

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 (Chairman)
Mr. Cheung King (Managing Director)
Mr. Cheung King
Mr. Cheung King
Mr. Ho Siu
(於二零零七年一月十一日獲委任)
Mrs. Cheung L. Shing
(於二零零七年一月十一日獲委任)
Mr. Michael Hung, Cheung

Independent Non-Executive Directors

Mr. Cheung M. Fung, P. C.
Mr. Cheung Ching, Christopher
(於二零零七年一月十一日獲委任)
Mr. Tang Kam Hung
Mr. Ho Y. T.

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)

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT

Mr. Leung L. L.

PRINCIPAL BANKERS

Bank of America, N.A.
Bank of China, Hong Kong Branch
Chong Hing 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

KR

Kingboard

Computer

Kingboard

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。集團在年一應付之挑戰，包括：

回顧過去一年，集團在多個方面均取得顯著進展。在二零零六年，集團的總收入為港幣20.0億元，較二零零五年增長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26.187億元，較二零零五年增長31%。二零零六年（即截至二零零六年十二月三十一日止）的純利為港幣1.1億元，較二零零五年增長20%。二零零六年（即截至二零零六年十二月三十一日止）的純利為港幣1.1億元，較二零零五年增長20%。

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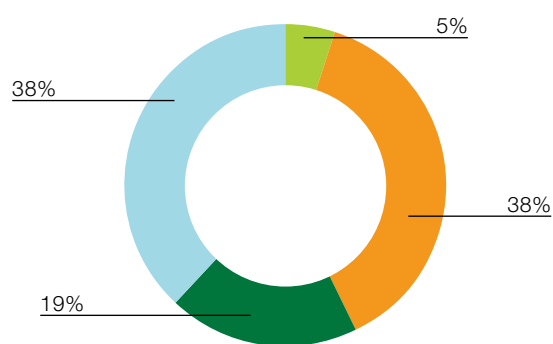
業務回顧

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。集團在年一應付之挑戰，包括：

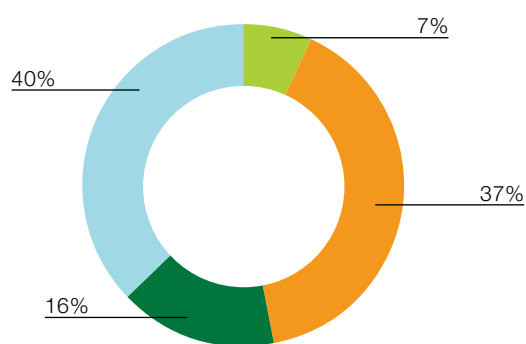
FINANCIAL HIGHLIGHTS

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 maintaining a strong financial position. In 2007, the Group's operating profit increased by 25% to HK\$10,276.2 million. Earnings before interest and taxes ("EBIT") rose 18% to HK\$2,126.8 million. The Group's net profit after tax increased by 13% to HK\$1,583.3 million. The Group's return on equity ("ROE") improved from 8.3% in 2006 to 9.5% in 2007. The Group's return on assets ("ROA") improved from 5.5% in 2006 to 6.5% in 2007. The Group's operating profit margin improved from 15.5% in 2006 to 16.5% in 2007. The Group's net profit margin improved from 10.5% in 2006 to 11.5% in 2007. The Group's operating profit per share increased from HK\$0.15 in 2006 to HK\$0.18 in 2007. The Group's net profit per share increased from HK\$0.10 in 2006 to HK\$0.12 in 2007. The Group's operating profit per share increased from HK\$0.15 in 2006 to HK\$0.18 in 2007. The Group's net profit per share increased from HK\$0.10 in 2006 to HK\$0.12 in 2007.



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 .

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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。

Chairman's Statement 主席報告

Our new investment in the Chongqing Natural Gas Methanol Plant has brought another growth engine to Kingboard Chemical Group.

