(i) EEIC

Name of Director 董事姓名	Beneficial interest 權益性質	Number of shares held 持有股份數目 (附註)
Mr. Cheung Kwok-chi 張國榮先生	Beneficial owner 實益擁有人	973,200
Mr. Chan Yung-kei 陳永銀先生	Beneficial owner 實益擁有人	973,200
Mr. Cheng Yung-yiu 鄭永耀先生	Beneficial owner 實益擁有人	973,200
Mr. Mo Kam-hung, Chairman 莫湛雄先生	Beneficial owner 實益擁有人	973,200

Note: The directors have exercised a total of 3,244,000 share options of EEIC on 24 July 2005. The sum of share options exercised is 13,000,000 shares of EEIC. The exercise price is HK\$2.033 per share. The share options were granted on 5 October 2004. 26 November 2006, 26 November 2007, 26 November 2008, 26 November 2009 and 26 March 2010 are the vesting dates of the share options.

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 as at
 the reporting date:

	Outstanding as at 1.1.2007 於二零零七年 一月一日	Reclassified as at 1.1.2007 於二零零七年 一月一日	Exercised as at 31.12.2007 已於 十二月三十一日	Outstanding as at 31.12.2007 尚未行使
Category 1: Directors 第1類：董事				
Mr. Cheung Kwok 張國榮先生	1,145,000		(934,400)	210,600
Mr. Cheung Kwok 陳永錕先生	3,026,000		(467,200)	2,558,800
Mr. Cheung Kwok 張廣軍先生	3,419,000		(467,200)	2,951,800
Mr. Cheung Kwok 鄭永耀先生	3,643,000		(467,200)	3,175,800
Mr. He Si (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 第2類：僱員	19,989,000	(3,588,000)	(2,496,800)	13,904,200
Total 總計	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	
第1類：董事			年內	

Directors' Report 董事會報告

Next, the Board has approved the 2017 Annual General Meeting of the Company, which will be held on 28 March 2018 at the same venue as the 2016 AGM. The Board has also approved the 2017 Annual Report of the Company, which will be presented to the AGM. The Board has also approved the 2017 Dividend, which will be paid to the shareholders of the Company on 28 March 2018.

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 the Company to have substantial interests in the shares 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 during the year. The maximum amount of the transaction is HK\$193 million.

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

EMOLUMENT POLICY

The maximum emolument of each Group executive director is determined by the Remuneration Committee of the Company, taking into account the following factors:

The maximum salary of each Director is determined by the Remuneration Committee, having regard to the Company's performance and the remuneration of comparable companies.

The Company has adopted a policy of cash bonus to each Director, which is determined by the Remuneration Committee, having regard to the Company's performance and the remuneration of comparable companies.

PRE-EMPTIVE RIGHTS

The Company has no pre-emptive rights in its issued shares. The Company's Articles of Association do not contain any provisions relating to pre-emptive rights.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float of at least 25% of the Company's issued shares as at 31 December 2007.

POST BALANCE SHEET EVENT

During the year, the Company has not issued any shares or convertible securities. The Company has not issued any shares or convertible securities during the year.

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O h h B h
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。

The Board

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董事會

董事會負責領導及監控本集團，同時亦授責監督本集團之業務及事務管理事宜。本集團已採納內部指引訂明需經董事會批准之事項。除法定責任外，董事會亦負責批准本集團之策略計劃、年度預算、主要營運措施、重大投資及集資決定。董事會同時審閱本集團財務表現、識別本集團業務之主要風險及確保實施適當措施以管理有關風險。本集團日常業務運作及行政職能之職責已委派予管理層負責。

董事會定期及於特定情況所需時舉行會議。召開董事會會議之通告及議程由董事會主席委派公司秘書負責編製並於會議前合理時間內派發予董事會成員。相關會議文件亦會於開會前儘早送交董事，令彼等獲知將提呈董事會之事項之背景資料及說明。各董事可於董事會會議議程上加入事項提出討論。為確保董事作出客觀及符合本公司利益之決定，本公司之組織章程細則規定，倘董事會會議上任何決議案涉及董事或其關聯人士的重大權益，有關董事必須放棄投票，且不得計入會議法定人數。董事會會議記錄初稿及最終定稿將於董事會會議後合理時間內發送予全體董事，分別作表達意見及記錄之用，並由公司秘書存檔。

Corporate Governance Report 企業管治報告

During the reporting period, the Board has held four meetings to discuss the business and financial performance of the Group.