位於重慶之天然氣甲醇廠為集團帶來另一增長動力。

The management of Kingboard Chemical Group has achieved a record performance in 2007. Revenue increased by 35% to HK\$5,425.7 million, EBIT increased by 92% to HK\$658.1 million in 2007. The operating margin increased by 102% to 12.1% in 2007, compared with 11.9% in 2006. The management of Kingboard Chemical Group has achieved a record performance in 2007. Revenue increased by 35% to HK\$5,425.7 million, EBIT increased by 92% to HK\$658.1 million in 2007. The operating margin increased by 102% to 12.1% in 2007, compared with 11.9% in 2006.

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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102%。

LIQUIDITY AND CAPITAL RESOURCES

Our current ratio at the end of December 31, 2007, was 1.89 times (December 31, 2006: 2.90 times). Our working capital at the end of December 31, 2007, was HK\$6,377.6 million (December 31, 2006: HK\$9,467.1 million).

The average number of days of inventory held at the end of December 31, 2007, was 64 days (December 31, 2006: 73 days).

The average number of days of trade receivables at the end of December 31, 2007, was 90 days (December 31, 2006: 97 days).

The average number of days of trade payables at the end of December 31, 2007, was 70 days (December 31, 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)

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 also taken into account the overall financial position and the performance of individual employees when determining the remuneration.

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



The Hengyang, Hunan Soda Ash Plant is a new source of power for the development of the Group's chemical business in Hunan.

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. The Group has achieved significant milestones in its development. The Group's business has expanded significantly, and the Group's financial position remains strong. The Group's management team is committed to the long-term development of the Group, and the Group's employees are dedicated to the Group's success. The Group's future prospects are bright, and the Group is confident that it will continue to achieve success in the years ahead.

Chairman's Statement 主席報告

Dear Shareholders, I am pleased to present to you the annual report of Kingboard Chemical Holdings Limited (the "Company") for the year ended 31 December 2008. The Company's performance in 2008 was satisfactory, with a net profit of 11.3 million Hong Kong dollars, an increase of 9.3% over the net profit of 10.3 million Hong Kong dollars in 2007. The Company's revenue for 2008 was 1,113.3 million Hong Kong dollars, an increase of 9.3% over the revenue of 1,018.2 million Hong Kong dollars in 2007. The Company's operating profit for 2008 was 11.3 million Hong Kong dollars, an increase of 9.3% over the operating profit of 10.3 million Hong Kong dollars in 2007. The Company's operating profit for 2008 was 11.3 million Hong Kong dollars, an increase of 9.3% over the operating profit of 10.3 million Hong Kong dollars in 2007.

受農曆新年的季節性影響，二零零八年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, Kingboard Chemical has achieved significant milestones in our business performance. We are grateful to our shareholders, customers, suppliers, and employees for their support and contribution to our success. We will continue to strive for excellence and innovation in the future.

CHEUNG Kwok Wing
Chairman

Hong Kong, 17 March 2008

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

Directors' and Senior Management's Biographies

董事及高級管理人員之資歷

EXECUTIVE DIRECTORS

Mr. CHENG K. K. (鄭國基), 52, is the Chairman of the Board of Directors.



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 Executive 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 Executive 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 Ching-ching, 59, is a
 Director since 2007. He has
 been a member of the Board of Directors of
 Kingboard Chemical Limited since 2007. He is
 currently the Chairman of the Board of Directors of
 Kingboard Chemical Limited. He is also the
 Chairman of the Board of Directors of Kingboard
 Chemical Limited.

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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 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 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 share to the shareholders. The Board has also recommended a final dividend of HK70 per share for the year ended 31 December 2007, which will be paid on 15 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 shares of 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 directors of the Group have taken the following actions:

In the year, the directors of the Company, the shareholders and the management of the Company have taken the following actions:

A 31 December 2007, the management of the Company has taken the following actions:

A 31 D m r 2007, h r s h s h
Dr h r s h h r s r h r
h ur s h C n s s h h s
(h h m , P r h S ur s Fu ur s
Or (SFO)), s h r s m h
C n ur s S 352 h SFO, h h r s
h C n Th S E h H K
Lm (h "S E h) ur s h M C h
S ur s Tr s s Dr h s L s l s r s r s
s s