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：鐙虹

	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				
Chairman (Chairman)	4			
Managing Director (Managing Director)	4	2	2	2
Mr. Zhang Guangjun	4			
Mr. Zheng Yongyao	4			
Mr. Mo Zhenxiong	4	2	2	2
Mr. He Yansheng (appointed on January 11, 2007)	4			
Mr. Zhang Weilian (appointed on January 11, 2007)	4			
Independent non-executive directors				
Mr. Zheng Mingjun	4	3	2	2
Mr. Zheng Weizhi (appointed on July 1, 2007)	3			
Mr. Xie Jinhong	4	3	2	2
Mr. Chen Hengli	4	3	2	2

The Board has also held four meetings to discuss the business and financial performance of the Group.

Division and responsibilities

The Board of Directors is headed by the Chairman of the Board, Mr. Liang, who is also the Chairman of the Board. The Board is responsible for the overall management of the Company and the implementation of the Company's strategy.

The Board of Directors is composed of the following members:

Mr. Liang, Chairman of the Board, is responsible for the overall management of the Company and the implementation of the Company's strategy. He is also the Chairman of the Board.

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The Board of Directors is composed of the following members:

Division and responsibilities

The Board of Directors is headed by the Chairman of the Board, Mr. Liang, who is also the Chairman of the Board. The Board is responsible for the overall management of the Company and the implementation of the Company's strategy.

At the same time, the Board has also reviewed the remuneration policy of the Company and the remuneration of the Directors and Senior Management. The Board has also reviewed the remuneration policy of the Company and the remuneration of the Directors and Senior Management. The Board has also reviewed the remuneration policy of the Company and the remuneration of the Directors and Senior Management.

The level and make-up of remuneration and disclosure

The Board has also reviewed the remuneration policy of the Company and the remuneration of the Directors and Senior Management. The Board has also reviewed the remuneration policy of the Company and the remuneration of the Directors and Senior Management. The Board has also reviewed the remuneration policy of the Company and the remuneration of the Directors and Senior Management.

(Contributions to the success of the Company; S2 c3.15N-3.119.2d -1395tualText<FEFF004D0041004E004109GEMENT

Corporate Governance Report 企業管治報告

本公司之董事會成員包括：主席、副主席、執行董事、非執行董事及獨立非執行董事。董事會成員之委任及罷免，須經股東大會批准。董事會成員之任期，由股東大會決定。董事會成員之薪酬，由股東大會決定。

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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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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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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

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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 anm an r s s hr m m r s
h e r e u r a s m
Mr. H r T (Ch rm), 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 anm , h m a
r s s s h N an e C anm 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 h s e
 h B r m r m s h
 B r h r r u 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, two of whom are highly experienced senior executives of the Group.

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,對貴集團的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道德規範,並計劃及執行審計,以合理相信我們能發現所有重大錯誤陳述。我們亦負責根據我們的審計,對貴集團的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道德規範,並計劃及執行審計,以合理相信我們能發現所有重大錯誤陳述。我們亦負責根據我們的審計,對貴集團的綜合財務報表發表意見。



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		
Profit before income tax	3,717,184	7,596,154
Adjustments:		
Share of profit of associates	(298,283)	(39,924)
Share of profit of jointly controlled entities	1,070	1,755
Amortisation of intangible assets	632	500
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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 properties		(1,084,477)	
Purchase of available-for-sale investments		(616,905)	(350,271)
Disposal of property, plant and equipment			
- net		(993,168)	(265,430)
Acquisition of subsidiaries		(335,712)	(121,852)
Prepayment of lease payments		(784,506)	(106,071)
Acquisition of subsidiaries		(324,468)	(69,747)
Change in subsidiaries' equity interests	37		
- net		(449,728)	(66,078)
Purchase of convertible bonds		(108,000)	
Purchase of intangible assets		(245)	(907)
Net proceeds from disposal of equity interests		-	4,985,909
Proceeds from disposal of equity interests			
- net		6,543	
Proceeds from termination of contracts			
- net		23	
Proceeds from disposal of property, plant and equipment			
- net			



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

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 are prepared on the basis of the financial statements 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 are prepared on the basis of the financial statements of the Company and its subsidiaries, which are prepared in accordance with the Hong Kong Financial Reporting Standards.

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 are prepared on the basis of the financial statements of the Company and its subsidiaries, which are prepared in accordance with the Hong Kong Financial Reporting Standards.

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 are eliminated on consolidation.

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 is the excess of the purchase price over the fair value of the identifiable intangible assets acquired. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or circumstances indicate that there may be an impairment. The impairment loss, if any, is recognised in the consolidated income statement.

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 fair value of the identifiable intangible assets, liabilities and contingent liabilities of the investee at the acquisition date is recognised as goodwill. Goodwill is measured as the excess of the aggregate of the consideration transferred for the acquisition over the fair value of the identifiable intangible assets, liabilities and contingent liabilities of the investee at the acquisition date. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that there may be an impairment. If there is an impairment, the impairment is recognised in the consolidated income statement.

Any goodwill arising from the acquisition of an associate is included in the carrying amount of the investment and is not amortised. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that there may be an impairment. If there is an impairment, the impairment is recognised in the consolidated income statement.

When the Group's share of losses exceeds its interest in the associate, the Group's share of losses is limited to its interest in the associate. The Group's share of losses is limited to its interest in the associate.

Deemed disposal of interests in associates

Goodwill is amortised on a straight-line basis over the estimated useful life of the identifiable intangible assets, liabilities and contingent liabilities of the investee at the acquisition date. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that there may be an impairment. If there is an impairment, the impairment is recognised in the consolidated income statement.

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 acquired.

For acquisitions after 1 January 2001, the goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable intangible assets and net identifiable assets acquired.

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 acquired.

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 acquired.

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

~~原先已資本化之商譽,本集團自二零零五年一月一日起不再攤銷,而有關商譽每年及凡與商譽有關之現金產生單位,其按攤銷額在現華~~

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 is HK\$1,123,456,789 (2006: HK\$1,234,567,890). The carrying amount is based on the fair value less costs to sell, which is determined by reference to the market value less costs to sell of the properties, as determined by independent professional valuers. The fair value is determined by reference to the market value less costs to sell of the properties, as determined by independent professional valuers. The fair value is determined by reference to the market value less costs to sell of the properties, as determined by independent professional valuers.

Properties, plant and equipment

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

Buildings: 20 to 30 years
Plant and equipment: 5 to 10 years
Leasehold improvements: 5 to 10 years
Motor vehicles: 5 years
Furniture and fixtures: 5 years
Other tangible intangible 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; (iii) the Group's research and development activities in the field of new markets; and (iv) the Group's research and development activities in the field of new management systems.

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. 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. 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; (iii) the Group's research and development activities in the field of new markets; and (iv) the Group's research and development activities in the field of new management systems.

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. 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

Taxation (continued)

Direct taxation comprises income tax payable by the Group on its assessable profits. The Group is subject to income tax in Hong Kong and the People's Republic of China ("PRC"). The Group's income tax is calculated on the basis of the profits of the Group in Hong Kong and the PRC.

The Group's income tax is calculated on the basis of the profits of the Group in Hong Kong and the PRC. The Group's income tax is calculated on the basis of the profits of the Group in Hong Kong and the PRC.

Direct taxation is payable by the Group on its assessable profits. The Group is subject to income tax in Hong Kong and the PRC. The Group's income tax is calculated on the basis of the profits of the Group in Hong Kong and 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 those contracts that give rise to a financial asset or financial liability.

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

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

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

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

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

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

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

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

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

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

於初次確認後各結算日，按公平值計入損益之財務資產按公平價值計量，公平值之變動於產生變動期間直接在損益中確認。

於損益 損

貸款及應收款

貸款及應收款按攤銷成本計量。於年初，貸款及應收款之賬面金額為港幣1,000萬元。於年內，貸款及應收款之賬面金額為港幣1,000萬元。貸款及應收款之賬面金額為港幣1,000萬元。

可供出售之財務資產

於年初，可供出售之財務資產之公平值為港幣1,000萬元。於年內，可供出售之財務資產之公平值為港幣1,000萬元。可供出售之財務資產之公平值為港幣1,000萬元。

於年初，可供出售之財務資產之公平值為港幣1,000萬元。於年內，可供出售之財務資產之公平值為港幣1,000萬元。可供出售之財務資產之公平值為港幣1,000萬元。

於年初，可供出售之財務資產之公平值為港幣1,000萬元。於年內，可供出售之財務資產之公平值為港幣1,000萬元。可供出售之財務資產之公平值為港幣1,000萬元。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)

Financial assets available-for-sale are those non-derivative financial assets that are designated as available-for-sale at initial recognition. They are measured at fair value, with changes in fair value recorded in other comprehensive income. Dividends and interest income are recognized in profit or loss. Upon disposal, the cumulative gain or loss is transferred to profit or loss. Financial assets available-for-sale are classified into two categories: (i) those that are held for sale in the near future and (ii) those that are held for sale in the long term.