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
張國榮先生	實益擁有人		
Mr. Chan K. (N/A)	實	791,000	0.09
陳永鋐先生(附註1)			

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. S.	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. S. 陳永鋸先生	B 實益擁有人 2,558,800
Mr. Cheung Y. S. 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。

Long position (continued)

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

Number of Directors	Number of Shares Held	Approximate Percentage of Issued Shares
董事姓名	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 King (張國榮先生)	934,500	0.03
Mr. Chan Yung King (N/A 1) (陳永鋹先生(附註1))	100,000	0.003
Mr. Chan Yung King (N/A 2) (鄭永耀先生(附註2))	100,000	0.003

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	Company	Number of shares held
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(f) *Share options of EEIC*

() *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 Koon	B	973,200
張國榮先生	實益擁有人	
Mr. Cheung K	B	973,200
陳永鋸先生	實益擁有人	
Mr. Cheung Y	B	973,200
鄭永耀先生	實益擁有人	
Mr. Mo Chaim Hu	B	973,200
莫湛雄先生	實益擁有人	

N. : Th r s s r h r v e r , 3,244,000
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 2005. Th u m r h r e s r y s u u s
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 Sh r . Th h r e s r r s h e a r
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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)



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	年公 胃瑀皋驚薨



Directors' Report 董事會報告

Next, the Chairman of the Hospital Authority, Mr. David Ho, said that the Hospital Authority would continue to work closely with the Government to ensure the smooth operation of the health care system. He also mentioned that the Hospital Authority would continue to invest in research and development to improve the quality of health care services.

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 during the year. The maximum sum of HK\$193 million is the

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 is determined by the Remuneration Committee of the Group, taking into account the

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

The Company has adopted a policy of cash bonus for each Director. The maximum bonus is 35% of the

PRE-EMPTIVE RIGHTS

The pre-emptive rights of the Company are set out in the Articles of Association. The Company has no pre-emptive rights in its

SUFFICIENCY OF PUBLIC FLOAT

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

POST BALANCE SHEET EVENT

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

Directors' Report 董事會報告

Arthur Cooper - 莫少聰 M. T. H. Tsim - 譚國輝 續聘德勤·
謝志強 Charlene Cheung - 陳美蘭 續聘
何國輝 Herman Ho - 何國輝 續聘
Michelle Chan - 陳美蘭 續聘

Oscar Ching 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。

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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。

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.



Corporate Governance Report 企業管治報告

Division and responsibilities

The Board of Directors is headed by the Chairman of the Board, Mr. Chan Shing-ling, who is also the Managing Director of the Hospital. The Board is responsible for the overall management of the Hospital.

The Board is divided into three main committees:

The Human Resources Committee is responsible for the recruitment, appointment, promotion, transfer, discipline, and dismissal of all staff of the Hospital.

The Finance Committee is responsible for the financial management of the Hospital.

The Board is also responsible for the overall management of the Hospital, including the appointment and dismissal of the Chairman and the Managing Director.

The Board is also responsible for the overall management of the Hospital, including the appointment and dismissal of the Chairman and the Managing Director.

The Managing Director is responsible for the day-to-day management of the Hospital.

分工及職責

本公司董事會由主席領導，其職務有別於本公司董事總經理。主席及董事總

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 s h C a n S r r, h s r u s
 y r h B a r r u r s r s r
 e e, h u s r u s r
 a n h. Th C a n S r r s h
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The level and make-up of remuneration and disclosure

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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	1,619,000
() 稅務服務	242,000
() 其他服務	

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u u s m s a 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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e E u r ä im m e
im s r e r s ä
m m m s r ur s e r s
ch s r e r im ch Gr W
m e ä gr h m m rr u h
r e s r s h B er e r ä
r r r .C r su s r e
h m m s h m r h h b u r e
h e rm h B er e h
ch 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

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m Au C nm , N an C nm
R mu r C nm , h h r r
e u r h B er
s h r u s h nm . E h
B er nm h s s e r rm s r r
s u h r s r ur s rr m s
h h r u h m h h B er .