Impairment of financial assets

Financial assets are assessed for impairment at each reporting date. If there is objective evidence that a financial asset is impaired, the carrying amount is reduced to its fair value. The impairment loss is recognized in profit or loss. The impairment loss is reversed if the fair value of the financial asset increases in subsequent periods. The impairment loss is reversed if the fair value of the financial asset increases in subsequent periods.

Financial assets are classified into two categories: (i) those that are held for sale in the near future and (ii) those that are held for sale in the long term.

Financial assets are classified into two categories: (i) those that are held for sale in the near future and (ii) those that are held for sale in the long term.

3. 主要會計政策(續)

金融工具(續)

財務資產(續)

可供出售財務資產(續)

因▼蔣熾積

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 give rise to a financial asset or financial liability, or both, that are highly sensitive to changes in market prices. The most common derivative financial instruments used by the Group are interest rate swaps, foreign exchange forward contracts, and interest rate futures contracts. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk.

Derivative financial instruments are classified as financial assets or financial liabilities, depending on the nature of the instrument. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk.

The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk.

Embedded derivatives

Derivative financial instruments are classified as financial assets or financial liabilities, depending on the nature of the instrument. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk.

Hedge accounting

The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk.

At the end of the reporting period, the Group's foreign exchange risk and interest rate risk are managed using derivative financial instruments. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk. The Group uses derivative financial instruments to hedge its foreign exchange risk and interest rate risk.

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)

Cash flow

The Group has entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows. The Group has also entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows.

Amounts are recorded in the consolidated financial statements as follows:

For the year ended 31 December 2007, the Group has entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows. The Group has also entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows. The Group has also entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows.

Derecognition

For the year ended 31 December 2007, the Group has entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows. The Group has also entered into foreign exchange contracts to hedge the foreign exchange risk of its future cash flows.

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

Our Group's financial statements are prepared using accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. The Group's management believes that the estimates and assumptions are reasonable and that the financial statements are presented fairly in all material aspects.

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 rates (continued)

Sensitivity analysis

The sensitivity analysis shows that the change in the fair value of the financial instruments arising from a 1% increase in interest rates would result in a decrease of HK\$18,277,000 in the consolidated profit or loss for the year ended 31 December 2007. The sensitivity analysis is based on the interest rates at the end of the reporting period.

The sensitivity analysis shows that the change in the fair value of the financial instruments arising from a 50 basis points increase in interest rates would result in a decrease of HK\$18,277,000 in the consolidated profit or loss for the year ended 31 December 2007. The sensitivity analysis is based on the interest rates at the end of the reporting period.

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 following table shows the sensitivity of the Group's profit before tax to changes in the fair value of equity price risk.

If the price of the Group's equity price risk had increased/decreased by 5% at the end of the reporting period, the Group's profit before tax would have increased/decreased by HK\$27,217,000 (2006: HK\$11,150,000) respectively. The above analysis is based on the assumption that all other variables remain constant.

Credit risk

The Group's maximum exposure to credit risk at the reporting date is represented by the carrying amount of the Group's financial assets. At 31 December 2007, the Group's credit risk is primarily concentrated in the following financial assets: (i) trade receivables; (ii) other receivables; (iii) bank balances and cash; (iv) investments in subsidiaries; (v) investments in associates; (vi) investments in joint ventures; (vii) investments in equity securities; (viii) investments in debt securities; (ix) investments in real estate; (x) investments in other financial assets. The Group's credit risk is managed by the Group's credit risk management department. The Group's credit risk management department is responsible for monitoring and controlling the credit risk of the Group's financial assets. The Group's credit risk management department has established a credit risk management system to monitor and control the credit risk of the Group's financial assets. The Group's credit risk management department has established a credit risk management system to monitor and control the credit risk of the Group's financial assets.