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. (C. an. m. an. r. s. s. hr. m. m. r. s. h. r. r. 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. r. r. h. N. an. (C. an. m. , h. m. a. r. s. s. s. h. N. an. (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 ur r h su ur , s m s e
 e h B (r) m r am s e h
 B (r) h r r e u sm s h r
 m $\leftarrow r$;

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 also independent non-executive directors of the Group's A-share listed company, and one executive director.

Independent Auditor's Report

獨立核數師報告

TO THE SHAREHOLDERS OF



Independent Auditor's Report 獨立核數師報告

A u u e s r m r e u r s e u
u h m u s s u r s h e s
s m s Th r e u r s s h u a s
u m , u h s s s h r s s m r
m s m h e s s m s h h r
u r u i r r i l m h s r s s s s s
h u i e s r s r r r r h ' s
r r e r u r r s e h e s
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e r A u s e u s u h r r s s e
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h h u h e s
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u r r e h s e r s h G r u s 31
D m r 2007 e h G r u ' s r e h e s a
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a h h s u r r u r m s h H e K e
C m s Or .

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



Kingboard
Kingboard

Kingboard



Kingboard
Kingboard

Kingboard

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
Deferred tax expense	-	-
Depreciation of property, plant and equipment	1,000	1,000
Finance income	1,000	1,000
Finance expense	(1,000)	(1,000)
Change in provisions	(1,000)	(1,000)
Change in prepayments and receivables	(1,000)	(1,000)
Change in payables and other liabilities	(1,000)	(1,000)
Change in cash and bank balances	(1,000)	(1,000)
Change in other non-current assets and liabilities	(1,000)	(1,000)
Income tax expense	(1,000)	(1,000)
Net operating cash flows	2,418,891	6,155,331
Investing activities		
Purchase of property, plant and equipment	(1,000)	(1,000)
Disposal of property, plant and equipment	1,000	1,000
Acquisition of subsidiaries	(1,000)	(1,000)
Disposal of subsidiaries	1,000	1,000
Repayment of loans	(1,000)	(1,000)
Interest received	1,000	1,000
Dividend received from associates	1,000	1,000
Net investing cash flows	(1,000)	(1,000)
Financing activities		
Issue of shares	1,000	1,000
Redemption of shares	(1,000)	(1,000)
Borrowings	1,000	1,000
Repayment of borrowings	(1,000)	(1,000)
Net financing cash flows	1,000	1,000
Net change in cash and bank balances	1,418,891	5,155,331
Cash and bank balances at beginning of year	1,000	1,000
Cash and bank balances at end of year	2,418,891	6,155,331



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 available for sale		(616,905)	(350,271)
Disposal of property, plant and equipment			
Less: Depreciation		(993,168)	(265,430)
Acquisition of subsidiary		(335,712)	(121,852)
Prepaid lease payments		(784,506)	(106,071)
Acquisition of subsidiary	37	(324,468)	(69,747)
Cost of acquisition of subsidiary			
Less: Cash received from subsidiary		(449,728)	(66,078)
Purchase of convertible bonds		(108,000)	
Purchase of intangible assets		(245)	(907)
Net disposal of subsidiary equity			
Less: Disposal of subsidiary equity		-	4,985,909
Prepaid lease payments			
Less: Depreciation		6,543	
Prepaid lease payments			
Less: Depreciation		23	
Prepaid lease payments			
Less: Depreciation	J		





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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

The directors of the Group have approved the consolidated financial statements, which are set out on pages 63 to 70, in accordance with the Hong Kong Accounting Standards (HKASs), the Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Accounting Standards Council (the "Council") (the "HKICPA"), the Hong Kong Accounting Standards for Private Entities (the "HKASs for Private Entities") issued by the Council, and the Hong Kong Interpretations issued by the Council, and the Hong Kong Companies Ordinance (the "Companies Ordinance") in 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 Interim Financial Statements

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 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 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 calculated as the excess of the consideration transferred over the fair value of the identifiable intangible assets acquired. The fair value of the identifiable intangible assets acquired is determined by reference to the fair value of the net assets acquired, which is determined by reference to the fair value of the net assets of the acquired entity at the acquisition date.

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 acquired.

For acquisitions on or after 1 January 2001, goodwill is measured as the excess of the cost of acquisition over the fair value of the identifiable intangible 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 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 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



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 was determined on the basis of the fair value less costs to sell. The fair value of investment properties was determined by reference to the market value of similar properties in the same area, adjusted for differences in the properties' characteristics and location. The fair value of investment properties was determined by reference to the market value of similar properties in the same area, adjusted for differences in the properties' characteristics and location.

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 of the assets are as follows:

Buildings 25 years
Plant and machinery 5 years
Furniture and fixtures 5 years
Leasehold improvements 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歸





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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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

For the purpose of consolidation, the functional currency of the Group is the Hong Kong dollar ("HK\$"). The Group's financial statements are presented in Hong Kong dollars. The Group's financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Accountants ("HKICPA"). The Group's financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Accountants ("HKICPA").

The Group's financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Accountants ("HKICPA").

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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

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 calculated on the basis of the profits of the subsidiaries.

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

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



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. 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: (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 Group had financial assets at fair value through profit or loss, which were primarily equity securities. The Group's financial assets at fair value through profit or loss were primarily equity securities.

Loans and receivables

Loans and receivables are primarily loans to subsidiaries and other related entities. At the beginning of the year, the Group had loans and receivables of approximately HK\$1,000 million. The Group's loans and receivables were primarily loans to subsidiaries and other related entities. The Group's loans and receivables were primarily loans to subsidiaries and other related entities.

Available-for-sale financial assets

At the beginning of the year, the Group had available-for-sale financial assets of approximately HK\$1,000 million. The Group's available-for-sale financial assets were primarily equity securities.

At the beginning of the year, the Group had available-for-sale financial assets of approximately HK\$1,000 million. The Group's available-for-sale financial assets were primarily equity securities. The Group's available-for-sale financial assets were primarily equity securities.

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。

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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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Available-for-sale financial assets (continued)

For the year ended 31 December 2007, the Group's available-for-sale financial assets included equity securities and debt securities. The Group's available-for-sale financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's available-for-sale financial assets are classified as non-current assets. The Group's available-for-sale financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's available-for-sale financial assets are classified as non-current assets.

Impairment of financial assets

For the year ended 31 December 2007, the Group's financial assets are measured at fair value. The Group's financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's financial assets are classified as non-current assets. The Group's financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's financial assets are classified as non-current assets.

For the year ended 31 December 2007, the Group's financial assets are measured at fair value. The Group's financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's financial assets are classified as non-current assets. The Group's financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's financial assets are classified as non-current assets.

For the year ended 31 December 2007, the Group's financial assets are measured at fair value. The Group's financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's financial assets are classified as non-current assets. The Group's financial assets are measured at fair value, with changes in fair value recognized in other comprehensive income. The Group's financial assets are classified as non-current assets.

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)

地終蔣芊 韋 蔚 崔 徽 卓 高 繹 何 邵 徽 屈 衞 軌



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 a recognized asset or liability or an unrecognized commitment. The most common derivative instruments used by the Group are interest rate swaps, foreign exchange contracts, and commodity contracts. The Group uses derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments.

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 a recognized asset or liability or an unrecognized commitment. The most common derivative instruments used by the Group are interest rate swaps, foreign exchange contracts, and commodity contracts. The Group uses derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments.

The Group uses derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use derivative instruments to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments.