The Group's credit risk is managed by the Group's credit risk management department. The Group's credit risk management department is responsible for monitoring and controlling the credit risk of the Group's financial assets. The Group's credit risk management department has established a credit risk management system to monitor and control the credit risk of the Group's financial assets.

The Group's credit risk is managed by the Group's credit risk management department. The Group's credit risk management department is responsible for monitoring and controlling the credit risk of the Group's financial assets. The Group's credit risk management department has established a credit risk management system to monitor and control the credit risk of the Group's financial assets.

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

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 chemical products 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					
其他收入					
Capital additions	1,515,028	756,006	2,623,316	1,233,569	6,127,919
資本增添					
Depreciation and amortization	492,876	440,737	178,045	58,705	1,170,363
折舊及攤銷					
Income from trade and other receivables					
就貿易及其他應收賬款					
Confirmed impairment losses	19,854	39,107	30,043	-	89,004
確認之減值虧損					
Losses on disposal of assets					
出售及撇銷物					

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 losses 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	PCB	Chemicals	Other Chemicals	
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			



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, Kowloon Telecommunications
Management Limited ("KTM") through the exercise of the
management rights of the Special Shareholders (the "Special Shareholders").
The Group issued 675,000,000 shares of KLHL
at a value of 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
s m s s s r e s i h r s

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

13. INCOME TAX EXPENSE (continued)

除稅前溢利
 稅務影響

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
除稅前溢利	3,717,184	7,596,154
以當地所得稅率33% (二零零六年: 33%) (N/A)		
計算之稅款(附註)	1,226,671	2,506,731
不可扣稅費用之稅務 影響	34,029	60,506
毋須課稅收益之稅務 影響		



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
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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
For the year ended 31 December 2007 2006
The Group's financial statements for the year ended 31 December 2007 were audited by the independent auditor (2006: the independent auditor). The financial statements for the year ended 31 December 2006 were audited by the independent auditor (2006: N/A).

	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 薪金及其他福利	2,300	
Retirement benefits 退休福利計劃供		



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

		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 following table shows the carrying amounts of the properties, plant and equipment of the Group as at 31 December 2007 and 2006:

Property, plant and equipment	At 31 December 2007	At 31 December 2006
Land and buildings	10,200	10,200
Plant and equipment	10,200	10,200
Leasehold improvements	10,200	10,200
Prepaid lease payments	10,200	10,200
Other assets	10,200	10,200
Total	10,200	10,200

20. PREPAID LEASE PAYMENTS

The following table shows the carrying amounts of the prepaid lease payments of the Group as at 31 December 2007 and 2006:

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Current assets	28,029	9,513
Non-current assets	1,265,127	471,727
Total	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

		HK\$'000 千港元
CARRYING AMOUNT	賬面值	
At 1 January 2006	於二零零六年一月一日	1,659,354
Acquisition of subsidiaries (Note 37)	收購附屬公司產生(見附註37)	48,621
Acquisition of subsidiaries (Note 37)	收購附屬公司額外權益產生	
Disposal of subsidiaries (Note 37)	(附註)	9,544
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	1,717,519
Acquisition of subsidiaries (Note 37)	收購附屬公司產生(見附註37)	238
Acquisition of subsidiaries (Note 37)	收購附屬公司額外權益產生	
Disposal of subsidiaries (Note 37)	(附註)	287,901
At 31 December 2007	於二零零七年十二月三十一日	2,005,658
Notes: Goodwill is calculated as the excess of the purchase price over the fair value of the identifiable intangible assets acquired.	附註：商譽按就額外權益所付代價與所收購額外權益應佔附屬公司資產淨值之賬面值間差額計算。	
Provision for impairment of goodwill		
At 1 January 2006		
At 31 December 2006		
At 1 January 2007		
At 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

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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-Pr Chemicals, which represents 36.51% of the issued share capital of G-Pr Chemicals, at a cost of HK\$119,964,000. During the year ended 31 December 2007, the Group also acquired 108,000 shares of G-Pr Chemicals, which represents 0.05% of the issued share capital of G-Pr Chemicals, at a cost of HK\$108,000,000. Details of the acquisitions are set out in Note 24.

The Group's 25% shareholding in 實友化工(揚州)有限公司 (Shiyou Chemicals (Yangzhou) Limited) is valued at HK\$213,045,000 as at 31 December 2007.