Embedded derivatives

Embedded derivatives are derivative instruments that are embedded within a non-derivative instrument. They are used to hedge the risk of changes in the fair value of a recognized asset or liability or an unrecognized commitment. The most common embedded derivatives used by the Group are interest rate swaps, foreign exchange contracts, and commodity contracts. The Group uses embedded derivatives to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use embedded derivatives to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments. The Group's policy is to use embedded derivatives to hedge the risk of changes in the fair value of its recognized assets and liabilities and its unrecognized commitments.

Hedge accounting

The Group uses hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements. The Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements. The Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements. The Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements.

At the end of the reporting period, the Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements. The Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements. The Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements. The Group's policy is to use hedge accounting to recognize the effects of its hedging activities in its consolidated financial statements.

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

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 rates (continued)

Sensitivity analysis

The sensitivity analysis shows that the change in the fair value of the financial instruments due to 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 change in the fair value of the financial instruments due to a 1% decrease in interest rates would result in an increase of HK\$18,277,000 in the consolidated profit or loss for the year ended 31 December 2007.

The sensitivity analysis shows that the change in the fair value of the financial instruments due to 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 change in the fair value of the financial instruments due to a 50 basis points decrease in interest rates would result in an increase of HK\$18,277,000 in the consolidated profit or loss for the year ended 31 December 2007.

(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

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	7,590,476	6,288,922
Sales of PCBs	7,601,201	6,649,997
Sales of chemical products	3,806,630	2,725,653
Others (Note 1)	1,026,805	1,108,776
	20,025,112	16,773,348

Note: Amount included in revenue is 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 is divided into four segments: copper clad boards, PCBs, chemical products and others. The Group's revenue is 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

資本增添

1,515,028

756,006

2,623,316

1,233,569

6,127,919

Depreciation and amortization

折舊及攤銷

492,876

440,737

178,045

58,705

1,170,363

Income from other receivables

就貿易及其他應收賬款

Recognition of impairment loss

確認之減值虧損

19,854

39,107

30,043

-

89,004

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 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)

Laminates	PCBs	Chemicals	Other Chemicals	Total
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, 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

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

T h r r h r e h r e h
e s e s

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Profit before income tax	3,717,184	7,596,154
Provision for income tax at the applicable rates of 33% (2006: 33%) (Note 3)		
Income tax expense	1,226,671	2,506,731
Income tax credit	34,029	60,506
Income tax payable		



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

16. DIVIDENDS





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
Increases	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
Transferred to other assets	轉撥自物業、廠房及設備	
Transferred to other assets (Note)	(附註)	68,137
Increases	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 Surveyors, Hong Kong.

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 Surveyors, Hong Kong. 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 Surveyors, Hong Kong. Messrs. B.I. Aarons & Co., Chartered Surveyors, Hong Kong, have been engaged by the Group to provide valuation services for the investment properties of the Group.

All the Group's investment properties are held for long-term capital appreciation and are measured at fair value less costs to sell.



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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

		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 impaired.

Franchise	N/A
Buildings	Other than the buildings
	Leasehold
	Freehold
Leasehold improvements	Other than the buildings
	10-20%
Plant and machinery	10-20%
Furniture, fixtures and equipment	10-33 1/3%
Motor vehicles	20%

20. PREPAID LEASE PAYMENTS

All prepaid lease payments are non-current assets.

	2007	2006
	二零零七年	二零零六年
	HK\$'000	HK\$'000
	千港元	千港元

All prepaid lease payments are non-current assets. 就報告分析如下：

Current assets

流動資產

28,029

9,513

Non-current assets

非流動資產

1,265,127

471,727

1,293,156

481,240



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
Acquired subsidiaries (Note 37)	收購附屬公司產生(見附註37)	48,621
Acquired subsidiaries' additional equity interests (Note 37)	收購附屬公司額外權益產生(附註)	9,544
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	1,717,519
Acquired subsidiaries (Note 37)	收購附屬公司產生(見附註37)	238
Acquired subsidiaries' additional equity interests (Note 37)	收購附屬公司額外權益產生(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 losses on goodwill		
As at 31 December 2006, the Group used the cash flow projections of the subsidiaries' operations to estimate the fair value of the identifiable intangible assets acquired. The cash flow projections are based on the management's estimates of the future cash flows of the subsidiaries' operations. The cash flow projections are based on the management's estimates of the future cash flows of the subsidiaries' operations. The cash flow projections are based on the management's estimates of the future cash flows of the subsidiaries' operations.		
As at 31 December 2007, the Group used the cash flow projections of the subsidiaries' operations to estimate the fair value of the identifiable intangible assets acquired. The cash flow projections are based on the management's estimates of the future cash flows of the subsidiaries' operations. The cash flow projections are based on the management's estimates of the future cash flows of the subsidiaries' operations. The cash flow projections are based on the management's estimates of the future cash flows of the subsidiaries' operations.		

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



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)

Dur h r 31 D m r 2007, h Gr u
r i s r e m s h G-Pr e
i s r i () 740,518,325 i r h r s e
G-Pr e, h h r r s 36.51% e h r
s i h r e G-Pr e, s r e e
r e m HK\$119,964,000 () hr - r
r e e e r e h r m e e
HK\$108,000,000. D s e h e r e r s
u N e 24.

Th Gr u s s ur 25% r s r 實友
 化工 揚州 有限公司 (s r (r m
 HK\$213,045,000 ur h r 31 D m r
 2007.

I , ur h r 31 D m r 2007,
T s r h ss i r s h u
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Gr u T s r h r n 25.04% 21.15%. Th Gr u
s s s e r h r s T s r h h
m r hu T s r h s s s
h Gr u h s u i s - it
s sm s s 31 D m r 2007. Th ss
s s m s s e r s h ss
m u e r m HK\$23,658,000 i h r
31 D m r 2007.

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，本金總額為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 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

Available-for-sale investments

	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
--	----------------------------------	----------------------------------

Available-for-sale investments	上市投資：	
Equity securities held in Hong Kong	- 於香港上市之股本證券	544,332
Debt securities held overseas	- 於海外上市之債務證券，固定年息	230,206
4.625%	4.62	



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

24. CONVERTIBLE BOND (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

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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

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 subject to withdrawal. These deposits are made for the purpose of investing in property, plant and equipment. The deposits are classified as non-current assets as they are not expected to be realized within the next 12 months. The deposits are classified as non-current assets as they are not expected to be realized within the next 12 months. The 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 而獲取	收購一間附屬公司	695,847		695,847
Exchange adjustments	匯兌調整	28,239		28,239
Acquisitions	添置		245	245
Disposals	出售		(6)	(6)



Kingboard
Kingboard

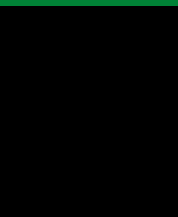
Kingboard

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)

Billion US dollars Group

2007 2006

US dollars million US dollars million

2007 2006

2007 2006

US dollars million US dollars million

2007 2006

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2007 2006

2007 2006

2007 2006

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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

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：

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
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。

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 30. 衍生金融工具(續)

(continued)

During the year ended 31 December 2006, the Group
used interest rate swap contracts to hedge the
interest rate risk of its HK dollar bank borrowings.
The interest rate swap contracts are entered into
with a bank. The interest rate swap contracts are
classified as derivative financial instruments.
The interest rate swap contracts are entered into
with a bank. The interest rate swap contracts are
classified as derivative financial instruments.

During the year ended 31 December 2006, the Group
used interest rate swap contracts to hedge the
interest rate risk of its HK dollar bank borrowings.
(N)h

In December 2006, the Group entered into
interest rate swap contracts to hedge the
interest rate risk of its HK dollar bank borrowings.
The interest rate swap contracts are entered into
with a bank. The interest rate swap contracts are
classified as derivative financial instruments.
The interest rate swap contracts are entered into
with a bank. The interest rate swap contracts are
classified as derivative financial instruments.
HK\$43,823,000 is the fair value of the interest rate
swap contracts at 31 December 2006.