The Group's 25.04% shareholding in 揚州實友化工有限公司 (Yangzhou Shiyou Chemicals Co., Ltd.) is valued at HK\$21,150,000 as at 31 December 2007. The Group's 21.15% shareholding in 揚州實友化工有限公司 (Yangzhou Shiyou Chemicals Co., Ltd.) is valued at HK\$21,150,000 as at 31 December 2007. The Group's 21.15% shareholding in 揚州實友化工有限公司 (Yangzhou Shiyou Chemicals Co., Ltd.) is valued at HK\$21,150,000 as at 31 December 2007. The Group's 21.15% shareholding in 揚州實友化工有限公司 (Yangzhou Shiyou Chemicals Co., Ltd.) is valued at HK\$21,150,000 as at 31 December 2007.

The Group's 25% shareholding in 實友化工(揚州)有限公司 (Shiyou Chemicals (Yangzhou) Limited) is valued at HK\$152,820,000 (2006: N/A) as at 31 December 2007. The Group's 25% shareholding in 實友化工(揚州)有限公司 (Shiyou Chemicals (Yangzhou) Limited) is valued at HK\$152,820,000 (2006: N/A) as at 31 December 2007.

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108,000,000港元。

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		HK\$'000 千港元
A 1 January 2006, 31 December 2006 1 January 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	
Acquisition of shares in Shiyou Chemicals (Yangzhou) Limited	收購聯營公司引起	152,820
A 31 December 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%	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 (the "G-Pré") 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 (the "G-Pré") 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 (the "G-Pré") 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Q7qP™A

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

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 Group's interests in jointly controlled entities for the year ended 31 December 2007 and for the year ended 31 December 2006:

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
Loss for the year	本年度虧損	(2,140)	(3,509)
Group's share of loss for the year of 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. The deposits are made to various banks and financial institutions. The deposits are classified as non-current assets as they are not expected to be realized within 12 months. The deposits are measured at cost less impairment losses. The Group's non-current deposits are denominated in Hong Kong dollars and Renminbi.

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			
while in the process of	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)

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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

Trade and other receivables and prepayments (continued)

The Group's receivables are unsecured and are denominated in US dollars. The Group's receivables are measured at amortised cost less expected credit losses. The Group's receivables are classified as follows:

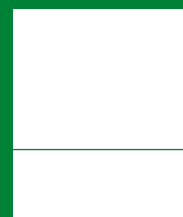
As at 31 December 2007	As at 31 December 2006
US\$ 240 million	US\$ 240 million

As at 31 December 2007, the Group's receivables are classified as follows:

As at 31 December 2007	As at 31 December 2006
US\$ 240 million	US\$ 240 million

As at 31 December 2007, the Group's receivables are classified as follows:

As at 31 December 2007	As at 31 December 2006
US\$ 240 million	US\$ 240 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

29. OTHER FINANCIAL ASSETS (continued)

除上文所述外，其他財務資產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
銀行結餘及現金	230,494	136,119

Bank balances and cash

本集團之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。

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：

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 entered into with a view to reducing the interest rate risk of the Group's bank borrowings. The interest rate swap contracts are entered into with a view to reducing the interest rate risk of the Group's bank borrowings.

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\$43,823,000 (2007: Nil) to hedge the interest rate risk of its bank borrowings. The interest rate swap contracts are entered into with a view to reducing the interest rate risk of the Group's bank borrowings. The interest rate swap contracts are entered into with a view to reducing the interest rate risk of the Group's bank borrowings.

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。因此，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。



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

At the balance sheet date, 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%

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

The following table shows the breakdown of the Group's share capital as at 31 December 2007 and 2006.

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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

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

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。

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

34. SHARE CAPITAL

34. 股本

		Number of shares 股數		Share capital 股本	
		2007 二零零七年	2006 二零零六年	2007 二零零七年 HK\$'000 千港元	2006 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认股证之認購 權利(附註36) (Note 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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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)-62Pt-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.

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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

(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 EEIC who are considered to be key management personnel of EEIC. The options are granted to employees of EEIC who are considered to be key management personnel of EEIC.

The number of options granted under the EEIC's share option scheme is 1,000,000. The exercise price of the options is HK\$4.448. The options are granted to employees of EEIC who are considered to be key management personnel of EEIC. The options are granted to employees of EEIC who are considered to be key management personnel of EEIC.

(c) Employees' share option scheme of KLHL

The number of options granted under the KLHL's share option scheme is 1,000,000. The exercise price of the options is HK\$4.448. The options are granted to employees of KLHL who are considered to be key management personnel of KLHL. The options are granted to employees of KLHL who are considered to be key management personnel of 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 fair value of the intangible asset acquired by the Group:

() In April 2007, the Group acquired Jiangxi Hongfeng Plastic Co., Ltd. (the "Acquiree") which is mainly engaged in manufacturing plastic components of 51% equity interest, for a cash consideration of approximately 20,643,000 Hong Kong dollars. This acquisition is accounted for under the acquisition method. The goodwill generated from the acquisition is approximately 238,000 Hong Kong dollars.

The fair value of the intangible asset acquired by the Group is shown as follows:

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:

Property, plant and equipment
Prepaid lease payments
Inventory
Trade receivables
Trade payables
Borrowings
Trade receivables

購入資產淨值：

物業、廠房及設備
預付租賃款項
存貨
貿易及其他應收賬款及
預付款項
銀行結餘及現金
貿易及其他應付賬款

40,010

Minority interests

少數股東權益

(19,605)

Goodwill

收購所產生之商譽

238

Total consideration

以現金支付之總代價

20,643

Net cash outflow from acquisition:

收購產生之現金流出淨額：

Cash paid
Bank balances and cash

已付現金代價
購入銀行結餘及現金

20,643

(363)

Net cash and cash equivalents
from acquisition of subsidiaries

收購附屬公司之現金及
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 Fung (H.K.) Limited, 7, 100/100,

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 company, Kingboard Chemicals (HK) Limited, is a business combination. The acquisition of the subsidiary company, Kingboard Chemicals (HK) Limited, is a business combination.

The acquisition of the subsidiary company, Kingboard Chemicals (HK) Limited, is a business combination. The acquisition of the subsidiary company, Kingboard Chemicals (HK) Limited, is a business combination.

The acquisition of the subsidiary company, Kingboard Chemicals (HK) Limited, is a business combination. The acquisition of the subsidiary company, Kingboard Chemicals (HK) Limited, is a business combination.

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 leases 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
Short-term leases 於一年內	7,565	14,186	20	617
Leases with terms between one and five years 於一年後但於五年內	6,287	8,632	30	
Long-term leases 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 leases 由本集團出租：		
Rent income from operating leases 於年內計入綜合收益表之租金收入，已扣除支銷約157,000港元 (二零零六年：120,000港元)	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

Name of subsidiary	Place of incorporation/ registration and operation	Issued and fully paid share capital/ registered capital	Proportion of the ownership interest held by the Group

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.TEM (larort)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) 建滔積層板(澳門離岸商業服務)有限公司	Macao 澳門	MOP100,000 澳門幣100,000元	74.77	72.50	Distribution 分銷覆銅面板
Koosin Limited (江門) 江門建滔積層板有限公司	PRC 中國	HK\$189,491,052 189,491,052港元	74.77	72.50	Manufacturing 製造及分銷覆銅面板
Koosin Limited (昆山) 建滔積層板(昆山)有限公司	PRC 中國	US\$32,010,000 32,010,000美元	74.77	72.50	Manufacturing 製造及分銷覆銅面板
Koosin Limited (韶關) 建滔積層板(韶關)有限公司	PRC 中國	RMB7,490,000 人民幣7,490,000元	74.77	72.50	Manufacturing 製造及分銷覆銅面板
Kunshan Ronghua Chemical 昆山日滔化工有限公司	PRC 中國	US\$12,500,000 12,500,000美元	74.77	72.50	Manufacturing 製造及分銷覆銅面板
Thick Circuit Limited 科惠線路有限公司	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) Cr 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	2006	
			二零零七年 %	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	M u u r 製造及分銷印刷線路板
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	M u u r 製造及分銷印刷線路板
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	M u u r 製造及分銷印刷線路板
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	M u u r 製造及分銷印刷線路板



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	Issued and fully paid share capital/ registered capital	Proportion of the ownership interest held by the Group
	註冊成立	已發行及繳足	本集



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Financial Summary

財務概要

Results	Year ended 31 December 截至十二月三十一日止年度	
	2007	2006



建滔化工集團

KINGBOARD CHEMICAL HOLDINGS LIMITED

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