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。因為對沖會計已經終止，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 main terms of the interest rate swaps 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 balance sheet date, the Group has entered into forward commodity contracts. The main terms of the contracts that have not yet matured are as follows:



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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

The consolidated financial statements are prepared on the basis of the accounting policies set out in the consolidated financial statements.

1EMC E5

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 2007 截至二零零七年十二月三十一日止年度

32. BANK BORROWINGS

概	玟達模閣茲茲舖多
	二零零

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	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认股权证之認購 權利(附註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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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 Share Option Scheme of EEIC was established for the purpose of providing incentives and rewards to employees of EEIC who have made significant contributions to the development of EEIC.

The 2002 Share Option Scheme of EEIC (the "Scheme") was established for the purpose of providing incentives and rewards to employees of EEIC who have made significant contributions to the development of EEIC.

The 2002 Share Option Scheme of EEIC was established for the purpose of providing incentives and rewards to employees of EEIC who have made significant contributions to the development of EEIC.

Principally, the share options granted under the Scheme are exercisable at the discretion of the Board of Directors of EEIC.

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 of the 2002 Scheme is 5 million shares. The maximum number of shares of EEIC 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)

The following table shows the movement of the number of shares under the EEIC's share option scheme during the year. The weighted average exercise price of the share options granted during the year was HK\$4.45. The weighted average exercise price of the share options outstanding at the end of the year was HK\$4.45.

The number of shares underlying the share options outstanding at the end of the year was 1,111,111 shares (2006: 1,111,111 shares). The total number of shares underlying the share options outstanding at the end of the year was 1,111,111 shares (2006: 1,111,111 shares).

(c) Employees' share option scheme of KLHL

The following table shows the movement of the number of shares under the KLHL's share option scheme during the year.



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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

() In April 2007, the Group acquired 51% equity interest in Jiangxi Hongfeng Plastic Co., Ltd. (the "Company") in Jiangxi Province, China. The acquisition was completed on 4 April 2007. The Group's investment in the Company is HK\$20,643,000. The Group's share of the Company's net assets is HK\$238,000.

The Group's share of the Company's net assets is HK\$238,000.

() In April 2007, the Group acquired 51% equity interest in Jiangxi Hongfeng Plastic Co., Ltd. (the "Company") in Jiangxi Province, China. The acquisition was completed on 4 April 2007. The Group's investment in the Company is HK\$20,643,000. The Group's share of the Company's net assets is HK\$238,000.

The Group's share of the Company's net assets is HK\$238,000.

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:

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

Minority interests

Goodwill

Total

Net cash and cash equivalents

Change in cash and cash equivalents

Balance

Net cash and cash equivalents

40,010

少數股東權益 (19,605)

收購所產生之商譽 238

以現金支付之總代價 20,643

收購產生之現金流出淨額：

已付現金代價 20,643

購入銀行結餘及現金 (363)

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 acquired 80% equity interest in
Smar Financial (H.K.) Limited, a company incorporated in Hong Kong.



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
Long-term leases	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 are as follows:

由本集團出租：

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

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	Issued and	Proportion of
	incorporation/ registration and operation	fully paid share capital/ registered capital	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

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. W. Lam (澳門) Commercial Offshore Limited	Macao 澳門	MOP100,000 澳門幣100,000元	74.77	72.50	Distribution of laminates Commercial Offshore 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

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 %	
Th Sh (F) Cr v s 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



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Kingboard



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 following subsidiaries are wholly owned by the Company, which, in turn, holds 100% of the equity interest in the following subsidiaries. The Company is the ultimate controlling party of the subsidiaries.

None of the subsidiaries are incorporated in Hong Kong.

42. RELATED PARTY TRANSACTIONS

The Group has entered into the following related party transactions:

	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 Group		486,661
Purchase of raw materials from a subsidiary of a minority shareholder of the Group		



Kingboard

Kingboard

Financial Summary 財務概要

Results

Year ended 31 December

截至十二月三十一日止年度



建滔化工集團

KINGBOARD CHEMICAL HOLDINGS LIMITED

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